QAD Enterprise Applications
Enterprise Edition

User Guide
QAD Financials

Introduction to QAD Financials
Setting Up Financial Foundations
Setting Up Multiple Currencies
Setting Up General Ledger
Setting Up Business Relations
General Ledger Transactions
Accounts Receivable
Customer Billing
Self-Billing
Accounts Payable
Evaluated Receipts Settlement
Banking and Cash Management
Budgeting
Consolidation
Financial Reports
Financial Report Writer

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Financials
Change Summary

The following table summarizes significant differences between this document and previous versions.

Date/Version	Description	Reference
March 2016/2016 EE	Removed all references to BLWI from the guide	--
	Miscellaneous minor changes	--
	Added links to training guides in QAD Document Library	page 19
	Added a note on COA restrictions	page 22
	Minor updates made to “Shared Set Merge”	page 26
	Updated the Analysis tab in GL Account Create	page 97
	Added a section on COA GL account and cost center restriction	page 139
	Updated the text on the use of correction periods	page 185
	Added billing schedule credit terms	page 251
	Updated the Payment tab fields in Customer Create to include new payment tolerance fields	page 275
	Minor updates made to “Journal Entry Auto Balancing”	page 331
	Minor updates made to “Open Item Adjustment”	page 383
	Added new section, Adjusting Zero-Value Invoices	page 393
	Added text to confirm that Allocation Batch Run Execute ignores zero value allocations	page 410
	Added list of functions where you can create manual cross-company postings	page 420
	Added Journal Entry Archive functionality section	page 434
	Added note on transferring the profit and loss to the balance sheet	page 453
	Edited list of columns and filters in GL Transactions View Extended	page 461
	Edited list of columns and filters in Trial Balance View	page 466
	Added a new section on Customer Invoice Reverse	page 494
	Updated Customer Payment Create fields	page 516
	Edited grid field description in Customer Payment Mass Change	page 523
	Added a new section on AR Prepayment Tax Reconciliation	page 526
	Made minor updates to the Processing Deductions section to indicate that you can now use Balance Sheet accounts in deduction categories	page 539
	Updated fields in Customer Activity Dashboard	page 569
	Added a note to “Billing Schedule Modify”	page 619
	Updated field and column descriptions in Supplier Invoice Create	page 648

Date/Version	Description	Reference
	Added a new section on Creating a Check Prepayment	page 716
	Added a new section on AP Prepayment Tax Reconciliation	page 734
	Added the Own Bank Currency field in Supplier Create	page 744
	Updated fields in Supplier Activity Dashboard	page 752
	Added fields and program updates to Payment Processing Configuration Maint	page 823
	Added the program Incoming Bank File Delete	page 843
	Added a note on generating cubes	page 971
	Added information on report column calculation formulas	page 994
	Added a section on FRW budget structures with detailed COA dimensions	page 1008
March 2015/2015 EE	Updated the Setting Up Domains section to reflect the new option to set withholding tax due at time of invoice creation using the WHT Due at field	page 34
	Added a note on inventory accounting control	page 148, page 445
	Added details on the Periodic Costing field to the Entity GL Period activities	page 188
	Updated section on GL Consistency Checks	page 198
	Updated section on Operational Allocation Codes	page 211
	Updated sections on reminder levels and reminder letters to improve clarity	page 279, page 577
	Updated the section on Mass Layer transfer for Periodic Costing	page 417
	Updated section on year-end closing	page 451
	Updated the Creating Customer Payments and Supplier Payment Selections sections to reflect the ability to search for payments in all entities, regardless of shared set, using the Include All Entities field	page 518, page 724
	Updated Customer Payment Selection View introduction	page 537
	Made minor updates to the field descriptions of the Reference and TC Invoice Amount fields in the Supplier Invoices section	page 643
	Added new note to section on Supplier Payment Selection Confirm	page 729
	Updated the section on processing incoming bank files	page 819
	Added Zero Posting Report to the section GL Closing Reports	page 923
	Updated the Financial Report Writer chapter with new and updated programs	page 953
	Miscellaneous minor changes	--
March 2014/2014 EE	Added details of the Set Per Entity button added to the Currency tab in GL Account Create	page 94
	Updated Journal Entry section to reflect use of journal entry template fields	page 320
	Added instructions on using the Search button in Journal Entry Verify and Journal Entry Approve	page 347
	Added a section on Journal Entry Template View	page 399
	Updated section on Journal Entry Cross-Company Excel Integration	page 424

Date/Version	Description	Reference
	Updated Customer Payments and Open Items section to include that it is possible to select customer invoice and credit note corrections for payment	page 521
	Added sections in Customer Aging Reports on the Customer Aging History Across Domains report and the Customer Aging By Bill History report.	page 585
	Added chapter on Customer Billing	page 613
	Updated the Payment Total and Discounts up to fields in Supplier Payment Selection Create	page 722
	Updated section on Supplier Payment Selection Confirm with the Browse Details button and updated batch processing documentation	page 729
	Added section on AP Bank Charges	page 737
	Added section on ERS invoice certification	page 785
	Added section on Report Cube Generate program	page 971
	Added detail of enhanced Report Tree Maintenance functionality	page 982
	Updated section of Financial Report Writer Report Tree Excel Integration	page 985
	Updated section on Report Column Group	page 990
	Updated section on Maintaining Report Masters	page 997
	Updated section on Financial Report Run with Check If Cube Is Up To Date and Check unposted Transaction fields	page 1000
	Miscellaneous minor changes	--
September 2013/2013.1 EE	Added Setting Up Multi-Entity Processing section	page 53
	Updated Defining the GL Calendar section to include multi-entity processing capability including the new Entity GL Period Lock by Daybook activity	page 183
	Added Daybook Masks section	page 190
	Added SEPA section to Payment Formats	page 258
	Updated Simulating Revaluation section to reflect multi-entity processing capability	page 378
	Miscellaneous minor changes	--
March 2013/2013 EE	Updated Domain section for credit term fields	page 34
	Updated Entity section for Y/E Close Auto Balance Check field on General tab	page 47
	Updated Entity section for Invoice Total Excludes Taxes fields on Tax tab	page 51
	Added Advanced Exchange Rates section	page 67
	Added Prepayment Credit Terms section	page 256
	Added Deduction Credit Terms section	page 256
	Updated Journal Entry Auto Balancing section	page 331
	Updated Mass Layer Transfer for Periodic Costing section	page 417
	Updated Defining Source and Mirror Daybooks section	page 447
	Added information on shipment certification	page 497
	Added Processing Deductions section	page 539

Date/Version	Description	Reference
	Updated Process Incoming Bank Files Function section for batch processing	page 826
	Updated Supplier Payment Selection Confirm section for batch processing	page 729
	Updated Supplier Payment Selection Unconfirm section for batch processing	page 732
	Updated Printing and Voiding Supplier Checks section	page 751
	Added sections to the Evaluated Receipts Settlement chapter on ERS and Purchase Order Returns for Legal Documents, ERS and Reversing Legal Documents, and Legal Documents for Logistics Charges	page 765
	Updated Process Flow for Legal Documents section with minor changes. Updated the flow diagram	page 780
	Updated Budgeting chapter for Financial Report Writer budgets	page 873
	Made miscellaneous minor updates to the Financial Reports chapter	page 913
	Added Financial Report Writer section	page 915
	Added Running the QRF Version of a Report section	page 934
	Added Customizing QRF Report section	page 936
	Moved Structured Reports section to the end of the chapter	page 944
	Updated Report Analysis Code section	page 975
	Updated Report Column Group section	page 990
	Updated Maintaining Report Masters section	page 997
	Added Financial Report Analysis section	page 1013
	Added Using Budgets in Financial Reports section	page 1003
September 2012/2012.1 EE	Minor updates made to the section on EDI advanced banking for accounts receivable	page 843
	New section added on EDI advanced banking for accounts payable	page 855
	Minor updates made to the chapter on Financial Report Writer	page 953
March 2012/2012 EE	Process map graphics removed from the guide because you can now link from the QAD EE application process maps to the QAD Document Library	--
	Updated field descriptions for Analysis tab in GL Account Create	page 97
	Added Invoice Certification field to Invoice Numbering tab of Domain record	page 40
	Added Suspended Date Type and Delayed Date Type fields to Taxes tab of Entity record	page 52
	Added description for new value in TC Revaluation in SC field of Currency tab in GL Account Create	page 95
	Added section on Journal Entry Auto Balancing	page 331
	Added section on Invoice Certification	page 496
	Updated Customer Payment Mass Change section to include new fields	page 523
	Updated Customer Payment Selection for new fields	page 533
	Added section on Customer Payment Selection Modify	page 537
	Added section on Customer Payment Selection View	page 537
	Added field description for Tax Excluded field in Supplier Invoice	page 643
	Added section on EDI Advanced Banking for Accounts Receivable	page 843

Date/Version	Description	Reference
	Added chapter on Financial Report Writer	page 953
September 2011/2011.1 EE	Rebranded for QAD 2011.1 EE	--
	Parts 1 and 2 consolidated into single book	
	Updated section on purchase gain and loss accounts to state that the account must be a standard account	page 78
	Added new section on Grouping Payment Attribute	page 263
	Updated field description for the Link to Invoice field in Supplier Invoice Create	page 644
	Updated the note regarding the Transferred payment status	page 718

Chapter 1

Introduction to QAD Financials

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

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

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

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

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

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

The following topics introduce QAD Financials.

User Interface Features ***3***
Provides an overview of the .NET UI features.

Business Model ***4***
Introduces the Financials business model.

Multiple Currencies ***7***
Provides an overview of how multiple currencies are handled.

General Ledger ***7***
Introduces the Financial General Ledger features and functions.

Accounts Receivable 11
Introduces the accounting processes related to customer invoices and payments.

Accounts Payable 12
Introduces the accounting processes related to supplier invoices and payments.

Evaluated Receipts Settlement 13
Summarizes the Evaluated Receipts Settlement accounts payable feature.

Banking and Cash Management 13
Introduces the main concepts in banking and cash management.

Budgeting 14
Summarizes the main features of budgeting.

Financial Reporting 14
Provides an overview of the Financials reporting framework.

Internationalization 16
Describes how Financials supports international accounting requirements.

Related Training Material 19
Provides links to training guides in QAD Document Library.

User Interface Features

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

Workflow. Workflow is a built-in automated approval process that can be applied to any record or document created in the system. It uses an Inbox feature and e-mail to notify users of actions they must take. For more information, see *Introduction to QAD Enterprise Applications User Guide*.

Customization. Built-in customization tools enable customization of the interface to specific organizational and user requirements. You can also use user-defined fields for capturing information. The system automatically includes these fields in browses.

When customizing Financials and integrating with Financials, you can refer to the QAD Financials API documentation for information on activities, queries, and methods for components.

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

The API documentation represents the documented class model for the application business layer, and is written by QAD developers. The API documentation is described in detail in the *Best Practices for Customization* training course.

For more information on customization, see *QAD System Administration User Guide*. You can also define user-defined business components to customize both the user interface and the application back-end.

Microsoft Office Integration. The QAD .NET UI lets you export and import financial data to and from Microsoft Office applications, such as Microsoft Excel. You can also associate Microsoft Word documents or PDFs with any record in the system. This lets you, for example, associate an invoice document with the online record of the invoice. For details on document linking and Excel integration, see *Introduction to QAD Enterprise Applications User Guide*.

Descriptions Stored in Multiple Languages. In component-based functions, most record description fields can be stored and viewed in multiple languages using a translation option available on the UI. These translations are available in some of the financial reports. See *Introduction to QAD Enterprise Applications User Guide* for details.

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

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

Business Model

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

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

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

Chapter 2, “Setting Up Financial Foundations,” on page 21 describes in detail how you set up these foundational elements.

Domains

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

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

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

See “Setting Up Domains” on page 28 for details.

Entities

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

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

For more information on entities, see “Setting Up Entities” on page 45.

Shared Sets

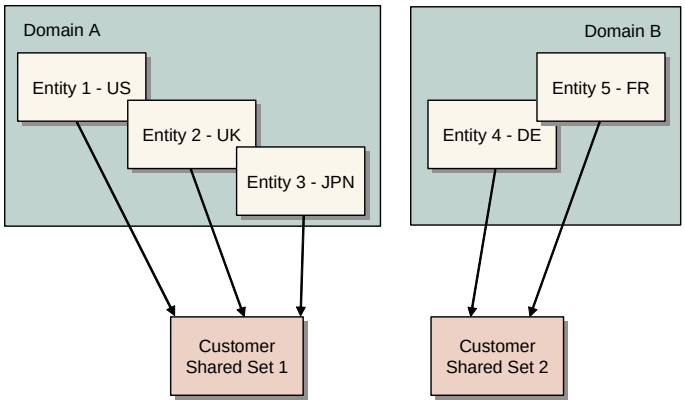
Shared sets group data that can be shared among domains, so that a domain can have an independent chart of accounts or several domains can share the same chart of accounts, streamlining setup and maintenance.

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

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

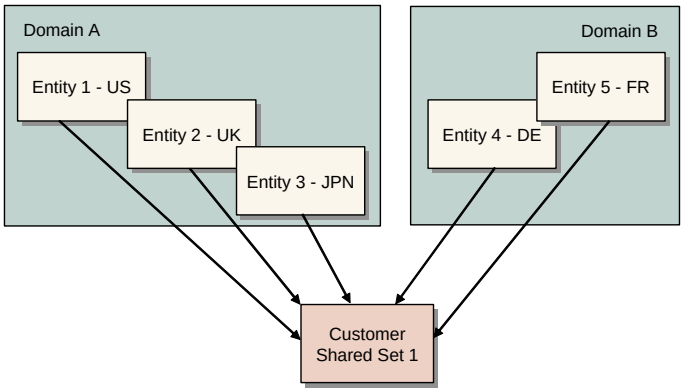
Shared sets support great flexibility in how you set up a system. For example, when domains represent businesses that sell to completely different customers, each can use its own customer shared set.

Fig. 1.1
Multiple Domains and Multiple Shared Sets



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

Fig. 1.2
Multiple Domains and Single Shared Set



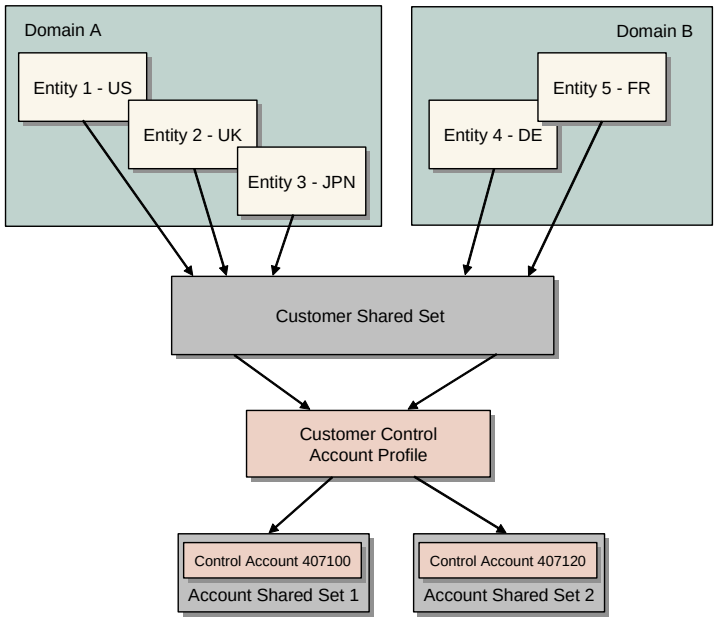
For more information, see “Setting Up Shared Set Codes” on page 24.

Profiles

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

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

Fig. 1.3
Shared Sets and Profiles



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

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

For more information on profiles, see “Setting Up Profiles” on page 42.

Business Relations

Business relations contain location and contact information for all addresses defined in the system. They also contain tax details that are directly referenced or used as defaults for customers and suppliers.

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

Note System Maintain (36.24.3.1) contains a field that lets you activate the ability to define business relations at the domain level. For more information, see *QAD System Administration User Guide*.

See Chapter 5, “Setting Up Business Relations,” on page 223 for details.

Multiple Currencies

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

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

Various rounding methods can be defined and specified for each currency.

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

The need for a statutory currency is most likely to arise in a country that is geographically close to a strong currency zone (for example, Mexico and Poland), where the country itself has another local currency. Companies operating in countries close to strong currency zones, such as the Euro and US Dollars, might use the stronger currency as their base currency. However, local auditors and tax controllers can mandate that companies submit their declarations and financial reports in the local currency of the country.

Exchange differences are automatically calculated under all circumstances. Monetary assets and liability accounts that accept foreign currency transactions can be revalued using a Revaluation function in the general ledger; for example, a single customer control account can accept postings in many currencies. Separate revaluation postings are created for each currency in which transactions have been made. For customer and supplier revaluation, the revaluation is entered in separate accounts and automatically reversed in the next period. Financials also lets you simulate what-if revaluation scenarios.

Normally, for foreign currency transactions, the system uses the exchange rate that is valid on the posting date. However, in certain countries, currency conversions for supplier invoices must be based on the invoice date. In addition, you must record the tax amounts on customer invoices in the local currency and convert them using the exchange rate valid at the tax point date. To facilitate these requirements, you can specify at entity level which date the system must use to retrieve the exchange rate for accounts receivable transactions and for accounts payable transactions.

For more information on multiple currencies and exchange rates, see Chapter 3, “Setting Up Multiple Currencies,” on page 57.

General Ledger

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

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

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

Cost Center. You can refine account and sub-account information further by defining cost centers. For example, a cost center can be a profit center or department within the account or sub-account.

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

The combinations of COA elements that are considered valid are defined through a *COA mask*. These combinations are validated when transactions are posted, preventing any errors. Every COA element type has a separate COA mask maintenance function:

- Sub-Account Mask Create (25.3.9.1.1)

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

- Cost Center Mask Create (25.3.9.2.1)

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

- Project Mask Create (25.3.9.3.1)

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

For more information on COA masks, see “COA Masks” on page 127.

Supplementary Analysis Fields

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

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

For more information on SAFs, see “Supplementary Analysis Fields” on page 143.

Intercompany

GL accounts can be created as intercompany accounts, which means that each transaction on the accounts is associated with an intercompany business relation. This lets you retain the balances of intercompany positions.

Intercompany business relations can be customers or suppliers, or other entities in the system. If you create GL transactions between different entities or domains, the system automatically creates postings to special cross-company control intercompany accounts to keep the inter-entity postings balances.

Daybooks and Accounting Layers

Accounting layers provide different ways of segregating transactions within a single GL account to satisfy reporting requirements. The posting of transactions is controlled by associating daybook types with one of the three system-defined accounting layers: official, management, and transient, or with additional user defined layers. Transient layers can be used for simulation and approval processes; management layers can be used for multi-GAAP valuation of balances, such as comparisons between IFRS and local GAAPs. For more information on accounting layers, see “Accounting Layers” on page 161.

All transaction posting lines are recorded in *daybooks* (journals) for ease of summarization. Daybooks control the posting of transactions because each daybook must be linked to an accounting layer. A wide range of daybook types supports different transactions.

Daybooks also provide a controlled mechanism for having several different transaction numbering sequences. The numbering system prevents fraud, since each daybook produces its own integral numbering sequence. Daybooks are grouped in sets, which are linked to customers and suppliers to determine which daybook to use for specific invoices. The number of daybooks required in a set is determined by whether you use correction transactions. See “Defining Daybook Sets” on page 175.

Other GL Features

Other features of the general ledger include:

GL Calendars. Calenders are defined at the domain level and apply to each entity within a domain. Accounting periods can be set between any start and end date and can be copied from previous accounting years. At the entity level, you can modify period attributes, as well as lock periods to transactions from different operational areas and in the GL. For more information on GL periods, see “Defining the GL Calendar” on page 183.

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

General Ledger Transactions

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

- Transactions from other operational areas such as inventory movements, sales order shipments, and purchase order receipts
- Transactions created in financial functions, such as supplier invoices, bank and cash transactions, journal entries, open item adjustments, and AR and AP payments

You can use the general ledger to create journal entries, create recurring entries, reverse transactions manually and automatically, and perform currency revaluation. If you plan to record the same journal entry on a regular basis, posting templates let you save the posting details for reuse. Templates are typically used with recurring entries, when the template is posted at recurring intervals according to the related calendar. However, you can use templates for any type of repetitive posting.

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

You can also allocate costs from a central cost pool and distribute the costs across departments based on identified cost drivers.

You can reconcile the outstanding balance of a GL open item account with the underlying transaction detail using GL Open Item Reconciliation (25.15.2.13).

General Ledger manages intercompany and cross-company accounting and balances transactions between entities in the same domain.

Mirror accounting provides support for the reflection of inventory transactions in the income statement, and is often used in environments where the periodic method of inventory accounting is used.

Monthly closing and reporting processes provide a broad range of reports with which to check the completeness and consistency of data before proceeding with formal reporting.

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

The system also provides the ability to drill down on a GL transaction, and retrieve the detail relating to the source of the transaction. For example, when drilling down on a GL transaction for a customer invoice or supplier invoice, you can right-click in the GL Transactions View (25.15.2.1) and select Customer Invoice View (27.1.1.3). This option opens a separate Customer Invoice View window that displays the specific invoice you selected. The option to view the source detail is also available for supplier invoices, customer and supplier payments, recurring entries, allocations, revaluations, open item adjustments, receiver matchings, petty cash, and banking entry transactions.

When drilling down on a GL transaction for an associated operational Inventory Control (IC) transaction, you can right-click and select the View Inventory Transactions Detail Inquiry to displays details on the original inventory transaction. Similarly, when drilling down on a GL transaction for an associated operational work order transaction, you can right-click and select the View Operational Transactions Detail Inquiry to display details on the original work order transaction.

See Chapter 6, “General Ledger Transactions,” on page 311.

GL Consolidation

GL consolidation lets you combine the financial records for two or more entities within a single database into one consolidated set of financial statements. Proportional consolidation lets you consolidate partly-owned subsidiaries based on the percentage of the subsidiary owned by the parent entity. You can perform multiple consolidations within the same organization.

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

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

Currency conversion is processed automatically based on exchange rate rules defined for each account. You cannot include cross-company or intercompany transactions in a consolidation, and these transactions should be eliminated before consolidation. You can use the COA cross reference functions to process some eliminations, but typically, other elimination activities can also be required.

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

See Chapter 14, “Consolidation,” on page 897.

COA Cross Reference

The COA Cross Reference function lets you to map GL accounts, sub-accounts, cost centers, and projects in source entities to GL combinations in consolidation entities. In addition, you can also use COA Cross Reference Create (25.3.14.1) to define mappings from GL combinations to alternate COAs. The alternate COA mappings can be used to group and report data in statutory reports.

See “COA Cross-References” on page 119.

Accounts Receivable

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

Most customer invoices are generated from sales transactions in the Sales Orders/Invoices module. When customer invoices are created from confirmed shipments or deliveries, the system creates customer invoices using Invoice Post and Print. You then process the invoice using the AR functions. You collect receivables by tracking customer activity and identifying and resolving overdue invoices. The sales invoices and the payments received against them are recorded in the Accounts Receivable ledger.

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

Direct debits and electronic drafts can be automatically formatted in electronic files based on bank requirements.

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

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

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

Payment history supports a complete trail of all related transactions.

The Customer Activity Dashboard (27.18.1) displays a read-only overview of customer liabilities for the current entity or multiple entities. The information includes the customer's credit limit details and separate invoice and payment details; it can be generated for specified periods.

The Customer Self-Billing function lets you process customer-initiated payments based on line-item shipper details. Use self-billing functions to match the customer remittances against the original invoices, and create an open item for the amounts, which you can then process using standard Financials payment functions.

You can also process deductions in Accounts Receivable. Deductions occur when a customer pays less than the amount owed. You can create two types of deductions in Financials: standard deductions and promotional deductions. Standard deductions are processed entirely in the Financials module.

The Customer Billing functionality enables you to consolidate multiple invoices into one bill for customer payment. The bill document is an invitation to pay and its credit terms override those of the originating invoices. The original invoices remain open; the billing document is not a replacement AR. However, the billing document is to be paid as a single payment with a single payment reference.

See Chapter 7, "Accounts Receivable," on page 473, Chapter 8, "Self-Billing," on page 591, and Chapter 9, "Customer Billing," on page 613.

Accounts Payable

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

The system manages payments in the form of checks, drafts, promissory notes, transfers, electronic transfers, and summary statements. Electronic transfers can be automatically formatted based on bank requirements.

Invoice status codes let you manage the stages of invoice processing, and are primarily used with suppliers. Using invoice status codes you can manage the approval, allocation status, and payment of invoices for suppliers, and identify contested invoices. You approve supplier invoices and release them for payment by modifying the invoice status code applied to the invoice. You can also control when and how postings occur by specifying an invoice status code with a different allocation status.

A flexible approval process supports simple or complex segregation of roles in the generation of payments. After recording the payment, you manage it through various statuses.

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

The Supplier Activity Dashboard (28.18.1) offers a comprehensive overview of all activity related to a single supplier, in a single entity or over multiple entities. The drill-down generates read-only information that includes invoices, credit notes, and payments. You can select open or closed payments and display individual payment details, as well as total amounts for each selection you make. You can filter by currency.

See Chapter 10, “Accounts Payable,” on page 631.

Evaluated Receipts Settlement

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

You can use the ERS Processor program to generate supplier invoices and receiver matching for purchase orders, scheduled orders, blanket orders, and pending invoices generated due to supplier consignment inventory consumption. If fiscal receiving is selected in Purchasing Control (5.24), you can create supplier invoices and receiver matching for fiscal receipts.

ERS can process receipts across multiple entities and sites within a domain, where the entity that recorded the purchase order and incurred the AP liability is different from the receiving entity. In this case, ERS automatically creates cross-company postings.

See Chapter 11, “Evaluated Receipts Settlement,” on page 765.

Banking and Cash Management

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

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

The import of bank statements is automated. Automation also includes customer invoice collection, supplier payment processing, and allocation of miscellaneous banking transactions. The module supports a large variety of global banking standards.

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

Banking supports full coverage on the following transaction types:

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

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

See Chapter 12, “Banking and Cash Management,” on page 789.

Budgeting

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

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

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

Within the same period and budget structure, multiple versions of a budget can be created and reported against.

See Chapter 13, “Budgeting,” on page 873.

Financial Reporting

QAD Financials includes an extensive set of reports and reporting options that let you analyze general ledger transactions, supplier and customer details and activity, banking and cash transactions, and other specialized areas.

QAD Enterprise Applications includes two types of reports: reports that present the report output using the QAD Reporting Framework (QRF), which is the current report development standard, and reports that are presented using Crystal Reports. QRF is the preferred standard for Financials and, to that end, QAD is involved in a continuing process to convert the remaining Financials Crystal Reports to QRF.

The extensive reporting features in QAD Financials, together with configurable browses and views that are easily exported to Excel, cover all business requirements and provide maximum flexibility and operational efficiency for users.

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

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

Multiple Currencies. Most reports have a Reporting Currency option, which lets you print the amounts in any currency. The system translates the base currency amounts automatically to the specified currency using the latest spot rate. If you select the statutory currency as the reporting currency, the base currency values are translated to the statutory currency using the statutory exchange rate that was valid on the transaction date.

Many reports also contain the original transaction currency amounts; for example, the foreign currency amounts for customer and supplier transactions.

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

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

- Customize QRF report settings, create new report filters, or add user-defined fields to the report output.
- Customize reports developed using Crystal Reports to add or remove report filter criteria, assign default values, and save custom report variants by user, role, or system-wide.
- Define scheduling and e-mailing options for reports that enable saved reports to be printed in iterations, and e-mailed to system users and roles.

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

Regional settings. You can use the Language setting in the Report Options window of Crystal Reports to select the language used for report labels and data descriptions, regardless of the language you are using. The system managers other regional settings such as the decimal point, number of decimals, and the date format.

See Chapter 15, “Financial Reports,” on page 913.

Financial Report Writer

Financial Report Writer is a group reporting solution that combines the existing Financials reporting functionality into a single user experience. It includes multi-entity and multi-domain reporting that lets you map charts of accounts and approximates consolidation results.

Financial Report Writer aggregates financial statements that are built on:

- A common chart of accounts (COA) including all dimensions available in Financials such as domain, entity, layer, GL account, sub-account, cost center, project, SAFs, intercompany, and currency
- A common currency—the presentation currency
- A common calendar

Financial Report Writer presents the financial data in a hierarchy, which can include multiple GAAP views.

See Chapter 16, “Financial Report Writer,” on page 953.

Internationalization

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

- Exporting bank transactions in country-specific formats
- Advanced GL numbering
- Specialized Chinese accounting practices
- International tax management using the Global Tax Management module—including suspended and delayed taxes, discounted tax at invoice, and discounted tax at payment
- Journal Entry Corrections
- Multiple Currencies

  See “Multiple Currencies” on page 7 for information.
- Multi-language support
- Unicode and UTF-8 code page
- Alternate Chart of Accounts

Bank Formats

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

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

In addition, multiple paper payment formats are supported for payment instruments, such as checks and drafts.

Journal Entries Corrections

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

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

Advanced GL Numbering

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

- Some countries—China, for example—require consecutive transaction numbers on financial statements. The standard internal GL numbering system uses the following method:

  Year + Daybook code + 9-digit sequential number

  This method does not generate consecutive numbers for GL postings.

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

Numbering options provided to meet these needs include:

- A second consecutive numbering sequence is available for GL posting. When organizations use this option, a separate number is stored against the transactions, in addition to the standard invoice document numbering system of year, daybook, and voucher. You can share the numbering sequence with another entity. You can also reset the numbering sequence on a yearly basis.

Specialized Chinese Accounting Practices

Several features accommodate accounting rules that commonly apply in China.

- The Golden Tax system is required by the Chinese government to process and print value-added tax (VAT) invoices. Every Chinese company needs to print VAT invoices using the Golden Tax system. For information on Golden Tax, see *QAD Global Tax Management User Guide*.
- Chinese financial regulations require all GL transactions to be verified as well as approved. The system supports verification and approval processes and printing transactions that include the names of the creator, verifier, and approver. See “Verifying and Approving Transactions” on page 347.
- In China, it is necessary to provide various financial reporting statements in standard formats. All required reporting requirements are fully supported with region-specific reports.
- The China Accounting Interface exports accounting data into text files that meet regulatory requirements. See “Exporting Accounting Data” on page 458.
- In the Journal Entry activities, you can specify the original GL posting on which the reversal posting or the replacement posting you are creating is based.
- Reports show relationships among original GL postings, reversal GL postings, and replacement GL postings.
- When you create a reversal GL posting, you can choose whether to enter negative amounts on the same DR/CR side against the original GL posting lines or to enter positive amounts on the opposite DR/CR side.
- You can create Chinese balance sheets and income statements using the Regional Balance Sheet report (25.15.5.8) and Regional Income Statement report (25.15.5.9), and print the outputs based on a multi-level alternate COA structure. See “Structured Reports” on page 944.

Unicode and UTF-8 Code Page

A single QAD database can be set up with multiple domains, each with a distinct language. With a Unicode database, languages with different code pages can be supported in the same database. Defining a Unicode database is an installation option described in the relevant installation guide for your system.

Unicode is a data storage and display protocol—essentially a combination of a code page and collation table. The QAD Unicode database uses the UTF-8 code page, which includes all characters from all languages; the collation table sets the sort order for those characters for display or reporting.

For further information on Unicode and the UTF-8 code page, see *QAD System Administration User Guide*.

Multiple Languages

Multi-language capabilities are used in two areas:

- Screens and screen elements, such as labels and messages, are displayed in multiple languages.
- Data is stored and displayed in multiple languages.

Each QAD Financials user is assigned a language and, based on this language setting, the system displays screen labels, menus, messages, and help in the appropriate language.

For further information on multiple languages, see *QAD System Administration User Guide*.

Alternate Chart of Accounts (COA)

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

The Alternate COA function provides the ability to generate reports using alternate COAs, in addition to a company's operational COA. However, alternate COAs can be used for reporting purposes only—you cannot post transactions to alternate accounts. Currently, only Chinese accounting regional reports have the option to use an alternate COA.

In order to link alternate accounts to their corresponding operational GL accounts, you create a COA cross-reference from within the alternate COA structure, or directly in COA Cross Reference Create (25.3.14.1).

See "Alternate Chart of Accounts" on page 113.

Related Training Material

See the following training guides:

- *QAD Financials Overview Training Guide*
- *QAD Financials Fundamentals Training Guide*
- *QAD Financials – Advanced Training Guide*

Chapter 2

Setting Up Financial Foundations

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

Introduction 22
Introduces the Financial structure of your QAD application.

Data Levels 22
Describes the various levels of data in QAD Financials.

Setting Up Shared Set Codes 24
Define codes that identify financial data to share across domains.

Setting Up Domains 28
Configure business domains—fundamental building blocks in your system setup.

Setting Up Profiles 42
Identify the relationships between records in shared sets of different types.

Setting Up Entities 45
Use the Entity activities to define independent financial units within your business.

Setting Up Multi-Entity Processing 53
Create entity groups to manage GL period end tasks.

Default System Domain Data 55
Lists data that is copied when a new domain is created.

Introduction

This chapter describes how to set up the Financial structure of your QAD application, including domains, shared sets, entities, and profiles. When you have completed this setup, you can continue with other Financial setup functions. To fully implement an operational system, you must also refer to *QAD System Administration User Guide*, which describes additional aspects of the system.

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

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

The core elements of the business model include the following:

- The *database* contains all of your business-critical data in a secure format. A database can have one or more distinct logical partitions, called domains. Some data is defined at the database level and is available throughout the system, including currencies, countries, languages, business relations, addresses, and contact data.
- A *domain* represents one or more of your business operations. Each domain can share data with some other domains, share data with all domains, or have its own chart of accounts, exchange rates, customers, and suppliers. Domains can have different base currencies, statutory currencies, languages, and security, as well as different operational controls. See “Setting Up Domains” on page 28.
- *Shared set codes* identify data that can be shared among domains, so that a domain can have an independent chart of accounts or several domains can share the same chart of accounts, streamlining setup and maintenance. See “Setting Up Shared Set Codes” on page 24.
- An *entity* within a domain represents an independent unit for financial and tax planning and reporting. An entity can represent a separate legal unit or a division of a legal entity.

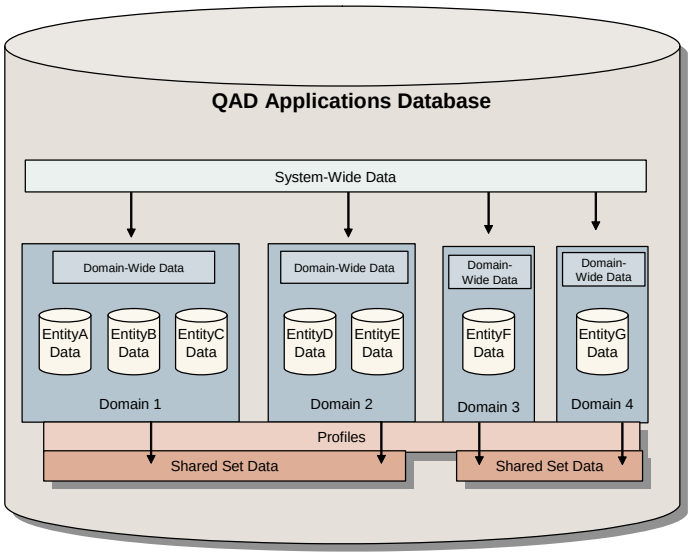
  Security can be set up by entity, accounting transaction numbering is by entity, and period closing procedures are by entity.

  See “Setting Up Entities” on page 45.
- Use *profiles* to build relationships between shared sets in a multiple-domain or multi-entity environment. Profiles help to manage the specific assignment of accounts and daybooks. See “Setting Up Profiles” on page 42.

Data Levels

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

Fig. 2.1
Data Model



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

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

Most financial transaction data is not stored by domain but by entity; the association with a domain is defined when the entity is set up.

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

- System-wide data is shared by all domains and entities and includes:
  - Business relations and address-related data such as address types, corporate groups, currencies, rounding methods, languages, counties, states, and countries. Also included is address-related tax data such as tax zones, tax environments, tax classes, tax usage codes, and tax types.
  - Financial data, such as shared set codes, credit terms, invoice statuses, profiles, and Supplementary Analysis Fields (SAFs).
  - Security data such as users and roles.
  - Administrative data such as e-mail definitions and printers.
  - Some EDI eCommerce setup data.
  - User interface information such as labels, menus, messages, and look-up definitions.
- Most operational data is domain-specific. This includes the setup for items, as well as most purchasing, sales, and manufacturing functions. Some financial data is also domain-specific, such as GL masks—which determine valid combinations of accounts, sub-accounts, cost centers, and projects—and accounting periods.

- Although business relations are generally shared system wide, you can create business relations that are owned by a domain and that can only be accessed from within that domain.
- Entity-specific data belongs to a particular entity within a particular domain, and includes employees, bank account numbers, period closing status, and accounting transactions (general ledger and sub-ledger transactions and balances).

  In Financials, the transaction numbering is per entity. There are exceptions where entities can share numbering; for example, additional GL numbering. See “Additional GL Numbering Tab” on page 49.
- Some data can be shared among two or more domains. All the entities within a domain must use the same shared data, but entities in other domains can use this data as well. The data types included in shared sets are GL account components (accounts, sub-accounts, cost centers, and projects), customers, suppliers, daybook codes, and exchange rates.

  Note You can also restrict access to GL accounts and cost centers within a shared set. For more details, see “COA GL Account Restriction” on page 139.
- Profiles link specific data items in shared sets to other elements within domains.

Generalized Codes Example

When you install a new QAD database, a number of system and reference fields accept any kind of data, as long as it does not exceed the field length. You can customize the user interface by adding generalized codes and lookups.

Generalized codes are domain specific. Since domains can represent businesses in diverse geographical and political locations, these codes may vary widely.

For example, sales distribution channels and buyer/planner codes could differ between a domain representing a business in England and one in Germany, even though they are in the same database.

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

For detailed information on generalized codes, see *QAD System Administration User Guide*.

Setting Up Shared Set Codes

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

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

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

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

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

Table 2.1
Sample Shared Sets

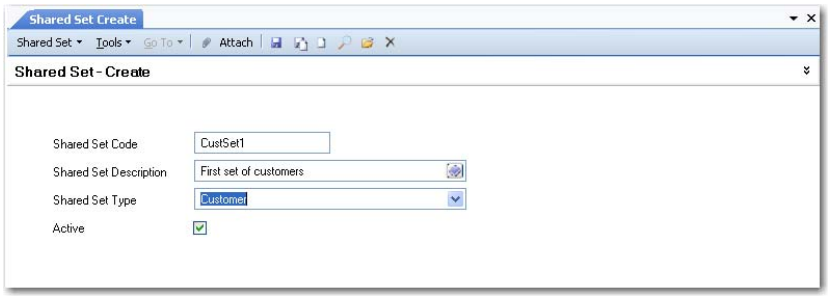
Shared Set Type	North America Domain	European Union Domain
Customer	AllCustomers	AllCustomers
Supplier	AllSuppliers	AllSuppliers
Account	NA_Accounts	EU_Accounts
Sub-Account	NA_SubAccounts	EU_SubAccounts
Sub-Account COA Mask	NA_SubAccounts_CM	EU_SubAccounts_CM
Cost Center	NA_CCs	EU_CCs
Cost Center COA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

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

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

In a multiple domain environment, use profiles to build relationships between shared sets (36.1.1.3). For example, the customer account profile links the customer shared set with the accounts shared set and identifies which Customer Control account to use in a particular domain at invoice registration. See "Setting Up Profiles" on page 42 for details.

Fig. 2.2
Shared Set Create



Field Descriptions

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

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

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

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

Active. Indicate if this is an active record.

COA Mask Shared Sets

A COA mask is a matrix that defines the combinations of GL accounts, sub-accounts, cost centers, and projects to which you can post transactions. The system contains three COA mask shared sets, which are used to share COA masks among domains.

- Sub-Account COA Mask
- Cost Center COA Mask
- Project COA Mask

Unlike normal shared sets, you can modify the COA mask shared sets at any time.

Shared Set Merge

Use Shared Set Merge (36.25.91) when you want to unify separate shared sets in domains. The function replaces the records in one shared set (the source) with those of another shared set (the target) so that you only need to maintain one shared set instead of two.

Before using Shared Set Merge, carefully consider the domains and shared sets in your system, and plan which sets you want to merge.

You can run Shared Set Merge in two modes: Validation and Merge. Validation mode compares the target and source shared sets you have specified and reports on conflicts; no actual merging is performed. You must rectify the conflicts and rerun Shared Set Merge until no conflicts exist before you run the program in Merge mode.

Note For all shared set types except exchange rates, the validation requires that all records in the source shared set exist in the target shared set before you can run the merge. This validation does not apply to shared sets of type Exchange Rate because historic exchange rates can exist in the source shared set that are not needed in the target shared set. When merging shared sets of type Exchange Rate, records in the source shared set that do not have a corresponding record in the target shared set are deleted and will not be part of either the source or target shared sets after the merge. Consider using Exchange Rate Excel Integration (26.4.6) in addition to Shared Set Merge for shared set types of Exchange Rate.

When run in Merge mode, Shared Set Merge:

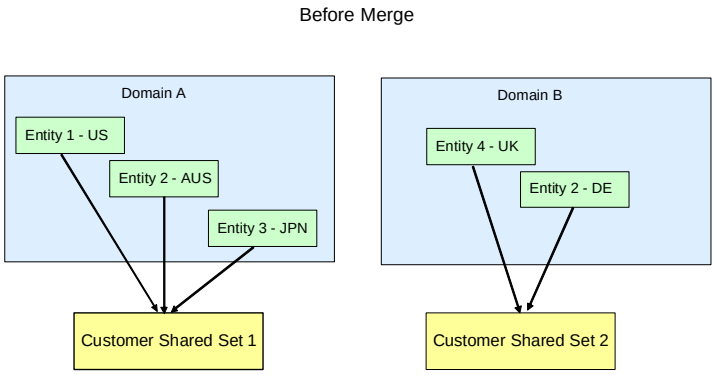
- Replaces all instances of the source shared set ID with the target shared set ID.
- Changes any non-validated field values in the target shared set to the values for the same fields the source shared set if there is a discrepancy.
- Merges profile code objects if identical, and if not, uses the source shared set values.
- Converts transaction history, as appropriate.

If you run Shared Set Merge in Merge mode and the program finds errors, it stops the merge and reports the errors. The merge cannot continue until all errors are rectified.

Example

A company has two domains: one for the US and Asia-Pacific (Domain A), and another for Europe (Domain B). Each domain uses a separate customer shared set.

Fig. 2.3
Shared Sets, Before Merge



After resolving all errors found in Validation mode, the company runs Shared Set Merge in Merge mode for Customer Shared Set 1 and Customer Shared Set 2. In this case, Customer Shared Set 2 is the source and Customer Shared Set 1 is the target. All references to Customer Shared Set 2 in Domain B are deleted and replaced by references to Customer Shared Set 1.

Fig. 2.4
Shared Sets, After Merge

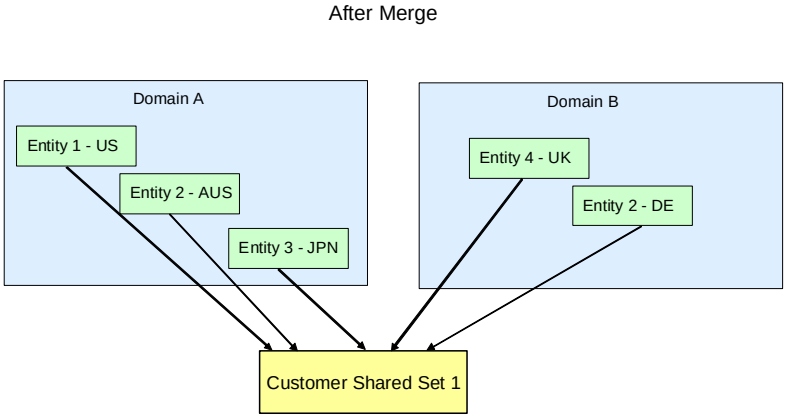
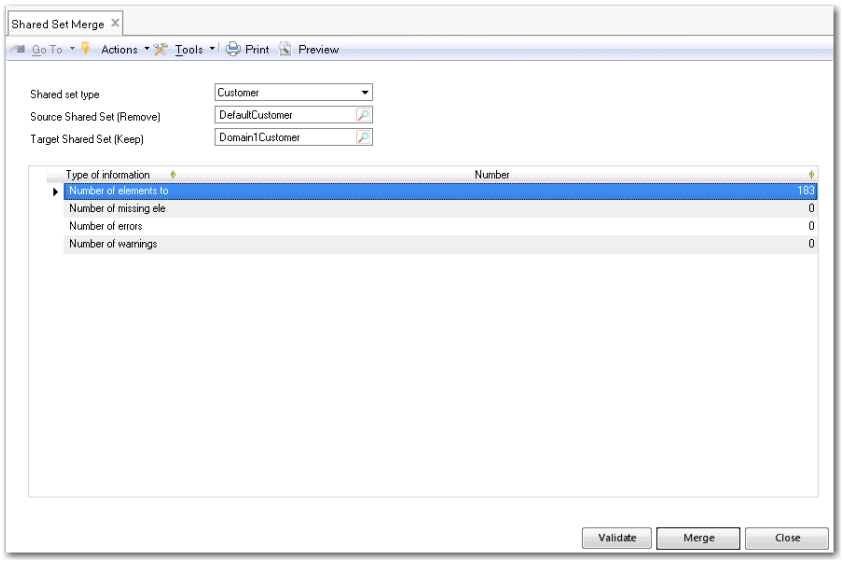


Figure 2.5 shows Shared Set Merge (36.25.91).

Fig. 2.5
Shared Set Merge



Shared Set Type. Select the type of shared sets you want to merge. The shared sets to merge must be of the same type.

Source Shared Set. Specify the shared set you want to merge and remove. You can only select from shared sets of the type you specified in the Shared Set Type field.

Target Shared Set. Specify the shared set that will contain all the merged data and which will be retained. You can only select from shared sets of the type you specified in the Shared Set Type field.

Setting Up Domains

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

Domain Concepts

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

- System Domain
- Active and Inactive Domains
- Domain Code Page
- Confirming Domains (marking setup as complete)

Domain Prerequisites

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

- An initial system domain and system entity should exist in an empty database. They are used as templates for creating your own business domains and entities.
- The name of the system domain must be specified in System Maintain. This name is initially set to the system domain created during installation. The system functions are described in *QAD System Administration User Guide*.
- Each domain must have a base currency and, optionally, a statutory currency. ISO currency codes are supplied with the system. You are prompted during installation to specify the currency to be associated with the system domain, which is used as a template for new domains. Details related to currencies can be modified using the Currency activities described in “Currencies” on page 62.
- Each domain has a default language. Default language codes are supplied with the system. Details related to languages can be modified using the Language activities described in “Language” on page 228.
- Each domain must have a shared set code for each type of shared set data. One default set is supplied with the system, but you can create as many shared set codes as you need. Shared sets are described on page 24.

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

- A business relation to provide the address details for the entity.
- A number of address-related codes including counties, states, countries, corporate groups, and address types. These are described in “Creating Business Relations” on page 237.
- System-wide tax data for the business relation. Tax setup is described in *QAD Global Tax Management User Guide*.

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

System Domain

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

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

The system domain includes default data that is required to begin implementation, such as control program settings and generalized codes. These tables are listed in Table 2.4 on page 55.

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

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

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

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

Active and Inactive Domains

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

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

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

Domain Code Page

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

For additional details about multiple language setup and Unicode, see *QAD System Administration User Guide*.

Confirming Domains

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

Certain financial functions are also disabled in an unconfirmed domain:

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

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

Confirming a domain freezes its base currency, statutory currency, and shared set codes, as well as locking the relationships with any entities that reference it. Note that new entities can still be added to the domain later, but entities cannot be removed from a domain or transferred to another domain. Confirming a domain also sets up domain-specific master records for all existing shared set data. Because the amount of shared set data may be large, especially if the domain is not the first one in a database, this process is completed through a background process called the Replication daemon. Daemon setup is described in *QAD System Administration User Guide*.

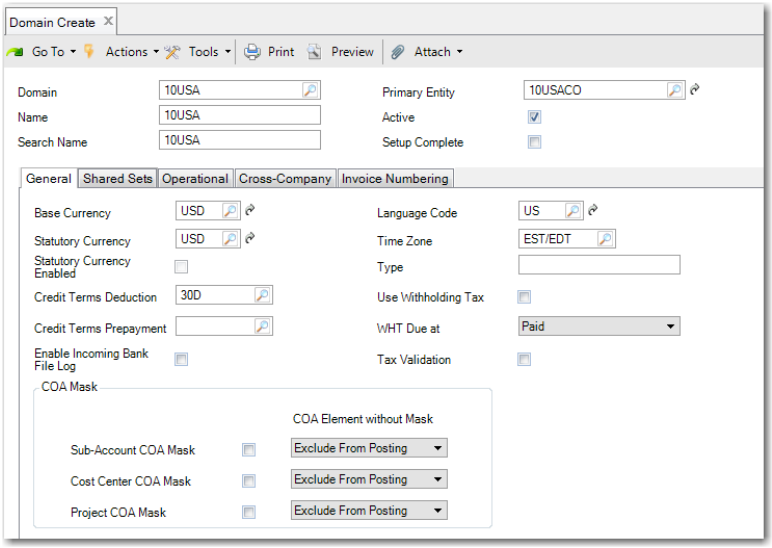
Important Before confirming a domain, you should ensure that the Replication daemon process is running.

The setup of a domain can be unconfirmed only when no data exists that is shared with other domains.

Creating and Confirming Domains

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

Fig. 2.6
Domain Create



Field Descriptions: Header

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

Note QADRSRV is a reserved name and cannot be used.

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

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

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

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

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

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

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

- It is the default entity for each new site created in the domain.
- It is the default entity when users log in to the character user interface.

- When site connection records are created, they are always associated with the primary entity of the target domain.

You cannot confirm the domain until an entity has been specified. The first entity can be created from within an unconfirmed domain.

Active. Indicate whether this primary domain is currently active.

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

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

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

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

See “Active and Inactive Domains” on page 30 for more details.

The system performs the following validations related to this field:

- You cannot change the Active setting of your current domain. Switch to another domain; from there you can set the first domain to inactive.
- You cannot change this field if the domain is a connection record (referencing another database). You must change this field in the domain’s primary database.
- In a multiple-database environment, you can change this field for a domain in the current database only when all other databases are active and connected. The system modifies the Active field for the connection records that exist in the other databases. An error displays if any database cannot be accessed and the field cannot be changed.
- You cannot deactivate a domain unless all associated entities are also inactive.

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

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

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

Yes: The domain is now available to operational functions. Changes can no longer be made to the list of shared sets, to the base currency, the statutory currency, or to the linked entities (new entities can still be added).

To complete a domain, the following must be true:

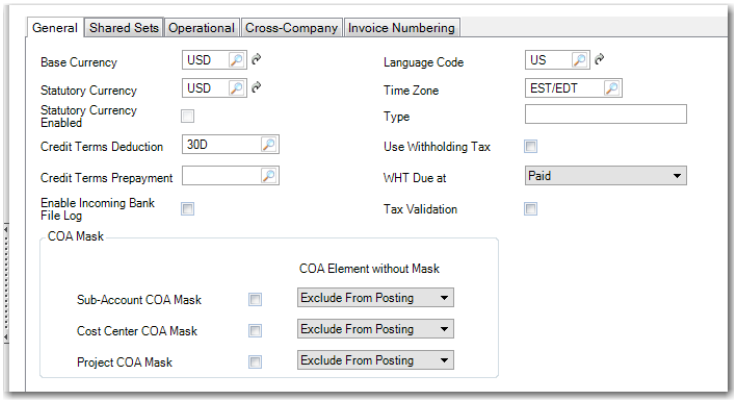
- Active is set to Yes.
- All shared set codes are defined.
- Only one primary entity is associated with the domain.
- Cross-company accounts have been defined.

See “Confirming Domains” on page 31 for more details about confirmation.

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

General Tab

Fig. 2.7
Domain Create, General Tab



Field Descriptions

Base Currency. Enter the base currency for this domain, which is the currency in which all entities within the domain conduct business. Exchange rates must exist between the base currency and any foreign currencies specified on transactions. The base currency is used for recording all financial transactions within the domain.

The base currency is the primary currency for Financial Reporting. Although reports can be generated on the spot in any desired currency, the amounts on the reports is the translation of the base currency to the reporting currency using the current accounting rate. However, the statutory currency is an exception to this. If a statutory currency is active within the domain, all transactions are also converted to the statutory currency using the statutory exchange rate active on the transaction date.

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

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

Language. Enter the default language for this domain. The system uses this language for selecting descriptions to display in operational functions when multiple language descriptions exist. See *Introduction to QAD Enterprise Applications User Guide* for more information on the Translation Option.

Statutory Currency. Specify a second base currency, used for generating reports for local authorities. The need for a statutory currency arises from a combination of global IFRS requirements and local GAAP in some countries. The statutory currency applies to all entities in the domain.

By default, the system proposes the same currency code as the base currency, but you can change this value.

You can change the value of the Statutory Currency field when the Setup Complete field in the header is cleared. When the Setup Complete field is selected and saved, the Statutory Currency field becomes read-only. It can only be changed with a special utility that re-initializes all statutory currency fields in the database.

See “Statutory Currency” on page 59 for detailed information on the concept of statutory currency.

Statutory Currency Enabled. This field is read-only and is selected if the statutory currency has been enabled for the current domain, and if the domain setup is complete.

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

Each database has one system domain, defined in System Control. Its type is set to SYSTEM and cannot be changed. The system domain is used as a template for supplying default data when other domains are created. See “System Domain” on page 30.

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

Time Zone. Use the lookup to specify a time zone for the domain. All transactions in that domain are assigned system dates and times based on that time zone.

When using your QAD application, if you change to another domain with a different time zone, that time zone now applies and any transactions you create in that domain are assigned dates and times relative to the time zone you have switched to. When calculating the time zone offset, the system also determines whether daylight savings time is in effect for that time zone, and adjusts accordingly.

If the Use User’s Time Zone for Default Domain field is activated in Database Control (36.24.1), your default time zone from User Maintenance (36.3.1) is used when you switch to your default domain. The Use User’s Time Zone for Default Domain field is deactivated by default

See *QAD System Administration User Guide* for more information on multiple time zones and on time stamping.

Use Withholding Tax. Select the field to enable withholding tax for the domain.

The domain-level withholding tax control settings are applied to all the entities within the domain, and you cannot update this setting within an entity.

If withholding tax is enabled for a domain and withholding tax records exist, you should not subsequently disable withholding tax for that domain.

See *QAD Global Tax Management User Guide* for information on withholding tax.

WHT Due at. Specify when you want withholding tax to be posted. There are two options:

- Paid - when the payment is complete.
- For Collection - when the payment is created.

  The value of this field can only be changed when there are no existing payments with the status For Collection in the domain. If the WHT Due at field is set to For Collection and the supplier payment status changes to Bounced or Void, or the supplier payment selection is unconfirmed, then the withholding tax posting is reversed.

Enable Incoming Bank File Log. This field relates to processing incoming bank files. When this field is selected, the detail processing log on summary level or detail level is displayed on the report log section when you run Imported Bank File Report (31.1.11).

Tax Validation. Select the field to validate the fiscal tax codes for withholding tax according to a predefined country-specific format for Italy. You specify a supplier's fiscal code when defining the supplier's withholding tax information in the Supplier record.

For information on withholding tax, see *QAD Global Tax Management User Guide*.

Sub-Account, Cost Center, Project Mask. A Chart of Accounts (COA) mask is a matrix that defines valid combinations of COA elements for transaction posting. Each mask applies to all entities within a domain.

Use the three mask fields to define the combinations of COA elements the system verifies when you post a transaction.

Each COA element has a separate COA mask maintenance function.

- Sub-Account Mask Create (25.3.9.1.1)
- Cost Center Mask Create (25.3.9.2.1)
- Project Mask Create (25.3.9.3.1)

The mask maintenance function for a COA element is disabled if the corresponding mask field is not selected for the domain.

If you do not select any of the options, the system permits all combinations, provided that each code is valid. It is recommended to keep the COA masks inactive during initial system implementation when you are testing and setting up your accounting structure. You can then change the COA mask settings later.

COA Element without Mask. Indicate how the system treats COA elements that are not assigned a COA mask. Each COA mask type has a corresponding COA Element without Mask field. There are two options:

Exclude from Posting: If you select this value, COA elements that are not assigned a COA mask are excluded from use in postings.

No Posting Restrictions: If you select this value, COA elements that are not assigned a COA mask can be used in any posting.

Credit Terms Deduction. Specify the default deduction credit terms for this domain. This field is optional.

When deductions are created, the domain-level deduction credit terms are used instead of the customer's default credit terms. The due date of the deduction is then calculated using the domain credit terms.

If you do not specify a deduction credit term for the domain, the system displays an error when you try to create deductions.

The credit term you specify for the domain cannot be a staged credit term and cannot include discounts.

See "Credit Terms" on page 250 for more information on credit terms and see "Processing Deductions" on page 539 for more information on deductions.

Credit Terms Prepayment. Specify the default prepayment credit terms for this domain. This field is optional.

When prepayments are created, the domain-level prepayment credit terms are used instead of the customer's or supplier's default credit terms. If you do not specify a prepayment credit term at domain level, the system uses the credit terms specified in the customer or supplier record for the prepayment.

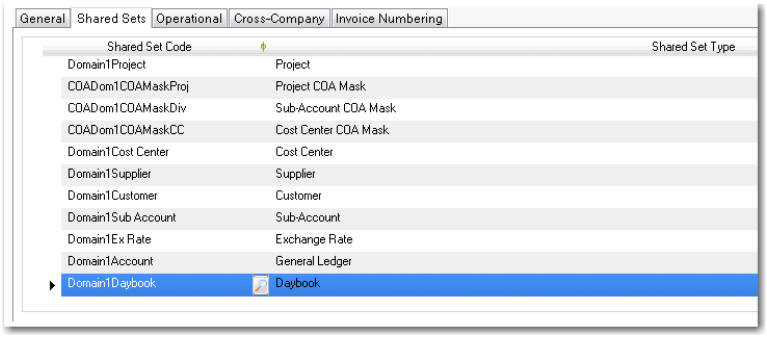
The credit term you specify for the domain cannot be a staged credit term and cannot include discounts.

See "Credit Terms" on page 250 for more information on credit terms.

Shared Sets Tab

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

Fig. 2.8
Domain Create, Shared Sets Tab



Field Descriptions

Shared Set Code. Specify a shared set code for each shared set type. You must associate a code with each type. Each entity in this domain uses the same shared sets. After setup has been confirmed, the shared set codes cannot be changed. See "Setting Up Shared Set Codes" on page 24.

You cannot add or remove rows from this list.

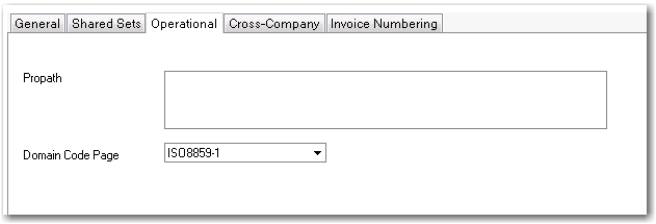
If you modify a code before confirmation, the corresponding change is made for any entity in the domain.

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

Operational Tab

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

Fig. 2.9
Domain Create, Operational Tab



Field Descriptions

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

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

For more details about the propath, see *QAD System Administration User Guide*.

Domain Code Page. Specify the code page that a character client must use to access the domain. See “Domain Code Page” on page 30 for details.

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

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

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

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

This value defaults to iso8859-1.

Cross-Company Tab

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

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

These accounts must be cross-company control accounts.

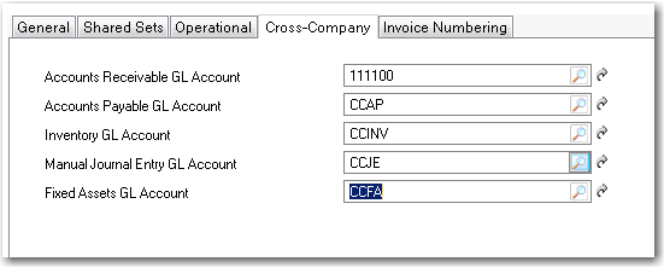
When an operational transaction references more than one entity, the system automatically creates the required intercompany balancing entries using these accounts. The default sub-account associated with the account in GL Account Create is also used in the cross-company posting. Manual cross-company postings call also be made in various financial functions. See “Intercompany and Cross-Company Transactions” on page 418.

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

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

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

Fig. 2.10
Domain Create, Cross-Company Tab



Invoice Numbering Tab

Use the Invoice Numbering tab to enable consecutive and chronological invoice numbering. If you do not enable these numbering options, standard invoice numbering without numbering checks applies.

For standard, consecutive, and chronological invoice numbering, invoices are numbered by entity, year, GL period, and daybook.

When consecutive and chronological invoice numbering are enabled, numbering controls apply in the following functions:

- Customer Opening Balance Create and Supplier Opening Balance Create

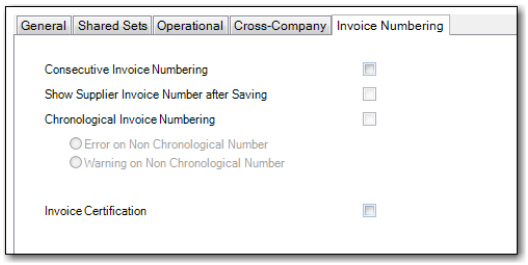
  See “Customer Opening Balance and Invoice Numbering” on page 296.
- Customer Invoice Create and Invoice Post and Print

  See “Chronological and Consecutive Invoice Numbering” on page 483.
- Supplier Invoice Create, Supplier Invoice Reverse, Supplier Invoice Replace, Receiver Matching Create, and Receiver Matching Modify

  See “Financial Info Tab” on page 648.

Note Consecutive and chronological invoice numbering also applies where Invoice Post and Print is accessed from the Customer Consignment and SSM modules.

Fig. 2.11
Domain Create, Invoice Numbering Tab



Consecutive Invoice Numbering. Select the field to enable consecutive invoice numbering for the domain. Consecutive numbering ensures that AR and AP invoice and credit note numbers are consecutive, and without gaps.

Show Supplier Invoice Number after Saving. Select this field if you want the system to automatically display the supplier invoice or credit note number in a popup after you save the record. The new number also displays in the Posting field in the supplier invoice functions. This field is selected by default when you select the Consecutive Invoice Numbering field.

Clear the field to only display the number in the Posting field in the supplier invoice functions.

Chronological Invoice Numbering. Select the field to enable chronological invoice numbering for the domain. Chronological invoice numbering ensures that AR and AP invoices and credit notes are sequentially numbered in the correct date order.

Important You can only enable chronological invoice numbering if you have also enabled consecutive invoice numbering.

Error on Non Chronological Number. Select this radio-button if you want the system to display an error if a user specifies a past or future invoice posting date that could potentially disrupt the chronological numbering of invoices. In this case, the user is blocked from saving the invoice record.

This field is only available when chronological invoice numbering is enabled.

Warning on Non Chronological Number. Select this radio-button if you want the system to display a warning if a user specifies a past or future invoice posting date that could potentially disrupt the chronological numbering of invoices. In this case, the user can proceed and save the invoice record.

This field is only available when chronological invoice numbering is enabled.

Invoice Certification. Select this field to activate invoice numbering for the domain.

The following prerequisites must be met before you can enable invoice certification:

- The domain base currency or statutory currency must be Euros.
- The domain must use consecutive invoice numbering.
- The domain must use chronological invoice numbering with error generation.
- Daybook set by site must be enabled for the domain.

Note You must specify the OpenSSL `bin` directory in System Maintain. You cannot disable invoice certification once it has been enabled for a domain. The system displays a warning to draw attention to this when you enable invoice certification and subsequently save the domain record. The warning enables you to cancel the save.

See “Invoice Certification” on page 496 for more information.

Changing the Current Domain

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

Fig. 2.12
Workspace Menu

When you first log in, you must choose a workspace. When you exit the QAD .NET UI, the active workspace is saved and displays when you log in again.

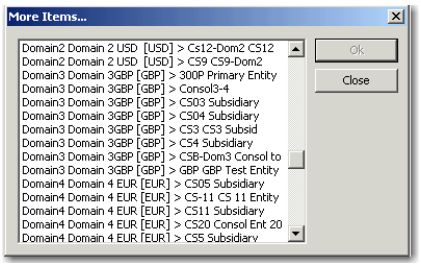
When you change workspaces, any programs you have running in the current workspace remain open. You can return to the workspace later to complete any open transactions.

The number of workspaces that display in the Workspace menu is restricted by the window size. If you have access to more workspaces than the window can display, a More option displays at the end of the Workspace menu items.

Fig. 2.13
More Option

If you select the More option, the system opens More Items window, which the lists all workspaces to which you have access. From the list displayed, select the workspace you want to access and click OK. The system then displays that workspace.

Fig. 2.14
More Items



Note The Workspace menu displays only when the logged-in user has access to more than one workspace.

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

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

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

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

Domain Access

You can change to only an active domain you have been given access to in Domain/Entity User Access. If you are assigned to a different role in the new domain or entity, the functions you can perform may be different from the functions you performed in the previous domain or entity. Therefore, the application menu is refreshed when you change the current workspace.

Domain and entity access is controlled by the Role Permissions function. See *QAD Security and Controls User Guide* for more information.

Database Switching

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

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

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

Setting Up Profiles

You use profiles to identify the relationships between records in shared sets of different types.

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

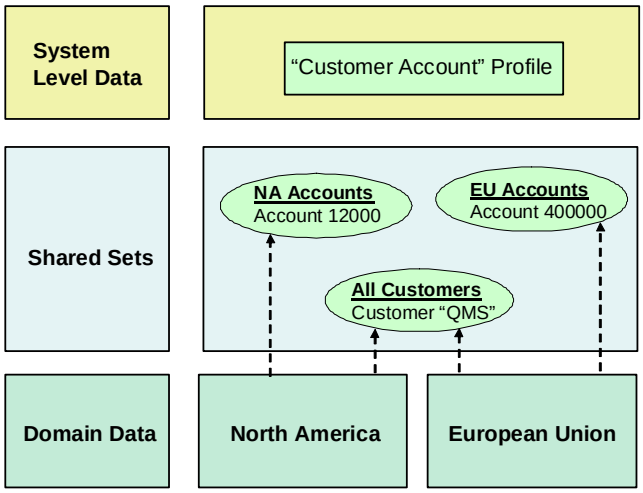
Table 2.2
Sample Shared Sets

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

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

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

Fig. 2.15
Profiles and Sharing



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

Profile Types

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

Table 2.3
Profile Types

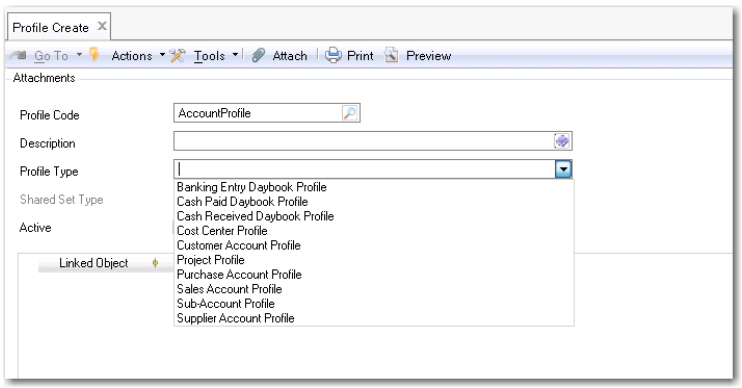
Profile Type	Description	Shared Set Type
Banking Entry Daybook	Use to define the daybook for recording bank transactions. Specify this profile for the Banking Daybook field in the Bank tab of GL Account Create.	Daybook
Cash Paid Daybook	Use to define the daybook for recording cash payments from a bank account. Specify this profile for the Cash Paid Daybook field in the Cash tab of GL Account Create.	Daybook
Cash Received Daybook	Use to define the daybook for recording cash receipts into a bank account. Specify this profile for the Cash Received Daybook field in the Cash tab field of GL Account Create.	Daybook

Profile Type	Description	Shared Set Type
Cost Center	Use to define cost centers when cost center analysis is being defined for an account. Specify this profile for the Cost Center field in GL Account Create.	Cost Center
Customer Account	Use to define customer control accounts. Specify this profile for the Sales Account GL Profile field in Customer Create.	Account
Customer Deduction Daybook Profile	Used to define the daybook to use for deduction postings. In GL Account Create, specify the customer deduction daybook profile on the Banking tab for the entity bank account.	Daybook
Project	Use to define projects when project analysis is being defined for an account. Specify this profile for the Project field in GL Account Create.	Project
Purchase Account	Use to default the Purchases account for non-inventory purchases.	Account
Sales Account	Use to default the Sales account for non-inventory sales.	Account
Sub-Account	Use to define sub-accounts when divisional analysis is being used. Specify this profile for the Sub-Account Profile fields in Customer Create and Supplier Create.	Sub-Account
Supplier Account	Use to define supplier control accounts. Specify this profile for the Purchase Account Profile field in Supplier Create.	Account

Creating Profiles

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

Fig. 2.16
Profile Create



Field Descriptions

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

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

Profile Type. Choose a profile type from the drop-down list. Table 2.3 on page 43 lists possible types. When you select a profile type, all of the shared sets with the associated shared set type display in the grid below.

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

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

Active. Indicate if this is an active profile.

The following fields display in the grid:

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

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

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

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

Setting Up Entities

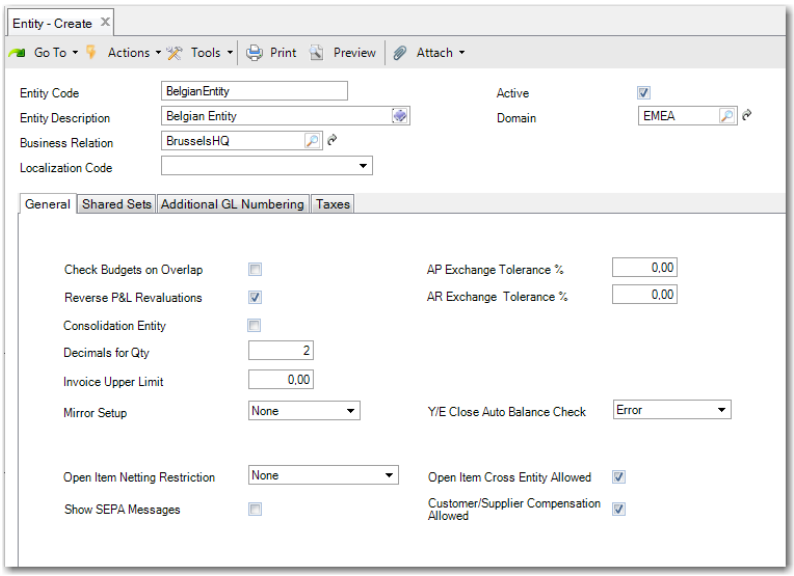
Use the Entity activities (36.1.1.2) to create, view, and modify entities in an active domain. Entities represent independent financial units within a business, for which you assess taxes and generate separate balance sheets and income statements. Each entity within a domain inherits the domain base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

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

A business relation code is associated with an entity to provide address information for your own company on printed documents. The business relation record also contains the tax parameters used for your company—tax zone, federal tax ID number, and state tax ID number.

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

Fig. 2.17
Entity Create



Field Descriptions

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

Entity Description. Enter a brief description (maximum 24 characters) of the entity. You can optionally enter descriptions in more than one language. See *Introduction to QAD Enterprise Applications User Guide* for more information on the Translation Option.

Business Relation. Specify a business relation to associate with the entity. Only business relations marked as internal display for selection. The head office business relation provides address details. See “Creating Business Relations” on page 237 for details.

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

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

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

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

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

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

- Domain GL masks

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

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

General Tab

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

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

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

Consolidation Entity. Indicate if this entity is to be used as a target entity to store the results of consolidation. The consolidation process transfers GL transactions from source entities to a target entity with Consolidation Entity enabled by means of a journal entry. See Chapter 14, “Consolidation,” on page 897 for details about consolidation.

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

Invoice Upper Limit. If you plan to use the Chinese Golden Tax module with this entity, specify the highest invoice amount allowed. For details about the effect of this setting, see *QAD Global Tax Management User Guide*.

AP and AR Exchange Tolerance %. The exchange tolerance verifies whether the realized exchange gain or loss on foreign currency payments is reasonable. The realized gain or loss amount in base currency is compared with the base currency equivalent of the amount paid and expressed as a percentage:

*gain-loss BC / payment BC * 100*

If that percentage is higher than the maximum allowed tolerance, an error message is displayed in the payment transaction.

The default is zero, indicating you are not using exchange tolerance.

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

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

Y/E Close Auto Balance Check. When you run Year End Closing Execute, the system checks if there is an outstanding balance on the Auto Balance system account. Use this field to specify how Year End Closing proceeds in the case of an outstanding balance. The options are:

- Error: Year End Closing displays an error message and stops processing. This option is the default.
- Warning: Year End Closing displays a warning message. However, you can choose to continue processing.
- No Action: No action is taken by Year End Closing, and the closing process proceeds as normal.

See “Journal Entry Auto Balancing” on page 331 and “Year-End Transactions” on page 451.

Mirror Setup. Select a mirror accounting configuration level. You can choose to enable mirror accounting setup per domain, or per entity.

See “Mirror Accounting” on page 445.

Open Item Netting Restriction. Specify a setting for the netting of open items across business relations using Open Item Adjustment Create (25.13.5). This field provides three options for the netting of open items across business relations.

- None. This option does not impose restrictions on the netting of open items across business relations. It is the least restrictive setting, and is the default.
- Single Business Relation. This option restricts the netting of open items to items that belong to the same business relation. It is the most restrictive setting.
- Related Business Relations. This option restricts the netting of open items to items from business relations that belong to the same corporate group.

Important A business relation with a blank corporate group is not considered to be related to a business relation that has a corporate group assigned. Similarly, two business relations, each with blank corporate groups, are not considered to be related.

See “Open Item Adjustment” on page 383 for more information on adjusting open items.

Open Item Cross Entity Allowed. Select this field to enable open items to be adjusted across entities. This field is enabled by default.

When this option is enabled, you can use Open Item Adjustment Create (25.13.5) to display and net items from other entities.

When an open item adjustment includes cross-entity transactions, the entities involved must have compatible netting control settings. If the entities have different control settings, the most restrictive setting is applied.

For example, if one entity has a netting restriction of Single Business Relation, the whole open item adjustment must be for a single business relation. If there is a conflict with the most restrictive control setting, an error is displayed and the open item adjustment cannot be saved.

If this option is disabled, the All Entities field in Open Item Adjustment Create (25.13.5) is disabled for editing, and you cannot display and net items from other entities.

See “Open Item Adjustment” on page 383 for more information on adjusting open items.

Show SEPA Messages. Select this field to enable SEPA messages to be displayed when working with transactions involving SEPA payment references. If this field is selected, warning messages are shown in this entity for transactions of type SEPA that do not include valid SEPA references. By default, this field is not selected. For more information, see “SEPA” on page 258.

Customer/Supplier Compensation Allowed. Specify how the system treats open items during payment processing when a customer and supplier belong to the same business relation. This option is enabled by default.

When customer and supplier compensation is enabled at entity level and an open item adjustment involves transactions from two different entities, customer and supplier compensation must be enabled for both entities in order for the adjustment to be saved. In addition, the corresponding Customer/Supplier Compensation Allowed field must be enabled for the business relations involved in the adjustment. This restriction applies regardless of the entity's netting restriction or whether the customer and supplier compensation is cross-entity.

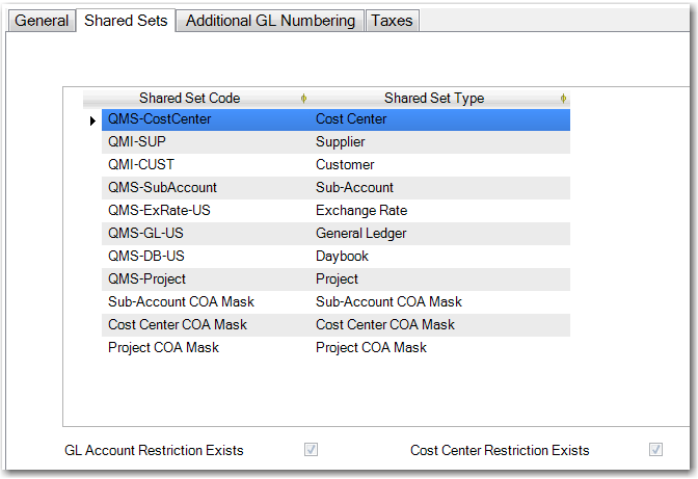
When customer and supplier compensation is disabled at entity level, you cannot net items from customers and suppliers with the same business relation. This setting overrides the Customer/Supplier Compensation Allowed setting at the business relation level for customers and suppliers.

See "Open Item Adjustment" on page 383.

Shared Sets Tab

The system displays the shared set codes that default from the associated domain in the Shared Sets tab. It also indicates whether any GL account and cost center restrictions apply to this entity. These settings cannot be updated here.

Fig. 2.18
Entity Create, Shared Sets Tab



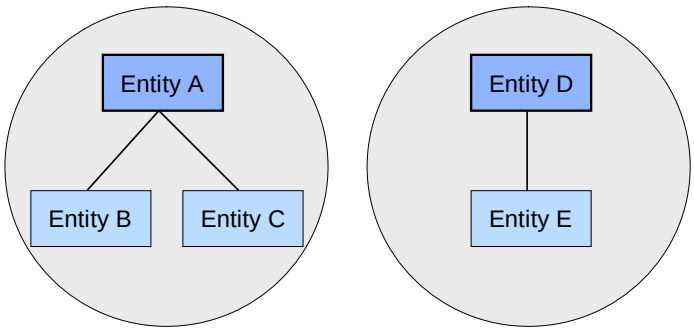
Additional GL Numbering Tab

Additional GL Numbering lets you generate a secondary numbering sequence for GL transactions. This is an alternative reference number for use in countries where local GAAP constraints require that GL posting numbering be sequential, without any gaps. The sequence number of a transaction appears in statutory transaction reports.

When Additional GL Numbering is enabled for an entity, you can specify another active entity from the same domain as the source entity for the additional GL numbering. Additional GL Numbering must be enabled in the source entity, and the numbering sequences from the source entity are then used as the numbering source for the GL postings in the current entity.

- If the additional GL numbering for an entity is generated based on numbering settings in another source entity, you can only specify the reset yearly setting in the source entity.
- The dependent entity cannot itself be the source entity for additional GL numbering in another entity. For example, if entities A, B, and C belong to the same domain, and A is the source numbering entity for entity B, then B cannot be the source numbering entity for any other entities. However, A can simultaneously be the source entity for multiple entities, such as B and C in this example.

Fig. 2.19
Entity Numbering Groups



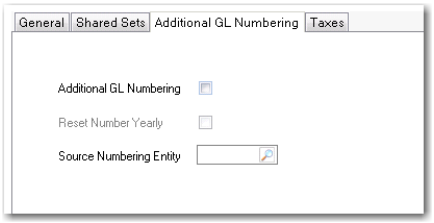
When you enable the Additional GL Numbering feature, the system generates a sequence number for any GL posting in the official layer. The sequence number has the following format:

- It has 9 digits starting from 000000001.
- The number increments by 1 per posting. For example, if the current posting is numbered 000000005, the next posted transaction will be numbered 000000006.

You specify the starting sequence number in Record Number Maintain.

See “Additional GL Numbering” on page 334 for detailed information on additional GL numbering.

Fig. 2.20
Entity Create, Additional GL Numbering Tab



Field Descriptions

Additional GL Numbering. Indicate whether you want to enable additional GL numbering.

When postings have been generated with additional GL numbers, you cannot subsequently disable additional GL numbering for that entity.

Reset Number Yearly. Select this field to have the GL numbering sequence automatically reset at the beginning of each fiscal year.

Source Numbering Entity. Optionally, specify another entity to use its GL numbering sequence. You can specify an entity only when:

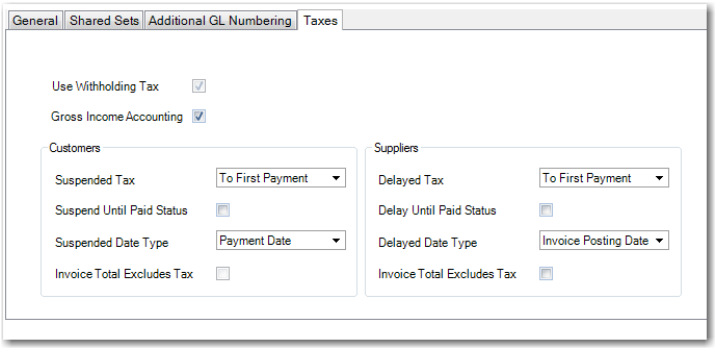
- Additional GL numbering is also enabled for that entity.
- That entity is not sharing its GL numbering sequence with another entity.

With this feature, a legal entity that consists of two or more entities in the system can use the same numbering sequence.

Taxes Tab

Use the Taxes tab to configure settings for gross income accounting, for suspended and delayed taxes, and for the Tax Excluded fields on customer and supplier invoices.

Fig. 2.21
Entity Create, Taxes Tab



Use Withholding Tax. This field indicates whether withholding tax has been enabled for the domain to which the entity belongs.

Gross Income Accounting. Select the field to enable gross income accounting for the entity.

The default is that the field is cleared.

For more information on gross income accounting, see *QAD Global Tax Management User Guide*.

Suspended Tax. Select an option to define the point at which suspended taxes on customer invoices become payable and are transferred from the suspended tax account to the final tax account.

This field has four options:

- Not applicable

  No suspended taxes are required for this entity.
- Till First Payment

  The whole tax amount of the invoice becomes payable when the first payment for that invoice is made.
- Till Last Payment

  The whole tax amount becomes payable only when the invoice is completely paid.
- Proportional to Payments

  Taxes are suspended and released as payable tax proportionally to the amounts paid for the invoice:

*Suspended Tax Amount = Payment Amount * Total Tax on Invoice/ Original Invoice Total*

Suspend Until Paid Status. Select the field to suspend the payment of taxes until the payment status is set to Paid.

If you select this option, allocating a payment to an invoice does not generate final tax postings unless the payment status is also set to Paid. When the payment status is set to Paid, the taxes are posted to the final tax accounts and the tax becomes available for declaration.

Note The Suspend Until Paid Status field is enabled when you select any option except Not Applicable in the Suspended Tax field.

Suspended Date Type. Select the date the system must use to retrieve the exchange rate for suspended tax transactions. The options are:

- Invoice Posting Date: The system uses the exchange rate applicable on the date on which the invoice was created. This is the default option.
- Payment Date: The system uses the exchange rate applicable on the date on which the payment and tax postings were created.

Invoice Total Excludes Tax (Customers). This field indicates the default value for the Tax Excluded field in Customer Invoice Create (27.1.1.1). The Tax Excluded field indicates whether the invoice amount includes or excludes tax.

The default value for the Tax Excluded field in Customer Invoice Create is set using the Customer Invoice Total Excludes Tax field in Global Tax Management Control (29.24).

See *QAD Global Tax Management User Guide* for more information on Global Tax Management Control.

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

This field has the same four options described for the Suspended Tax field, but applies to delayed AP taxes that become deductible AP taxes after payments are made.

Delay Until Paid Status. Select the field to delay the payment of taxes until the payment status is set to Paid.

If you select this option, allocating a payment to an invoice does not generate final tax postings unless the payment status is also set to Paid. When the payment status is set to Paid, the taxes are posted to the final tax accounts and the tax becomes available for declaration.

Note The Delay Until Paid Status field is enabled when you select any option except Not Applicable in the Delayed Tax field.

Delayed Date Type. Select the date the system must use to retrieve the exchange rate for delayed tax transactions. The options are:

- Invoice Posting Date: The system uses the exchange rate applicable on the date on which the invoice was created. This is the default option.
- Payment Date: The system uses the exchange rate applicable on the date on which the payment and tax postings were created.

Invoice Total Excludes Tax (Suppliers). This field enables you to set a default value for the Tax Excluded field in Supplier Invoice Create (28.1.1.1). The Tax Excluded field indicates whether the invoice amount includes or excludes tax.

Select this field if you want the Tax Excluded field in Supplier Invoice Create to be selected by default for all invoices created in this entity.

Clear this field if you want the Tax Excluded field in Supplier Invoice Create to be deselected by default for all invoices created in this entity.

Setting Up Multi-Entity Processing

Multi-entity processing enables you to group entities together, so that you can save time by carrying out period end activities for multiple entities at once without the need to switch between entities. Multi-entity activities reduce data maintenance time and provide better control over routine and largely repetitive period end tasks.

The following activities are possible at entity group level:

- Entity GL Period Lock by Daybook

  For more information on this activity, see “Applying a Daybook Mask to a GL Period” on page 192.
- Revaluation Simulate

  For more information on this activity, see “Simulating Revaluation” on page 378.
- Revaluation Post

  For more information on this activity, see “Posting Revaluations” on page 381.
- Entity GL Period Lock

  For more information on this activity, see “Entity GL Period Lock” on page 195.
- Entity GL Period Report

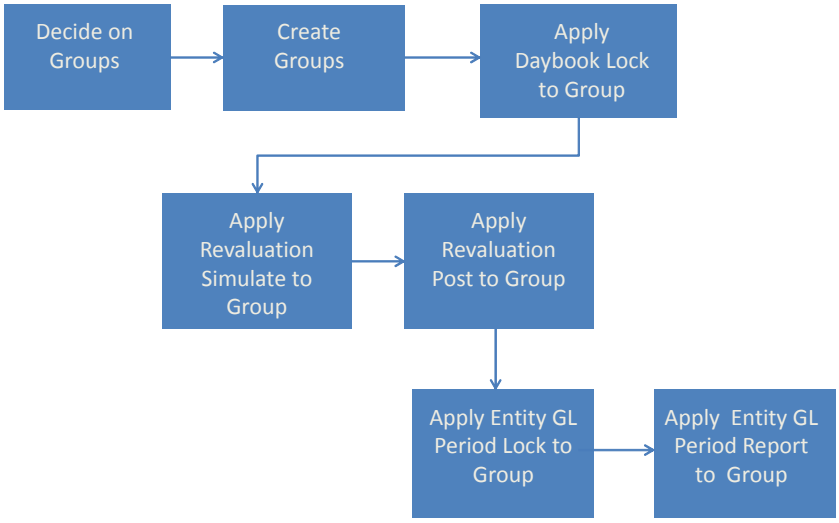
  For more information on this activity, see “Entity GL Period Report” on page 196.

Note When running one of the possible activities on an entity group, you can only select an entity group that contains the current entity; other entity groups are not visible. Any other restrictions that apply are described in the corresponding sections.

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

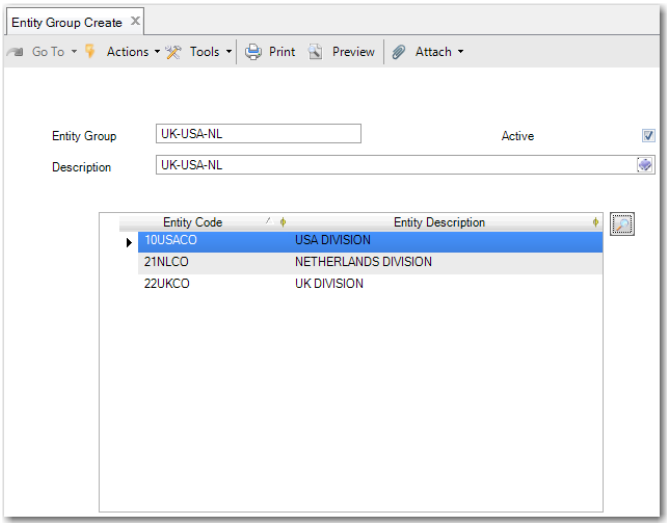
Figure 2.2 illustrates the steps in creating and using entity groups. The current entity must be included in the entity group, and different entity groups can be used for each of the closing activities.

Fig. 2.22
Setting Up Entity Groups



To create an entity group, use Entity Group Create (36.1.1.2.5).

Fig. 2.23
Entity Group Create



Field Descriptions

Entity Group. Specify a code (maximum 20 characters) that identifies the entity group. This code must be unique within the current database, as entity groups are stored at database level. This field is mandatory.

Active. Indicate if this entity group is active.

Description. Enter a brief description (maximum 24 characters) of the entity group. You can optionally enter descriptions in more than one language. See *Introduction to QAD Enterprise Applications User Guide* for more information on the Translation Option. This field is mandatory.

Entity Code. The entity code uniquely identifies the entity. This field is read only. Use the lookup icon at the top right of the grid to select entities to include in the group. The corresponding entity codes appear in the Entity Code column of the grid. The group must contain at least one entity. An entity group can include both active and inactive entities. There is no restriction based on the domain of the entity, and an entity can feature in more than one entity group.

Entity Description. This field contains a read-only description of the entity.

Click Save or Save and Create to create the entity group. To modify, view, and delete entity groups, use Entity Group Modify (36.1.1.2.6), Entity Group View (36.1.1.2.7), and Entity Group Delete (36.1.1.2.8) respectively.

Default System Domain Data

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

Table 2.4
Tables Copied for New Domain

Table	Description
acdf_mstr	Account Default Master
AlgoM	Warehousing Algorithm Master
AlgoTypeM	Warehousing Algorithm Type Master
bic_ctrl	Service/Support Contract Billing Control
bl_ctrl	Master Bill of Lading Control
cac_ctrl	Service/Support Call Master Control
caq_mstr	Service/Support Call Queue Master
cas_mstr	Service/Support Call Status Master
cd_det	Master Comments
clc_ctrl	Regulatory Attributes Control
code_mstr	Generalized Code Master
cs_mstr	Cost Set Master
drp_ctrl	Distribution Requirements Planning Control
egc_ctrl	Service/Support Engineer Schedule Control
emc_ctrl	Employee Control
es_mstr	Service/Support Escalation and Repair Master
esc_ctrl	Service/Support Escalation Control
esh_mstr	Service/Support Engineer Schedule Master
ess_mstr	Service/Support Engineer Status Master
fac_ctrl	Final Assembly Control
famt_mstr	Fixed Asset Method Master
gl_ctrl	Domain/Account Control
icc_ctrl	Inventory Control
iec_ctrl	Import/Export Control

Table 2.4 — *Tables Copied for New Domain* — (Page 1 of 2)

Table	Description
iao_mstr	Output File Master
iaod_det	Output File Field Data
mfc_ctrl	Control Work Table
mrpc_ctrl	Material Requirements Planning Control
opc_ctrl	Shop Floor Operation History Control
pcc_ctrl	Product Change Control
pgc_ctrl	Service/Support Paging Control
pic_ctrl	Pricing Control
pl_mstr	Product Line Master
poc_ctrl	Purchase Order Control
qcc_ctrl	Quality Order Control
qoc_ctrl	Sales Quotation Control
rmc_ctrl	Return Material Authorization Control
rpc_ctrl	Repetitive Control
rsn_ref	Reason Code Master
sac_ctrl	Service Contract Control
sbc_mstr	Service/Support Billing Cycle Master
sc_mstr	Cost Simulation Master
shop_cal	Shop Calendar
soc_ctrl	Sales Order Control
spc_ctrl	Salesperson Control
src_ctrl	Service Request Control
sroc_ctrl	Service/Repair Order Control
sv_mstr	Service Agreement Terms and Conditions Master
svc_ctrl	Service/Support Management Control
trl_mstr	Trailer Master
TaskM	Warehousing Task Master
TransTypeM	Warehousing Transaction Type Master
tx2_mstr	Tax Master
txc_ctrl	Tax Control
woc_ctrl	Work Order Control

Table 2.4 — *Tables Copied for New Domain* — (Page 2 of 2)

Chapter 3

Setting Up Multiple Currencies

The following topics cover the setup of multiple currencies.

Overview 58
Introduces the Financials three-currency system.

Statutory Currency 59
Use an additional base currency for reporting purposes.

Rounding Methods 60
Define methods the system uses to round monetary amounts.

Currencies 62
Use the Currency activities to create, view, modify, and delete monetary units.

Exchange Rate Types 63
Add user-defined exchange rate types.

Exchange Rates 65
Define exchange rates for multiple-currency transactions.

Realized Gain/Loss Accounts 78
Accounts used for gain or loss postings resulting from multiple-currency transactions.

Purchase Gain/Loss Accounts 78
Define purchase gain and loss accounts for currencies.

Currency Display 79
Describes the currency format displayed in reports.

Overview

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

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

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

A set of ISO currencies is supplied with the system. The base currency is the currency in which all entities within a domain conduct business. The base currency for a domain is specified in Domain Create and is used for recording all financial transactions within that domain. You can define as many other currency codes as your organization uses. See “Currencies” on page 62.

You can also use a second base currency for reporting purposes. This second currency is known as the statutory currency. See “Statutory Currency” on page 59.

When creating GL accounts, you can specify that the account accepts transactions in all currencies, in the base currency only, or in a specific currency. See “GL Account Types” on page 87 for details.

Transaction currencies can be used with purchase orders, sales quotations, sales orders, price lists, AR and AP payments, custom and supplier invoices, journal entries and other GL transactions, and customer service. For accounts that are not denominated in a unique currency, you can record journal entries in either the base currency or in the transaction currency. For accounts denominated in a specific currency, you must enter all amounts using the transaction currency. See “Journal Entry” on page 320.

An exchange rate is the current market price for which one currency can be exchanged for another. It is expressed as the amount by which one unit of a currency must be multiplied to give the equivalent value in the second currency. Exchange rates are used for any transaction that is denominated in a currency other than the base currency of the domain, and for any transaction that is denominated in a currency other than the statutory currency of the domain. Exchange rates can also have a scaling factor. This option is useful for currencies that have a very small value compared to currencies such as the US dollar and Euro.

The Derived Exchange Rate function lets you derive new exchange rates for currency pairings using the exchange rates between the base currency of the current entity and the base currencies of other entities in the same shared set. See “Derived Exchange Rates” on page 76.

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

Monetary assets and liability accounts defined in foreign currency can be revalued at the current rate, fixed rate, historical rate, statutory rate, or any predefined rate. Individual customer and supplier accounts maintain the historical rate. See “Creating GL Accounts” on page 90 for information on setting exchange methods for revaluation.

For customer and supplier revaluation, the revaluation is entered in separate accounts and automatically reversed in the next period. This step is done because the revaluation does not change the value of the open item so that the system can differentiate realized and unrealized currency differences. The system also lets you simulate what-if scenarios.

You can separately revaluate the accounts against base currency and statutory currency, and you can use different revaluation rates for each of the currencies. See “Journal Entries and Daybook Security” on page 333 for more information.

Realized exchange differences are automatically calculated and posted when invoices in foreign currency are paid in banking entry or when the status of foreign payments, such as checks and drafts, is set to Paid. These differences are calculated and posted in both base currency and statutory currency.

Rounding methods are used to control how the system rounds monetary amounts for data entry and display. See “Rounding Methods” on page 60.

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

Most reports and screens use the currency format of the logged-in user when displaying monetary values. However, invoices to customers use the format of the recipient address. See “Currency Display” on page 79 for details.

Statutory Currency

You have the option to use an additional base currency for reporting purposes. This second currency is known as the *statutory currency.* The need for a statutory currency arises from a combination of global IFRS requirements and local GAAP in some countries. The statutory currency is set at the domain level, and is inherited by the entities assigned to the domains. See “Setting Up Domains” on page 28.

The need for a statutory currency is most likely to arise in a country that is geographically close to a strong currency zone (for example, Mexico and Poland), where the country itself has another local currency. Companies operating in countries close to strong currency zones, such as the Euro and US dollars, might use the stronger currency as their base currency (functional currency). However, local auditors and tax controllers can mandate that companies submit their declarations and financial reports in the local currency of the country. In these cases, the local country currency becomes the organization’s statutory currency.

Example A multinational corporation has a subsidiary in Mexico. In the Mexican subsidiary, most business is conducted in USD, which is the base currency. However, all reports that the subsidiary must produce for the Mexican government are in Mexican Pesos, which is the statutory currency.

In some countries, the use of the statutory currency can be limited to a few reports, such as tax and basic GL reports. However, in other countries, companies can be required to submit many reports in the local statutory currency; for example, balance sheet, income statement, daybooks, general ledger, sub-ledgers, and tax declaration reports. To meet these requirements, you can run all GL, AR, AP, and tax reports to display output in statutory currency.

The system uses a dedicated statutory exchange rate when converting transaction amounts to and from the statutory currency. However, you can choose to use the normal accounting exchange rate for statutory currency calculation. See “Exchange Rate Types” on page 63. All GL transactions contain statutory currency amount fields on the same level as the base currency amount fields, including tax transactions.

You can revaluate transactions in transaction currency, relative to the statutory currency. The Currency tab of GL Account Create contains account settings for transaction currency revaluation in statutory currency. See “Journal Entries and Daybook Security” on page 333.

The concept of statutory currency does not exist in the operational modules. Therefore, when operational transactions are fed into Financials using Operational Transaction Post and Invoice Print and Post, the system calculates the GL transaction amounts in statutory currency, and adds these values to the posted transactions. The system converts the base currency amount to statutory currency using the statutory exchange rate type.

See “Inventory Exchange Rate” on page 75 for details on how the system converts inventory transactions on inventory accounts to statutory currency.

Statutory-Currency Utility

Use the Statutory-Currency Utility (36.25.90) to change the statutory currency code of a domain to a different currency, even after transactions have been posted in the domain. The utility reinitializes the statutory currency amount fields for all transactions in the domain.

See *QAD System Administration User Guide* for detailed information on the Statutory-Currency Utility.

Rounding Methods

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

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

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

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

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

The decimal point indicator is determined by the country code associated with the user in User Maintenance, so can vary according to regional requirements. See “Currencies” on page 62 and “Currency Display” on page 79.

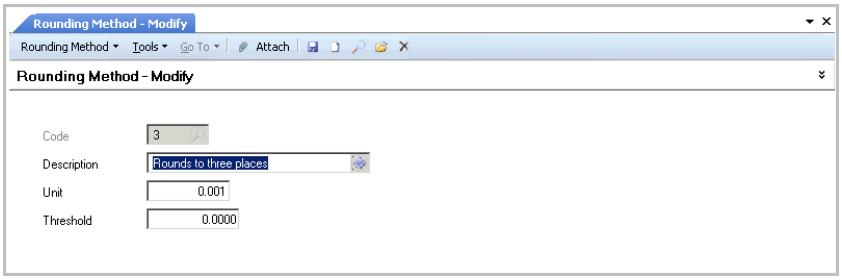
Note You cannot delete a rounding method if it is associated with a currency, referenced in Global Tax Management Control (29.24), or associated with a tax environment in Tax Environment Maintenance (29.3.1).

Three rounding methods exist by default:

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

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

Fig. 3.1
Rounding Method Modify



Field Descriptions

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

Description. Enter a brief description (maximum 24 characters) of the rounding method. This description displays on various reports and inquiries. You can optionally enter descriptions in more than one language. See *Introduction to QAD Enterprise Applications User Guide* for more information on the Translation Option.

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

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

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

Currencies

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

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

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

- For customer-facing records, such as invoices, the system uses the country code of the customer to retrieve the relevant decimal point indicator from `locale.dat`.
- For supplier-facing records, such as purchase orders, the system uses the country code of the supplier to retrieve the relevant decimal point indicator from `locale.dat`.
- In certain operational functions, the display of currency amounts is formatted based on the country of the intended recipient; for example, the customer country code, supplier country code, or user country code. See “Currency Display” on page 79 for more information.

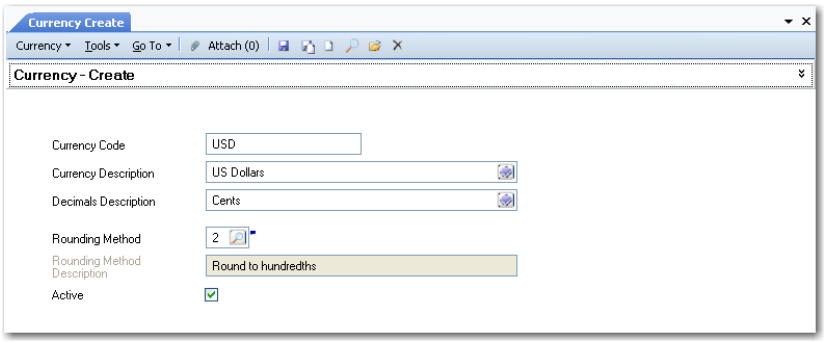
The `locale.dat` file is described in your QAD application installation guide.

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

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

Each transaction can have base, transaction, and statutory currency values associated with it.

Fig. 3.2
Currency Create



Field Descriptions

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

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

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

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

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

Active. Indicate if this is an active record.

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

Exchange Rate Types

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

Before setting up exchange rates, you can add user-defined exchange rate types if necessary. A number of predefined types are supplied with the system, which are used in financial and operational functions.

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

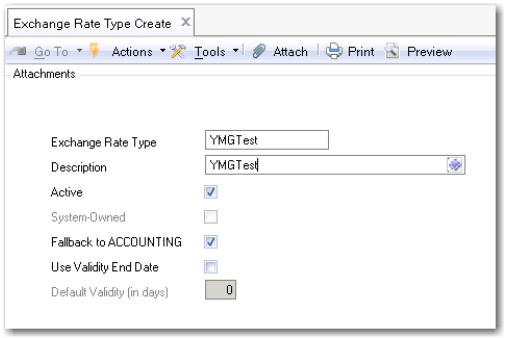
Table 3.1
Exchange Rate Types

Exchange Rate Type	Financials Only	Description
ACCOUNTING	No	Used in the general operation of the system, such as sales and purchasing activities. It is the default exchange rate type for the system.
BUDGET	Yes	Used for budgets stated in non-base currencies.
CASH	Yes	Used for cash flow forecasts denominated in non-base currencies.
INTRASTAT	No	Used in Intrastat reporting to provide specific exchange rates. For details about Intrastat, see *QAD Intrastat User Guide*.
INVENTORY	No	Used for inventory, purchase order, scheduled order receipt, and work order transactions to convert between the transaction currency and the base currency. The system also uses the inventory exchange rate to convert inventory transaction amounts to statutory currency. If the inventory rate is not available, the system calculates the statutory currency value using the statutory rate, with the option to fall back to using the accounting rate. See “Inventory Exchange Rate” on page 75.

Exchange Rate Type	Financials Only	Description
REVALUATION	Yes	Used for revaluing GL accounts denominated in non-base currencies relative to the base currency. It can also be used to revaluate the transaction currency, relative to the statutory currency. See “Journal Entries and Daybook Security” on page 333.
STATUTORY		Used to convert transaction currency amounts to statutory currency. The system always looks for a statutory exchange rate type first. If the system cannot find a statutory exchange rate that is valid for that date, it reverts to using the accounting exchange rate, if the Fallback to Accounting field in Exchange Rate Type Create (26.3.1) is selected for the statutory exchange rate.
TAX	Yes	Used to translate amounts in tax reports. See *QAD Global Tax Management User Guide* for more information on tax reports.

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

Fig. 3.3
Exchange Rate Type Create



Field Descriptions

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

Description. Enter a brief description (maximum 40 characters) of the exchange rate type to help identify its use.

Active. Indicate if this is an active record.

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

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

Use Validity End Date. Select the field to users to specify the validity end dates for exchange rates of this type.

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

Default Validity (in days). Specify the default number of days that exchange rates of this type is valid.

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

Example If the exchange rate start date is 01/15/2014, and the default validity days value is set to 1, the default validity end date is 01/15/2014— the same as the exchange rate start date.

If the exchange rate start date is 01/15/2014, and the default validity days value is set to 7, the default validity end date is 01/21/2014— seven days, including the start and end dates.

Exchange Rates

Use the Exchange Rate (26.4) activities to create, view, modify, and delete exchange rates, which are applied to multiple-currency transactions. Exchange rates are stored at the shared set level. Therefore, any changes made to exchange rates in a domain affect all other domains using the same shared set.

The chart of accounts must include a single realized and unrealized gain and loss account, and an exchange rate rounding differences account. These are used for all currency exchange conversions in the system. See "System Accounts" on page 88 for details on creating unrealized and realized loss/gain accounts.

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

Example If 1 pound sterling is equivalent to 1.40 euros, the exchange rate is expressed as follows:

From Currency Code: GBP

To Currency Code: EUR

Exchange Rate: 1.4000000000

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

From Currency Code: EUR

To Currency Code: GBP

Exchange Rate: 0.7142857143

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

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

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

Example If 1 pound sterling is equivalent to 250,000 units of Turkish lire, the exchange rate could be expressed as follows:

From Currency Code: TRL

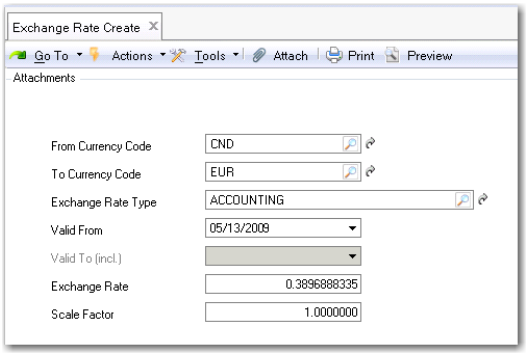
To Currency Code: GBP

Exchange Rate: 4.0000000000

Scaling Factor: 0.0000010

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

Fig. 3.4
Exchange Rate Create



Field Descriptions

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

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

Exchange Rate Type. Specify the business area where the exchange rate is applicable.

See Table 3.1 on page 63 for a list of values.

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

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

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

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

- The Use Validity End Date field is selected in Exchange Rate Type Create for the exchange rate type
- You are using Exchange Rate Create.
- You modify an exchange rate for which the Valid From field contains the highest value (latest date) for all existing exchange rate records for the same combination of From Currency Code and To Currency Code. Otherwise, the Valid To field is inactive when you modify an exchange rate.

  Example

  Validity end dates are enabled in Exchange Rate Type Create, and the system contains two exchange rate records for Euros to US dollars.

  - Record 1 has a Valid From date of May 20 and a Valid To date of May 24.
  - Record 2 has a Valid From date of May 25 and a Valid To date of May 30.

  In Exchange Rate Modify, you can only change the Valid To date for exchange rate Record 2 because its Valid From date is later than and supersedes that of Record 1.

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

Scale Factor. Enter a number used in the exchange rate calculation to adjust the amount of the From Currency. This is typically used in hyperinflationary environments when the differences between currency values is large.

Advanced Exchange Rates

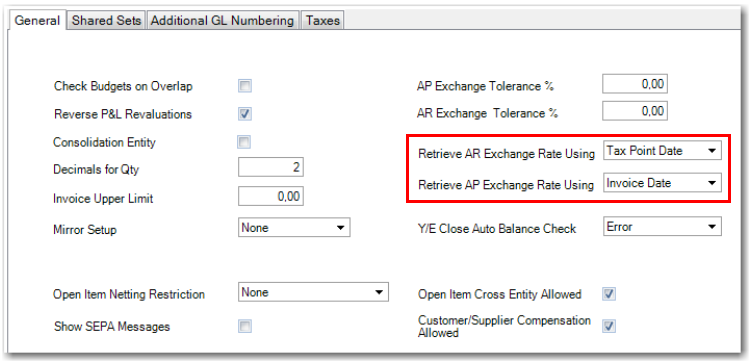
Normally, for foreign currency transactions, the system uses the exchange rate that is valid on the posting date. However, certain European countries have the following legal requirements regarding exchange rates:

- The tax amounts recorded by the purchaser must exactly agree with the tax amounts in the local currency shown on the supplier invoice. Currency conversions on supplier invoices must be based on the invoice date.
- Tax amounts on customer invoices must be recorded and displayed in the local currency and converted using the exchange rate valid at the tax point date.

To facilitate these requirements, you can specify at entity level which date the system must use to retrieve the exchange rate for accounts receivable and accounts payable transactions.

For accounts receivable transactions, you can choose to retrieve the exchange rate based on the posting date or on the tax point date. For accounts payable transactions, you can choose to retrieve the exchange rate based on the posting date or on the invoice date.

Fig. 3.5
Entity Modify, General Tab



Using design mode, you can add the following two fields to the General tab of Entity Create (36.1.1.2.1) or Entity Modify (36.1.1.2.2):

Retrieve AR Exchange Rate Using. Choose to calculate AR exchange rates based on either the posting date or on the tax point date. The default is the posting date.

Retrieve AP Exchange Rate Using. Choose to calculate AP exchange rates based on either the posting date or on the invoice date. The default is the posting date.

The date you choose is used to retrieve both the transaction currency to base currency exchange rate, and the statutory currency to base currency exchange rate.

Note The Retrieve AR Exchange Rate Using (`tCompanyPropertyRef.CompanyPropertyIsARUseInvDate`) and Retrieve AP Exchange Rate Using (`tCompanyPropertyRef.CompanyPropertyIsAPUseInvDate`) fields are hidden by default. See *QAD System Administration User Guide* for more information on design mode.

Using Advanced Exchange Rates in Accounts Receivable

The system uses the date specified in the entity to calculate exchange rates for invoices posted from sales orders and for invoices created in Customer Invoice Create (27.1.1.1).

Invoices Created from Sales Orders

For invoices created from sales orders, the tax point date is the shipment date. If there are multiple lines on an order, the tax point date is the shipment date for the last order line shipped. If the shipment date is not recorded or available, the tax point date is the sales order due date.

Note For invoices created from sales orders, you can only use advanced exchange rates for the transaction currency to statutory currency conversion. The ability to use advanced exchange rates for the transaction currency to base currency conversion will be available in a later QAD EE release.

Example

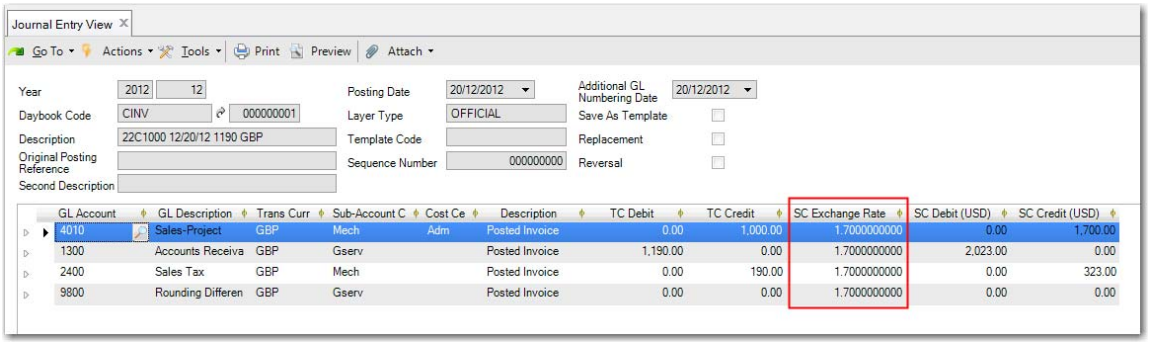
A Polish company sells to a UK customer. The base currency is Polish Zloty (PLN), the statutory currency is US Dollars (USD), and the transaction currency is Pounds Sterling (GBP). The following exchange rates apply:

Exchange Rate Type	From	To	Validity	Rate
Statutory	GBP	USD	01/12/2012 – 15/12/2012	1.63
			16/12/2012 – 31/12/2012	1.7

For the Polish entity, the tax point date is used to calculate the exchange rate. The order date is December 14, 2012, and the shipment date is December 20, 2012.

When the invoice is posted, the system uses the shipment date as the tax point date and retrieves the statutory currency rate for the conversion from British Pounds (GBP) to US Dollars (USD), which is 1.7.

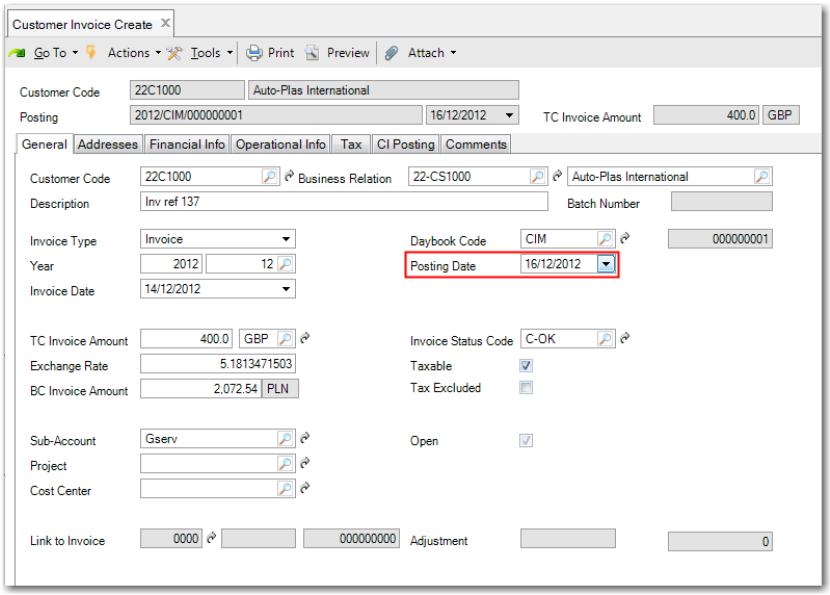
Fig. 3.6
Journal Entry View



Invoices Created Manually

If the Retrieve AR Exchange Rate Using field is set to Posting Date and you create an invoice in Customer Invoice Create, the system uses the date specified in the Posting Date field to retrieve the exchange rate.

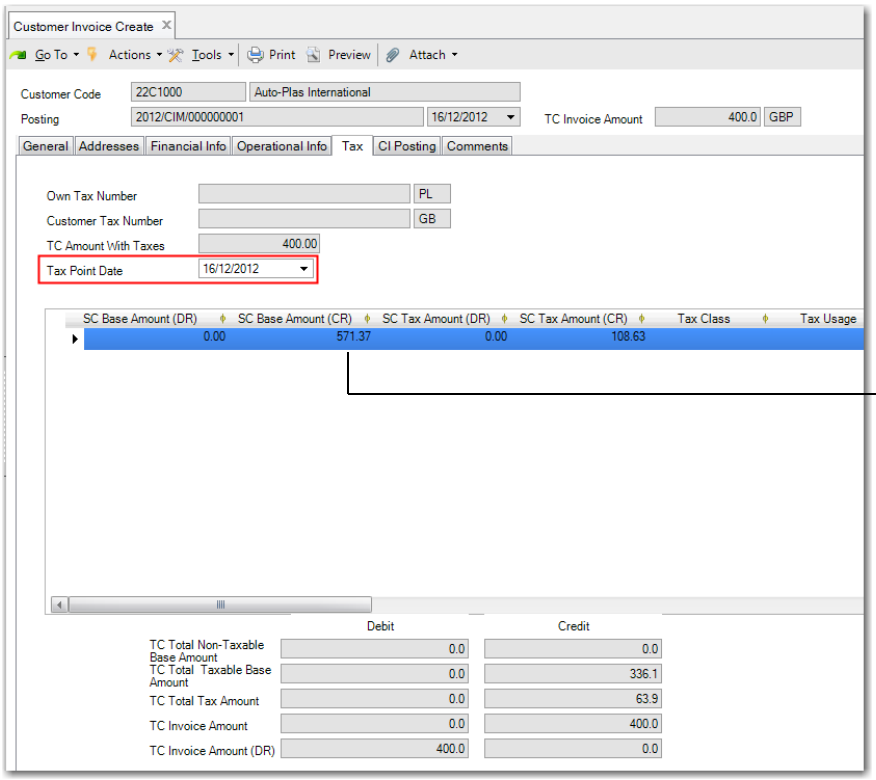
Fig. 3.7
Customer Invoice Create



If the Retrieve AR Exchange Rate Using field is set to Tax Point Date, the system uses the tax point date on the Tax tab to retrieve the exchange rate.

Note The tax point date defaults from the posting date you specify on the General tab. However, you can update the tax point date to be different than the posting date.

Fig. 3.8
Customer Invoice Create, Tax Tab



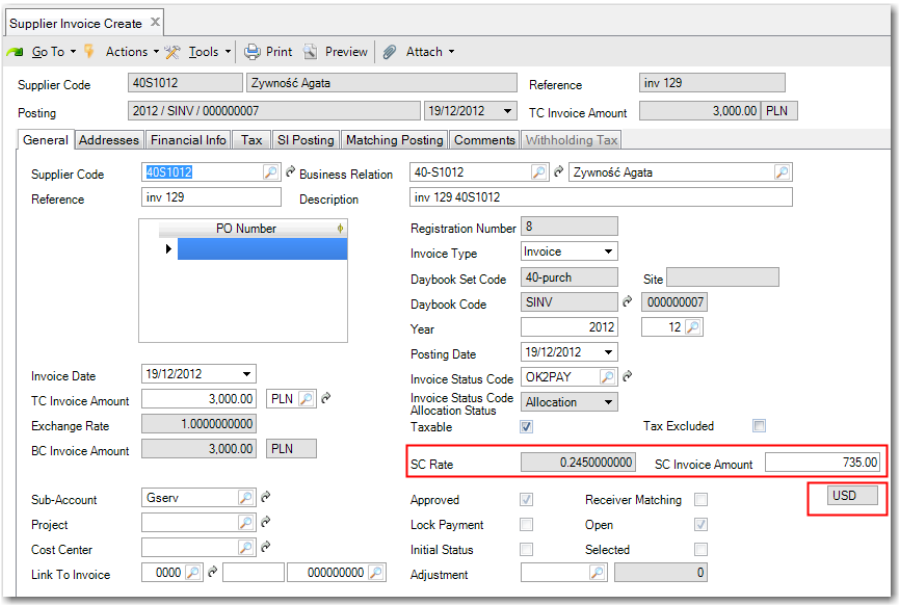
Calculated by multiplying the TC Total Taxable Base Amount (336.1) by the statutory exchange rate of (1.7) valid on the tax point date.

Using Advanced Exchange Rates in Accounts Payable

If the Retrieve AP Exchange Rate Using field is set to Posting Date and you create an invoice in Supplier Invoice Create (28.1.1.1), the system retrieves the exchange rate using the date specified in the Posting Date field. If the Retrieve AP Exchange Rate Using field is set to Invoice Date, the system retrieves the exchange rate using the date specified in the Invoice Date field.

In Supplier Invoice Create, you can edit the statutory currency invoice amount.

Fig. 3.9
Supplier Invoice Create



Using design mode, you can add the following three fields to the General tab of Supplier Invoice Create:

SC Rate. Displays the exchange rate used to convert from the transaction currency to the statutory currency.

If you change the calculated value displayed in the SC Invoice Amount field, the statutory exchange rate displayed in the SC Rate field is updated also.

SC Invoice Amount. When you enter an amount in the TC Invoice Amount field, this field automatically displays the amount converted to statutory currency. However, you can edit the statutory currency amount.

Statutory Currency (unlabelled). Displays the statutory currency defined for the domain.

Note The SC Rate (`tCInvoice.CInvoiceCCRate`), SC Invoice Amount (`tCInvoice.tdCInvoiceOriginalC`), and Statutory Currency (`tCInvoice.tcStatutoryCurrencyCode`) fields are hidden by default.

The grid on the Tax tab of Supplier Invoice Create contains read-only fields that allow you to view information on the base and tax amounts for the base and statutory currencies. To display these fields, right-click on any of the grid's field headings and select Columns.

BC Base Amount (DR). Taxable portion of an invoice, in base currency.

BC Base Amount (CR). Taxable portion of a credit note, in base currency.

BC Tax Amount (DR). Tax calculated on an invoice, in base currency.

BC Tax Amount (CR). Tax calculated on a credit note, in base currency.

SC Base Amount (DR). Taxable portion of an invoice, in statutory currency.

SC Base Amount (CR). Taxable portion of a credit note, in statutory currency.

SC Tax Amount (DR). Tax calculated on an invoice, in statutory currency. However, you can update the amount.

SC Tax Amount (CR). Tax calculated on a credit note, in statutory currency. However, you can update the amount.

If you edit the statutory currency tax amount, you can save the posting even if the posting is not balanced in base currency or in statutory currency, within certain limits.

To balance the posting, the system automatically creates an additional posting line that balances the whole transaction. The additional posting line is made to a Rounding Differences system account. The system creates the balancing posting if the unbalanced amount is less than or equal to the maximum number of lines on the SI Posting tab, multiplied by the rounding unit.

Example

The rounding for a currency is two decimal places, the threshold is 0.005, and the rounding unit is 0.01.

If a posting has four lines, the limit is:

4 * 0.01 = 0.04.

In this case, any balance differences of 0.04 or less are posted automatically to the Rounding Differences system account.

Figure 3.10 displays these fields for an invoice.

Fig. 3.10
Base and Tax Fields on an Invoice Tax Grid

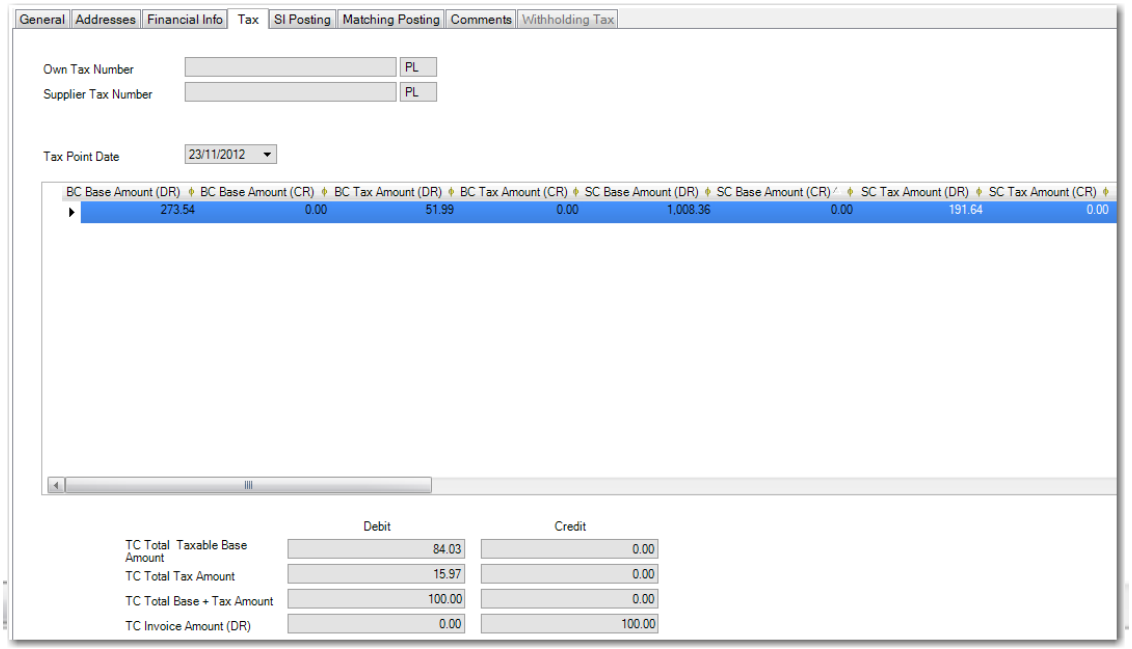
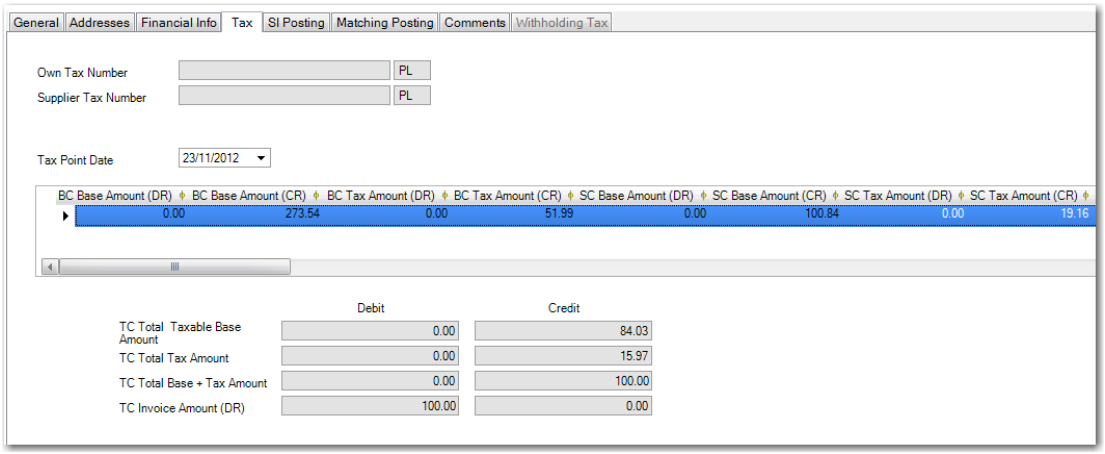


Figure 3.11 displays these fields for a credit note.

Fig. 3.11
Base and Tax Fields on a Credit Note Grid



Supplier Invoices in Open Item Adjustment

When you create supplier invoices indirectly in Open Item Adjustment Create (25.13.5), the system retrieves the exchange rates to use differently, depending on the type of transaction performed.

For supplier prepayments recorded in Open Item Adjustment Create, the system retrieves the exchange rate using the posting date, regardless of the setting of the Retrieve AP Exchange Rate Using field.

For supplier adjustments in Open Item Adjustment Create, the system always retrieves the exchange rate to use based on the setting of the Retrieve AP Exchange Rate Using field on the entity.

Example

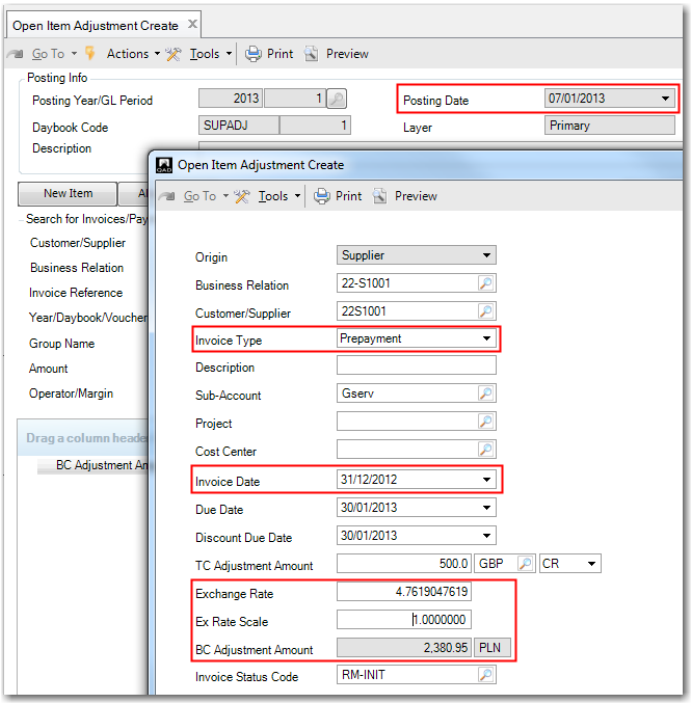
A Polish company buys from a UK supplier. The base currency is Polish Zloty (PLN) and the transaction currency is Pounds Sterling (GBP). The following exchange rates apply:

Exchange Rate Type	From	To	Validity	Rate
Accounting	GBP	PLN	12/27/2012 – 31/12/2012	5.025
			1/1/2013 – 31/01/2013	4.762

The Retrieve AP Exchange Rate Using field on the Polish entity is set to Invoice Date.

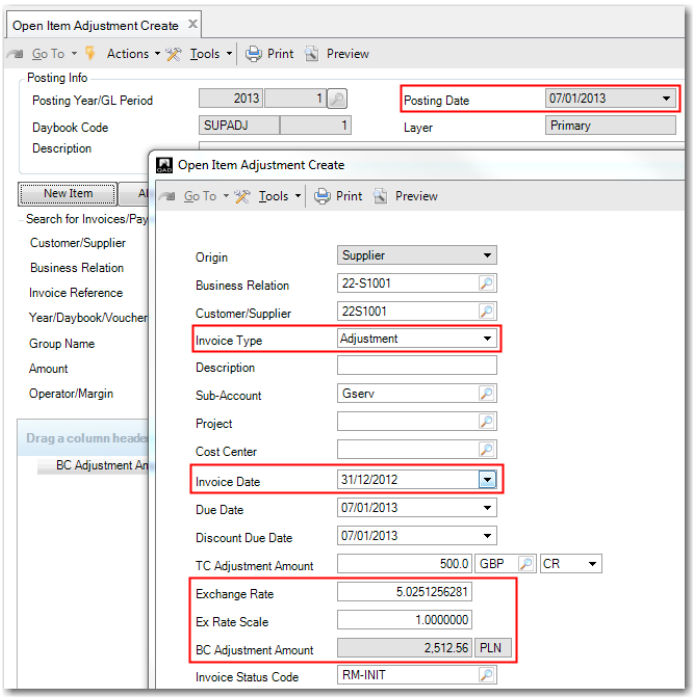
The Polish company records a prepayment in GBP to a supplier in the UK. The posting date is January 7, 2013, but the invoice date is December 31, 2012. For the prepayment, the system uses the exchange rate (4.762) valid on the posting date and not the invoice date, which is the setting on the entity record.

Fig. 3.12
Open Item Adjustment Create, Supplier Prepayment



The company then records an adjustment in GBP for a UK supplier. The posting date is January 7, 2013, but the invoice date is December 31, 2012. For supplier adjustments, the system uses the setting on the entity to indicate the date to use for the exchange rate. The entity setting uses the invoice date, and the exchange rate from GBP to PLN is 5.025 on this date.

Fig. 3.13
Open Item Adjustment Create, Supplier Adjustment



Inventory Exchange Rate

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

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

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

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

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

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

Inventory Exchange Rate Example

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

The exchange rates from MXN to USD were:

1 USD = 12.8 MXN when the PO was created

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

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

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

The PO is received and recorded in the base currency.

Inventory: 350 USD

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

Purchase Price Variance: 35 MXN

Derived Exchange Rates

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

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

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

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

Derived Exchange Rate Example 1

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

1 EUR = 2 GBP

1 EUR = 3 USD

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

1 GBP = 3/2 USD = 1.5

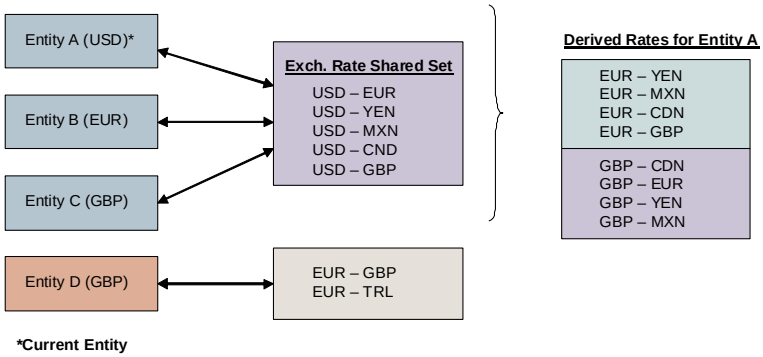
For Entity 3 with a base currency of USD, the derived rate between USD and GBP is:

1 USD = 2/3 GBP = 0.66 GBP

Derived Exchange Rate Example 2

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

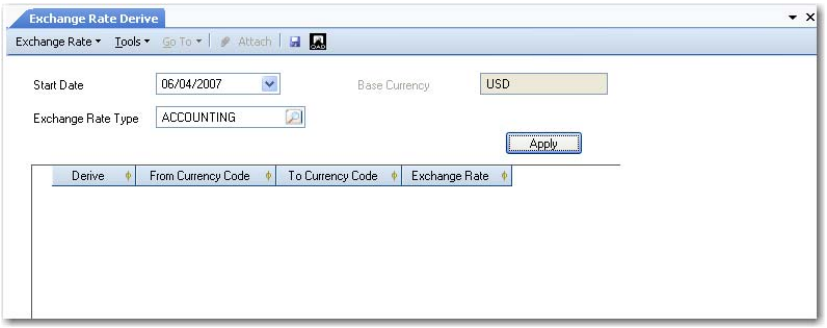
Fig. 3.14
Derived Exchange Rates Example



Entities A, B, and C are part of the same exchange rate shared set. If entity A is the current entity, the system derives exchange rates from the euro to yen and mexican pesos (MXN), and from British pounds (GBP) to Canadian dollars (CDN), euro, and yen. This is because an exchange rate exists between US dollars and the other base currencies in the same shared set (euro and GBP), and between US dollars and the yen, MXN, and CDN.

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

Fig. 3.15
Exchange Rate Derive



Field Descriptions

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

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

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

Click Apply to display the matching records in the grid.

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

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

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

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

Exchange Rate. This field displays the derived exchange rate.

Realized Gain/Loss Accounts

When customer and supplier invoices in foreign currency are paid in Banking Entry, or when the status of customer or supplier payments is set to Paid in Banking Entry or in the payment programs, the system automatically calculates and posts the realized gain or loss.

The gain or loss is caused by a difference in exchange rate between the date on which the invoice was created and the date on which the invoice was paid. The system posts the gain or loss in both base currency and statutory currency.

The system uses Realized Gain and Realized Loss system accounts for the gain or loss posting, and there can only be two of these accounts in each chart of accounts. The system uses the same Realized Gain and Realized Loss accounts for all foreign currencies. However, the currency code of the transaction that caused the gain or loss is added to the posting so that you can analyze realized gain and loss transactions per currency.

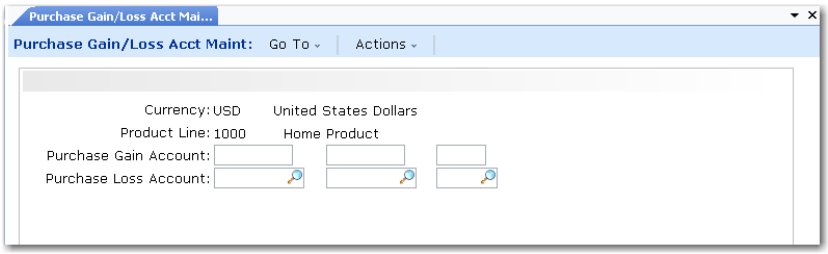
Purchase Gain/Loss Accounts

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

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

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

Fig. 3.16
Purchase Gain/Loss Account Maintenance (26.17)



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

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

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

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

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

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

Currency Display

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

Internal reports provide information for users of the system at your organization. The currency format for these reports is determined by the user's locale based on the associated country in User Maintenance (36.1). Table 3.2 lists these reports.

Table 3.2
Internal Reports Displaying Currency Format of User's Country

Report	Program
PO Receipt Document Print (5.13.2)	porcrp.p
Pending Invoice Register (7.13.2)	soivrp.p
Invoice Post and Print (7.13.4)	soivpst.p
Invoice History Report (7.13.8)	soivrp09.p
Material Order Maintenance (10.7.1/11.11.1)	fseomt.p
Material Order Shipments (10.7.6/11.11.6)	fseops.p
Renewal Process/Report (11.5.13.10)	fssaexp.p
Billing Release to Invoice (11.5.18.13)	fssais.p
Billing Reversal Maintenance (11.5.18.18)	fssaisr.p
Revenue Recognition (11.5.18.21)	fssdefre.p
Intrastat Inquiry (29.22.14)	iehiq.p
Intrastat by Invoice (29.22.15)	iehinviq.p
Intrastat by Supplier Invoice (29.22.16)	iehvouiq.p
Intrastat by Order (29.22.17)	iehordiq.p

Report	Program
Extrastat Inquiry (29.22.21.14)	iehexiq.p
Extrastat by Invoice (29.22.21.15)	iehexinv.p
Extrastat by Supplier Invoice (29.22.21.16)	iehexvou.p
Extrastat by Order (29.22.21.17)	iehexord.p

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

Table 3.3
External Reports Displaying Currency Format of Recipient

Report	Program Name	Recipient Country Code
Blanket Order Print (5.3.5)	poblrp03.p	Supplier (po_vend)
Purchase Order Print (5.10)	poporp03.p	Supplier (po_vend)
Purchase Return Document Print (5.13.8)	porvrp.p	Supplier (prh_vend)
Sales Order Print (7.1.3)	sosorp05.p	Sold To (so_cust)
Sales Quote Print (7.12.13)	sqqorp05.p	Sold To (qo_cust)
Invoice Print or Reprint (7.13.12)	soivrp10.p	Bill To (ih_bill)
RMA Print (11.7.1.3)	fsrmrp08.p	Sold To (so_cust)
Contract Quote Print (11.5.1.3)	fsqorp.p	Sold To (sq_cust)
Contract Print (11.5.13.4)	fssarp.p	Sold To (sq_cust)
Invoice Export (35.4.3)	edominv.p	Bill To (ih_bill)

Chapter 4

Setting Up General Ledger

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

Overview 83
Introduces general ledger setup concepts.

Setting Up the Chart of Accounts 87
Lists the elements that can constitute the Financials chart of accounts.

Creating GL Accounts 90
Describes how to create GL account records.

Sub-Accounts 104
Create sub-accounts for analyzing activity on an account code.

Cost Centers 105
Configure cost centers for reporting at departmental level.

Projects 107
Define projects for analytical reporting on activities.

GL Account Unit of Measure 112
Define values for transactions using quantifiable units.

Alternate Chart of Accounts 113
Configure a secondary grouping of accounts used for statutory reporting.

COA Cross-References 119
Map COA elements in source entities to COA elements in consolidation entities.

Validating Accounts 127
Lists the methods for validating account combinations.

COA Masks 127
Specify matrices that define the COA elements to which you can post transactions.

COA GL Account Restriction 139
Restrict the use of GL accounts within a shared set.

COA Cost Center Restriction 141
Restrict the use of cost centers within a shared set.

GL Implementation Considerations 142
Discusses control settings you can configure before implementing GL.

Supplementary Analysis Fields 143
Describes additional analytical reporting on transactions.

Setting Up GL Correction Control 156
Enable control settings for correction transactions.

Accounting Layers 161
Different ways of segregating transactions within a single GL account.

Using Daybooks 164
How to use system or user-defined views of the general ledger.

Defining the GL Calendar 183
Define fiscal years and smaller subsets.

Running GL Consistency Checks 198
Describes a series of validations that verify the integrity of the Financials tables.

Defining Operational Defaults 205
Describes control settings for the operational modules.

Setting Up Allocations 211
Distribute costs and revenues to the appropriate COA elements.

Overview

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

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

GL reports include trial balance, transactions in a given GL period, open items, and monthly closing. Each report is filtered by criteria; for example, by GL calendar year and period, daybook code, currency, or posting date. See "GL Reports" on page 915 for more information on generating GL reports.

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

For more detailed financial reporting, you can use sub-accounts, cost centers, and projects. Sub-accounts provide a further level of detail within an account, and can be linked to customers and suppliers and their individual transactions. See "Sub-Accounts" on page 104.

You can refine account and sub-account information further by defining cost centers. For example, a cost center can be a profit center or department within the account or sub-account. Balances in sub-accounts and cost centers can be listed separately or summarized under account codes. See "Cost Centers" on page 105.

Project codes provide analysis on costs and revenue for the projects defined in your organization. See "Projects" on page 107.

A company that is part of a larger organization may be required to define an alternate COA according to local GAAP, and then report to their head office using the operational COA. The Alternate COA function provides the ability to generate reports using alternate COAs, in addition to a company's operational COA. See "Alternate Chart of Accounts" on page 113. Alternate COA cross-references let you specify mappings from source GL combinations to target alternate accounts. You can also create cross-reference mappings for use in consolidation. See "COA Cross-References" on page 119 and Chapter 14, "Consolidation," on page 897.

You can verify valid combinations of COA elements using a *COA mask*. A COA mask is a matrix that defines the combinations of GL accounts, sub-accounts, cost centers, and projects to which you can post transactions. The mask you define applies to all transactions posted for the current domain. See "COA Masks" on page 127.

Use supplementary analysis fields (SAFs) to provide additional reporting on specific areas within GL accounts, cost centers, or projects. SAFs are typically used to track the volume of sales or purchases of a product in a region in a given period. See "Supplementary Analysis Fields" on page 143.

Accounting layers let you define different types of transaction postings, from official postings to statutory books to temporary postings for analysis or simulation. See “Accounting Layers” on page 161.

Daybooks are system- or user-defined views of the general ledger, and contain the transaction posting lines. Using different types of daybooks lets you group GL transactions to satisfy legal reporting requirements. Each daybook is assigned to an accounting layer. Depending upon the daybook type, the layers to which the daybook can be assigned may be restricted; for example, Customer Payments can be assigned to the official layer only. See “Using Daybooks” on page 164 for more information.

The financial calendar consists of user-defined GL calendar years and GL periods. You can define custom start and end dates for each GL period to correspond with your accounting cycles. See “Defining the GL Calendar” on page 183.

Costs and revenues can be allocated directly to the relevant GL accounts, sub-accounts, cost centers, and projects during journal entry. However, for some costs, such as utility bills, organizations may prefer to define and run an allocation after the journal entry is created, depending on how the organization chooses to apportion such overhead costs across departments and divisions. See “Financial Allocations” on page 216 for information on defining an allocation structure.

General Ledger Flow

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

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

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

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

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

Once transactions are posted to the official layer, you cannot change or correct them directly. Use reversing transactions to make any required changes. See “Reversing Transactions” on page 403.

The management layer is used for management accounts—for example, auditing adjustments—or for IFRS- and GAAP-specific requirements. Transactions recorded in the management layer do not affect account balances. See “Accounting Layers” on page 161.

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

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

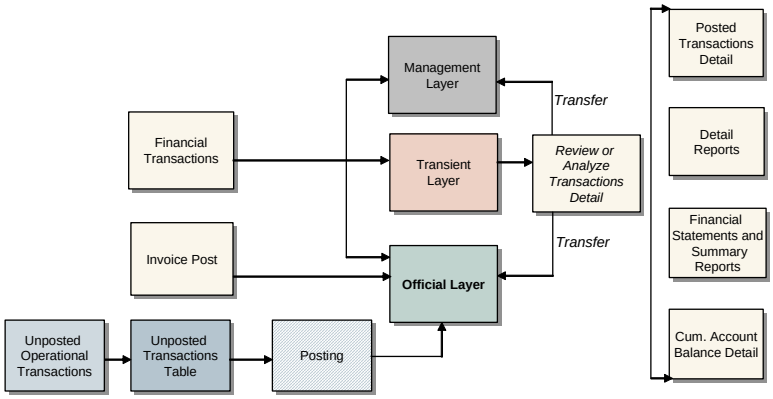
Most organizations print a trial balance summary or detail report before printing statements. The trial balance lists the title and amount for all accounts, making it easier to identify errors and make adjusting entries before printing formal statements.

After all reports are printed, you close the GL period to the general ledger. At the end of the fiscal year, the GL calendar year is also closed for the year, and the year-end close updates the retained earnings for the current year’s net profit or loss. See “Year-End Transactions” on page 451.

In multiple currency entities, unrealized exchange gains and losses are calculated and posted prior to running reports. See “Revaluation” on page 370.

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

Fig. 4.1
General Ledger Data Flow



General Ledger Components

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

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

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

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

Table 4.1
General Ledger Components

Component	Description
GL Account	Plan the different types of accounts required for the chart of accounts. Define accounts for cash, bank, inventory, sales, fixed assets, open items, cross-company control, customer control, customer payments, supplier control, supplier payments, or WIP control.
System Account	This is a category of account that is required by the system, such as rounding accounts and exchange rate difference accounts. When the GL type is system account, you must specify which system subtype applies.
Sub-account, Cost Center, and Project	These elements provide finer detail in financial reporting. Balances in sub-accounts and cost centers can be listed separately or summarized under account codes.
Supplementary Analysis Field (SAF)	SAFs provide reporting data on specific customer or supplier items within GL accounts. SAFs can be used to provide costings on a particular service before you create a purchase order for the service.
GL Mask	The GL mask is a matrix of your accounts. The GL mask allows you to combine accounts, sub-accounts, and cost centers in a predefined posting framework.
GL Period	You must define a GL calendar year and GL periods before you can post transactions. Periods have start and end dates that do not have to correspond with calendar months. All entities in a domain share the same GL calendar year, but each entity can manage the opening and closing of periods separately.
Daybook	Daybooks contain transaction posting lines and control the posting of transactions because each daybook must be linked to an accounting layer. The system provides a range of daybook types, which lets you group transactions by type, such as banking, revaluation, or consolidation, or by payment type, such as supplier or customer payments. Journal entries are automatically entered in the daybooks with which they are associated. Daybooks also control the numbering of invoices and credit notes, in addition to GL transaction numbers.
Period Mark	Period marks are automatically generated by the system and let you trace transactions by period. The mark is an attribute of the posting and appears in posting reports.

Component	Description
Accounting Layer	Accounting layers provide ways of segregating transactions within a single GL account. The posting of transactions is controlled by associating daybook types with one of three system-defined accounting layers: official, management, and transient. • If a daybook is associated with the official layer, transactions are immediately posted to the general ledger. • Management layers provide different types of GAAP reports within one organization. • Transient accounting layers enable temporary posting for review or analysis, before official posting.
Unit of Measure	Units of measure are the values used in transactions that involve any type of quantifiable unit.

Setting Up the Chart of Accounts

The chart of accounts consists of combinations of four elements:

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

GL Account Types

The following table lists GL account types.

Table 4.2
General Ledger Account Types

Account Type	Description
Bank Account	Use to configure a bank account.
Cash Account	Use to record cash transactions.
Closing Account	Use in the year-end closing process to post the total balance for each account type. Normally, you create four year-end closing accounts: • Profit/loss closing account • Balance sheet closing account • Profit/loss closing account including sub-account analysis • Balance sheet closing account including sub-account analysis See “Year-End Transactions” on page 451 for details.
Cross-Company Control Account	Use to record postings from one entity to another. The corresponding balances are kept in mirrored cross-company accounts.
Customer Control Account	Use as the control account for customer Accounts Receivable activity.
Customer Payment Account	Use to record customer payment transactions, such as those involving checks, direct debits, and drafts.
Fixed Assets Account	Use to record fixed assets activity.

Account Type	Description
Inventory Control Account	Use to record the inventory sub-ledger activity.
Open Items Account	Use to record open item transactions. Open items are unpaid and partly settled invoices, both from customers and suppliers, where the transaction is not completed at the end of the GL period. You can perform reconciliation on open item accounts.
Standard Account	Use to define basic, non-specific accounts.
Supplier Control Account	Use as the control account for supplier Accounts Payable activity.
Supplier Payment Account	Use to record supplier payment transactions, such as those involving checks, paper and electronic transfers, and drafts.
System Account	Use system accounts for accounting functions that affect all data and transactions for a shared set, such as rounding differences, revaluation, or fixed-asset disposals. See Table 4.3 on page 88 for a list of types.
Tax Account	Use to record tax entries and transactions, such as the tax charged on sales, known as output tax, and the tax paid on purchases, known as input tax. Use the information in the account when completing your tax return at the end of each tax period.
WIP Control Account	Use to record the cost of open work orders, such as raw materials taken from inventory and being used in the manufacturing process. WIP control accounts also include the cost of component issues, labor, burden, and subcontracts.

System Accounts

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

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

Table 4.3
System Account Types

System Account Type	Description
Auto Balance	Used to record journal entry auto balancing transactions. If the balance of a posting is not zero in base currency or in statutory currency, the system can create a balancing posting line automatically. The resultant posting line balances the whole posting transaction, and the posting is made to an Auto Balance system account. See “Journal Entry Auto Balancing” on page 331.
Deduction Suspense	Used to transfer deduction balances from the payment posting to the deduction open item posting. Its balance is always backed out immediately in the same transaction. The Deduction Suspense account always has a zero balance. See “Processing Deductions” on page 539.

System Account Type	Description
Purchase Order Receipts	Used to record that a supplier has fulfilled all or part of a commitment by delivering items or services ordered on a purchase order.
Realized Exchange Loss Realized Exchange Gain	Used in the foreign currency revaluation process for accounts that can be considered as realized profit or loss due to exchange rate differences.
Unrealized Exchange Loss Unrealized Exchange Gain	Used for revaluation of customer open items and supplier open items.
Result of the Current Year	Used in report structures to incorporate the balance of profit and loss accounts for the current year. The Result of the Current Year accounts are automatic balance sheet accounts, without actual postings. See “Structured Reports” on page 944 for more information.
Result of Previous Years	Used in report structures to incorporate the balance of profit and loss accounts for previous years that have not yet been closed. The Result of Previous Years accounts are automatic balance sheet accounts, without actual postings. See “Structured Reports” on page 944 for more information.
Rounding Differences	When the conversion from one currency to another results in rounding differences in the base currencies, this account is used to record the differences.
Unmatched Invoices	When posting a supplier invoice in Accounts Payable that is not yet approved or allocated through the final costs, the amount to be allocated is posted to the Unmatched Invoices account. You create one Unmatched Invoices account per system. This account is used by default for all supplier invoice postings.

Account Analysis

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

Table 4.4
Analysis Type by Account Type

	Account Type	Sub-Acct	Cost Center	Project	SAF
Standard Accounts	Bank Account	Yes	No	No	No
	Cash Account	Yes	Yes	Yes	Yes
	Closing Account	Yes	No	No	No
	Cross-Company Account	No	No	No	No
	Customer Control Account	Yes	Yes	Yes	Yes
	Customer Payment Account	Yes	Yes	Yes	Yes
	Fixed Assets Account	Yes	Yes	Yes	Yes
	Inventory Control Account	Yes	Yes	Yes	Yes
	Open Items Account	Yes	Yes	Yes	Yes
	Standard Account	Yes	Yes	Yes	Yes
	Supplier Control Account	Yes	Yes	Yes	Yes
	Supplier Payment Account	Yes	Yes	Yes	Yes
	Tax Account	Yes	No	No	No
	WIP Control	Yes	Yes	Yes	Yes
System Accounts	Conversion (for conversion activity only)	N/A	N/A	N/A	N/A
	PO Receipts	Yes	Yes	Yes	Yes
	Realized Exchange Gain	Yes	No	No	No
	Realized Exchange Loss	Yes	No	No	No
	Result of Current Year	Yes	No	No	No
	Result of Previous Year	Yes	No	No	No
	Rounding Differences	Yes	No	No	No
	Unmatched Invoices	Yes	No	No	No
	Unrealized Exchange Gain	Yes	No	No	No
	Unrealized Exchange Loss	Yes	No	No	No

Creating GL Accounts

Use the GL Account activities (25.3.13) to create, view, modify, and delete GL accounts. You can also use Excel integration (25.3.13.5) to import account information from an Excel spreadsheet. For details on setting up Excel integration, see *Introduction to QAD Enterprise Applications User Guide*.

The following table lists the attributes of an existing GL account that you can change.

Note With the exception of the Category attribute, you can only modify these attributes when they have not been used in posting.

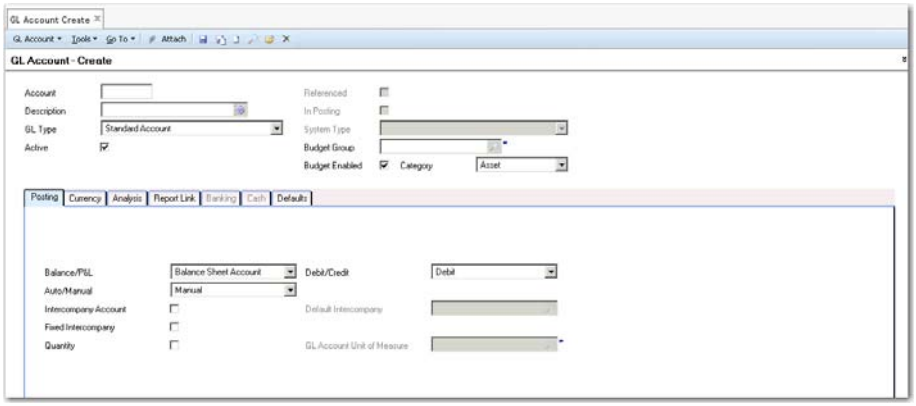
Tab	Field
Posting	GL Description
	Budget Group
	Balance/PL
	Automatic/Manual

Tab	Field
	Category
Currency	TC Revaluation in BC
	TC Revaluation in SC
	TC Revaluation Rate
	SC Revaluation Rate
	Exchange Method
	Exchange Rate Type
Analysis	Analysis Type
Report Link, Banking, and Defaults	All fields

If the account is not a standard account, you cannot modify the Balance/PL field, with the exception of tax accounts. In addition, restrictions exist regarding the Analysis Type. See “Analysis Tab” on page 97.

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

Fig. 4.2
GL Account Create



Field Descriptions

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

Note You cannot create a GL account that has the same code as an existing operational allocation code. See “Operational Allocation Codes” on page 211.

Description. Enter a brief description (maximum 24 characters) of the GL account. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

GL Type. Select the type of account. See “GL Account Types” on page 87 for a description of the available account types.

Active. Indicate if this is an active account.

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

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

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

System Type. This drop-down menu is enabled when you select a system account as the account type. Select a value from the list. See “System Accounts” on page 88.

Budget Group. If this account is to be included in a budgeting group, enter a code for the group, or click to look up and select an existing code. Setting up a budget can be done with this group code or by specifying ranges or lists of GL accounts. See “Budgeting” on page 873.

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

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

Asset: These represent economic resources owned by an entity, both tangible and intangible, such as bank balances, amounts owed by customers, inventories, land, buildings and machinery, investments, and goodwill. Asset accounts appear on the balance sheet.

Liability: Liabilities are amounts owed to other parties for goods and services supplied and loans. This category also includes capital—sometimes termed equity or net worth—which represents the economic resources supplied to an organization such as share capital, reserves, and loan capital. Liability and capital accounts appear on the balance sheet.

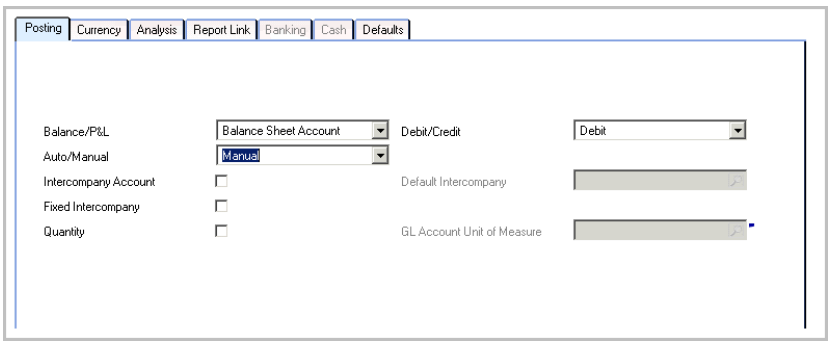
Expense: Any account to appear in the income statement and not defined exceptionally as an income account is defined as an expense. Typically, materials, labor, and expense accounts are all expense accounts. Some revenue accounts may also be defined in the expense category; for example, scrap sales and recovery accounts.

Income. This category identifies any account to appear as a sales account in the income statement. The system assumes, in some reports, that the income account values provide the denominator when the system calculates percentages of sales. For example, Labor account (expense category) is 50% of the sum of the sales accounts (income category).

Posting Tab

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

Fig. 4.3
GL Account, Posting Tab



Field Descriptions

Balance/P&L. Indicate whether this is a Balance or Profit and Loss account.

Profit and loss accounts are cleared at year-end closing, and the total balance of profit and loss is transferred to a profit and loss transfer balance account.

This selection is available for standard account types, and for certain system type accounts: Rounding Differences, Realized and Unrealized Exchange Profit and Loss. All other account types are balance accounts by default, and this field is disabled.

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

Debit/Credit. Select the posting designation for this account.

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

Auto/Manual. Use the Auto/Manual field to indicate whether journal entries on this account must only be created automatically by the system or whether they can be created manually in, for example, Journal Entry Create, Banking Entry Allocate to GL, Receiver Matching Create, or the Matching tab of Supplier Invoice.

If you select Automatic, the account cannot be used in a manual posting line entry created in, for example, Journal Entry Create or Supplier Invoice Allocate.

If you select Manual, the account can be used for all manual posting line entries, as well as in programs that create transactions automatically.

Important You cannot modify the value in the Auto/Manual field after transactions have been posted to the GL account.

Manual posting is available for the following types of account:

- Bank
- Cash
- Cross-company
- Fixed Asset
- Open Items
- Standard
- Tax

Posting is automatic for all other account types. System accounts and control accounts must use automatic posting with the exception of the Conversion system account, which has manual posting.

Example

For a GL account of type Bank, you can set the Auto/Manual field to Automatic or Manual.

When the Auto/Manual field is set to Automatic, transactions on the bank GL account can only be entered using Banking Entry Create. If the Auto/Manual field is set to Manual, you can also enter transactions on the bank GL account using Journal Entry Create.

Intercompany Account. Select to designate the account as an intercompany account. This field is always selected for cross-company control accounts and cannot be modified.

The intercompany identifier distinguishes organizations that are members of a group of entities that trade with each other. When the field is selected, you can choose to enter an intercompany code for postings to this account. Intercompany codes are configured on the General tab of the business relation. See “Creating Business Relations” on page 237.

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

Fixed Intercompany. Select this field if you do not want the default intercompany code to be changed during manual entry.

When this field is clear, the system uses any intercompany code associated with the business relation in the transaction, rather than the code associated with the account.

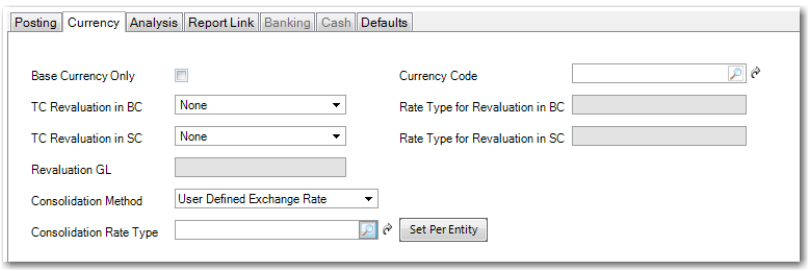
Quantity. Select this field if you want to store quantity values for posting lines for this account. When selected, the GL Account Unit of Measure field is enabled in postings using this account, and you must specify a quantity and unit of measure in the posting lines.

GL Account Unit of Measure. When Quantity is selected, specify a unit of measure for quantities specified for this account. By default, all quantities on the account are assumed to be in the same unit of measure. See “GL Account Unit of Measure” on page 112.

Currency Tab

Use the Currency tab to specify the currency attributes of the account. See “Setting Up Multiple Currencies” on page 57 for more information on the setup of foreign currencies.

Fig. 4.4
GL Account, Currency Tab



Field Descriptions

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

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

Currency Code. Select a unique currency for the account. You typically enter a currency for accounts that use only a specific currency, such as bank and cash accounts, or customer and supplier control accounts.

Postings for the account use this currency only. If you do not specify a currency, postings can use any of the currencies configured for the entity. This field is disabled when you select the Base Currency Only option.

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

None: No revaluation is performed on transactions.

Accounting Rate: The accounting exchange rate for that date is used; this is the most common option.

Revaluation Rate: You can use a separate rate. For example, in certain countries, the government sets the rate that must be used for revaluation, and this is separate from the accounting exchange rate. See “Revaluation” on page 370.

User Defined Rate: This option accommodates situations where different revaluation rules apply for particular types of assets.

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

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

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

Inventory Rate: This option is available for revaluation relative to the statutory currency for Inventory and Work in Process (WIP) control accounts, and uses the inventory exchange rate.

You must revalue open balances in Inventory and WIP control accounts relative to the statutory currency to report closing valuations for the balance sheet. Inventory and WIP balances in statutory currency must be revalued to use the latest inventory exchange rate when:

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

Note Base currency Inventory and WIP control account balances must be revalued in the books of a consolidation entity if the base currency of a source entity is different than that of the consolidation entity.

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

Revaluation GL. Specify an account to be used for revaluation postings.

Note This field is activated if the account you are creating or updating is a control account or a tax account.

When the parent account is a control account or a tax account, the Revaluation GL account acts as a mirror balance account, to which revaluation differences of unrealized exchange profits and losses are posted. You cannot select a Revaluation GL account for bank, cash, open items, standard, or system accounts.

The revaluation account tracks unrealized gains and losses that occur on assets and liabilities that have not yet been converted to cash, such as AR. When the AR payment is received and converted to cash, the exchange gain or loss associated with that payment becomes a realized gain or loss. See “Revaluation” on page 370.

Consolidation Method. If this account will be used by a domain that is the target of a consolidation, select the revaluation exchange method from the drop-down list. The exchange method of the account in the consolidation entity determines how subsidiary transaction amounts are converted to transactions in the consolidation entity. In each case, the system uses the exchange rates defined in the domain of the consolidation entity. See Chapter 14, “Consolidation,” on page 897 for details on consolidation setup.

The possible settings of the Consolidation Method are as follows:

Current Exchange Rate: The system recalculates the value of transactions based on current exchange rates.

Historical Exchange Rate: The system consolidates transactions at the exchange rate effective on the date of the transaction.

Simple Average Exchange Rate: The system determines a set value for a transaction by averaging the rates for the first and last dates in the range of transaction effective dates. For example, if transactions are imported for the month of January, the system averages the rates for January 1 and January 31.

Weighted Average Exchange Rate: The system determines a set value for a transaction by averaging the rates for all dates in the range of transaction effective dates. For example, if transactions are imported for the month of January, the system adds up the rates for each date (January 1, January 2, and so on) and then divides by 31.

User-Defined Exchange Rate: If you select the User-Defined Rate option, you must set up specific exchange rates for each subsidiary base currency, for each GL account with this method, and for each GL period. See “Revaluation” on page 370.

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

The Set Per Entity button enables you to specify a different user-defined exchange rate for each consolidated entity. You can apply the exchange rate to any account type for consolidation purposes. For each of the rate types that you specify here, you must also create the actual exchange rates before you can run the consolidation. These rates must be entered in the shared set used by the consolidation entity. To do this, use Exchange Rate Create (26.4.1).

Example In the books of different entities, different historical rates were used to translate base currency equity balances to consolidation currency balances.

Analysis Tab

Use the Analysis tab to define how entries to the account must be analyzed. You can specify:

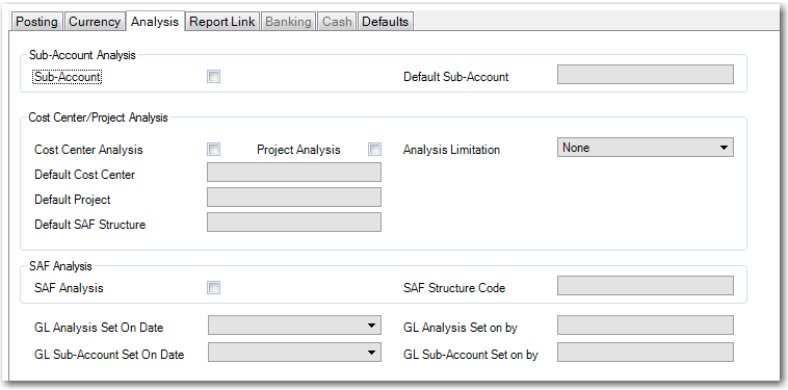
- Whether a sub-account is required and the default sub-account to use
- Whether a cost center, a project, or both are required, and the default cost center or project to use
- Whether Supplementary Analysis Fields (SAFs) are required

If cost center analysis and project analysis are enabled, you can apply rules (limitations) in relation to the recording of cost centers and projects.

If you have enabled COA masks, the sub-accounts, cost centers, and projects you use in the account analysis must be valid according to the COA masks. See “COA Masks” on page 127.

Important After you have saved account setup data and used the account in postings, you can change the account setup to add additional analysis (project or cost center), but you cannot remove analysis. You can change the analysis limitation setting at any time.

Fig. 4.5
GL Account, Analysis Tab



Field Descriptions

Sub-Account Analysis

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

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

Cost Center/Project Analysis

Cost Center Analysis. Select to indicate that this account uses cost center analysis. This option enables the Default Cost Center and Default SAF Structure fields. When you enable cost center analysis only, you must specify a default cost center.

If you enable cost center or project analysis, you cannot also activate SAF analysis.

If you enable both cost center analysis and project analysis for the same account, you must specify an analysis limitation.

You cannot enable cost center analysis for tax, closing, and bank accounts.

Project Analysis. Select to indicate that this account uses project analysis. This option enables the Default Project and Default SAF Structure fields. When you enable project analysis only, you must specify a default project.

If you enable cost center or project analysis, you cannot also activate SAF analysis.

If you enable both cost center analysis and project analysis for the same account, you must specify an analysis limitation.

You cannot enable project analysis for tax, closing, and bank accounts.

GL accounts to be used in operational functions such as Purchase Orders cannot be set up with project analysis only. You must enable project and cost center analysis. When you enable cost and project analysis for a GL account, the analysis limitation must be set to none, one required, or cost center required.

Analysis Limitation. When you enable both cost center and project analysis, you can specify any analysis limitation.

Choose from the following options:

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

Note The analysis limitations are validated by the system when you save them. GL account analysis limitation settings are also validated in the program GL Account Excel Integration (25.3.13.5). Any validation problems return errors for automatic GL accounts and return warnings for manual GL accounts.

You can change the analysis limitation setting at any stage, even after Financials transactions have been posted using the account.

Default Cost Center. You must specify a default cost center profile when:

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

Default Project. You must specify a default project profile when:

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

Default SAF Structure. When you enable cost center or project analysis, select a default SAF structure code for transactions on this account. This field is optional.

When the analysis type is cost center or project, you must specify a default SAF structure if the Retrieve Structure from GL Account setting is selected for the cost center or project.

SAF Analysis

SAF Analysis. Select to indicate that this account uses SAF analysis. This option enables the SAF Structure Code field.

If you enable SAF analysis, you cannot activate cost center or project analysis.

You cannot enable SAF analysis for tax, closing, and bank accounts.

SAF Structure Code. Specify a default SAF structure code for transactions on this account.

This field is required when the analysis type is SAF.

General Fields

GL Analysis Set On Date. This field displays the date on which analysis was activated for the account. This field is unavailable if analysis is not activated for the account.

GL Analysis Set On By. This field displays the user who activated analysis for the account. This field is unavailable if analysis is not activated for the account.

GL Sub-Account Set On Date. This field displays the date on which sub-account analysis was activated for the account. This field is unavailable if sub-account analysis is not activated for the account.

GL Sub-Account Set On By. This field displays the user who activated sub-account analysis for the account. This field is unavailable if sub-account analysis is not activated for the account.

Changing the Analysis Limitation

New analysis limitation values (Cost Center Required and Project Required) were introduced in QAD 2012 EE and retrofitted to earlier releases. For accounts used in Financials transactions, you can change the analysis limitation setting to use the new values without restriction. However, you may encounter issues if you have changed the analysis limitation settings for GL accounts used in unposted operational transactions.

Important It is recommended that you post all operational GL transactions prior to changing the GL account analysis limitation.

For unposted operational GL transactions that met the analysis limitation when the transaction was created and where the analysis limitation has since been changed to a more restrictive limitation (for example, from None to Cost Center Required), the system displays an error when you run Operational Transaction Post.

When posting operational transactions for accounts with updated analysis limitation settings, if a small number of errors are raised, use Unposted GL Transaction Correction to update the analysis limitation value for the accounts and then rerun Operational Transaction Post. If a large number of posting errors are raised, undo the analysis limitation change, post the transactions, and then restore the analysis limitation change.

Similarly, the Pending Invoice Register does not display unposted sales invoices if the analysis limitation settings for the sales accounts were updated after the invoice was created, and where the invoice is likely to cause errors during Invoice Post and Print.

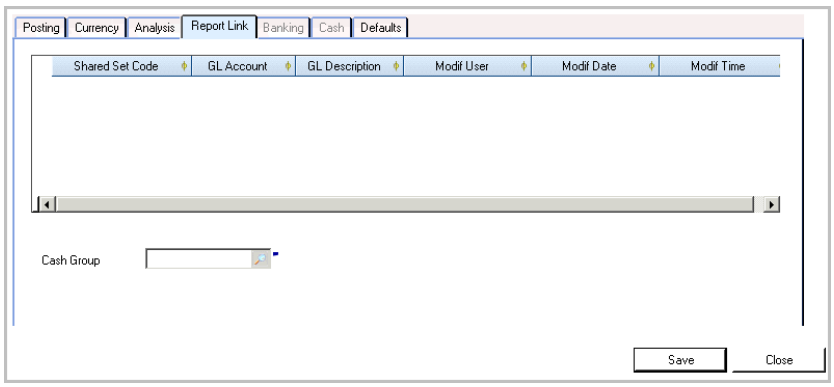
Report Link Tab

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

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

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

Fig. 4.6
GL Account, Report Link Tab



Field Descriptions

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

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

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

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

Cash Group. Select the cash group to which the account belongs. Cash groups are used to categorize information in the Cash Flow Report. See “Creating Cash Groups” on page 869.

Banking Tab

The Banking tab is enabled when you create an account with the GL type Bank Account or Cash Account. Use this tab to enter bank account details. You can assign multiple bank accounts for each GL account, to support each entity where the GL account is used.

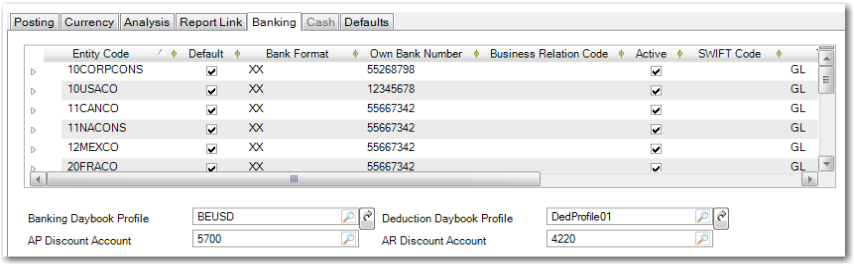
The bank information you specify here identifies your company banks. You associate these banks with customer and supplier banks in the customer and supplier functions. The Customer Banking tab is described in “Banking Tab” on page 277.

Banking activities are described in “Banking and Cash Management” on page 789.

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

Important When completing the Banking tab for a Cash type account, specify the discount accounts only. Do not complete any of the other fields in the tab

Fig. 4.7
GL Account, Banking Tab



Field Descriptions

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

You must also enter at least one bank account number. The bank account format is validated using the validation drop-down list (see “Define Bank Account Formats” on page 791). The bank number you enter here is displayed in all outgoing payments; for example, in customer or supplier invoices or as header information in payment files to other banks.

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

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

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

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

For more information on payment selections, see “Creating Customer Payment Selections” on page 533 and “Supplier Payment Selections” on page 718.

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

Default. Select this field to make this account the default for the entity. See “Define Own Bank Number” on page 794.

Bank Format. If the bank account number must be validated, choose the validation method from the drop-down list. When you select a bank number format, the system creates a child row in which you enter the number to be validated. See “Define Bank Account Formats” on page 791.

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

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

Business Relation Code. Specify a business relation for the bank if necessary.

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

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

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

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

Active. Indicate if this is an active record.

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

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

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

Bank Charge. Select this field if payments posted to the bank account represented by this GL account can incur bank charges. If you select this field, the Business Relation Code and Branch fields become mandatory fields. For more information on AP bank charges, see “AP Bank Charges” on page 737.

Bank Charge Acct. The bank account that bank charges on payments are posted to. For more information on AP bank charges, see “AP Bank Charges” on page 737.

Bank Account Type. Enter a code that represents the bank account type. This bank account type code appears in the payment file that is sent to the bank during the AP payment process.

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

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

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

See “Processing Deductions” on page 539.

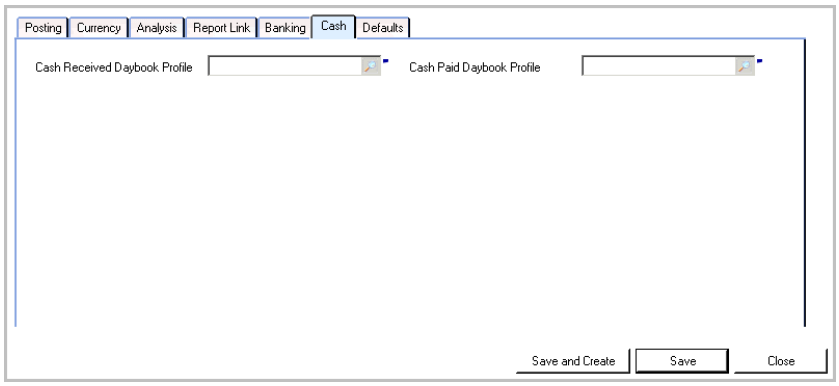
AP Discount Account. Specify a discount account to be updated when an AP discount is applied to a payment.

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

Cash Tab

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

Fig. 4.8
GL Account, Cash Tab



Field Descriptions

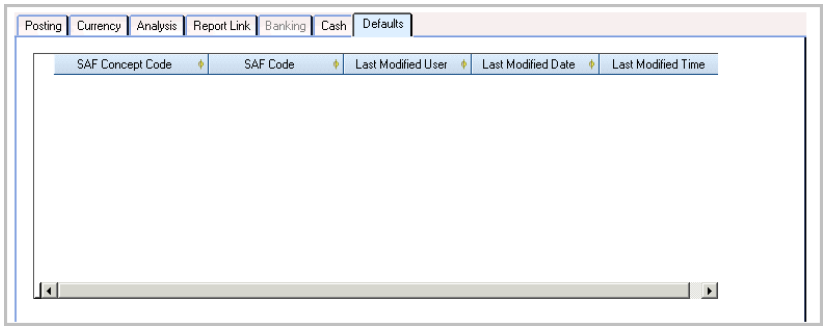
Cash Received Daybook Profile. Select a profile that indicates the daybook used to record cash receipt transactions using Petty Cash. Only profiles that have a Cash Received Profile Type are available to select.

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

Defaults Tab

Use the Defaults tab to specify which concepts within a structure to associate with the account and specify default values for the concepts. Only one default can be specified for each concept. The defaults are used when a code value is not supplied in a transaction. These fields are not required. See “SAF Defaulting” on page 154.

Fig. 4.9
GL Account, Defaults Tab



Field Descriptions

SAF Concept. Select an SAF concept to link to this account.

SAF Code. Select an SAF code related to the concept for this account.

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

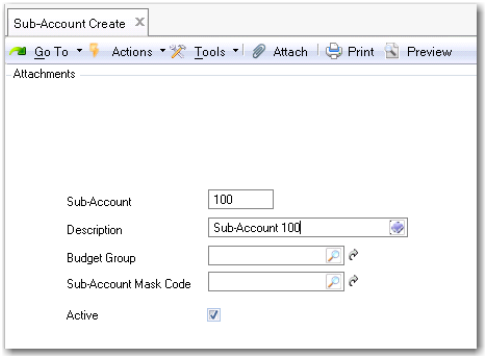
Related Views and Reports

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

Sub-Accounts

Use the Sub-account activities (25.3.17) to create sub-accounts for analyzing activity on an account code and to providing further detail in financial reporting. Sub-accounts are typically used to report on the financial activity of business units or divisions within an entity. You can create sub-accounts to correspond to those parts of the entity for which you would like to generate separate balance sheets, profit and loss statements, or open customer and supplier items. You can further analyze the sub-account by including it within a budget group. A single GL account can be associated with multiple sub-accounts.

Fig. 4.10
Sub-Account Create



Field Descriptions

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

Description. Enter a brief description (maximum 24 characters) of the sub-account. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

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

Sub-Account Mask Code. Specify the COA mask that applies to the sub-account. Click the lookup to list all sub-account masks for the assigned sub-account COA mask shared set.

A sub-account COA mask defines the list of GL accounts that the sub-account can be combined with during posting.

You can also create a new sub-account mask as required by clicking the GoTo button to the right of the Sub-Account Mask Code field. The GoTo opens Sub-Account Mask Create (25.3.9.1.1). If you have already assigned a COA mask to the sub-account, the GoTo button displays Sub-Account Mask View (25.3.9.1.3) and also lets you display a related view showing all sub-accounts linked to that COA mask. See “Sub-Account COA Mask” on page 131.

The COA Element without Mask field in Domain Create controls how the system treats sub-accounts that are not assigned a sub-account COA mask. If sub-account COA masks are enabled for the current domain and the COA Element without Mask field is set to Exclude from Posting, the system prevents all sub-accounts without a sub-account COA mask from being used in postings. If the COA Element without Mask field is set to No Posting Restrictions, you can use the sub-account with any GL account.

If sub-account COA masks are not enabled for the current domain, this field is read-only.

Active. Indicate if this is an active sub-account.

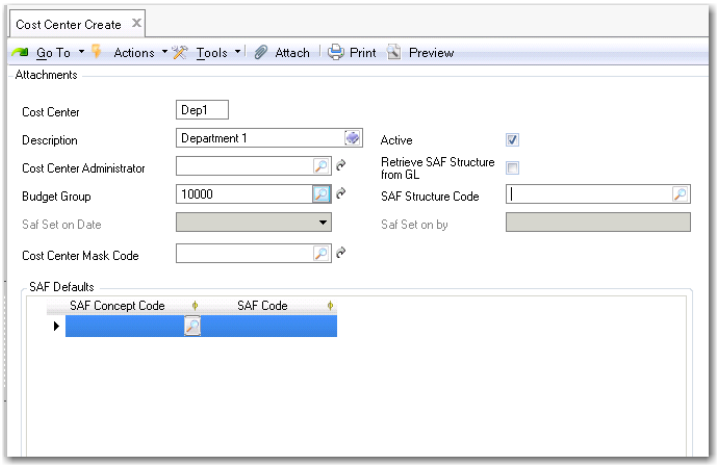
Cost Centers

Use the Cost Center activities (25.3.20) to create cost centers for providing an additional reporting level for the GL account and sub-account. Typically, a cost center can be a department or profit center within the entity for which you want to generate separate reports.

You can associate a range of different accounts and sub-accounts with a cost center, and also associate a number of cost centers with a single account.

You can further analyze a cost center by including it within a budget group.

Fig. 4.11
Cost Center Create



Field Descriptions

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

Description. Enter a brief description (maximum 24 characters) of the cost center. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active cost center.

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

Budget Group. Select a budget group to associate with the cost center.

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

If an SAF structure code is specified, Retrieve SAF Structure from GL cannot be selected.

See “Supplementary Analysis Fields” on page 143 for more information.

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

SAF Set On Date and By. These read-only fields display the date on which SAF analysis was activated for the cost center and the ID of the user who activated it.

Cost Center Mask Code. Specify the COA mask that applies to the cost center. Click the lookup to list all cost center masks for the assigned cost center COA mask shared set.

A cost center COA mask defines the lists of GL accounts and sub-accounts that the cost center can be combined with during posting.

You can also create a new cost center mask as required by clicking the GoTo button to the right of the Cost Center Mask Code field. The GoTo opens Cost Center Mask Create (25.3.9.2.1). If you have already assigned a COA mask to the cost center, the GoTo button displays Cost Center Mask View (25.3.9.2.3) and also lets you display a related view showing all cost centers linked to that COA mask. See “Cost Center COA Mask” on page 132.

The COA Element without Mask field in Domain Create controls how the system treats cost centers that are not assigned a cost center COA mask. If cost center COA masks are enabled for the current domain and the COA Element without Mask field is set to Exclude from Posting, the system prevents all cost centers without a cost center COA mask from being used in postings. If the COA Element without Mask field is set to No Posting Restrictions, you can use the cost center in combination with any GL account or sub-account.

If cost center COA masks are not enabled for the current domain, this field is read-only.

The grid lets you specify which concepts within a structure to associate with the cost center and specify default values for the concepts. Only one default can be specified for each concept. The defaults are used when a code value is not supplied in a transaction. These fields are not required. See “SAF Defaulting” on page 154.

SAF Concept. Select a default SAF concept.

SAF Code. Select a default SAF code.

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

Projects

Projects are chart of account (COA) elements that provide analytical reporting on activities, such as engineering design work or production rework.

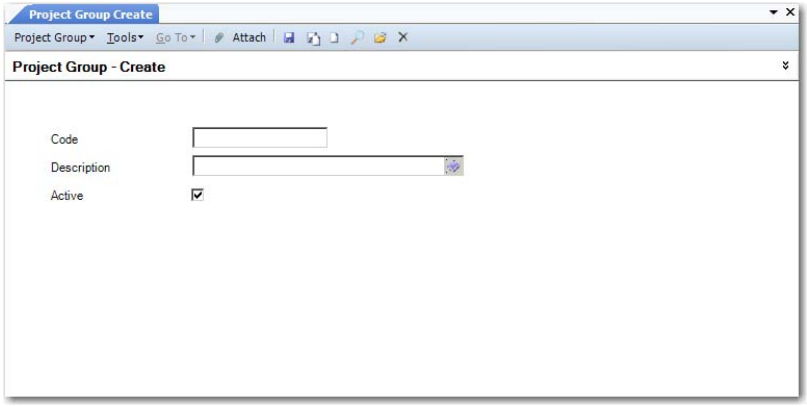
You can associate a range of account codes, sub-account codes, and cost centers with a specific project or multiple projects. The GL mask determines the valid COA combinations (account, sub-account, cost center, and project) for posting.

Before creating projects, you must define two required codes: project groups and project status codes. You can post transactions to a project only if its system status is active.

Project Groups

Use the Project Group activities (25.3.11.6) to create, view, modify, and delete codes for categorizing a collection of projects for reporting purposes.

Fig. 4.12
Project Group Create



Field Descriptions

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

Description. Enter a description (maximum of 40 characters) of the project group. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active project group.

Project Statuses

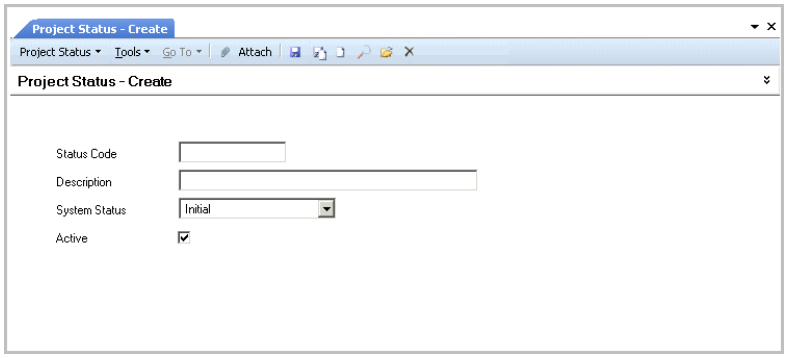
Before you can begin to create project codes, you must first define the set of statuses that control how the project code can be used.

The status assigned to a project determines whether it can be used for postings in GL transactions, in invoices, and if costs can be assigned to it.

You must associate each project status code you define with one of five predefined system status codes: Initial, Open, Closed for Accounting, Closed for Costs, and Closed. The system status code assigned determines the affect of the status code you define, and consequently how the project codes assigned that status can be used. See Table 4.5 for more information.

The project status codes you define populate the Status drop-down list in the Project Create screen (25.3.11.7.1), and are then available to assign to project codes.

Fig. 4.13
Project Status Create



Field Descriptions

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

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

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

Initial: A project with this status cannot be used in accounting transactions, but can be used in operational activities, such as purchase order creation.

Open: A project with this status can be used in GL transactions and in invoice creation.

Closed for Accounting: A project with this status cannot be used in posting costs or revenue, but is still visible on reports.

Closed for Costs: A project with this status cannot have expenses posted to it.

Closed: Projects with this status cannot be used in transactions.

Table 4.5 lists the system statuses and the restrictions that they apply to project codes when assigned.

Table 4.5
Project Statuses Related Activities

System Status	Allowed in...		
	GL Postings	**Supplier Invoice Create**	**Customer Invoice Create**
Initial	No	No	No
Open	Yes	Yes	Yes
Closed for Accounting	No	No	No
Closed for Costs	Yes	No	Yes
Closed	No	No	No

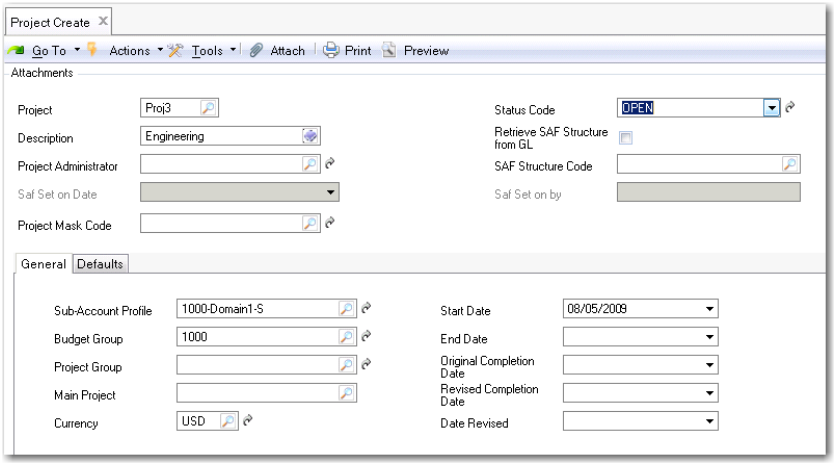
Active. This field indicates whether the project status is active. Only active status codes can be assigned to projects.

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

Creating Projects

Use Project Create (25.3.11.1.1) to create project codes.

Fig. 4.14
Project Create



Field Descriptions

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

Description. Enter a brief description (maximum 24 characters) for the project. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

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

Status Code. Select the project status code from the drop-down list, which shows codes defined using Project Status Create. The system status assigned to the project status controls how the projects can be used. See “Project Statuses” on page 108.

Retrieve SAF Structure from GL. Select the field to use the SAF structure found in the Analysis Tab of the GL account for posting purposes. To enable this setting, an SAF structure must be specified for all accounts that have analysis type Project or Both. In addition, an SAF Structure Code cannot be specified for the project.

SAF Structure Code. Select an SAF structure code to link to the project. The SAF structure cannot be removed from a project if it has been used in posting.

If an SAF structure code is specified, Retrieve SAF Structure from GL cannot be selected.

See “Supplementary Analysis Fields” on page 143 for more information.

SAF Set On Date and By. These read-only fields displays the date on which SAF analysis was activated for the project and the ID of the user who activated it.

Project Mask Code. Specify the COA mask that applies to the project. Click the lookup to list all project masks for the assigned project COA mask shared set.

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

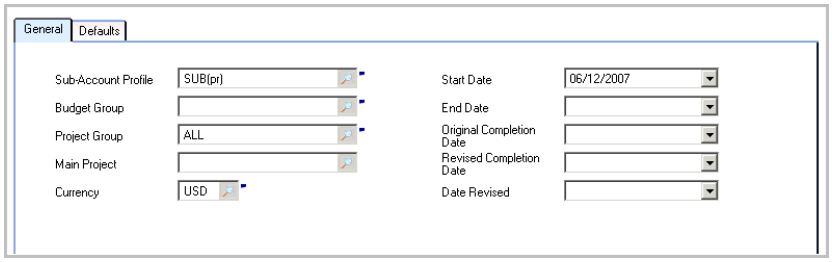
You can also create a new project mask as required by clicking the GoTo button to the right of the Project Mask Code field. The GoTo opens Project Mask Create (25.3.9.3.1). If you have already assigned a COA mask to the project, the GoTo button displays Project Mask View (25.3.9.3.3) and also lets you access a related view showing all projects linked to that COA mask. See “Project COA Mask” on page 134.

The COA Element without Mask field in Domain Create controls how the system treats projects that are not assigned a project COA mask. If project COA masks are enabled for the current domain and the COA Element without Mask field is set to Exclude from Posting, the system prevents all projects without a COA mask from being used in postings. If the COA Element without Mask field is set to No Posting Restrictions, you can use the project in combination with any GL account, sub-account, or cost center.

If project COA masks are not enabled for the current domain, this field is read-only.

Project Create General Tab

Fig. 4.15
Project Create, General Tab



Field Descriptions

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

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

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

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

Project Group. Use the lookup to specify the project group to which the project belongs, if any. Define the project group first; see “Project Groups” on page 107.

Original Completion Date. Enter the initial planned completion date of the project.

Main Project. Enter the code of the main project. This can be used when the current project is a subproject of a larger one. The main project is used for reporting purposes, and the linked projects behave completely independently.

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

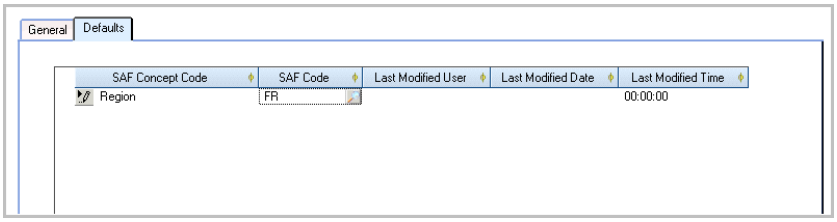
Currency. Specify the currency in which project transactions are denoted and recorded.

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

Project Create Defaults Tab

Use the Defaults tab to specify which concepts within a structure to associate with the project and specify default values for the concepts. Only one default can be specified for each concept. The defaults are used when a code value is not supplied in a transaction. These fields are not required. See “SAF Defaulting” on page 154.

Fig. 4.16
Project Create, Defaults Tab



SAF Concept Code. Select an SAF concept.

SAF Code. Select the default SAF code.

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

GL Account Unit of Measure

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

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

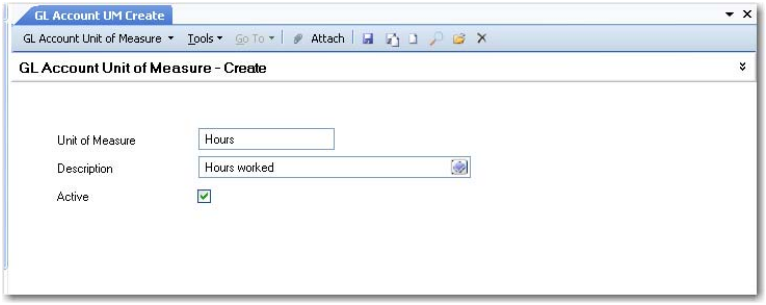
Another example of the use of units of measure is in allocations. If an organization allocates its electricity bill by department, the unit of measure would be kilowatt hours (kWh).

Note The term “unit of measure” is also used elsewhere in the system. For example, in receiver matching, an operational unit of measure is used to quantify items being invoiced. See “Receiver Matching” on page 634.

See “Posting Tab” on page 92 for details on defining the quantity and unit of measure attributes for a GL account.

Use the GL Account UM activities (25.3.15) to create, delete, modify, or view units of measure.

Fig. 4.17
GL Account UM Create



Field Descriptions

Unit of Measure. Specify a code (maximum 20 characters) that identifies a unit of measure code to be associated with an account.

Description. Enter a brief description (maximum 40 characters) of the unit of measure. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active account.

Alternate Chart of Accounts

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

Some countries, such as China, require that companies use different alternate COAs for different financial periods, and that all alternate COA versions be stored for auditing purposes. Alternate COA offers a solution for companies operating in these countries.

The Alternate COA function provides the ability to generate reports using alternate COAs, in addition to a company's operational COA. However, alternate COAs can be used for reporting purposes only—you cannot post transactions to alternate accounts. Currently, only the Regional Balance Sheet report and the Regional Income Statement report have the option to use an alternate COA. See "Structured Reports" on page 944.

An alternate COA consists of one or more account structures, each containing a group of non-duplicate alternate accounts. Each alternate account is assigned an account code, description, and account level indicator, and, optionally, a column label and an alternate COA group code. You can create an alternate COA structure manually or copy from an existing structure. The Alternate COA function also includes an Excel integration feature that lets you import alternate COA structures from an Excel spreadsheet.

In order to link alternate accounts to their corresponding operational GL accounts, you can create a COA cross-reference from within the alternate COA structure. You can also create a cross-reference for an alternate COA structure by using COA Cross Reference Create (25.3.14.1)

directly. Only the lowest level codes in the alternate COA structure are linked to operational COA elements (GL account, sub-account, cost center, and project). Lowest level codes in the alternate COA structure are codes entered on rows that have no child rows.

In the example alternate COA structure in Figure 4.18, the following accounts are lowest level nodes:

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

Fig. 4.18
Alternate COA Structure

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

Chinese Alternate COA

Example

The Chinese subsidiary of a US company submits reports to their head office based on the corporate operational COA structure. However, the company must also create financial reports that use statutory Chinese account codes and structures in order to fulfill the local requirements from the Chinese Financial Bureau.

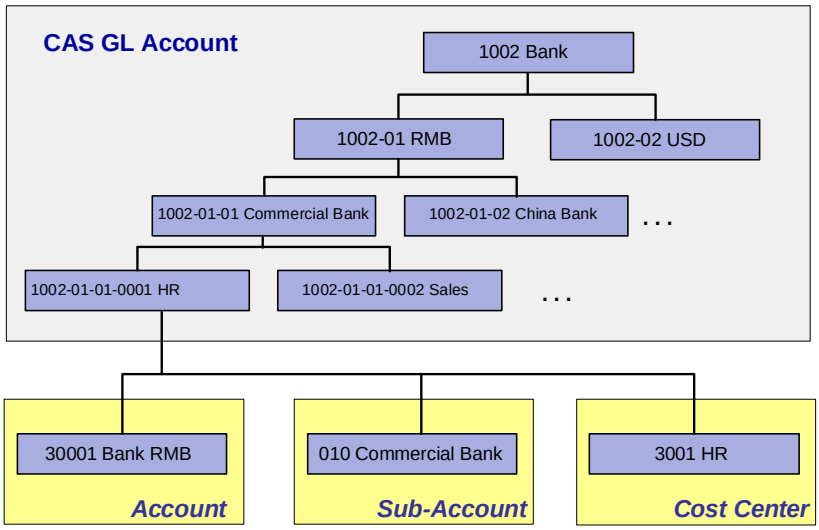
China Accounting Standards (CAS) regulations require that an account code be structural. The first four digits are designated by the Chinese Financial Bureau, and the company then defines its own structure based on these requirements. In CAS, the GL code also contains the sub-account and cost center.

The Chinese subsidiary then creates a structural alternate COA to satisfy CAS requirements, and maps the alternate COA to its operational COA using COA Cross-Reference Create (25.3.14.1).

Figure 4.19 shows the alternate COA structure the company created for its bank accounts. The alternate COA structure contains four levels, and only the level 4 accounts are mapped to the company's operational COA. For example, alternate account 1002-01-01-0001 HR is mapped to operational account 30001 Bank RMB, sub-account 010, and cost center 3001 HR.

When the company runs Chinese statutory reports, the statutory account code balances for parent accounts, such as 1002 Bank, are summed from the child alternate COA codes.

Fig. 4.19
COA Example from Chinese Accounting



Creating Alternate COA Groups

Use Alternate COA Group Create (25.3.21.7) to define groups to which you can assign alternate accounts. An alternate COA group code functions in a similar way to a budget group code, and links level 1 alternate COA accounts. When a level 1 alternate COA account is assigned to a group code, all lower level alternate COA accounts in that structure are then automatically mapped to the group code.

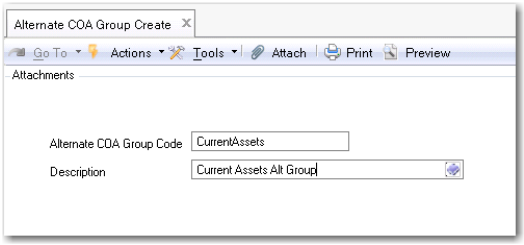
Alternate COA groups are used to accumulate data in the Chinese structured reports, such as the Chinese Income Statement and Balance Sheet.

Example A company's alternate COA structure contains the following alternate accounts for assets:

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

The company creates an alternate COA group called Current Assets, and assigns it to the highest level alternate account (AC-1) using Alternate COA Structure Create (25.3.21.1). All lower level alternate accounts are subsequently linked to the alternate COA group.

Fig. 4.20
Alternate COA Group Create (25.3.21.7)



Alternate COA Group Code. Enter a maximum of 20 characters for the code to identify the alternate COA group.

Description. Enter a brief description (maximum 40 characters) for the alternate COA group. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

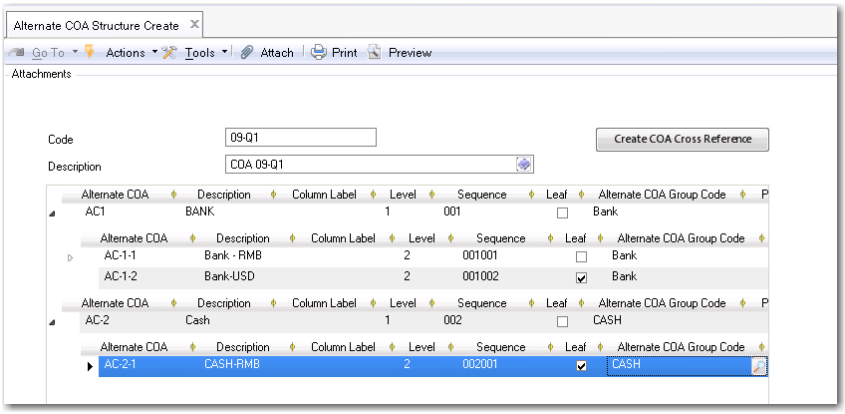
Creating an Alternate COA Structure

Use Alternate COA Structure Create (25.3.21.1) to create new alternate COA structures. Optionally, you can use Alternate COA Structure Copy (25.3.21.5) to create an alternate COA structure based on an existing structure or define a structure using Excel and load it using Alternate COA Excel Integration (25.3.21.6). See “Copying an Alternate COA Structure” on page 118 and “Alternate COA Excel Integration” on page 118 for more information. The alternate COA structures you create are maintained at system level.

When you have defined an alternate COA structure, you must then map it to the operational COA using COA Cross Reference Create (25.3.14.1). You can only create COA cross-references to GL accounts for the lowest level alternate COA accounts; that is, alternate accounts that have no child records. A lowest level alternate account can be mapped to a combination of GL account, sub-account, cost center, and project, where any of the sub-account, cost center, or project values can be blank.

You can also create an alternate COA cross-reference to GL combinations from within Alternate COA Structure Create. After you define an alternate COA structure, click on the Create COA Cross Reference button. The alternate COA structure is saved and COA Cross Reference Create (25.3.14.1) opens. The alternate COA structure accounts default to the grid in COA Cross Reference Create, where you can map them to the relevant operational COA elements. See “COA Cross-References” on page 119 for more information.

Fig. 4.21
Alternate COA Structure Create (25.3.21.1)



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

Description. Enter a brief description (maximum 40 characters) of the alternate COA structure. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Alternate COA. Enter a maximum of 20 characters to identify the alternate COA account code.

Description. Enter a brief description (maximum 24 characters) of the alternate COA code.

Column Label. Specify a column label for child (non-first level) accounts.

Column labels only appear in the Columnar Ledger report in Chinese Accounting. Each column label specified for a child account is printed as a column header on the report.

Level. This field displays a numeric identifier that indicates the level of the account in relation to the alternate COA structure.

The level value is generated automatically by the system.

Sequence. This field displays the sequence number that identifies each alternate COA record. The sequence is automatically generated by the system.

Leaf. This field is automatically selected for alternate accounts that do not have any child records.

Alternate COA Group Code. Specify the alternate COA group code that you want to assign to the alternate COA record. Only level 1 accounts can be assigned an alternate COA group code.

See “Creating Alternate COA Groups” on page 115 for more information.

Parent Alternate COA Structure Code. When you save an alternate COA structure, this field displays the value that you defined in the Code field to identify the alternate COA structure.

Parent Alternate COA. This field displays the alternate COA code that is the parent of a child row.

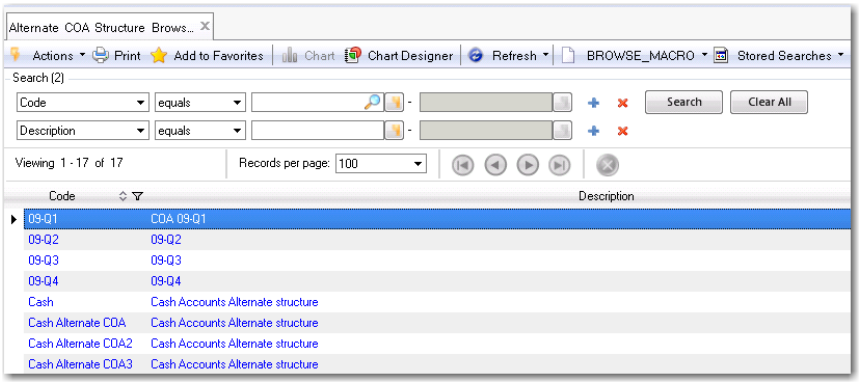
In the example in Figure 4.21, the codes AC-1-1 and AC-1-2 both have AC-1 as parent alternate COA.

Copying an Alternate COA Structure

To facilitate data entry, you can use Alternate COA Structure Copy (25.3.21.5) to create an alternate COA structure based on an existing structure.

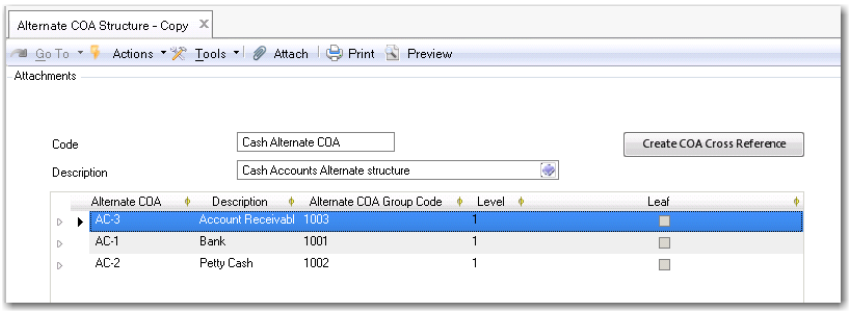
1 Select an alternate COA structure to copy.

Fig. 4.22
Alternate COA Structure Browse



The accounts of the selected structure are displayed.

Fig. 4.23
Alternate COA Structure Copy (25.3.21.5)



2 Enter a new structure code and description.

3 Modify the row information, and insert and delete rows as required.

4 Save the new alternate COA structure.

Alternate COA Excel Integration

You can use Alternate COA Excel Integration (25.3.21.6) to load alternate cross-reference structures defined in an Excel spreadsheet. The following fields are mandatory in Alternate COA Excel Integration:

- Alternate COA (all levels)
- Description (all levels)
- Parent Alternate COA (child rows)

COA Cross-References

The COA Cross Reference function lets you to map GL accounts, sub-accounts, cost centers, and projects in source entities to GL combinations in consolidation entities. In addition, you can also use COA Cross Reference Create (25.3.14.1) to define mappings from GL combinations to alternate COAs. The alternate COA mappings can be used to group and report data in statutory reports.

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

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

By selecting the Validate option at the end of COA Cross Reference Create, you can validate the cross-references that you have defined against posting history. If the cross-reference type is Separated COA Dimensions or Combined COA Dimensions, you can indicate whether to validate the sub-account, cost center, or project. See “COA Cross-Reference Types” on page 119.

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

Figure 4.24 shows the alternate COA structure from Figure 4.18, updated to show the operational elements to which the alternate accounts are mapped.

Fig. 4.24
Alternate COA Structure and Mapped Values

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

COA Cross-Reference Types

Use COA Cross Reference Create (25.3.14.1) to define COA cross-references.

You can create three types of cross-reference mappings: Combined COA Dimensions, Separate COA Dimensions, and Alternate COA.

Combined COA Mapping

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

Fig. 4.25
Combined COA Mapping

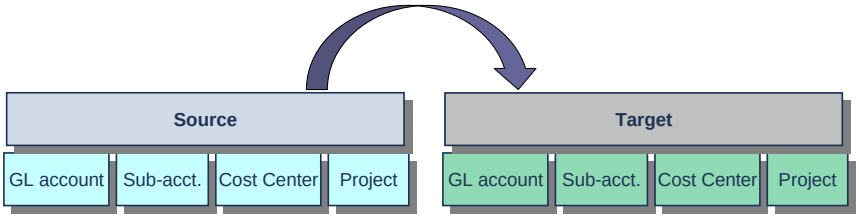


Table 4.6 shows a combined COA cross-reference, where combinations (including ranges) of GL COA elements in the source domain are mapped to single COA elements in the target domain.

Table 4.6
Combined COA Mappings

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

Separate COA Mapping

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

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

Figure 4.26 shows a separate COA cross-reference mapping with the Columns field set to All in COA Cross Reference Create. In this case, you can create mappings for each type of COA element on a separate row.

Fig. 4.26
Separate COA Mappings

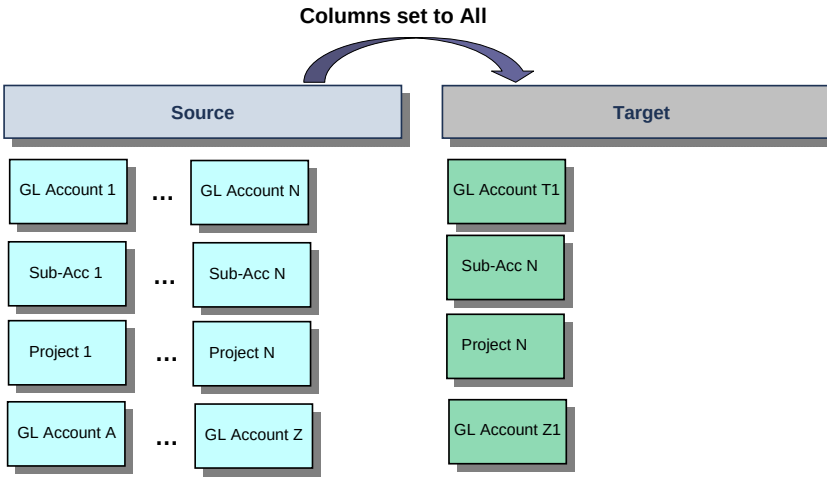
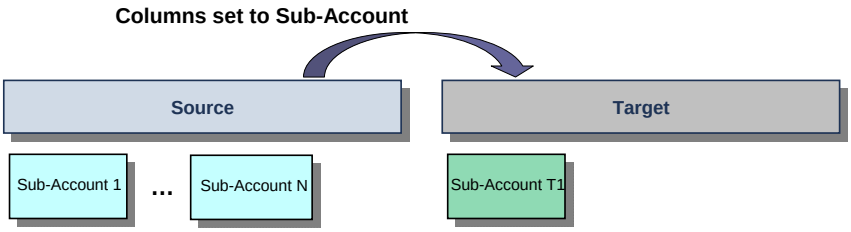


Figure 4.27 shows a separate COA cross-reference mapping with the Columns field set to Sub-Account.

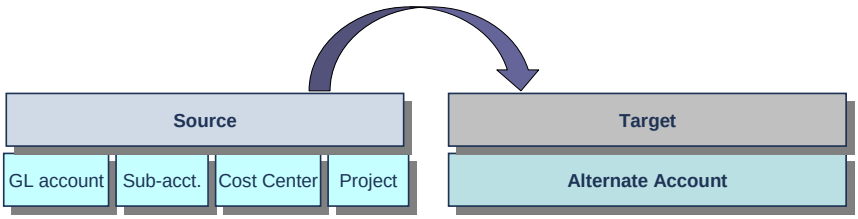
Fig. 4.27
Separate Sub-Account Mapping



Alternate COA Cross-Reference

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

Fig. 4.28
Alternate COA Cross-Reference Mapping



Grid Mapping Options

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

Ranges

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

Table 4.7
Example Ranges

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

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

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

Single COA Element

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

Table 4.8
Single Element Mapping

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

As a result of the mappings in Table 4.8, source account 1030 is mapped to target account 1100 in the consolidation entity, and source account 2000 is mapped to target account 2300 in the consolidation entity.

Wildcards

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

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

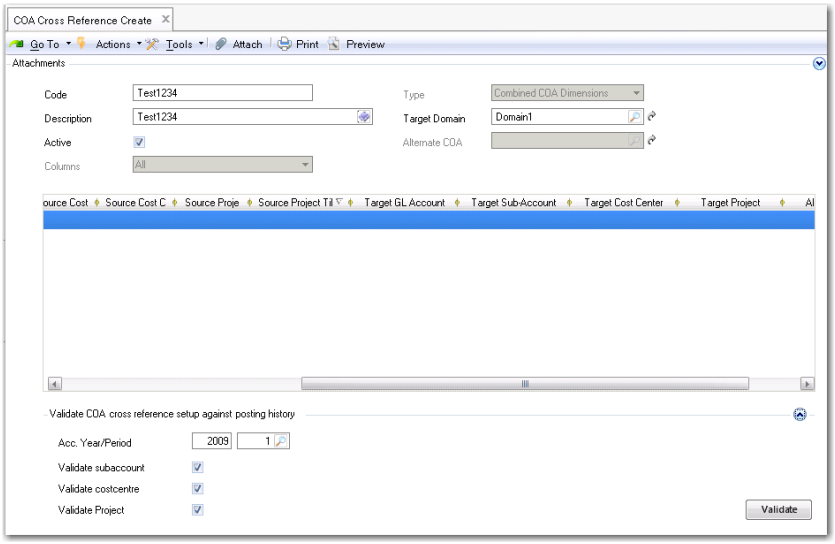
Table 4.9
Wildcard Mapping

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

In Table 4.9, all accounts in the source entity are mapped to target GL account 1100 in the consolidation entity. Specifying account 1030 in the Source To field did not affect the mapping.

Creating COA Cross-References

Fig. 4.29
COA Cross Reference Create (25.3.14.1)



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

Description. Enter a brief description (maximum 40 characters) of the COA cross-reference. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

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

Target Domain. Specify the target domain. This field is relevant when creating separate or combined mappings for use in consolidation. You must have already defined the target consolidation domain in Domain Create (36.1.1.1.1).

After you have saved the COA cross-reference, you can only change the target domain to a domain that uses the same shared sets of GL accounts, sub-accounts, cost centers, and projects as the current target domain. See “Setting Up Domains” on page 28 for more information.

This field is not required when creating alternate COA mappings.

Active. Indicate if this is an active cross-reference.

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

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

Columns. This field is only enabled when you select the value Separate COA Dimensions in the Type field. The Columns filter lets you focus on one element at a time, and you can change the filter type during input.

Specify which grid columns you require to create separate COA cross-references. The options are:

All: Displays fields for mapping ranges of source GL accounts, sub-accounts, cost centers, and projects to COA elements in the target domain.

GL Account: Displays fields for mapping ranges of source GL accounts to a single GL account in the target domain.

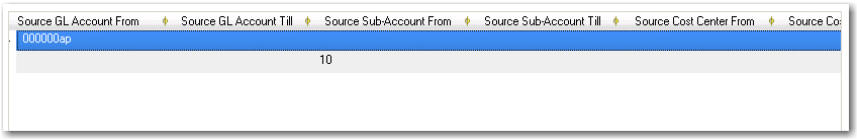
Sub-Account: Displays fields for mapping ranges of source sub-accounts to a single sub-account in the target domain.

Cost Center: Displays fields for mapping ranges of source cost centers to a single cost center in the target domain.

Project: Displays fields for mapping ranges of source projects to a single project in the target domain.

Grid Fields

Fig. 4.30
COA Cross Reference Grid



Source GL Account/Sub-Account/Cost Center/Project From. Specify the first COA element in the source range that you want to map.

Source GL Account/Sub-Account/Cost Center/Project To. Specify the last COA element in the source range that you want to map.

Target GL Account/Sub-Account/Cost Center/Project. Specify the target COA element that you want to map to.

Alternate COA. Specify the name of the alternate COA account to which the source COA elements must map. You can only use this field when creating alternate COA mappings.

The available alternate COA values are restricted to those associated with the alternate COA structure specified in the Alternate COA field in the header.

Only the lowest level code (no children) in the alternate COA structure can be mapped.

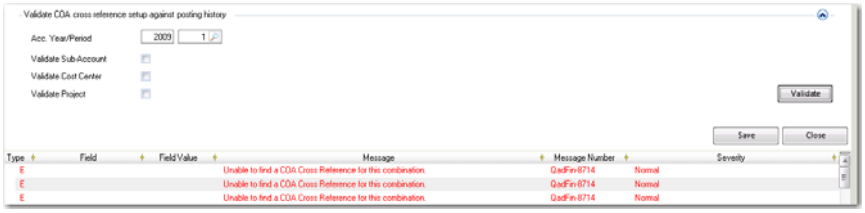
Cross-Reference Validation

The validation facility in COA Cross Reference Create lets you check the mapping combinations that you have specified for the source and target against posting history. If the COA cross-reference type is Combined COA Dimensions or Separate COA Dimensions, you can indicate whether to include the sub-account, cost center, or project in the validation.

Fig. 4.31
Validation Fields in COA Cross Reference Create

If a cross-reference contains invalid or missing mappings, this impacts the output of reports run using alternate COA or the result of a consolidation. The validation facility lets you to determine if the mappings are valid against the current posting history and chart of accounts (both operational and alternate). The result of the validation is displayed in the standard error viewer.

Fig. 4.32
Validation Results



Even if a corresponding mapping does not exist in posting history or in the chart of accounts, you can still save cross-reference mappings that return error messages. Posting history is constantly growing with new transactions, and the chart of accounts can change also. Therefore, mappings that are currently invalid could become valid at a later date. However, you receive an error if you try to save a cross-reference that contains invalid mappings.

Accounting Year/Period. Specify the GL calendar year and GL period for which you want to validate COA cross-reference mappings against posting history.

The system validates against all postings from the GL calendar year and GL period you enter up to the current system date.

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

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

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

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

Search Order for COA Cross-Reference Mappings

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

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

The following example uses alternate COA cross-references to illustrate how the system searches for and uses cross-reference mappings, and how it treats blank mappings.

Example

A user defines the following COA cross-references:

Table 4.10
Example Cross-References

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

The user then runs the Account Transaction Journal report and specifies the cross-reference code for the mappings created in Table 4.10. At run time, the system searches mappings in the order specified in “Search Order for COA Cross-Reference Mappings” on page 125.

The mappings listed in Table 4.10 are searched in following order:

Table 4.11
Search Order

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

For the postings listed in Table 4.12, the mapping search result is:

Table 4.12
Mapping Search Result

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

COA Cross Reference Excel Integration

You can use COA Cross Reference Excel Integration (25.3.14.6) to load COA cross-references defined in an Excel spreadsheet. You can only load cross-references for the current domain.

Using COA Cross Reference Excel Integration (25.3.14.6) to load cross-reference mappings from Excel reduces the time required to set up consolidation. See Chapter 14, “Consolidation,” on page 897.

Copying COA Cross-References

COA Cross Reference Copy (25.3.14.5) lets you create new COA cross-references based on an existing COA cross-reference.

You can only copy COA cross-references from domains that use the same shared sets of GL accounts, sub-accounts, cost centers, and projects as the current domain.

Specify a new cross-reference code, description, and modify the mapping definitions in the copied cross-reference, as required.

Validating Accounts

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

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

COA Masks

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

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

- Sub-Account Mask Create (25.3.9.1.1)

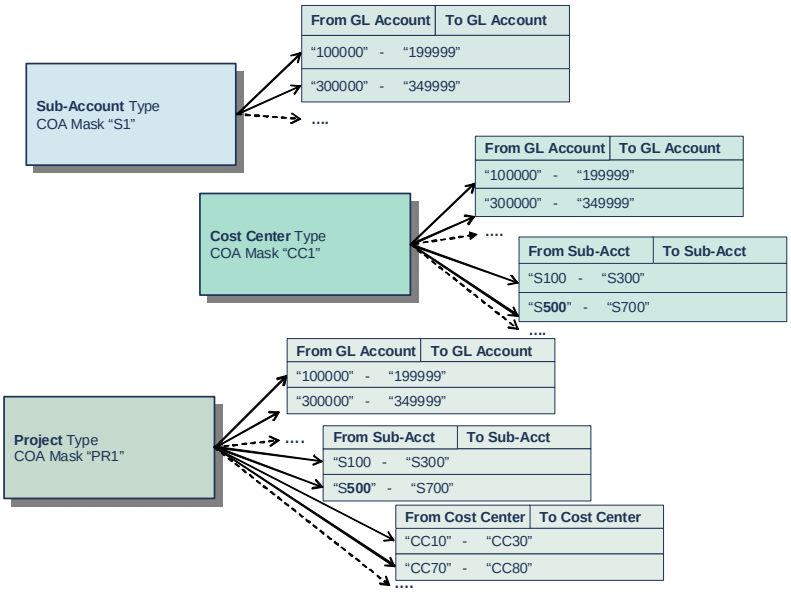
  You specify a sub-account COA mask code and list the ranges of GL accounts with which sub-accounts assigned that COA mask can be combined. See “Sub-Account COA Mask” on page 131.
- Cost Center Mask Create (25.3.9.2.1)

  You specify a cost center COA mask code and list the ranges of GL accounts and sub-accounts with which cost centers assigned that COA mask can be combined. See “Cost Center COA Mask” on page 132.
- Project Mask Create (25.3.9.3.1)

  You specify a project COA mask code and list the ranges of GL accounts, sub-accounts, and cost centers with which projects assigned that COA mask can be combined. See “Project COA Mask” on page 134.

You assign a COA mask to an element using the COA Mask fields in Sub-Account Create (25.3.17.1), Cost Center Create (25.3.20.1), and Project Create (25.3.11.1.1). The COA mask code you specify must be of the same type as the COA element. One COA mask can be reused by many COA elements.

Fig. 4.33
COA Mask Types



Three control fields in Domain Create (36.1.1.1.1) indicate which COA mask types are active: Sub-Account Mask, Cost Center Mask, and Project Mask. You can only define a COA mask if it has been activated in Domain Create. Postings are validated for each of the types marked as active.

Three additional fields in Domain Create control how the system treats COA elements that are not assigned a COA mask. The COA Element without Mask fields contains two options: No Posting Restrictions and Exclude from Posting. If, for example, you activate cost center masks and select No Posting Restrictions in the COA Element without Mask field, cost centers that are not assigned a COA mask can be used in any posting. Alternatively, if you select Exclude from Posting in the COA Element without Mask field, cost centers that are not assigned a COA mask cannot be used in postings. For more information on domain settings, see "Setting Up Domains" on page 28.

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

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

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

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

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

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

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

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

Implementing COA Masks

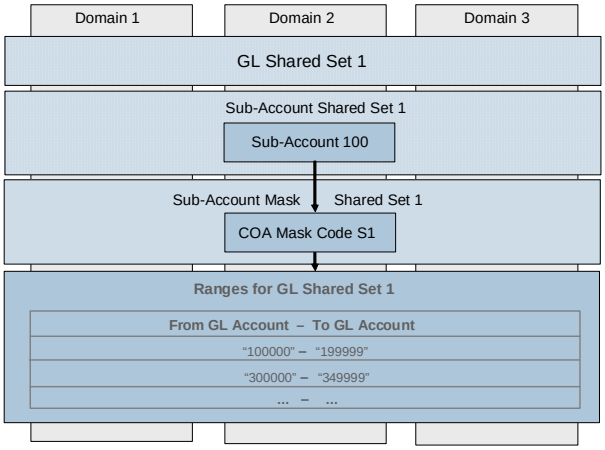
Before implementing COA masks and shared sets, you must first determine who will be responsible for maintaining both the COA element shared sets and COA mask shared sets. You must also consider whether the COA shared sets and COA mask shared sets will be administered locally or centrally, or a combination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

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

Scenario 1

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

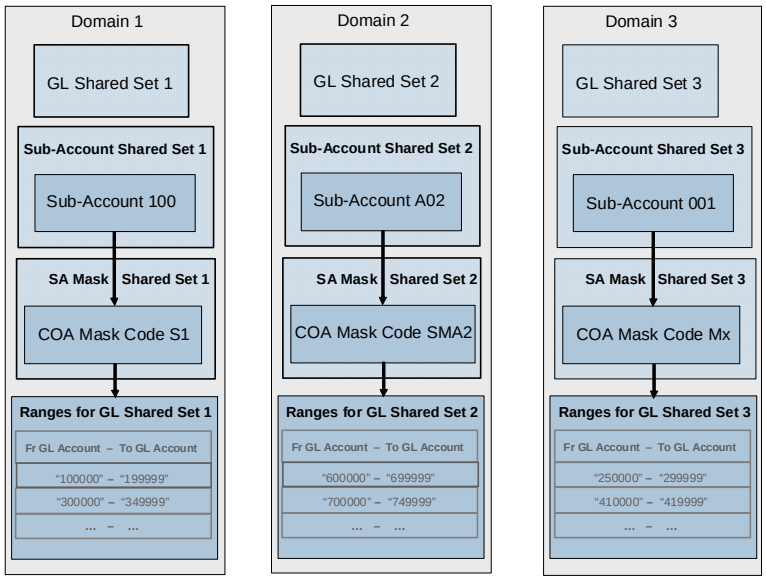
Fig. 4.34
Complete Sharing



Scenario 2

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

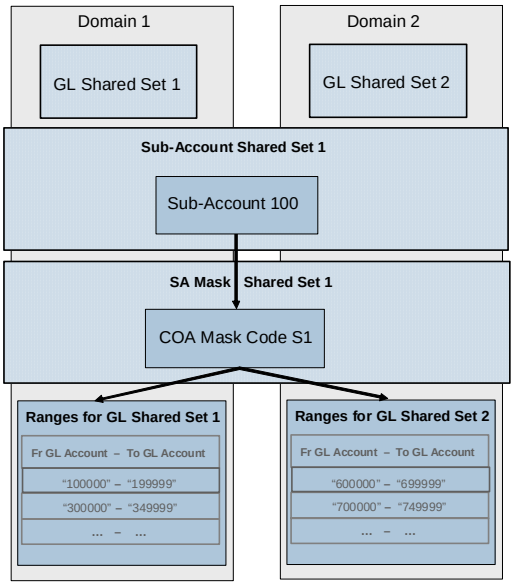
Fig. 4.35
Complete Segregation



Scenario 3

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

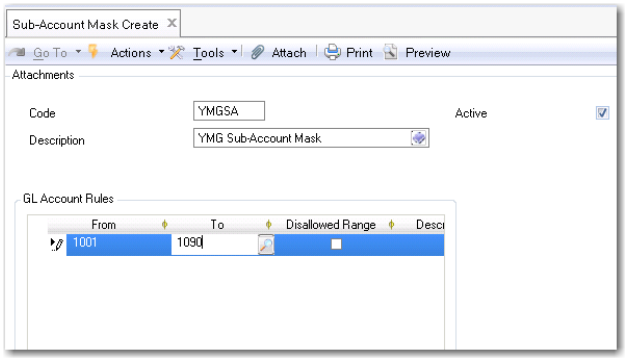
Fig. 4.36
Combination of Shared and Segregated Data



Sub-Account COA Mask

Use Sub-Account Mask Create (25.3.9.1.1) to define the ranges of GL accounts with which a sub-account can be combined in postings. The sub-account mask is then assigned to the sub-account using Sub-Account Create (25.3.17.1) or Sub-Account Modify (25.3.17.2). If you assign a COA mask to a sub-account, the system prevents it from being used with any GL account not specified within the ranges defined in Sub-Account Mask Create.

Fig. 4.37
Sub-Account Mask Create



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

Description. Enter a brief description (maximum 40 characters) of the sub-account GL mask code. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active GL mask reference.

Grid

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

You can define multiple ranges of GL accounts for which you can use the sub-account. Normal ranges cannot overlap. However, disallowed ranges can overlap normal ranges.

From. Specify the first GL account in the range.

To. Specify the last GL account in the range.

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

If you select the Disallowed Range field for a range, this setting overrules any normal range that the COA element is included in.

Example

A user attempts to post a transaction that uses GL account 1505 and sub-account 10. Sub-account 10 has the following COA mask ranges:

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

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

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

Specifying Ranges in Grids

To define the range of values for which a COA mask applies, insert a new row into the COA mask grid. Then, complete the From and To fields to define a range.

You must define at least one range in a COA mask grid. The ranges are stored according to the COA shared sets of the current domain, and a COA mask code can include ranges for different COA shared sets.

Blanks

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

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

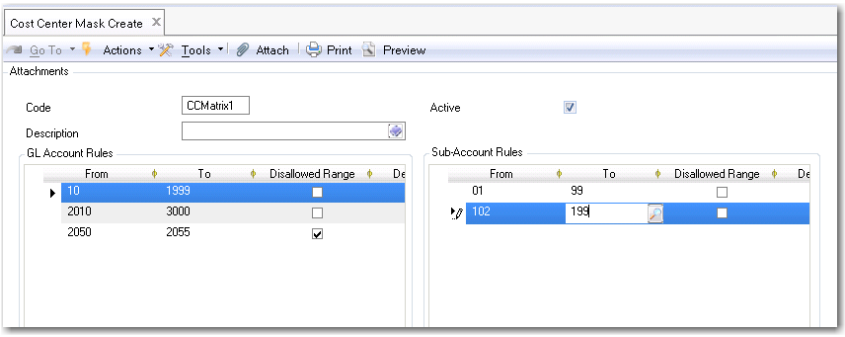
Cost Center COA Mask

Use Cost Center Mask Create (25.3.9.2.1) to specify the ranges of GL accounts and sub-accounts that you can use in combination with a particular cost center.

You then associate the COA mask with a cost center by specifying the cost center COA mask code in the COA Mask field in the cost center record in Cost Center Create. See “Cost Centers” on page 105.

If you have activated cost center COA masks in Domain Create, you must specify ranges in at least one of the two grids in Cost Center Mask Create.

Fig. 4.38
Cost Center Mask Create (25.3.9.2.1)



The field character restrictions are the same as those for Sub-Account Mask Create. See “Sub-Account COA Mask” on page 131.

Example

Sub-account 25 is assigned the following COA mask:

Sub-Account COA Mask: SAMatrix1

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

Cost center Dept1 is assigned the COA mask, CCMatrix1.

Cost Center COA Mask: CCMatrix1

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

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

Table 4.13
Postings and Validation Result

GL Account	Sub-Account	Cost Center	Validated?
1873	100	Dept1	No
2010	25	Dept1	Yes
2051	10	Dept1	No
3025	26	Dept1	No

The posting with GL account 1873 and sub-account 100 fails to validate because sub-account 100 is not defined in the sub-account range for the cost center.

The posting with GL account 2010 and sub-account 25 is validated because both are within valid ranges for the cost center mask and because the sub-account mask assigned to sub-account 25 includes GL account 2010 within its valid ranges.

The posting with GL account 2051 and sub-account 10 fails to validate because GL account 2051 is within a disallowed range.

The posting with GL account 3025 and sub-account 26 fails to validate because GL account 3025 is not within a valid GL account range for COA Mask CCMatrix1.

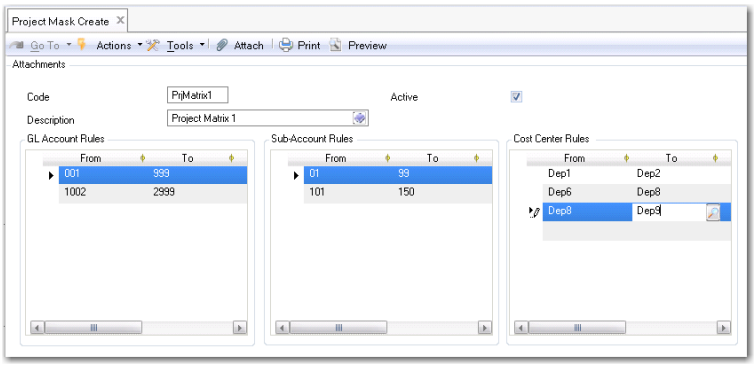
Project COA Mask

Use Project Mask Create (25.3.9.3.1) to specify the ranges of GL accounts, sub-accounts, and cost centers that you can use in combination with a particular project when posting.

You then associate the COA mask with a project by specifying the project COA mask code in the COA Mask field in Project Create. See “Creating Projects” on page 110.

If you have activated project COA masks in Domain Create, you must specify ranges in at least one of the three grids in Project Mask Code Create.

Fig. 4.39
Project COA Mask Code Create (25.3.9.3.1)



The field character restrictions are the same as those for Sub-Account Mask Create. See “Sub-Account COA Mask” on page 131.

Example

Sub-account 28 is assigned the following COA mask:

Sub-Account COA Mask: SAMatrix1

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

Cost center Dep2 is assigned the following COA mask:

Cost Center COA Mask: CCMatrix2

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

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

Project COA Mask: PrjMatrix1

GL From	GL To	Disallowed?	S-A From	S-A To	Disallowed?	CC Fr	CC To	Disallowed?
001	999	No	01	99	No	Dep1	Dep 2	No
1002	2999	No	101	150	Yes	Dep6	Dep8	Yes
						Dep8	Dep9	No

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

Table 4.14
Postings and Validation Result

GL Account	Sub-Account	Cost Center	Project	Validated?
998	100	Dep1	Engineering	No
1004	28	Dep2	Engineering	Yes
2000	10	Dep8	Engineering	No
2997	123	Dep9	Engineering	No

The posting with GL account 998, sub-account 100, and cost center Dep1 fails to validate because sub-account 100 is not defined in the sub-account range for the project mask.

The posting with GL account 1004, sub-account 28, and cost center Dep2 is validated because:

- The sub-account mask assigned to sub-account 28 includes GL account 1004 within its valid ranges.
- The cost center mask assigned to Dep2 includes GL account 1004 and sub-account 28 within its valid ranges.
- The project mask assigned to project Engineering includes GL account 1004, sub-account 28, and cost center Dep2 within its valid ranges.

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

The posting with GL account 2997, sub-account 123, and cost center Dep9 fails to validate because sub-account 123 is part of a disallowed range.

COA Mask Validation

The system validates the COA mask for a given GL combination using the following method:

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

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

Example

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

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

The COA mask is used to validate the following postings:

Table 4.15
Postings

	Postings				GL Mask Validations
	GL Account	**Sub-Account**	**Cost Center**	**Project**	
1	1020	60	A		N
2	1200	60	B		Y
3	1200	10	B	I19	N
4	8100	50	B		N
5	8100	45			Y
6	5000	10	G		N
7	6000	10	G		Y
8	9000	60	B		N
9	7100	10	D	I19	Y

	Postings				
	GL Account	Sub-Account	Cost Center	Project	GL Mask Validations
10	2000		A		N
11	2000		B		Y

The three validation rules described in “COA Mask Validation” on page 135 are all applied during validation if the COA element of the rule is not blank. A validation is considered passed only if it passes all rules applied.

Line 1 (1020+60+A+Blank)

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

Line 1 fails at the sub-account mask rule.

Line 2 (1200+60+B+Blank)

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

Line 2 passes all validations.

Line 3 (1200+10+B+I19)

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

Line 3 fails at the project mask rule.

COA Mask Copy

To facilitate data entry, each COA mask has a copy function that lets you create a COA mask based on an existing matrix. The copy functions are:

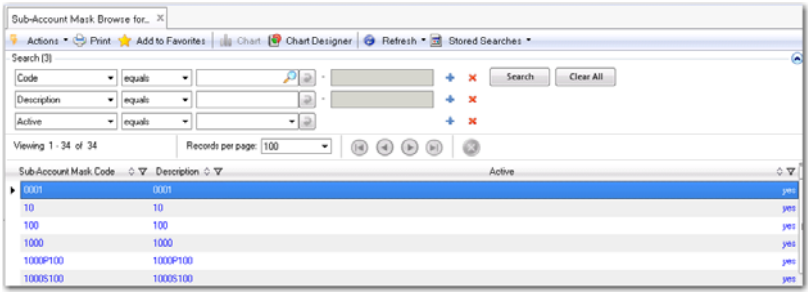
- Sub-Account Mask Copy (25.3.9.1.5)
- Cost Center Mask Copy (25.3.9.2.5)
- Project Mask Copy (25.3.9.3.5)

To create a new COA mask by copying and modifying an existing mask:

1. Open the COA mask function for the type of mask you want to copy; for example, Sub-Account Mask Copy.

   A browse opens.

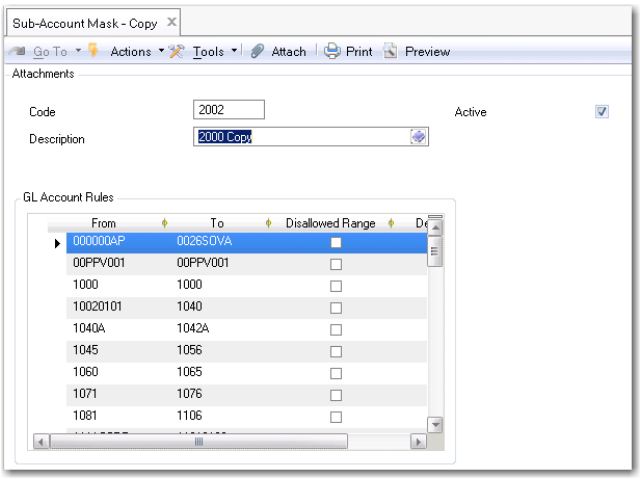
Fig. 4.40
Sub-Account Mask Browse for Copy



2 Double-click on the COA mask that you want to copy.

The Sub-Account Mask Copy window opens with the data for the COA mask you copied.

Fig. 4.41
Sub-Account Mask Copy



3 Enter a new COA mask code and description.

4 Modify the ranges, and insert and delete rows as required.

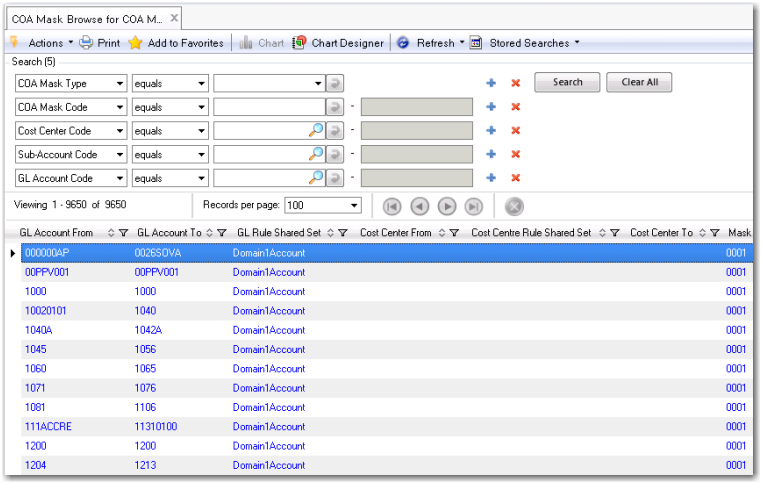
5 Save the new COA mask.

COA Mask Browses

The system contains two browses for retrieving and viewing COA masks, COA Mask Browse (25.3.9.7), and COA Mask Browse All (25.3.9.8).

COA Mask Browse displays all mask definitions for the domain in which you are currently logged in, whereas COA Mask Browse All displays all mask definitions across the whole system.

Fig. 4.42
COA Mask Browse



COA Mask Excel Integration

You can use Sub-Account Mask Excel Integration (25.3.9.1.6), Cost Center Mask Excel Integration (25.3.9.2.6), and Project Mask Excel Integration (25.3.9.3.6) to load COA masks defined in an Excel spreadsheet.

COA GL Account Restriction

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

By default, an account applies in all the entities with the same GL shared set. GL Account Restriction Maintain enables you to restrict an account to a single or multiple entities. If you attempt to post to a restricted account, the system checks if the account is allowed in the corresponding entity. If not, the posting is prevented. Similarly, GL lookups only retrieve GLs that are available for the target entity. Any GL account that you manually input is also validated when you save your work to check whether the account is available in the target entity.

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

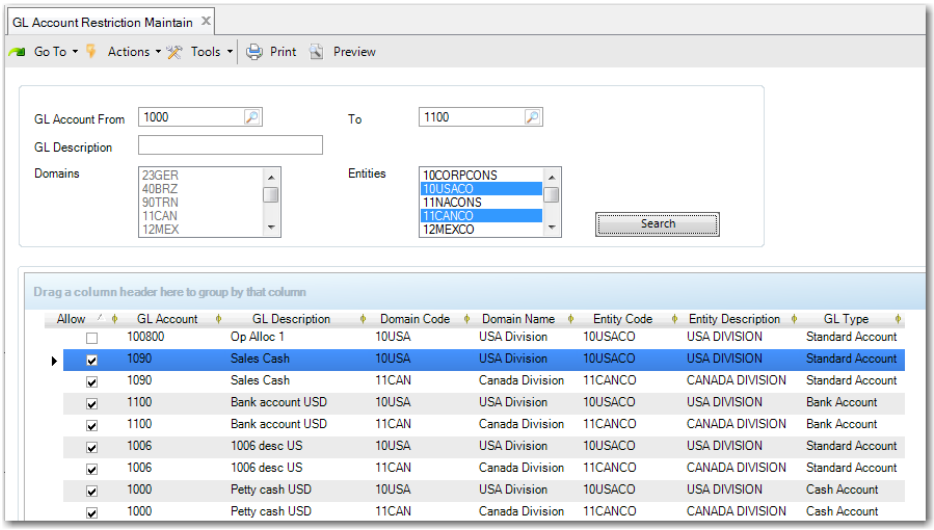
Important When you enter a GL account for an operational program, the account is validated. However, for menus that generate operational transactions, such as PO Receipts, no check is performed because there are scenarios where the GL or entity is changed without user interaction.

For example, a sales order is to be shipped from Site A and validated for the entity to which Site A belongs. However, during the shipping process, the site is changed to Site B, which belongs to another entity. The shipping process does not require you to re-enter the GL account. Therefore, there is no additional validation at shipping to check whether the GL account is allowed for Site B's entity. This scenario results in an error in Operational Transaction Post (25.13.7). In this case, you can correct the unposted GL transactions or change the GL restriction by entity settings.

GL Account Restriction Maintain

GL Account Restriction Maintain (25.3.26.1) enables you to restrict GL accounts to certain entities by allowing or disallowing them in the grid. To populate the grid, use the search criteria in the top pane.

Fig. 4.43
GL Account Restriction Maintain



GL Account From/To. Enter a GL range. If you leave a field blank, a very large number of GL accounts may be loaded.

GL Description. Enter the description of the GL account you are looking for.

Domains. The domain list displays all domains with the same GL shared set as the current domain. Select a domain to search for GL accounts. Use the Ctrl key to select multiple domains. When you select a domain, the Entities list is disabled.

Entities. The entity list displays all entities with the same GL shared set as the current entity. Select an entity to search for GL accounts. Use the Ctrl key to select multiple entities. When you select an entity, the Domains list is disabled.

When you click Search, the relevant GL accounts are displayed in the grid. The columns are mostly read only.

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

GL Account/Domain Code/Domain Name/Entity Code/Entity Description. These fields display important details about the GL account. They are read only.

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

Last Modified User/Date. This field displays the user who disallowed the account and the date when it was disallowed. This information is only displayed when the account is disallowed. These fields are hidden by default.

GL Type/GL System Type. These fields are read only and are hidden by default.

When you click Save, any changes that you have made take effect in the system. GL Account Restriction View (25.3.26.2) enables you to view the restrictions that apply to any GL account in the system. You can search by GL account, GL type, GL description, domain, entity, or by whether the account is allowed.

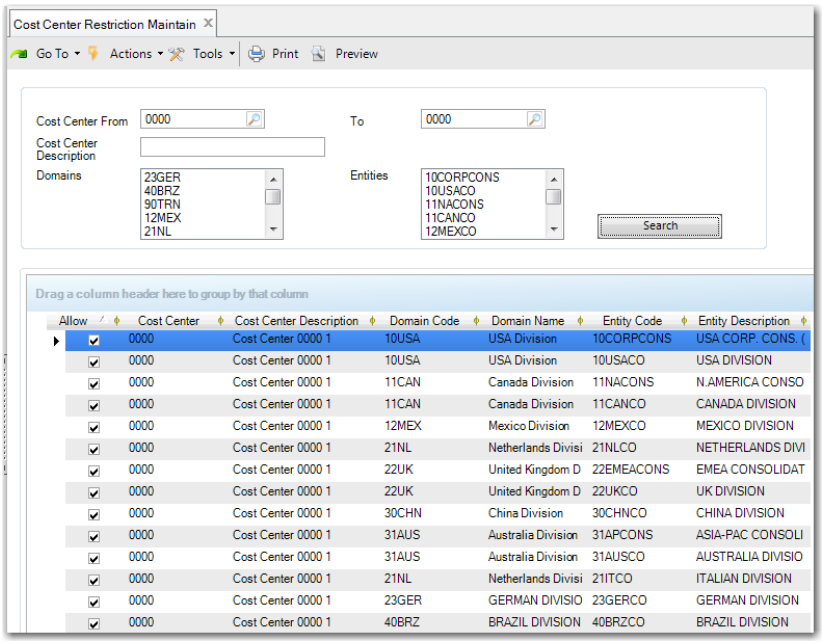
COA Cost Center Restriction

You can also tie a cost center to an entity within a shared set. If you restrict the use of a cost center to only one entity in a domain, you cannot use the cost center in other entities. If you attempt to post to a restricted cost center, the system checks if the cost center is allowed and, if not, the posting is prevented.

Cost Center Restriction Maintain

Cost Center Restriction Maintain (25.3.26.3) enables you to restrict cost centers to certain entities by allowing or disallowing them in the grid. The functionality works in the same way as GL Account Restriction Maintain. To populate the grid, use the search criteria in the top pane.

Fig. 4.44
Cost Center Restriction Maintain



Cost Center From/To. Enter a cost center range. If you leave a field blank, a very large number of cost centers may be loaded.

Cost Center Description. Enter the description of the cost center you are looking for.

Domains. The domain list displays all domains with the same cost center shared set as the current domain. Select a domain to search cost centers. Use the Ctrl key to select multiple domains. When you select a domain, the Entities list is disabled.

Entities. The entity list displays all entities with the same cost center shared set as the current entity. Select an entity to search for cost centers. Use the Ctrl key to select multiple entities. When you select an entity, the Domains list is disabled.

When you click Search, the relevant cost centers are displayed in the grid. The columns are mostly read only.

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

Cost Center/Cost Center Description/Domain Code/Domain Name/Entity Code/Entity Description. These fields display important details about the cost center. They are read only.

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

Last Modified User/Date. This field displays the user who disallowed the cost center and the date when it was disallowed. This information is only displayed when the cost center is disallowed. These fields are hidden by default.

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

Cost Center Restriction View (25.3.26.4) enables you to view the restrictions that apply to any cost center in the system. You can search by cost center, cost center description, domain, entity, or by whether the cost center is allowed.

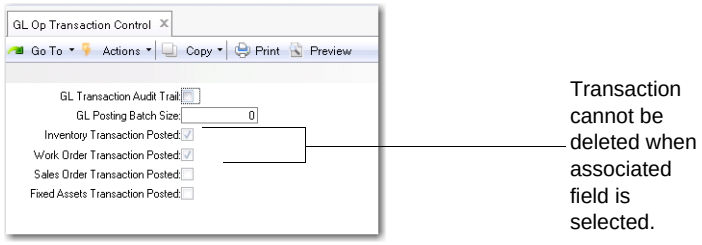
GL Implementation Considerations

Before any transactions can be posted, the Verify GL Accounts field in Domain/Account Control (36.9.24) must be selected. When selected, this option ensures that your operational account setup has been validated for transaction posting.

Often, other modules are implemented before General Ledger. Activities in these modules create unposted transactions. Before entering GL account balances during GL implementation, you should delete unposted transactions from other modules so they do not post and overstate GL balances. With the Delete field cleared, run GL Transaction Delete/Archive (36.23.2) to print a report identifying transactions to be deleted. Review the report, adjust the selection criteria as needed, then select Delete and run the program again.

Important GL Transaction Delete/Archive can be used only before implementing GL. Once any transactions have been posted (either IC, FA, SO, or WO), any additional transactions of that type can no longer be deleted. The first time a transaction posts successfully, the system selects a read-only field in GL Op Transaction Control (36.9.13). GL Transaction Delete/Archive does not let you delete any transactions for a selected type.

Fig. 4.45
GL Op Transaction Control (36.9.13)



After archiving/deleting transaction records, use Op Acct Structure Validation (36.9.20) to report on the account, sub-account, cost center, and project combinations defined in the following programs.

- Product Line Maint (1.2.1)
- Purchasing Account Maint (1.2.5)
- Work Order Account Maint (1.2.9)
- Inventory Account Maint (1.2.13)
- Sales Account Maint (1.2.17)
- Inventory Movement Code Maint (1.1.9)
- Site Maint (1.1.13)
- Inbound Account Maint (1.2.21.1)
- Outbound Accrual Account Maint (1.2.21.13)
- Outbound Expense Account Maint (1.2.21.16)
- Price List Maint (1.10.1.1)
- Logistics Charge Code Maint (2.15.1)
- Logistics Accounting Control (2.15.24)
- Trailer Code Maint (2.19.13)
- Mirror Table Maint (3.20.1)
- Inventory Control (3.24)
- Purchase Approvals Maint (5.1.1)
- Purchasing Control (5.24)
- Department Maint (14.1)
- Repetitive Control (18.22.24)
- Class Maintenance (32.1.17)
- Fixed Asset Maintenance (32.3)
- Domain/Account Control (36.9.24)

This program prints a report of any invalid combinations it finds, and lets you identify account combinations that have been invalidated, for example, because of inactive elements.

Validations are based on tables and fields delivered with the standard product. If your environment includes custom tables or fields, you can use Account Table/Field Maintenance (36.9.21) to add custom information before running the validation procedure.

Supplementary Analysis Fields

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

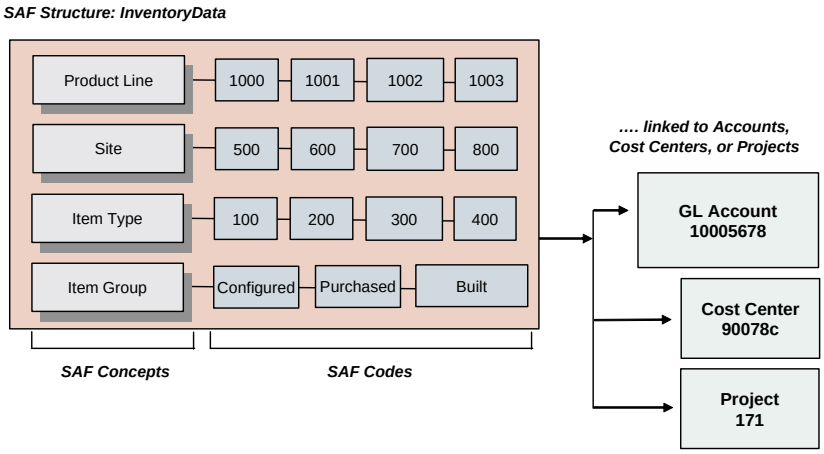
SAF analysis can be applied to all standard GL accounts, except for bank, closing, and tax accounts. SAF analysis is not supported for system accounts, except for Purchase Order Receipts. You can apply SAF analysis to both revenue and expenses, and normally a separate SAF structure would be set up for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

SAF analysis can be further streamlined by using system SAF concepts that retrieve key data from operational transactions performed in manufacturing, sales and purchase orders, and inventory control; see “System SAF Concepts” on page 145. System SAF concepts are predefined in the system. However, you must manually define SAF codes for them. User-defined SAF analysis can augment the operational reporting or be used only with financial transactions. For these concepts, you must also define the values; see “User-Defined SAF Concepts” on page 149.

SAF analysis is managed through a combination of three elements (Figure 4.46):

- SAF concepts identify the type of analysis required. See “System SAF Concepts” on page 145 and “User-Defined SAF Concepts” on page 149.
- SAF codes define the analysis details. Associate the codes with an existing concept. See “Creating SAF Codes” on page 152.
- SAF structures contain a selection of concepts in a logical sequence. You associate the structure with a GL account, cost center, or project. See “Creating SAF Structures” on page 153.

Fig. 4.46
Supplementary Analysis Fields (SAFs) Structure



You can optionally associate concepts and default codes with accounts, cost centers, projects, customers, suppliers, and business relations. You must define a default code for each concept in an SAF structure when you set up the structure. This value is used when none of the other defaults are available. The system uses a search algorithm for finding defaults depending on the type of transaction. See “SAF Defaulting” on page 154 for details.

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

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

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

You can also define an SAF structure as an element of a budget. Budgets are structured using budget topics, which are linked to elements of the general ledger, including GL accounts, sub-accounts, cost centers, projects, and SAFs. Using SAFs in budgets is described in Chapter 13, “Budgeting,” on page 873.

System SAF Concepts

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

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

The following system concepts are available:

Product Line. This concept captures values created in Product Line Maintenance (1.2.1) and associated with items involved in operational transactions.

Site. This concept captures values created in Site Maintenance (1.1.13) and associated with items involved in operational transactions.

Item Type. This concept captures generalized code values created in Generalized Codes Maintenance (36.2.13) and associated with items in Item Master Maintenance (1.4.1) when those items are used in operational transactions.

Item Group. This concept captures generalized code values created in Generalized Codes Maintenance (36.2.13) and associated with items in Item Master Maintenance (1.4.1) when those items are used in operational transactions.

Region. This concept captures generalized code values created in Generalized Codes Maintenance (36.2.13) and associated with customers in Customer Data Maintenance (2.1.1) when those customers are referenced on operational transactions.

Customer Type. This concept captures codes created in Customer Type Create (27.20.4.1) and associated with customers in Customer Create (27.20.1.1) when those customers are referenced on operational transactions.

Supplier Type. This concept captures codes created in Supplier Type Create (28.20.4.1) and associated with suppliers in Supplier Create (28.20.1.1) when those suppliers are referenced on operational transactions.

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

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

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

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

Table 4.16
System Concepts and Operational Transactions

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

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

Retrieving SAF Codes for System Concepts

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

If new system SAF codes are used in operational transactions, you must manually update the system SAF codes in SAF Code Create (25.3.7.2.1) before you can use the codes in a Financials posting.

Example of System SAF Code Usage

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

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

Default code Any for the Site concept

Default code All for the Region concept

Default code None for the Item Type concept

Default code None for the Product Line concept

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

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

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

For line item 030001:

Site is site 500 from the sales order line.

Region is Canada from the sales order customer.

Item Type is COMP from the sales order line item.

Product line is 6000 from the sales order line.

For line item 030002:

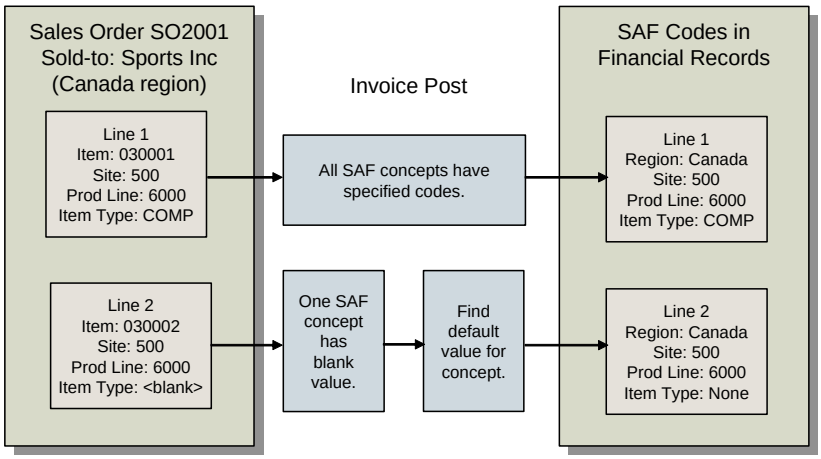
Site is site 500 from the sales order line.

Region is Canada from the sales order customer.

Item Type is None from the default value.

Product line is 6000 from the sales order line.

Fig. 4.47
Retrieving SAF Codes for System Concepts



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

Summarized Transactions and System Concepts

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

How transactions are created is determined by the Summarized Journal option in Inventory Accounting Control (36.9.3). When this field is selected, the system creates summarized journal transactions by day; generating just one transaction for each entity, account, sub-account, cost center, and project combination used.

Note When Summarized Journal is selected and transactions contain legal document numbers, not all legal document numbers are tracked in the summarized inventory transactions. Therefore, when legal documents are used to track inventory transactions, it is recommended not to select the Summarized Journal field.

To use system concepts for operational transactions, you must have access to individual transaction details. Before creating inventory transactions, you must, therefore, clear the Summarized Journal option.

Receiver Matching and System SAF Concepts

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

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

User-Defined SAF Concepts

You create user-defined SAF concepts (25.3.7.1) based on your business requirements. You must manually create both the concept and the SAF codes for user-defined SAFs and then select the code or define defaults.

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

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

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

Sample User-Defined Concept

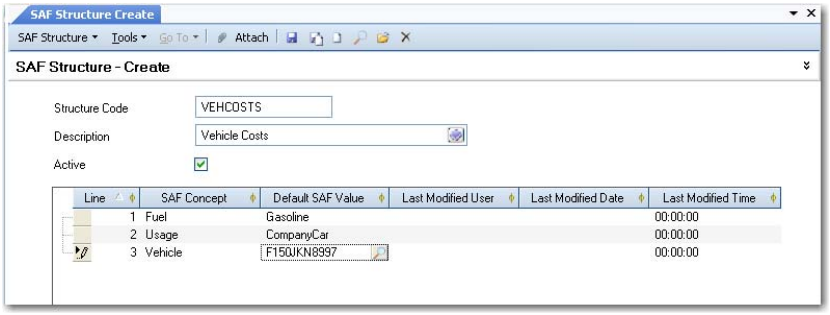
You want to create an SAF analysis system for insurance and maintenance costs for company vehicles. Set up the structure, concepts, and codes in the following way:

1 Create the following SAF concepts and codes.

SAF Concept	SAF Code	SAF Code Description
Vehicle	MSL500	Mercedes SL500 HIJ8976
	F150WDS	Ford F-150 WDS 2114
	F150JKN8997	Ford F-150 JKN 8997
	FRangerDDT3452	Ford Ranger DDT3452
	TTLQW5674	Toyota Tacoma LQW5674
Fuel	Gasoline	Gasoline
	Diesel	Diesel
	LPG	LPG
Usage	CompanyCar	Company Car
	Truck	Truck
	Personal	Personal

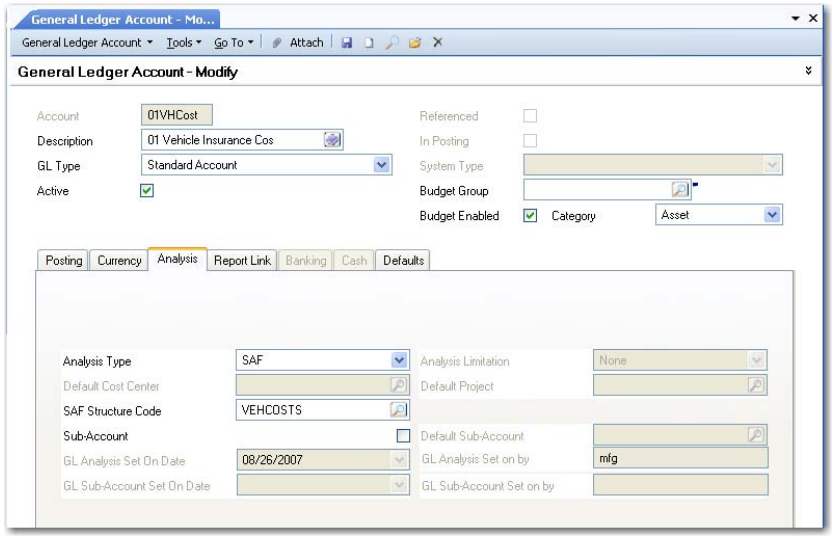
2 Add these concepts and codes to an SAF structure called VEHCOSTS.

Fig. 4.48
Adding User-Defined SAF Concepts to an SAF Structure



3 Link the structure to GL cost accounts for company vehicle insurance and company vehicle maintenance.

Fig. 4.49
Linking an SAF Structure to a GL Account

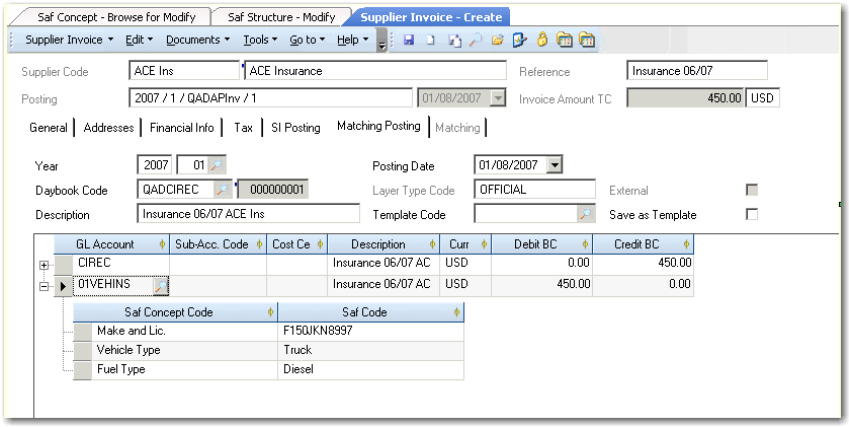


You can analyze vehicle insurance and maintenance costs by applying SAF analysis to these two accounts. By creating an SAF structure that can be applied to both accounts, you avoid the need to create multiple accounts for both types of cost, and also the need to create a customized SAF structure for each account.

4 When you receive an invoice from the your insurance supplier, you match the invoice amount with the 01VEHINS account, enabling the SAF analysis.

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

Fig. 4.50
SAF Analysis in a Supplier Invoice



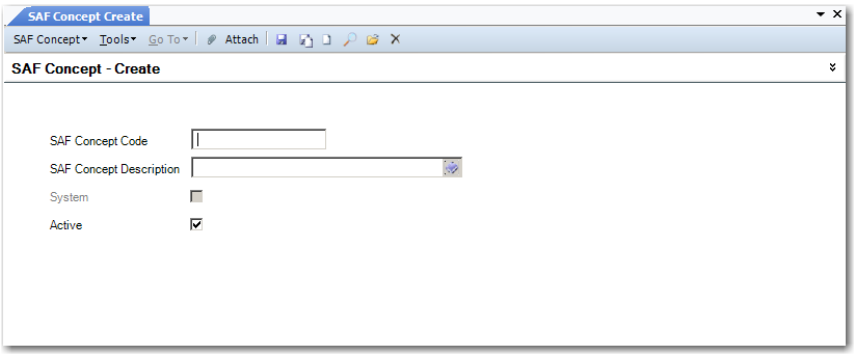
When you post this transaction, the transaction records retains the SAF information you defined and you can then use the SAF codes for filtering in reports.

Creating SAF Concepts

Use the SAF Concept activities (25.3.7.1) to create, view, modify, and delete SAF concepts. Changing concepts has the following restrictions:

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

Fig. 4.51
SAF Concept Create



Field Descriptions

SAF Concept Code. Enter a code (maximum 20 characters) that identifies an SAF concept.

SAF Concept Description. Enter a brief description (maximum 40 characters) of the concept code. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. See *Introduction to QAD Enterprise Applications User Guide* for more information on the Translation Option.

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

Active. Indicate if this is an active SAF concept.

Creating SAF Codes

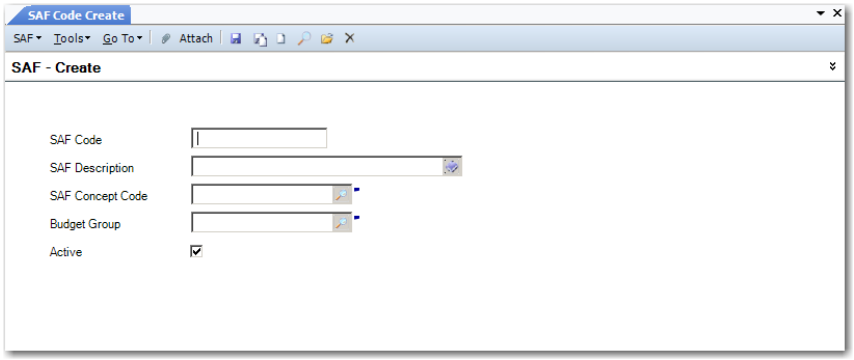
Use the SAF Code activities (25.3.7.2) to create the values that you assign to an SAF concept. They generally correspond to the individual item for which you require analysis. For example, you can track transactions relating to a particular vehicle belonging to the organization by creating an SAF code of the vehicle registration number.

Every SAF concept must have at least one default SAF code—defined in the SAF structure where it is used—and you can link any number of codes to the same concept.

You build SAF analysis for an account by creating an SAF code for each type of transaction that updates the account.

You build the list of SAF codes for both system-defined and user-defined SAF concepts manually.

Fig. 4.52
SAF Code Create



Field Descriptions

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

SAF Description. Enter a brief description (maximum 40 characters) of the SAF code. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

SAF Concept Code. Specify an SAF concept to associate with the SAF code.

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

Active. Indicate if this is an active SAF code.

Creating SAF Structures

Use the SAF Structure activities (25.3.7.4) to combine up to five SAF concepts in a sequence. You then link the structure to general ledger accounts, cost centers, or projects. You can associate only one SAF structure with a GL account, cost center, or project.

When an SAF structure is associated with a project, cost center, or GL account and a transaction updates that element, the SAF concepts and default codes are displayed in the transaction posting lines.

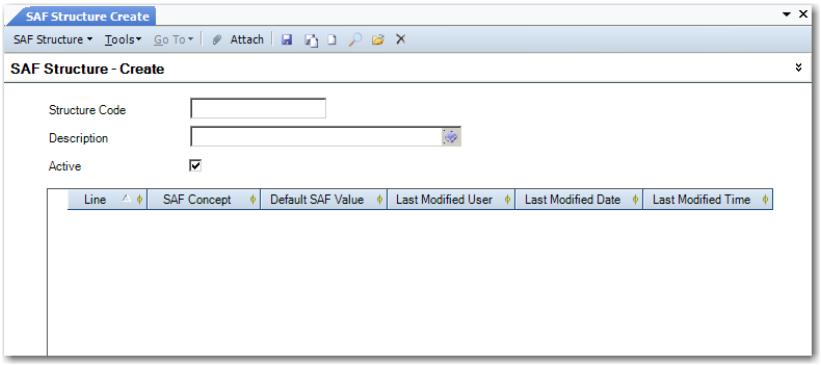
- For system concepts based on operational transactions, the SAF concepts are predefined in the system, but you must create the corresponding SAF codes.
- When user-defined concepts have more than one value, you must select the value to use when you create the transaction.

SAF structures are independent of the entity and domain, and can contain both system and user-defined concepts.

Each structure must contain a minimum of one concept, up to a maximum of five concepts. Each concept must have one and only one default value, which is used to supply a value based on the defaulting logic described in “SAF Defaulting” on page 154. Other defaults are optional, but the one associated with the structure is required and used when more specific defaults have not been defined.

After an SAF structure has been used in a transaction, you cannot delete any of the associated SAF concepts.

Fig. 4.53
SAF Structure Create



Field Descriptions

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

Description. Enter a brief description (maximum 40 characters) of the SAF structure. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active SAF structure.

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

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

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

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

SAF Defaulting

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

System SAF concepts use the SAF codes you define and associate with them; see “System SAF Concepts” on page 145. Operational transactions are posted automatically, and you cannot manually correct SAF data before posting. Therefore, to ensure that posting is successful, you must define default values. The defaults are used when a code for an active SAF concept cannot be retrieved for a transaction. This substitute SAF code ensures that the transaction is processed. See “Example of System SAF Code Usage” on page 147 for an illustration of how defaults are used.

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

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

Default codes for SAF concepts are defined for multiple components:

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

Table 4.17 lists the defaulting sequence for retrieving a code when a value is not found in the transaction or when the SAF data is being specified manually in programs such as Journal Entry. The system always finds the correct structure to use based on the type of analysis and the value of Retrieve SAF Structure from GL. It then finds default values for codes by searching the

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

Table 4.17
SAF Defaulting Sequence

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

SAF Reporting and Related Views

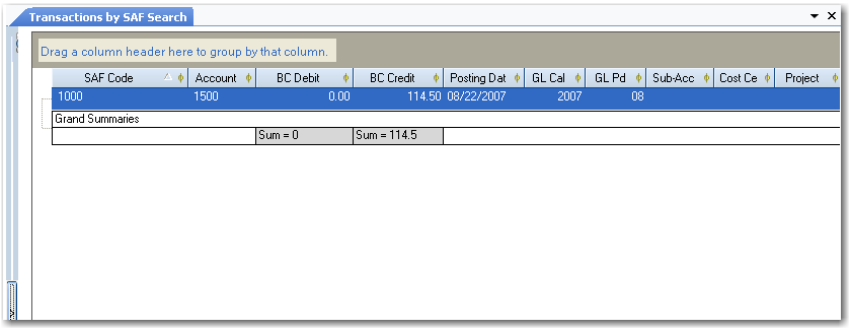
The following reports provide detailed and summarized information on transactions, filtered by specific SAF codes or concepts.

- SAF Code Transactions Detail
- SAF Code Transactions Summary

For more information on these reports, see “Analytical Transaction Reports” on page 922.

The Transactions by SAF related view (25.15.4.4) gives an on-screen summary of transactions filtered by SAF code.

Fig. 4.54
Transactions by SAF



Setting Up GL Correction Control

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

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

If you need to set up your accounting system to meet these requirements, you must define the proper settings in GL Correction Control (25.13.24). Using these settings, you can:

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

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

Correction Example

Most inventory transactions are for positive quantities. However, to register a correction, a negative inventory quantity can be entered.

For example, an inventory clerk does an unplanned receipt using Receipts–Unplanned (3.9) for 10 items at a cost of $20 each.

Table 4.18
Posting for Positive Receipt

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

A later count shows only 9 items were actually received. A correction is made by executing the same program for a quantity of –1.

Two different conventions can be used to represent this correction transaction in the GL. The standard processing is shown in Table 4.19, which shows the transaction for the original issue of 10 and the correction of –1.

Table 4.19
Standard Posting for Negative Receipt

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

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

In the standard processing, the correction credits the account that was previously debited and debits the account that was credited.

When correction postings are used, the correction transactions are represented by a negative debit and negative credit instead of the standard processing. In the current example, the transactions are shown in Table 4.20, which uses the transaction for the original issue of 10 and the correction of –1.

Table 4.20
Correction Posting for Negative Receipt

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

Configuring Transactions in GL Correction Control

If you want to implement correction transactions, you can select the specific transactions you want to be affected using fields in GL Correction Control 25.13.24).

To optimize the correction process, transactions are grouped into three sets based on similar function. The sets of transactions are sales order, inventory control, and work order.

Sales Order Corrections

GL correction transactions for sales orders are enabled by selecting the GL Correction field in the Sales Orders/Invoices frame of GL Correction Control.

When this is selected, correction type transactions are produced for invoices in two cases:

- Invoices generated as a result of normal (positive quantity) sales order shipments when the net effect of a GL distribution line is to reduce a customer's AR liability, such as a discount
- Invoices generated as a result of sales orders for a total negative amount, such as credit notes for customer returns

Table 4.21 illustrates the GL postings for discounts when the correction feature is not activated during a normal (positive quantity) sales order shipment.

Table 4.21
Invoice Posting for AR Discount

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

Table 4.22 illustrates the GL postings for discounts when the correction feature is activated during a normal (positive quantity) sales order shipment.

Table 4.22
Invoice Posting for AR Discount as Correction

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

Table 4.23 illustrates the GL postings when the correction feature is not activated during a sales order return.

Table 4.23
Invoice Posting for Return

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

Table 4.24 illustrates the GL postings when the correction feature is activated during a sales order return.

Table 4.24
Invoice Posting for Return as Correction

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

GL Summarization

The Sales Orders/Invoices frame in GL Correction Control also includes the GL Summarization field. Use it to activate summarization of transactions during invoice post.

- When this field is cleared, negative and positive lines for the same entity, account, sub-account, cost center, and project create separate GL transactions.
- When this field is selected, positive and negative GL postings to the same entity, account, sub-account, cost center, and project are netted to produce a single GL posting instead of two.

Summarizing the transactions can make the reconciliation process less complex.

Note Summarization of transactions prevents SAF analysis on those transactions.

Table 4.25 shows GL postings when summarization is deactivated. In the example, the positive ($200.00) posting and one negative ($–50.00) posting to Sales create two GL transactions with the net effect of $150.00.

Table 4.25
GL Postings with Summarization Deactivated

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

Table 4.26 shows the same posting when summarization is activated. This creates a single positive line ($150.00).

Table 4.26
GL Postings with Summarization Active

Account	Description	Debit	Credit
1200	AR	150.00	
3000	Sales		150.00

Inventory Corrections

The following table lists the choices in the Inventory GL Correction frame of GL Correction Control and the transactions they represent.

Table 4.27
Inventory Transaction Groups

Field Name	Transaction	Code
Cost Adjustment	Cost Adjustment	CST-ADJ
Consignment Transfer	Consigned Material Transfer Issue	CN-ISSTR
	Consigned Material Receipt	CN-RCTTR
Customer Consignment	Consigned Material Adjustment	CN-ADJ
	Consigned Material Shipment	CN-SHIP
	Consigned Material Usage	CN-USE
	Consigned Material Cycle/Physical Count	CN-CNT
DO Shipment	Distribution Order Change	ISS-DO
	Goods in Transit Issue	RCT-GIT
DO Receipt	Distribution Order Receipt	RCT-DO
	Goods in Transit Issue	ISS-GIT
Inventory Adjustment	Cycle Count Adjustment	CYC-CNT
	Cycle Count Recount	CYC-RCNT
	Physical Inventory Update	TAG-CNT
Issue Unplanned	Issue Unplanned	ISS-UNP
PO Receipt	PO Receipt	RCT-PO
	Purchase Order Receipt, Average Cost	RCT-AVG
Receipt Unplanned	Receipt Unplanned	RCT-UNP
Return to Stock	Inventory Return to Stock	RCT-SOR
	Inventory Sales Order Return	RCT-RS

Field Name	Transaction	Code
Return to Supplier	Purchase Order Return to Supplier	ISS-PRV
	Inventory Return to Supplier	ISS-RV
SO Shipment	Sales Order Shipment	ISS-SO
	Configured Product Issue	ISS-FAS
	Configured Product Receipt	RCT-FAS
	Inventory Receipt	RCT-CNFG
	Issue Correction Invoice	ISS-COR
Supplier Consignment	Consigned Material Adjustment	CN-ADJ
	Consigned Material Receipt	CN-RCT
	Consigned Material Issue/Backflush	CN-ISS
Transfer	Inventory Transfer	ISS-TR
	Cost Transfer	CST-TR
	Inventory Receipt	RCT-TR
WIP Adjustment	Work-in-Process Adjustment	WIP-ADJ
WO Close	Work Order Close	WO-CLOSE
	Mixed Variance	MIX-VAR
	Method Change Variance	MTHD-CHG
	Material Variance	MATL-VAR
	Floor Stock	FLR-STK
WO Issue/Receipt	Work Order Issue	ISS-WO
	Work Order Receipt	RCT-WO
	Work Order Reject	RJCT-WO

Work Order Corrections

The following table lists the choices in the Work Order GL Correction frame of GL Correction Control and the transactions they represent.

Table 4.28
Work Order Transaction Groups

Field Name	Transactions	Code
Cumulative WO Close	Advanced Repetitive Accounting Close	CLOSE
	WIP Material Scrap Usage Variance	MIV-WIP
	Component Material Usage Variance	MUV-CMP
	Burden Usage Variance	RBUV
	Setup Burden Usage Variance	RLUV
	Labor Usage Variance	SBUB
	Setup Labor Usage Variance	SLUV
	Transfer	TRANSFER
	Accounting Close Post	WO-CLOSE
	Floorstock	FLOORSTK
Downtime	Non-productive Labor	DOWN
	Downtime	DOWNTIME

Field Name	Transactions	Code
Expense	Expense	EXPENSE
Labor	Advanced Repetitive Labor/Material Usage	BACKFLSH
	Direct Labor Posted	LABOR
	Setup	SETUP
	Operation Close	OP-CLOSE
	Labor Variance	VAR-POST
Rework	Rework	REWORK
Scrap	Scrap	SCRAP
Subcontract	Subcontract	SUBCNT
WIP Adjustment	WIP Adjustment Input Queue	WIPADJ-I
	WIP Adjustment Output Queue	WIPADJ-O
	WIP Adjustment Reject Queue	WIPADJ-R

AP and AR Corrections

The Accounts Payable and Accounts Receivable fields in the AP and AR Corrections frame of GL Correction Control (25.13.24) determine whether you can define some specific daybook types in Daybook Create (25.8.1.1):

- You can create daybooks of type Supplier Invoice Corrections and Supplier Credit Note Corrections only when Accounts Payable is selected.
- You can create daybooks of type Customer Invoice Corrections and Customer Credit Note Corrections only when Accounts Receivable is selected.

Accounting Layers

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

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

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

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

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

Fig. 4.55
Accounting Layers

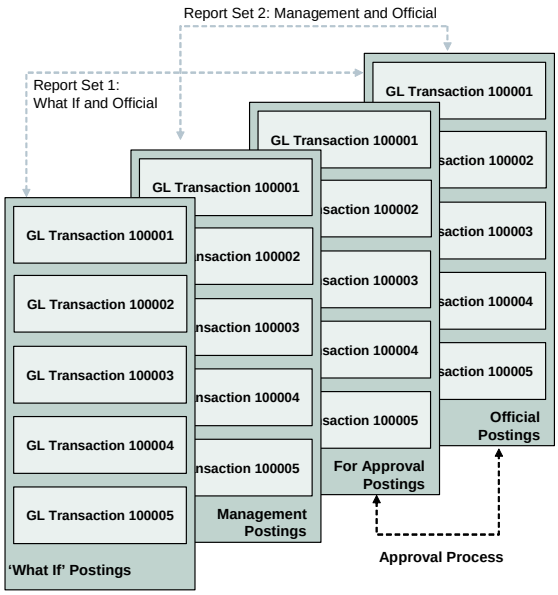


Figure 4.55 shows a series of transactions that were posted to the transient layer in order to test a GL simulation scenario (what if postings). By running a set of GL reports and selecting the daybooks that contain the transient layer simulations and the relevant official layer postings, the user obtains Report Set 1.

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

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

Transient Layer

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

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

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

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

Management Layer

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

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

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

Official Layer

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

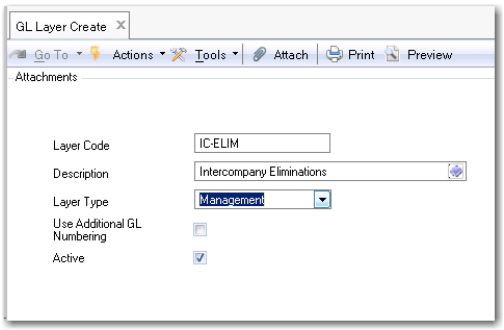
The official layer is used for statutory postings; for example, fiscal stock valuation or fiscal depreciation.

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

Creating GL Layers

Use the GL Layer activities (25.8.14) to create, view, modify, and delete GL layers of all three types.

Fig. 4.56
GL Layer Create



Field Descriptions

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

Description. Enter a brief description (maximum 40 characters) of the accounting layer. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

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

Use Additional GL Numbering. Select the field if the system should include transactions in this layer in additional GL numbering.

This field defaults to selected for all official layers, and is deselected by default for all management layers. You cannot select the field for transients layers.

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

Active. Indicate if this is an active layer.

Using Daybooks

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

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

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

- *Financial daybooks* accept postings that originate from financial functions, such as the general ledger, AR, and AP. See page 169.
- *Operational daybooks* are used for postings that originate from operational functions, such as Sales, Inventory Control, Fixed Assets, and Manufacturing. They are created as unposted transactions, which then require a separate posting activity to update the general ledger with the transaction amounts. Operational daybooks are also used to generate invoice numbers during the invoice posting process. See page 171.
- *External daybooks* can be used with an interface to external systems, such as payroll systems. See page 182.

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

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

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

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

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

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

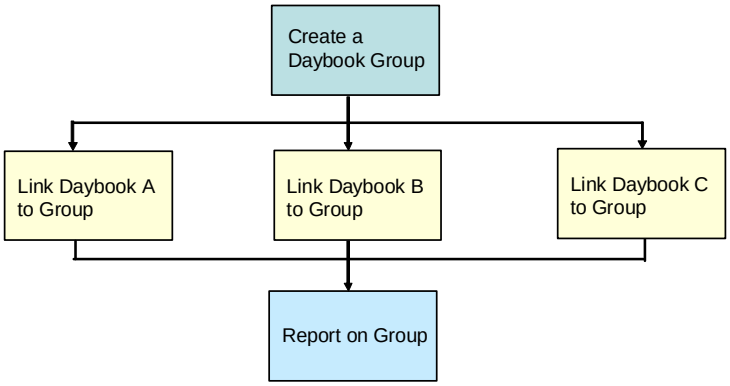
- Year (YYYY)
- Slash character (/) to act as a separator
- Daybook Code (maximum eight characters)
- Sequence number (000000001)

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

Daybook Reporting Groups

Daybook groups let you link numerous daybooks together so they can be reported on as a group; for example, you can create a group for all domestic supplier invoices. You link a daybook group to a daybook using the Daybook Group field in Daybook Create (25.8.1.1).

Fig. 4.57
Daybook Group Flow



If you create a daybook group, it becomes mandatory that users specify a daybook group value in Daybook Create (25.8.1.1).

Currently, the following reports include daybook groups:

- Reporting Daybook Exception Report (25.8.13)
- AP Tax Register Details Report (29.6.3.11)
- AP Purchases Tax Register Report (29.6.3.12)
- EU Sales Linked to EU Purchases (29.6.3.14)
- AR Tax Register Details Report (29.6.3.16)
- Suspended Tax Register Report (29.6.3.18)

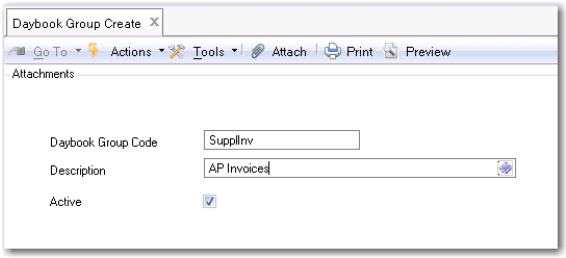
See *QAD Global Tax Management User Guide* for more information on tax registers and tax register reports.

Another function, Reporting Daybook Modify, lets you change the reporting daybook code used in financial transactions. See “Modifying Reporting Daybooks” on page 182.

Creating Daybook Groups

Use Daybook Group Create (25.8.2.1) to define reporting daybook groups.

Fig. 4.58
Daybook Group Create



Daybook Group Code. Enter a maximum of 20 characters for the code that identifies the daybook group.

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

You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active daybook group.

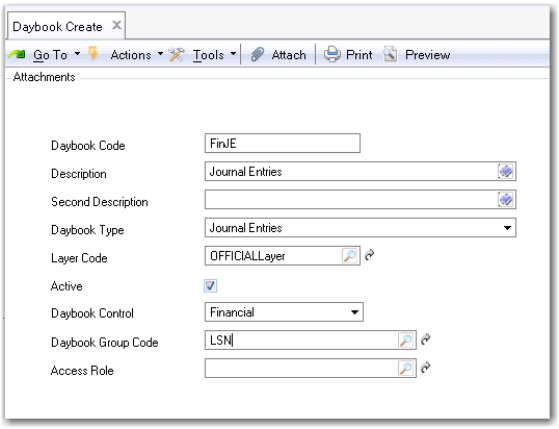
Deleting Daybook Groups

You can use Daybook Group Delete (25.8.2.4) to delete a daybook group if no daybooks have been associated with the group.

Defining Daybooks

Use the Daybook (25.8.1) activities to create, view, modify, and delete daybooks. Daybooks contain the transaction posting lines, and control the posting of transactions because each daybook must be linked to an accounting layer. In addition, each daybook is associated with a daybook control type, which separate postings based on their source.

Fig. 4.59
Daybook Create



Field Descriptions

Daybook Code. Enter a daybook code (maximum eight characters).

Description. Enter a brief description (maximum 24 characters) of the daybook. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Second Description. Specify an additional description of the types of transactions posted to this daybook.

You can display this description on the GL Numbering report and the GL Transactions by Account report.

Daybook Type. Select a daybook type from the drop-down list. See Table 4.30 on page 169 for a list of types.

Layer Code. Select an accounting layer: official, management, or transient. See “Transactions and Related Daybooks” on page 168 for information on the layers with which each daybook type can be associated.

Active. Indicate if this is an active daybook.

Daybook Control. Choose the type of daybook control from the drop-down list:

- Financial, which contains postings originating in the financial modules. See “Financial Daybooks” on page 169.
- Operational, which contains postings from operational functions. See “Operational Daybooks” on page 171.
- External, which contains postings originating from external, third-party systems; for example, payroll applications. See “External Daybooks” on page 182.

Daybook control types are used to clearly separate postings based on their source.

Table 4.29 indicates which transaction types can be posted to each daybook control type.

Table 4.29
Transactions and Related Daybooks

Transactions	Daybook
Banking Entries	Financial, External
Cash Entries	Financial, External
Consolidation	Financial, External
Customer Adjustments	Financial, Operational
Customer Credit Note Corrections	Financial, Operational
Customer Credit Notes	Financial, Operational
Customer Deduction	Financial
Customer Invoices	Financial, Operational
Customer Invoices Corrections	Financial, Operational
Customer Payments	Financial
Finance Charge	Financial
Journal Entries	Financial, Operational, External
Matching Daybook	Financial
Revaluation Customer Payments	Financial
Revaluation Customer	Financial
Revaluation GL	Financial
Revaluation Intercompany	Financial
Revaluation Supplier Payments	Financial
Revaluation Suppliers	Financial
Revaluation Tax	Financial
Reversing Entries	Financial
Supplier Adjustments	Financial
Self-Bills	Financial, Operational
Supplier Credit Note Corrections	Financial
Supplier Credit Note	Financial, Operational
Supplier Invoice Corrections	Financial
Supplier Invoices	Financial, Operational
Supplier Payments	Financial
Year-End Closing	Financial

Daybook Group Code. Specify a daybook group to associate with the daybook for ease of reporting.

If you have created at least one daybook group, it is mandatory that you specify a daybook group value. Otherwise, this field is optional.

If no active daybook groups exist, the Daybook Group field is blank and read-only.

Access Role. Specify a role to restrict access to the daybook. Only users with that role can post transactions to the daybook.

You can specify a role for the following types of daybook:

- Journal Entries, for Daybook Control types other than Operational
- Consolidation

- Matching

If no role is specified for a daybook, the daybook can be used by all roles.

See “Daybook Security” on page 174 for more information.

Financial Daybooks

Table 4.30 lists the available types of financial daybooks.

Each daybook type is linked to an accounting layer, ensuring that transactions recorded in the daybook are automatically posted to the associated layer. Several daybooks can have the same daybook type.

Daybooks define the accounting layers to use for posting: official, management, or transient. For example, IFRS adjustment postings can be applied to the management layer to make the books conform to an IFRS standard. Therefore, transactions that require verification can be easily grouped and isolated.

Depending upon the daybook type, the layer codes available for selection can be limited. Each posting belongs to a single daybook and each daybook is linked to a single layer type. Some postings can be transferred between layers. See “Using Daybooks” on page 164.

Certain daybook types are linked by default to particular layers, as indicated in Layer Type column.

Table 4.30
Daybook Types

Daybook Type	Comment	Layer Type
Banking Entries	Use Banking Entry daybooks to record all incoming and outgoing transactions to the bank.	Official only
Cash Entry	Use Cash Entry daybooks to record all incoming and outgoing cash transactions.	Official only
Consolidation	Use to record consolidation transactions. Consolidation daybooks are defined during the setup of the consolidation cycle.	All layers
Customer	Use customer daybooks to record the following types of transaction: • Adjustments • Credit Notes • Credit Note Corrections • Customer Deduction • Invoices • Invoice Corrections • Payments **Note** You can create daybooks of type Customer Credit Note Corrections and Customer Invoice Corrections only when Accounts Receivable is selected in GL Correction Control.	Official only

Daybook Type	Comment	Layer Type
Journal Entries	Use this daybook type to record non-specific transactions.	All layers
Matching Daybook	Use the Matching Daybook type to record posted supplier invoices. See “Supplier Invoice Functions” on page 636 for more information about Unmatched Invoices accounts and daybooks.	Official (for receiver matching and financial matching) and transient layers (for financial matching only)
Periodic Costing	Use the Periodic Costing type to record periodic costing transactions posted to the GL.	All layers
Revaluation	Use Revaluation daybooks to record the following types of revaluation transaction: • Suppliers • Supplier Payments • Customers • Customer Payments • Fixed Assets • GL • Intercompany • Inventory • Personnel • Tax	Official and management layers
Reversing Entries	Use when reversing journal entries.	All layers
Self-Billing	Use to record self-bill transactions created using Self-Bill Auto-Create.	Official
Supplier	Use Supplier daybooks to record the following types of transaction: • Adjustments • Credit Notes • Credit Note Corrections • Invoices • Invoice Corrections • Payments **Note** You can create daybooks of type Supplier Credit Note Corrections and Supplier Invoice Corrections only when Accounts Payable is selected in GL Correction Control.	Official only
Year-End Closing	For legal reasons, year-end closing transactions must be clearly denoted.	Official and management layers

Prior to deleting or inactivating a daybook, ensure that there are no unposted transactions in the operational functions that reference the daybook. If unposted transactions exist, the daybook cannot be deleted or inactivated until these transactions are posted.

Operational Daybooks

Operational daybooks control GL postings that originate from programs in the Fixed Assets and operational modules such as Inventory Control, Sales Orders/Invoices, and Work Orders.

Depending on the operational function, daybook controls are set up in two ways:

- Use *default daybooks* to group fixed assets, inventory control, work order, and certain non-invoice sales order transactions. You can control the granularity of daybook assignments by defining default daybooks based on transaction type, document type, or entity. If your business does not require this level of control, you can simply assign all operational transactions to a system daybook. See “Defining Default Daybooks” on page 171.
- Use *daybook sets* to control which daybooks are assigned to specific kinds of AR and AP transactions created when sales order invoices and purchase order receipts are posted. Separate menu programs let you define daybook sets for the entire domain or for specified sites. Select the method your company uses with the Use Daybook by Site option in Sales Order Accounting Control (36.9.6) and Purchasing Accounting Control (36.9.5). For sales orders and purchase orders, you must define at least one daybook set to serve as the default. See “Defining Daybook Sets” on page 175.

Note To make a daybook available for operational transactions, set Daybook Control to Operational in Daybook Create. Otherwise, it cannot be referenced in the default or daybook set programs. Modify operational daybooks using Daybook Modify.

Defining Default Daybooks

Use Default Daybook Maintenance (25.8.4) to control the assignment of the following types of operational GL transactions to daybooks:

- FA: Fixed Assets
- IC: Inventory Control
- SO: Sales Orders (non-invoice transactions only; invoice daybooks are controlled by daybook sets)
- WO: Work Orders

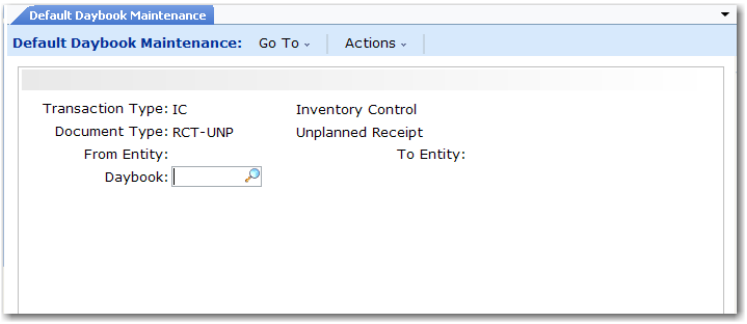
When creating a transaction, the system searches for a daybook starting with an exact match on the lowest level of the hierarchy (matching transaction type-document type and entity) to the highest level (system daybook).

Important At a minimum, you must create at least a system daybook record, which has transaction type, document type, and entity range blank. This is the daybook used when the system cannot find a matching record based on a combination of transaction type, document type, and entity.

When creating an operational transaction, the system uses the specified daybook to generate a GL reference. See “Operational Accounting Controls” on page 205.

Note In addition to the daybook-assigned number, the system also assigns two more reference numbers to each transaction. One is a transaction sequence number; the other is an operational transaction ID consisting of the transaction type (FA, IC, SO, WO), the date, and a system-maintained sequence. These numbers are used as cross-references by reporting functions to allow you to drill down from the general ledger all the way to the original operational transaction.

Fig. 4.60
Default Daybook Maintenance (25.8.4)



Field Descriptions

Transaction Type. Specify a valid GL transaction type or leave blank to define the system daybook.

FA: Fixed Assets

IC: Inventory Control

SO: Sales Orders (non-invoice transactions created only by Revenue Recognition)

WO: Work Orders

Document Type. Specify the GL document type assigned to this daybook. You can enter a value only when Transaction Type is not blank. If you leave this field blank, the GL transaction is assigned to a transaction type daybook. To define the system daybook, leave both fields blank.

The system assigns GL transactions for the specified transaction type and a corresponding document type to this daybook. Table 4.31 lists valid transaction type/document type combinations.

Table 4.31
Valid Transaction Type/Document Type Combinations

Transaction Type	Document Type	Description
FA	FA	Fixed Assets
IC	CN-ADJ	Consignment Inventory Adjustment
	CN-CNT	Consignment Inventory Count
	CN-ISS	Consignment Inventory Issue
	CN-ISSTR	Consignment Inventory Transfer (Issue)
	CN-RCT	Consignment Inventory Receipt
	CN-RCTTR	Consignment Inventory Transfer (Receipt)
	CN-SHIP	Consignment Inventory Transfer (Customer)
	CN-USE	Consignment Inventory Usage
	CST-ADJ	Cost Adjustment
	CST-TR	Cost Transfer
	CYC-CNT	Cycle Count Adjustment

Table 4.31 — *Valid Transaction Type/Document Type Combinations* (Page 1 of 3)

Transaction Type	Document Type	Description
	CYC-ERR	Cycle Count Error
	CYC-RCNT	Cycle Count Recount
	FLR-STK	Floor Stock
	ISS-CHL	Change Inventory Detail
	ISS-DO	Distribution Order Issue
	ISS-FAS	Final Assembly Issue
	ISS-GIT	Goods in Transit Issue
	ISS-PRV	Purchase Order Return to Supplier
	ISS-RV	Inventory Return to Supplier
	ISS-SO	Sales Order Shipment
	ISS-TR	Inventory Transfer
	ISS-UNP	Unplanned Issue
	ISS-WO	Work Order Issue
	MATL-VAR	Material Variance
	MIX-VAR	Mix Variance
	MTHD CHG	Method Change Variance
	RCT-AVG	PO Receipt - Average Cost Item
	RCT-CHL	Change Inventory Detail
	RCT-CNFG	Inventory Receipt Configured Products
	RCT-DO	Distribution Order Receipt
	RCT-FAS	Final Assembly Work Order
	RCT-GIT	Goods in Transit Receipt
	RCT-LBR	Inventory Receipt Labor
	RCT-PO	Purchase Order Receipt
	RCT-RS	Inventory Return to Stock
	RCT-SOR	Inventory Sales Order Return
	RCT-TR	Inventory Transfer
	RCT-UNP	Unplanned Receipt
	RCT-WO	Work Order Receipt
	RJCT-WO	Work Order Reject
	TAG-CNT	Physical Inventory Update
	WIP-ADJ	WIP Material Cost Revalue
	WO-CLOSE	Work Order Accounting Close
WO	BACKFLSH	Advanced Repetitive Labor/Material Usage
	CLOSE	Advanced Repetitive Accounting Close
	DOWN	Non-Productive Labor Posted
	DOWNTIME	Downtime
	EXPENSE	Customer Service Expense
	FLOORSTK	Floor Stock
	LABOR	Direct Labor Posted

Table 4.31 — *Valid Transaction Type/Document Type Combinations* (Page 2 of 3)

Transaction Type	Document Type	Description
	MUV-CMP	Component Material Usage Variance Posted
	MUV-WIP	WIP Material Scrap Usage Variance Posted
	OP-CLOSE	Operation Close
	RBUV	Run Burden Usage Variance Posted
	REWORK	Work Order Rework
	RLUV	Run Labor Usage Variance Posted
	SBUV	Setup Burden Usage Variance Posted
	SCRAP	Scrap Account Posted
	SETUP	Work Order Setup
	SLUV	Setup Labor Usage Variance Posted
	SUBCNT	Subcontract
	SUV	Setup Usage Variance Posted
	TRANSFER	Work Order Transfer
	VAR-POST	Labor Variance Posted
	WIPADJ-I	WIP Adjustment, Input Queue
	WIPADJ-O	WIP Adjustment, Output Queue
	WIPADJ-R	WIP Adjustment, Reject Queue
	WO-CLOSE	Work Order Accounting Close Post
	RCT-RS	Inventory Return to Stock

Table 4.31 — *Valid Transaction Type/Document Type Combinations* (Page 3 of 3)

From/To Entity. Optionally enter a range of entity codes to associate with the specified daybook for this transaction type.

Note Leave this range blank for the system daybook.

Define entity codes in Entity Create.

Daybook. Specify the daybook code for an active daybook created using Daybook Create.

All GL transactions created with the specified GL transaction type and GL document type are assigned to this daybook.

Daybook Security

The daybook security feature lets you add security to daybooks to protect them against unauthorized transactions. You can implement daybook security by optionally linking a role to a daybook in Daybook Create or Daybook Modify so that only users with that role can create and modify transactions posted to the daybook. You can specify an access role for the following types of daybook:

- Journal Entries, for Daybook Control types Financial and External only
- Matching
- Consolidation
- Periodic Costing
- Year-End Closing

If you do not specify a role for a daybook, the daybook can be used by all roles.

See “Journal Entries and Daybook Security” on page 333, “Mass Layer Transfer” on page 414, and “Daybook Security and Cross-Company Postings” on page 424, which describe the effect of daybook security on transactions posted to Journal Entries type daybooks.

See “Year-End Closing Checks” on page 453, which describes the effect of daybook security on transactions posted to Year-End Closing type daybooks.

See “Financial Matching and Daybook Security” on page 657 and “Receiver Matching and Daybook Security” on page 696, which describe the effect of daybook security on transactions posted to Matching type daybooks.

See “Consolidation Cycle and Daybook Security” on page 905, which describes the effect of daybook security on transactions posted to Consolidation type daybooks.

Defining Daybook Sets

Each sales order is associated with a daybook set assigned to the bill-to customer address, and each purchase order is associated with a daybook set that defaults from the supplier data (but can be modified). Individual daybooks in the set are used to record invoices, credit notes, intercompany transactions, and, when correction invoices are used, associated correction documents. The system also uses daybooks to generate GL reference numbers for these transactions.

See “Setting Up GL Correction Control” on page 156 for details about enabling correction transactions.

Depending on your company’s business requirements, you can define daybook sets either for the entire domain or for individual sites. For example, the site-based method supports the requirement to use a different invoice sequence for each shipping site.

The Use Daybook Set by Site options in Sales Order Accounting Control (36.9.6) and Purchasing Accounting Control (36.9.5) determine how daybook sets are defined.

- When daybook sets by site is activated, use Daybook Set by Site Maintenance (25.8.9) to define sets that apply only to a specified shipping site.
- Otherwise, use Daybook Set Maintenance (25.8.7) to define sets for all orders created in the domain.

Note Regardless of which method you use, you must define at least two daybook sets; one each for AR and AP. These defaults are needed for new customer and supplier records.

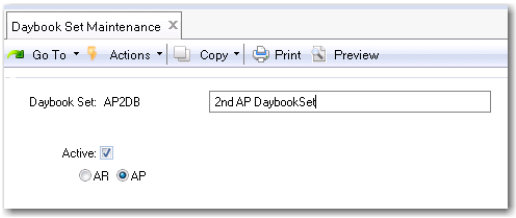
Before defining daybook sets, you must define the individual daybooks in Daybook Create (25.8.1.1). All daybook sets require daybooks to be specified for invoices and credit notes, as well as an intercompany daybook used when a transaction involves more than one entity. Additionally, when Use Correction Invoices is selected in Sales Order Accounting Control for AR daybook sets and Accounts Payable is set to Yes in the AP AR Correction section of GL Correction Control for AP daybook sets, each daybook set must also specify daybooks for correction invoices and correction credit notes.

Daybook Set Maintenance

Daybook Set Maintenance (25.8.7) lets you create distinct daybook sets for numbering AR and AP invoices.

Important All daybooks included in an AR daybook set must have a control type of Operational. All daybooks included in an AP daybook set must have a control type of Financial.

Fig. 4.61
Daybook Set Maintenance



Daybook Set. Enter a maximum of 24 characters for the daybook set name.

Active. Indicate if this is an active daybook set.

Daybook Set Type. Select the relevant field to indicate whether the daybook set is specific to AR or AP.

Note You cannot change the daybook set type if the daybook set has been used and invoices or credit notes have been created.

Invoice Daybook. Enter the daybook the system uses for generating invoice numbers.

If you select AR, the invoices daybook must have a daybook type of Customer Invoices.

If you select AP, the invoices daybook must have a daybook type of Supplier Invoices.

Credit Note Daybook. Enter the daybook the system uses for generating credit note numbers. This must be an active daybook defined in Daybook Create.

For AR daybooks, the Daybook Type value depends on the settings of Use Correction Invoices in Sales Order Accounting Control and GL Correction in GL Correction Control. When Use Correction Invoices is No and GL Corrections is Yes, the system does not use this daybook during processing. However, to validate correctly, the specified daybook must be of type Customer Invoice Corrections.

If you select AP, the credit note daybook must have a daybook type of Supplier Credit Notes.

Intercompany Daybook. Enter the daybook the system uses for managing transactions that involve multiple entities. This must be an active daybook defined in Daybook Create with a daybook type of Journal Entries.

Note This field is only available for AR daybook sets.

Correction Invoices (Negative). Enter the daybook the system uses for generating correction invoice numbers for negative correction amounts. This must be an active daybook defined in Daybook Create.

For AR daybooks, the Daybook Type value depends on the setting of the GL Correction field in GL Correction Control. If the GL Correction field is set to Yes, specify a Customer Invoice Corrections daybook. If the GL Correction field is set to No, specify a daybook type of Customer Credit Note. This field displays only when Use Correction Invoices is Yes in Sales Order Accounting Control.

For AP daybook sets, this field only displays if you set the Accounts Payable field to Yes in the AP AR Correction section of GL Correction Control (25.13.24). Specify a daybook type of Supplier Invoice Corrections.

Correction Credit Notes (Negative). Enter the daybook the system uses for generating credit note numbers for negative correction amounts. It must be an active daybook defined in Daybook Create.

For AR daybooks, the required daybook type depends on the setting of the GL Correction field in GL Correction Control. If the GL Correction field is set to Yes, specify a Customer Credit Note Corrections daybook. If the GL Correction field is set to No, specify a Customer Credit Note daybook. This field displays only when Use Correction Invoices in Yes in Sales Order Accounting Control.

For AP daybook sets, this field only displays if you set the Accounts Payable field to Yes in the AP AR Correction section of GL Correction Control (25.13.24). Specify a daybook type of Supplier Invoice Corrections.

Correction Invoices (Positive). Enter the customer invoices daybook the system uses for generating correction invoice numbers for positive correction amounts. This must be an active daybook with a daybook type of Customer Invoices.

This field displays only when Use Correction Invoices in Yes in Sales Order Accounting Control.

Note This field is only available for AR daybook sets.

Correction Credit Notes (Positive). Enter the customer credit notes daybook the system uses for generating correction credit note numbers for positive correction amounts. This must be an active daybook with a daybook type of Customer Credit Note.

This field displays only when Use Correction Invoices in Yes in Sales Order Accounting Control.

Note This field is only available for AR daybook sets.

Adjustment Daybook. Enter the daybook the system uses for generating numbers for adjustment transactions. It must be an active daybook with a daybook type of Customer Adjustments.

This field displays only when Use Correction Invoices in Yes in Sales Order Accounting Control.

Note This field is only available for AR daybook sets.

Assigning Customer Daybooks Sets

After creating daybook sets, assign one to each customer address in Customer Data Maintenance (2.1.1). The system determines the default value for new customer records as follows:

- When you define database sets by site, Customer Data Maintenance looks for the first active daybook set that matches the default customer site. If one has not been defined, it uses the first active daybook set with a blank site. If no definitions have been set up by site, you must create at least one with blank site before you can complete Customer Data Maintenance records.
- Otherwise, the customer daybook set value defaults from the Default Daybook Set field in Sales Order Accounting Control. However, you can overwrite this value.

  Note That field is not available when Use Daybook Set by Site is selected.

The customer record determines the default daybook set for new orders. You can update the daybook set in the following programs:

- Sales Order Maintenance (7.1.1)
- Customer Scheduled Order Maintenance (7.3.13)
- Sales Order Shipments (7.9.15)
- Sales Quote Maintenance (7.12.1)
- Pending Invoice Maintenance (7.13.1)
- Call Activity Recording (11.1.1.13)
- Call Invoice Recording (11.1.1.15)
- RMA Maintenance (11.7.1.1)
- RMA Receipts (11.7.1.13)
- RMA Shipments (11.7.1.16)

Note These programs verify that the updated value has been defined and, when you use daybook sets by site, matches the order header site.

Assigning Supplier Daybooks Sets

After creating daybook sets, assign one to each supplier address in Supplier Data Maintenance (2.3.1). The system determines the default value for new customer records as follows:

- When you define daybook sets by site, Supplier Data Maintenance looks for the first active daybook set that matches the default supplier site. If one has not been defined, it uses the first active daybook set with a blank site. If no definitions have been set up by site, you must create at least one with blank site before you can complete Supplier Data Maintenance records.
- Otherwise, the supplier daybook set value defaults from the Default Daybook Set field in Purchasing Accounting Control (36.9.5). However, you can overwrite this value.

The supplier record determines the default daybook set for new orders. You can update the daybook set in the following programs:

- Purchase Order Maintenance (5.7)
- Supplier Scheduled Order Maintenance (5.5.1.13)

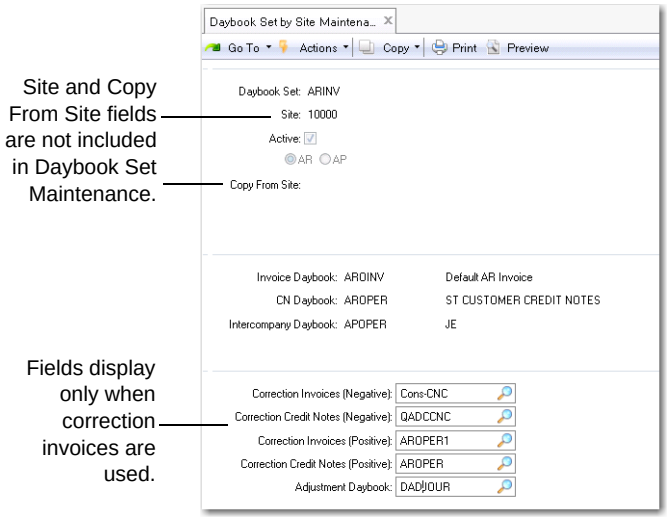
  When a supplier scheduled order is a trade sales order, the Daybook Set field defaults from the related supplier, but is read-only.

- Blanket Order Maintenance (5.3.1)

Daybook Sets by Site

Use Daybook Set by Site Maintenance (25.8.10) to define site-specific default sets of daybooks that are used for recording invoices, credit notes, intercompany transactions, and, when used, for correction invoices.

Fig. 4.62
Daybook Sets by Site Maintenance (25.5.10)



Field Descriptions

Daybook Set. Enter a code (maximum eight characters) to identify a daybook set.

Description. Enter an optional description (maximum 40 characters) of this daybook set.

Site. In Daybook Set by Site Maintenance only, enter the site that uses this daybook set.

Leave blank to define the default daybook set that is used when site-specific records do not apply. When you are using daybook sets by site, this is the default for new customer and supplier records unless a daybook set has been defined for the customer or supplier site.

Active. Specify whether this daybook set is currently available to other functions. By default, new daybook sets are active.

If an AR set is inactive, you cannot specify it in Customer Data Maintenance (2.1.1) or Sales Order Accounting Control (36.9.6), or use it in any of the order transaction processing programs. If an AP daybook set is inactive, you cannot specify it in Supplier Data Maintenance (2.3.1) or Purchasing Accounting Control (36.9.5). Additionally, Invoice Post and Print (7.13.4) verifies that the order daybook set is active before allowing the invoice to be posted.

If you change the way you set up daybook sets after implementation, the system automatically deactivates some records. For example, if you clear Use Daybook Set by Site after site-specific records have been created, the system clears the Active field on all records that include a site value. See “Changing the Use Daybook by Site Setting” on page 181.

Note You cannot clear this field for the daybook set currently defined as the Sales Order Accounting Control or Purchasing Accounting Control default.

Daybook Set Type. Select the relevant field to indicate whether the daybook set is specific to AR or AP.

Note You cannot change the daybook set type if the daybook set has been used and invoices or credit notes have been created.

Copy from Site. When you are defining daybook sets by site, optionally save data-entry time by entering the site code associated with an existing daybook set. The system creates a new daybook set record for the new site based on the existing daybook set by site definition.

Daybooks. Specify the daybook code associated with each type of transaction. Codes must be defined in Daybook Create with Daybook Control set to Operational; they also must be active. Additionally, the current date must be within the specified effective date range for the associated Number Range Maintenance sequence. The required value of Daybook Type in the definition depends on the transaction.

Field	Required Daybook Type
Invoice Daybook	Customer Invoices (when daybook set type is AR) Supplier Invoices (when daybook set type is AP)
Credit Notes Daybook	For AR daybooks, the daybook type to enter depends on the settings of Use Correction Invoices in Sales Order Accounting Control and GL Correction in the Sales Orders/Invoice frame of GL Correction Control: • When Use Correction Invoices is cleared and GL Corrections is selected, the system does not use this daybook during processing. However, to validate correctly, the specified daybook must be of type Customer Invoice Corrections. • Otherwise, Customer Credit Note. For AP daybooks, the credit note daybook must have a daybook type of Supplier Credit Notes.
Intercompany Daybook	Specify a Journal Entries daybook for intercompany transactions. This field is only available for AR daybook sets.
Correction Invoices (positive)	Specify a Customer Invoices daybook. This field is only available for AR daybook sets.

Field	Required Daybook Type
Correction Invoices (negative)	For AR daybook sets, the daybook type you can enter depends on the setting of GL Correction in the Sales Orders/Invoice frame of GL Correction Control (25.13.24): • Yes: Customer Invoice Corrections • No: Customer Credit Note For AP daybook sets, this field only displays if you set the Accounts Payable field to Yes in the AP AR Correction section of GL Correction Control (25.13.24). Specify a daybook type of Supplier Invoice Corrections.
Correction Credit Notes (positive)	Specify a Customer Credit Notes daybook. This field is only available for AR daybook sets.
Correction Credit Notes (negative)	For AR daybook sets, the daybook type you can enter depends on the setting of GL Correction in the Sales Orders/Invoice frame of GL Correction Control (25.13.24): • Yes: Customer Credit Note Corrections • No: Customer Invoices For AP daybook sets, this field only displays if you set the Accounts Payable field to Yes in the AP AR Correction section of GL Correction Control (25.13.24). Specify a daybook type of Supplier Credit Note Corrections.
Adjustment Daybook	Specify a Customer Adjustment daybook. This field is only available for AR daybook sets.

Changing the Use Daybook by Site Setting

Although it is not recommended, it is possible to change the way you assign daybook sets after you have implemented your system. However, you should keep in mind the effects of doing this.

System behavior and user requirements depend on the direction of the change:

- If you disable the daybook set by site feature, the system makes existing site-specific daybook sets inactive. You can continue to use records that do not specify a site when you create new orders. However, order-entry, shipping, and invoice programs validate the daybook set field. The next time you access an existing order with a site-specific daybook set, you must update that field manually before completing a transaction.
- If you enable the feature, the system makes inactive all daybook sets except the defaults specified in Sales Order Accounting Control (36.9.6) and Purchasing Accounting Control (36.9.5). You can continue to use that value in customer and supplier records and transactions, but you must define site-specific records in Daybook Set by Site Maintenance (25.8.10). You also must update existing orders to reference an active daybook set.

External Daybooks

External daybooks are designed as an interface to external systems, such as payroll systems.

Example An organization outsources the calculation of its employee salaries and the breakdown between gross salary, taxes, social security, net salary, and fringe benefits to an external company. This external company returns the results for each employee, and, in addition, the results grouped by GL account, sub-account, and cost center. If the external company sends the resulting postings in electronic format (in addition to paper documents), an external daybook must be defined.

External daybook transactions have a daybook type of Journal Entries. For external daybooks, sequence numbers are generated by the external transaction. However, Record Number Maintain (36.16.21) still generates a number series, which is unused. The system also validates duplicates when numbers are passed from an external application. Record Number Maintain is used if a number is not passed from the external system.

Modifying Reporting Daybooks

Reporting Daybook Modify (25.13.1.15) lets you change the reporting daybook code on financial transactions created using customer and supplier invoice and payment functions, Banking Entry Create (31.1.1), Open Item Adjustment Create (25.13.5), Petty Cash Create, and Invoice Post and Print (7.13.4).

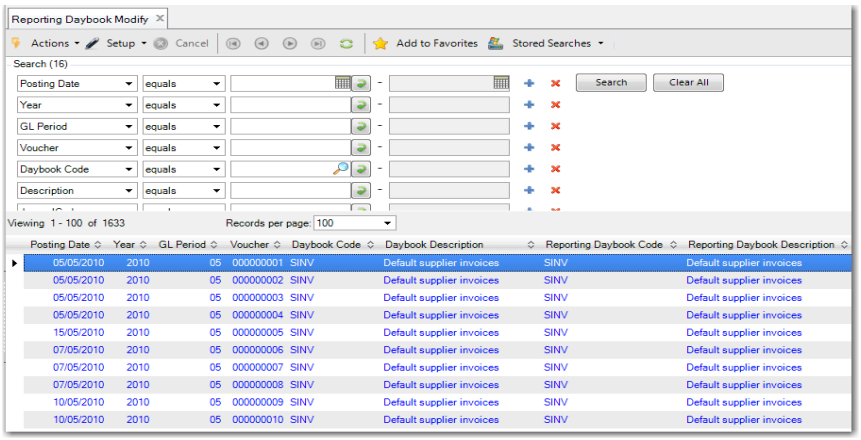
For invoice-type transactions, the reporting daybook normally matches the posting daybook. However, if a transaction was posted using an incorrect daybook, you can use Reporting Daybook Modify to modify the reporting daybook to ensure that the transaction is reported on correctly. You can also use Reporting Daybook Excel Integration (25.13.1.16) to update the reporting daybook.

After using Reporting Daybook Modify, you can use the Reporting Daybook Exception report (25.8.13) to identify transactions for which the reporting daybook has been modified.

When you open Reporting Daybook Modify, a browse opens listing all invoice type transactions for the current domain. You can use the selection criteria to refine the list and locate the transaction for which you want to modify the reporting daybook.

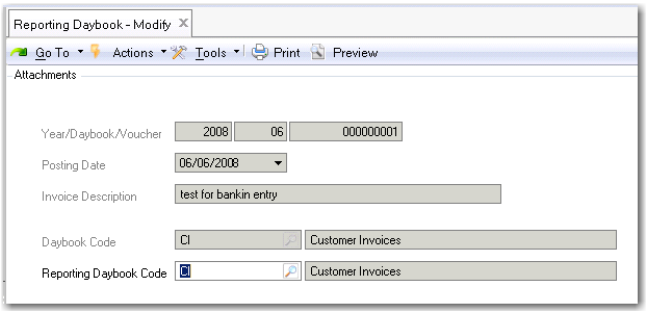
If you want to view the original transactions, right-click on the relevant transaction and select a related view. Otherwise, you can double-click on the transaction to display the reporting daybook information.

Fig. 4.63
Reporting Daybook Modify



When you double-click the transaction you want to modify, the system displays the following window:

Fig. 4.64
Reporting Daybook Modify (25.13.1.15)



Year/Daybook/Voucher. This field displays the posting reference. The system generates a posting reference for all invoices, credit notes, open item adjustments and banking entries based on the combination of the entity, year, and daybook.

Posting Date. This field displays the date on which the transaction was posted. This date defaults from the invoice or transaction creation date.

Description. This field displays a description of the posted transaction.

Daybook Code. This field displays the daybook code associated with the posted transaction.

Reporting Daybook Code. Select the reporting daybook that you want to apply to the transaction. You can only specify a reporting daybook that has the same daybook type as the original daybook.

Defining the GL Calendar

The financial calendar consists of user-defined GL calendar years and GL periods. Creating GL periods lets you divide the fiscal year into smaller subsets in order to manage and report on business activities. Opening or locking a GL period allows an organization to better control its accounting and reporting processes.

Operational transactions are entered with a GL effective date. This date—and not the transaction date, although they are often the same—determines which GL calendar period the transaction affects.

By default, the GL calendar year consists of twelve monthly GL periods. Each GL period does not have to correspond to a calendar month. You can define custom start and end dates for each GL period to correspond with your accounting cycles, and the GL calendar year can exceed twelve calendar months in length. The GL calendar year is defined at the domain level; all entities within a domain use the same GL calendar year definition.

Important You cannot create GL periods and tax periods unless you have confirmed the setup of the domain in which you are working.

The system contains two functions related to GL calendars and periods:

- Use the Domain GL Period function to create, modify, and view the GL calendar year and its related GL periods for a specific domain. The GL periods defined at the domain level are copied to all entities linked to the current domain. GL periods created with this function always have a Normal period type.
- The Entity GL Period function lets you apply GL period settings to entities and lets you lock and report for GL periods per entity or entity group. For increased granularity, you can apply daybook masks to the period to prevent particular types of postings within that period. When you lock a GL period for a single entity, it remains open for other entities in the same domain. Using the Entity GL Period function, you can also create, modify, and delete entity-specific GL periods with a type of Correction or Year-End Closing. Normal GL period types are read only.

  Note A GL period cannot be closed if unposted transactions exist with effective dates within the GL period.

Note You cannot delete a GL period if it is closed, or if it is open and has had activity posted to it. In addition, you can delete only GL periods of type Correction.

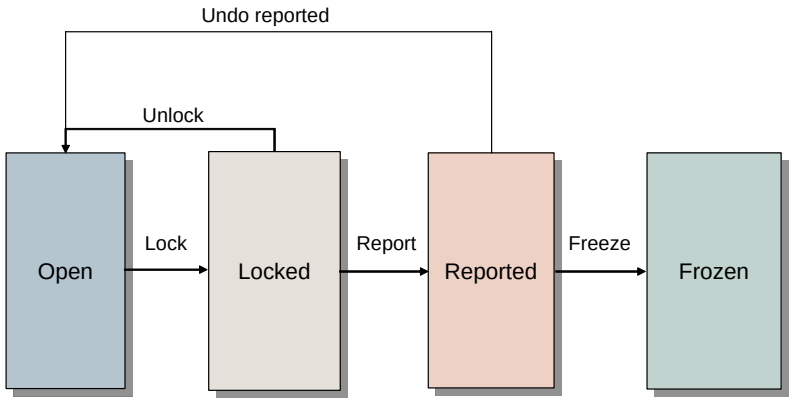
Two other system functions can be used to define specialized calendars:

- Use Tax Period Create (25.4.5.1) to define entity-based calendars for tax reporting periods. When defined, closing a tax period prevents additional tax transactions from being posted. Tax periods and reporting are described in *QAD Global Tax Management User Guide*.
- Use Budget Report Period Create (25.4.5.1) to define periods used within the budgeting area. Budget periods are described in detail in “Budget Report Periods” on page 876.

The ability to filter based on the daybook code facilitates period close because you can easily identify and review transactions of a certain type and identify unusual activity.

Before you close a GL period, verify that there are no unposted transactions, such as those created in the operational activities. You can run the Unposted Transaction Register report to identify transactions not yet posted to the general ledger.

Fig. 4.65
Month-End GL Period Flow



Year-End Closing

Closing the GL calendar year has the effect of changing the status of all of its GL periods to frozen, and of marking all periods as reported.

Year-end closing postings are done only at account and sub-account level, and in the base and management currencies only.

Validate the year-end closing by manually running closing reports on every period. See “Year-End Transactions” on page 451.

Period Types

There are three types of GL periods:

- Normal
- Correction
- Year-End Closing

Note The correction and year-end closing types are associated with only the entity calendar; all domain periods are of a normal type.

The purpose of a period type is to differentiate special activity from the standard period activity. You create a correction period in cases where a review of the year-end statements results in the need to make adjustments to the accounts before official publication. The correction period is normally the last period in the GL calendar year. There are no restrictions on the daybook types that you can use in a correction period. You can close AR and AP for a GL period and leave the period open for GL corrections (Journal Entry). You can lock periods at daybook level.

Periods are normally reset to year-end closing when final reporting is complete and the year-end process is started. For more details on year-end closing, see “Year-End Transactions” on page 451.

The default period type is normal.

Period Statuses

The status associated with a GL period determines what kind of activity can take place. A period can have one of four assigned statuses:

Open. This is the normal period status and applies when no closing date has been set for the period. Transactions are normally posted during open periods, except when the period has been closed and re-opened. The closing date for the period is automatically set once you begin the process of closing the period. Some entities within a domain may need to keep a GL period open for longer than other entities in the same domain.

Closed/Locked. This status applies when the period is subject to a monthly closing. You can close a GL period for one entity and leave it open for all other entities in the same domain. You can unlock a GL period if more transactions need to be processed for that period.

Reported. The Reported status applies to a period for which Monthly Closing has been successfully run and reported. You can reset a reported GL period to a different status.

Frozen. When you run Year End Closing, the Frozen status is automatically applied to all GL periods in the year. A Frozen period cannot be reopened.

Application Areas

You can close GL accounting periods by GL transaction type. This lets you, for example, prevent any more sales order shipments, while still allowing banking entry in the GL. The GL module overrides the other area modules, and when closed, prevents transactions of any type for the period.

The application areas that can be closed separately are:

- GL, which closes all areas including fixed assets.
- AP, which closes the AP sub-ledger in financials.
- Sales, which closes the AR sub-ledger in financials. This also prevents the posting of sales invoices through Invoice Post and Print and posting of any SO transaction in Operational Transaction Post.
- Inventory, including all inventory (IC) and work order (WO) transactions created in operational functions.
- Periodic Costing. You can manually close the Periodic Costing module for a particular GL period if there are no unposted periodic costing GL transactions for that period.

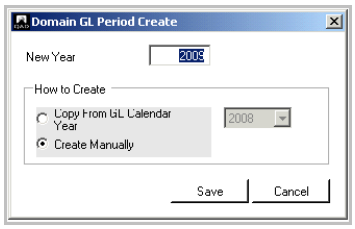
When an application area is open (indicated by a selected check box) for a period, you enable transactions of that type to be posted during the GL period. The area check box acts as a switch, opening or closing the period to transactions of that type. You can update the area switch only when the period is open.

Note You can also lock postings from a daybook or daybook group for a GL accounting period. To do this, create a daybook mask and apply it to the GL period using Entity GL Period Lock by Daybook (25.21.5.6). For more information on this approach, see “Daybook Masks” on page 190.

Defining a Domain GL Calendar Year

Use the Domain GL Period activities (25.4.1) to create, modify, or view the domain-level GL calendar year. You can create a new year based on an existing one. This is typically used unless you have changed your legal GL calendar year requirements. When you choose Create, the screen shown in Figure 4.66 displays.

Fig. 4.66
Domain GL Period Create



Field Descriptions

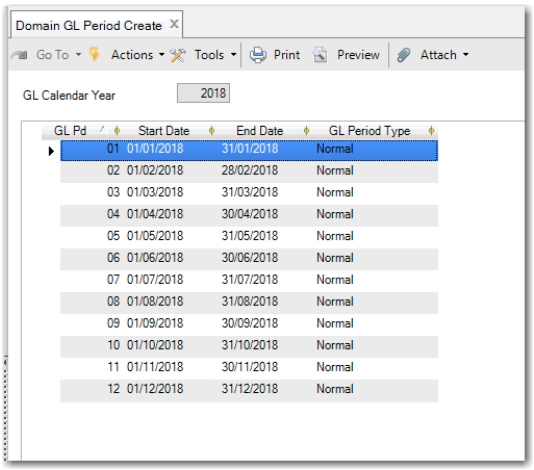
New Year. This field displays the new GL calendar year to create. The default value is the latest GL calendar year, incremented by one.

Copy from GL Calendar Year. Select to use an existing year as a template for the new year, and specify the year.

Create Manually. Select to create a new year by manually specifying the periods.

Defining the GL calendar year displays the Domain GL Period Create screen (25.4.1.1), in which you define period dates and attributes.

Fig. 4.67
Domain GL Period Create



Field Descriptions

GL Calendar Year. This field displays the new GL calendar year.

GL Pd. Specify a period number. By default, periods are numbered 1 to 12. It is possible to create a maximum of 99 GL periods for a GL calendar year.

Start Date. Click the down arrow to select a period start date. This is the official start date of the calendar period.

End Date. Click the down arrow to select a period end date. This is the official end date of the calendar period.

The other fields cannot be modified; domain-level periods are always of type normal.

Modifying Entity GL Periods

Use the Entity GL Period activities (25.4.2) to manage the GL periods for a specific entity. You can lock and unlock application areas separately, so that the period can be open to sales transactions, but closed to inventory transactions.

Apart from Entity GL Period Lock (25.4.2.3) and Entity GL Period Report (25.4.2.5), the activities in this function cannot affect the other entities in a domain. It is possible to specify that Entity GL Period Lock and Entity GL Period Report apply to a group of entities within a domain.

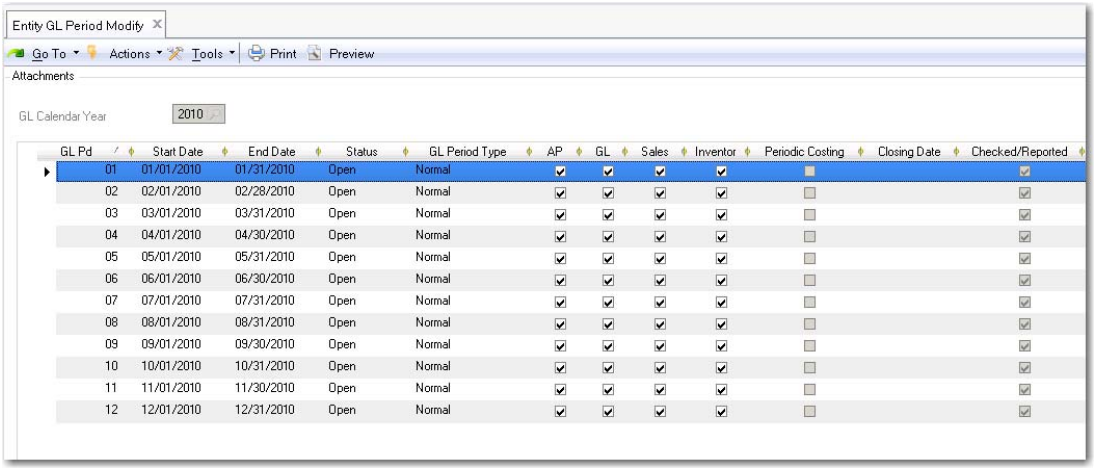
You can:

- Lock periods to prevent further transactions or unlock them. For more information, see “Entity GL Period Lock” on page 195.
- Report the period, closing it to further updates, and also undo the reporting if additional changes are needed. For more information, see “Entity GL Period Report” on page 196.

  Important Running technical and business consistency checks is a prerequisite to reporting a GL period. See “Running GL Consistency Checks” on page 198. You can run consistency checks from Entity GL Period Lock, Entity GL Period Unlock, Entity GL Period Report, Entity GL Period Report Undo, and Entity GL Period View.
- Delete a GL period if the period is open and no outstanding transactions exist for it.

Using Entity GL Period Create, you can also create entity-specific GL periods with a type of Correction or Year-End Closing. Normal GL period types are read only.

Fig. 4.68
Entity GL Period Modify



Field Descriptions

Start Date. This field displays the official start date of the calendar period. You cannot modify the GL period start date. You must modify the GL period start date at domain level using Domain GL Period Modify (25.4.1.2).

End Date. This field displays the official end date of the calendar period. You cannot modify the GL period end date. You must modify the GL end date at domain level using Domain GL Period Modify.

Status. The system displays the current period status. You cannot modify this field manually; it is changed by the system when you lock or report the period.

GL Period Type. This field displays the appropriate period type, which is assigned by the system.

All periods are initially of Normal type. If you need special periods for year-end processing or corrections, create new GL periods of the appropriate type.

- Normal is the default standard period.
- Correction is used when a review of the year-end statements results in the need to make adjustments to the accounts before official publication. The correction period is normally the last GL period in the GL calendar year.

Note Once you have created a Correction GL period for a GL calendar year, you cannot create any further periods of type Normal.

- Year-End Closing periods are generated by the system as part of the Year-End Closing process.

GL. Select to enable the creation of GL and Fixed Asset transactions for this period. When GL is cleared, all other areas are also cleared.

AP. Select to enable posting of AP transactions during this period.

Sales. Select to enable posting of AR transactions during this period.

Inventory. Select to enable posting of inventory and work order transactions from operation activity during this GL period.

Transactions affecting inventory accounts include purchase order receipts, work order issues or receipts, sales order shipments, physical inventory counts, and manual inventory transactions. Each transaction affects inventory by creating a GL transaction that either debits or credits the account value.

Periodic Costing. Select to enable posting of periodic costing transactions during this period.

You can open the Periodic Costing sub-ledger if Periodic Costing is activated for the current domain. You cannot open the Periodic Costing sub-ledger if any future GL periods are still closed for period costing.

You can re-open the Periodic Costing sub-ledger for locked or open periods if the GL sub-ledger is open. You can reopen the Periodic Costing sub-ledger from within Financials or using an API.

Note In Entity GL Period Modify, you can manually close the Periodic Costing module for a particular GL period when there are no unposted operational or GL transactions where the origin reference begins with IC or WO and if the inventory and AP sub-ledgers are both closed.

Closing Date. The closing date is generated automatically by the system.

Checked/Reported. This read-only field indicates that the GL period has been checked and reported.

Mark. This field displays a system-defined period mark for the period, if one has been defined.

Domain. This field displays the domain for which the GL calendar year was created.

Entity. This field displays the current entity.

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

Period Marks

Report periods are further controlled using period marks, which identify the period during which a transaction was posted and also describe the status of the period in GL reporting. In addition, period marks are used to identify tax periods. Period marks are system-defined.

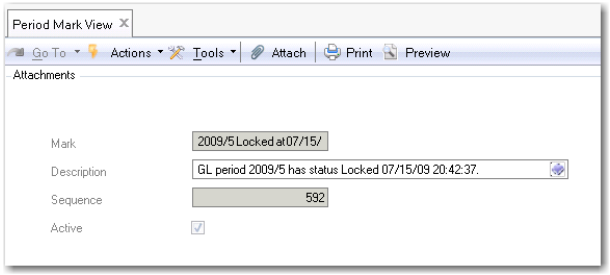
The Open period mark identifies periods during which transactions have been posted between the normal start and end dates. Transactions can then be reviewed and the period closed to normal activity. The following auto-generated period marks are also supplied with the system:

- Close Report Period
- Undo Close Report Period
- Report Period
- Undo Report Period

These marks are automatically applied during the monthly closing and reporting process. Transactions posted during each of these periods are subsequently identified by the corresponding system period mark.

The Close Report Period mark is auto-generated when you close a report period, and date stamps the period end. The Undo Close Report Period mark is then auto-generated if the period is re-opened.

Fig. 4.69
Period Mark View



Daybook Masks

Daybook masks allow you to specify a selection of daybooks and daybook groups that you want to lock at GL period closing. This functionality prevents postings to these daybooks for the current entity and GL period. You can also lock daybooks for groups of entities using Entity GL Period

Lock by Daybook (25.21.5.6). For more information on how to create entity groups, see “Setting Up Multi-Entity Processing” on page 53. To lock one or more daybooks for a GL period, you must:

1. Decide the order in which to apply the daybook masks, and draw up a suitable timetable.
2. Create the daybook mask or masks.
3. Apply the mask or masks to the GL period.

Daybook masks introduce a greater level of granularity to the closing process by enabling you to build separate daybook masks for each stage of your closing process. You can also use daybook masks to prevent postings to particular accounting layers such as the US GAAP layer and local GAAP layers.

Example

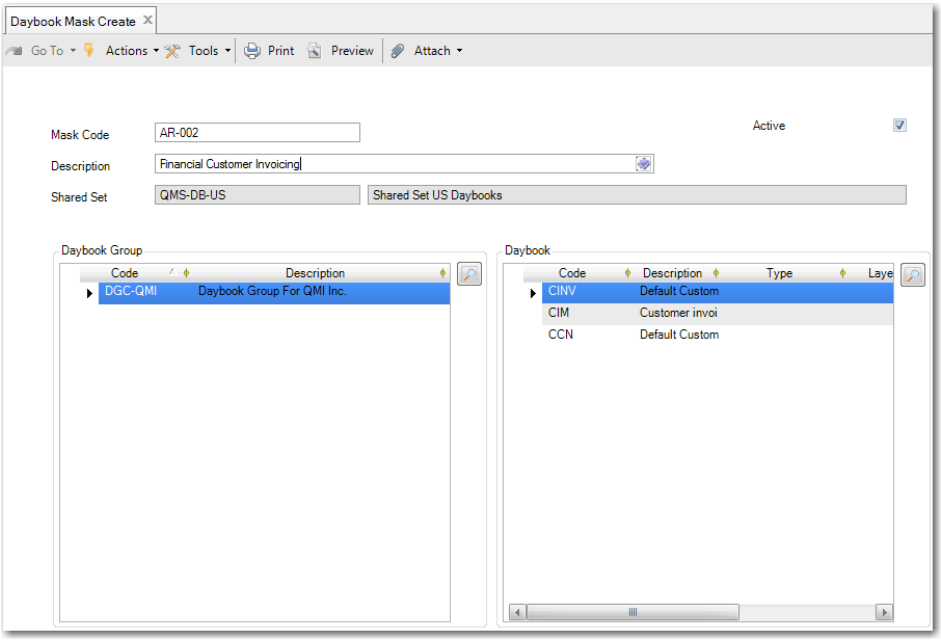
You create three daybook masks for accounts receivable: AR-001, AR-002, and AR-003. Mask AR-001 contains a list of all the daybooks of type customer invoice, customer credit note, customer invoice correction, customer credit note correction—all with a daybook control of operational. Mask-AR002 contains a list of all the daybooks in AR-001, all daybooks of type customer invoices, customer credit notes, customer invoice corrections, customer credit note corrections with a daybook control of financial, and all daybooks of type customer adjustments with a daybook control of operational and financial. Mask AR-003 contains a list of all daybooks of type customer payments, banking entry, and cash entries. You use Entity GL Period Lock by Daybook to lock the daybooks as follows:

- On the last day of the GL period, apply mask code AR-001.
- On the first day of the new GL period, apply mask code AR-002.
- On the second day of the new GL period, apply mask code AR-003.

Finally, you close the Sales application in Entity GL Period Modify (25.4.2.1) to complete the period close of AR.

To create, modify, view, and delete daybook masks, use Daybook Mask Create (25.21.5.1.1), Daybook Mask Modify (25.21.5.1.2), Daybook Mask View (25.21.5.1.3), and Daybook Mask Delete (25.21.5.1.4) respectively. It is not possible to delete a daybook mask if it is currently applied to a GL period.

Fig. 4.70
Daybook Mask Create



Field Descriptions

Mask Code. Specify a code (maximum 20 characters) that identifies the daybook mask. This code must be unique within the current shared set. This field is mandatory.

Active. Specify if the mask is active or inactive. You can only assign a daybook mask to entity GL periods in Entity GL Period Lock by Daybook if the mask is active.

Description. Enter a brief description (maximum 40 characters) of the daybook mask. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*. This field is mandatory.

Shared Set. This field displays the daybook shared set for the current domain.

Daybook Group. Use the lookup icon to select daybook groups to include in the mask.

Daybook. Use the lookup icon to select daybooks to include in the mask.

The contents of both the Daybook Group and Daybook grids are included in the mask. You must include at least one daybook or daybook group in the daybook mask to save an active daybook mask. You can only select daybooks or daybook groups that belong to the shared set displayed in the Shared Set field. Daybook masks cannot include periodic costing daybooks. If you select a daybook or daybook group that is inactive, a warning displays.

Applying a Daybook Mask to a GL Period

To apply a daybook mask to a GL period for the current entity or a group of entities, open Entity GL Period Lock by Daybook (25.21.5.6) and select the relevant GL period. In the resulting screen, specify the daybook mask to apply to the GL period.

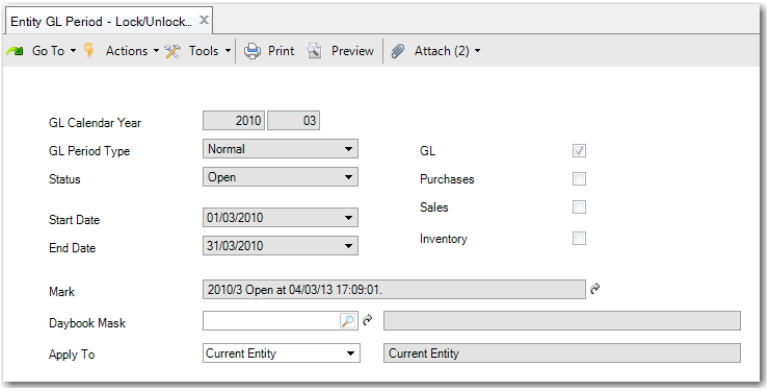
There are some restrictions on applying daybook masks to GL periods. You cannot apply a daybook mask to a GL period if:

- The GL period is a year-end closing period.
- The daybook mask contains customer invoice daybooks with operational control, and Invoice Post and Print is running.
- The daybook mask contains daybooks of type journal entry with operational control, and there are operational transactions outstanding.

  Note To overcome this restriction, run Operational Transaction Post and then apply the mask.
- The daybook mask contains revaluation daybooks, and there are unposted revaluations for the GL period.
- The daybook mask contains daybooks of type AP matching, and AP matching postings for the GL period exist in the transient layer.

Note Locking a GL period that has a daybook mask applied to it removes the daybook mask automatically; removing the lock from the GL period does not reapply the daybook mask.

Fig. 4.71
Entity GL Period Lock by Daybook



Field Descriptions

GL Calendar Year. This defaults to the selected GL period.

GL Period Type. This defaults to the selected GL period type.

GL, Purchases, Sales, Inventory. The GL, Purchases, Sales, and Inventory fields are read only in Entity GL Period Lock by Daybook. If a module is open to transactions, the associated field is selected. If the module is closed to transactions, the associated field is not selected.

Status. The status of the selected GL period.

Start Date, End Date. The start date and end date of the selected GL period.

Mark. This field displays a system-defined period mark for the period, if one has been defined.

Daybook Mask. Specify the daybook mask code for the mask that you want to apply to the GL period. You can only apply active daybook masks to GL periods, and only one mask can be associated with a GL period at any time. When you have specified the mask, a description of the daybook mask appears in the field to the right of the Daybook Mask field.

Apply To. Use this drop-down menu to specify if you want to apply the daybook mask to the current entity or to a group of entities. Only entity groups that contain the current entity appear in this list. For information on how to create groups of entities, see “Setting Up Multi-Entity Processing” on page 53. If the start date or end date for the selected GL period is not the same for all entities in the group, a warning displays. If the daybook shared set is not the same for all of the entities in the entity group, an error occurs.

Important If you add the current entity to an entity group for the first time, you must log out and log in again before the Apply To field displays.

Note When a daybook mask is applied to a GL period, the overall status of the GL period remains Open, even if certain postings are blocked depending on the daybooks defined in the mask.

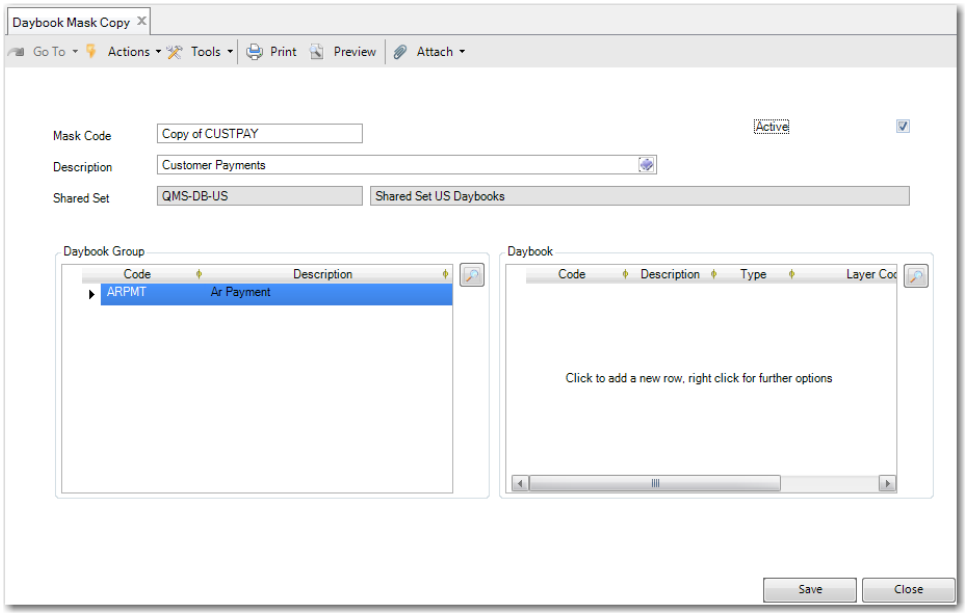
Removing a Daybook Mask from a GL Period

To remove a daybook mask from a GL period, open Entity GL Period Lock by Daybook (25.21.5.6), select the relevant GL period, clear the contents of the Daybook Mask field, and click Save.

Copying Daybook Masks

Daybook Mask Copy (25.21.5.1.5) enables you to copy an existing mask and make changes to the copy. This activity is useful when creating masks that build on existing masks to create more comprehensive masks, as in the example in “Daybook Masks” on page 190. To copy an existing mask, right-click the relevant daybook mask in the list of daybook masks that appears when you open Daybook Mask Copy, and then select Copy.

Fig. 4.72
Daybook Mask Copy

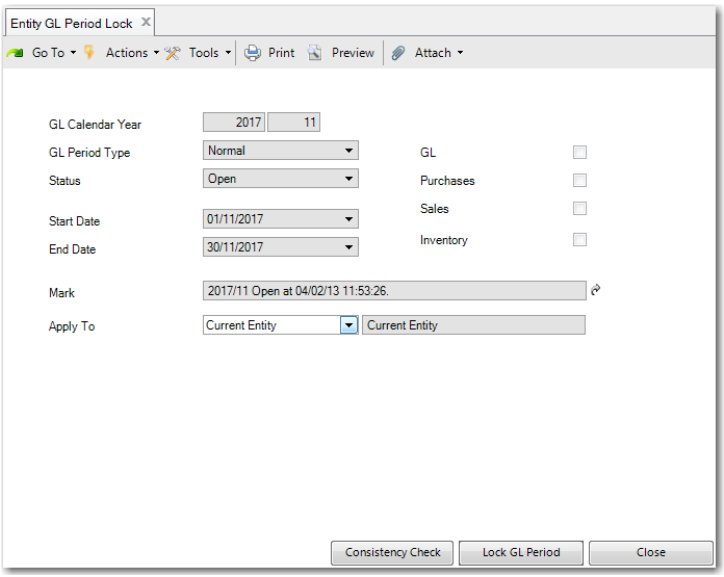


The fields on this screen are the same as the fields in Daybook Mask Create (25.21.5.1.1). The Mask Code field defaults to the name of the original mask preceded by the words Copy of. You can rename the mask. Apart from the Mask Code field, Daybook Mask Copy copies the source mask exactly. If the source mask is inactive, the copied mask will also be inactive and you must activate it in order to assign the daybook mask to an entity GL period.

Entity GL Period Lock

You can use the Entity GL Period Lock (25.4.2.3) activity to lock a GL period to all posting activity for a single entity or an entity group.

Fig. 4.73
Entity GL Period Lock



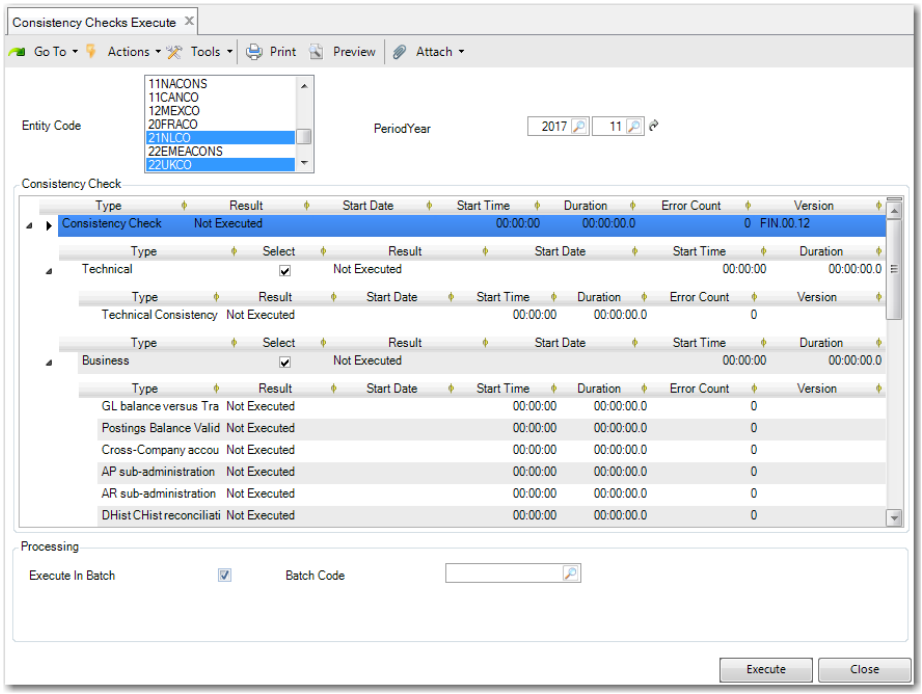
The fields in Entity GL Period Lock are the same as the fields in Entity GL Period Modify, apart from the Apply To field. This field allows you to apply the lock to a single entity or to a group of entities. The Apply To field contains the current entity, along with entity groups that contain the current entity, provided you have access to all of the entities within the entity group.

Important If you add the current entity to an entity group for the first time, you must log out and log in again before the Apply To field displays.

The following behavior occurs when running activities on entity groups:

- If the activity fails for one entity within the entity group, you are informed of the entities that the activity failed for. The activity completes for all remaining entities. For example, if you do not have role permission for a specific activity for an entity in the group, an error displays for that entity; the activity completes for the other entities.
- If the start date or end date for the selected GL period is not the same for all entities in the group, a warning displays.
- For activities that involve running a consistency check, by default all entities included in the group are selected for the check; these entities display in the Entity Code field. Clicking within this field removes the selection of all entities apart from the entity that you click on. For more information on consistency checks, see “Running GL Consistency Checks” on page 198.

Fig. 4.74
Consistency Check



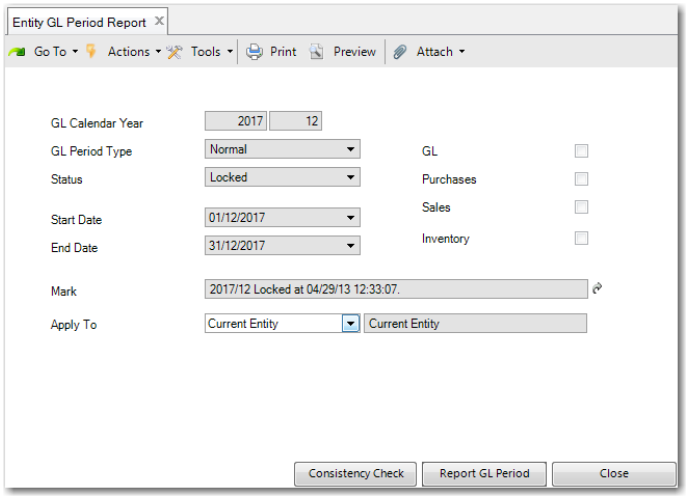
If additional changes are needed to a GL period, Entity GL Period Unlock (25.4.2.4) allows you to undo the lock for that period before making the changes. While you can use Entity GL Period Lock on groups of entities, you can only use Entity GL Period Unlock on one entity at a time.

For more information on setting up entity groups, see “Setting Up Multi-Entity Processing” on page 53.

Entity GL Period Report

You can use the Entity GL Period Report (25.4.2.5) activity to report the period in the current entity or a group of entities, closing it to further updates.

Fig. 4.75
Entity GL Period Report



The Entity GL Period Report fields are the same as those in Entity GL Period Lock. For information on these fields and how Entity GL Period Report behaves for entity groups, see “Entity GL Period Lock” on page 195. For more information on setting up entity groups, see “Setting Up Multi-Entity Processing” on page 53.

Important The Apply To field applies only when you are working with entity groups. If you add the current entity to an entity group for the first time, you must log out and log in again before the Apply To field displays. For more information on entity groups, see “Setting Up Multi-Entity Processing” on page 53.

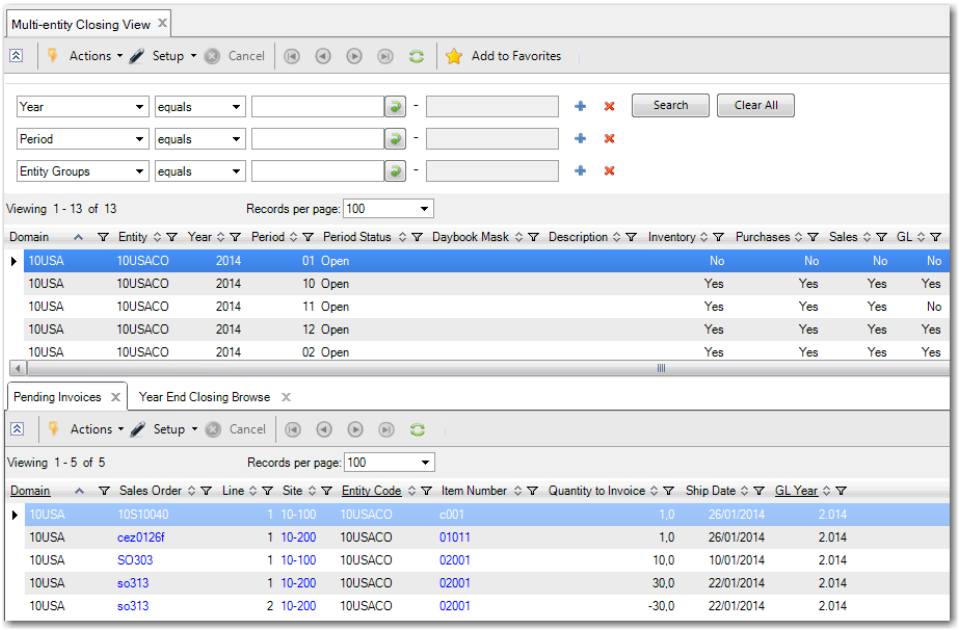
Note Running the technical and business consistency checks is a prerequisite to reporting a GL period. If these consistency checks have not been run for a GL period, the system displays an error if you attempt to set the GL period to reported. For more information on consistency checks, see “Running GL Consistency Checks” on page 198.

If additional changes are needed to a GL period, Entity GL Period Report Undo (25.4.2.6) allows you to undo the reporting for that period before making the changes. While you can use Entity GL Period Report on groups of entities, you can only use Entity GL Report Undo on one entity at a time.

Multi-Entity Closing View

The Multi-Entity Closing View browse collection lets you determine the closing status of periods across all domains and entities in the database.

Fig. 4.76
Multi-Entity Closing View



You can view:

- The status of the period: open, closed, frozen, or reported.
- Whether or not there is a daybook mask code assigned to a period.

- Which of the application areas are open or closed for a period; available ledgers are Inventory, Purchases, Sales, and GL.
- Whether or not there are unposted operational transactions in a period.
- Whether or not there are posted revaluations in a period.
- Supplier invoices with an allocation status of Transient Allocation.
- Details of accounting layers (official or management) that have been closed for a year and entity.

The data displayed in the browse is sorted by year, then period, then domain, and finally by entity.

The Pending Invoices tab contains a browse related to the GL period selected in the main browse; this browse displays any sales orders that were shipped in the selected period and are ready for invoicing.

The Year End Closing Browse tab enables you to view details of official or management layers that have been closed. The displayed layers relate to the year and entity selected in the top half of the browse.

Running GL Consistency Checks

Consistency Checks Execute (25.21.3.1) lets you run a series of validations that verify the integrity of the Financials tables.

You can run three categories of consistency checks:

- Technical

  The technical checks focus on the referential integrity of the Financials tables, ensure that mandatory fields are populated, and ensure that redundant fields are populated and consistent.

  The list of technical consistency checks is fixed. You cannot select to run certain technical consistency checks and not others.

- Business

  The business checks focus on the consistency of the tables from a business point of view, such as general ledger and sub-ledger administration. For example, the checks verify that the balance of a customer control account equals the open customer invoices posted to the account.

  The list of business consistency checks is fixed. You cannot select to run certain business consistency checks and not others.

- Other

  You can modify the other validations using non-intrusive customization to include any required additional consistency checks. The Numbering Completeness check is included in this section by default, but can be removed using non-intrusive customization.

You can run the consistency checks from the menu or as a GoTo option from the Entity GL Period functions. The Consistency Checks report (25.21.3.2) presents the results of previous checks in report format. See “Consistency Checks Report” on page 203.

Running the technical and business consistency checks is a prerequisite to closing a GL period. If these consistency checks have not been run for a GL period, the system displays an error if you attempt to set the GL period to reported. When you have run the consistency checks for a GL

period, you can set the period to reported, even if the consistency check run found errors. Setting a GL period to reported is a manual process, and you must decide whether to proceed with the closure based on the results of the consistency checks.

You can run consistency checks for entity groups. For more information on this, see “Entity GL Period Lock” on page 195, and “Entity GL Period Report” on page 196.

Note You can run consistency checks for open, locked, frozen, or reported periods.

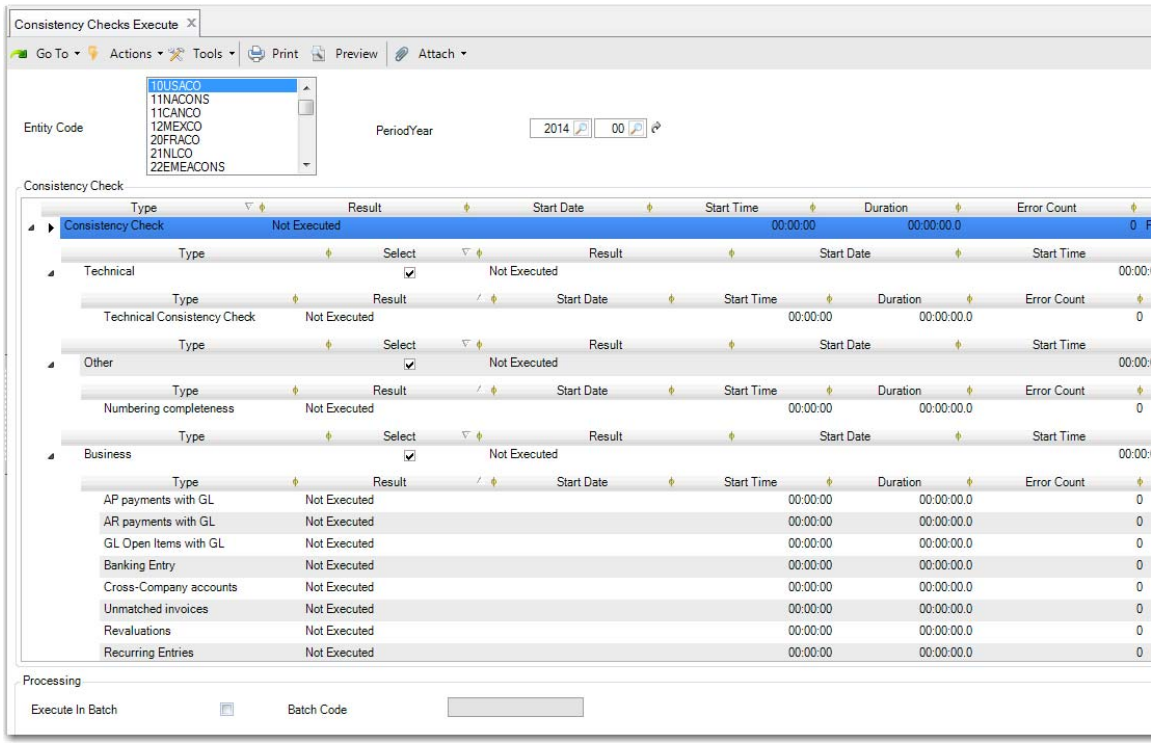
When you set a period to reported, the system displays a warning if previously run consistency checks for that period are out of date. This facility helps to protect against inconsistencies introduced in the following scenarios:

- You run the consistency checks at the beginning of a period, enter the period transactions (possibly creating inconsistencies), and then lock and report the period.
- You reopen a reported period, enter new data, and then lock and report the period again.

The out-of-date warning reminds you to rerun outdated consistency checks whose results have limited value from an audit perspective.

You can run the consistency checks in interactive mode in real time, or you can schedule the consistency checks to run in batch in the background. When you run in interactive mode, the Consistency Checks Execute screen is automatically updated with the results from the run.

Fig. 4.77
Consistency Checks Execute



Entity Code. Specify the entity or entities for which to run the consistency checks. You must have permission to run Consistency Checks Execute in each entity selected. You can select entities from different domains.

If you want to run the consistency checks for more than one entity simultaneously, you must use batch mode.

Period/Year. Specify the GL period and year for which to run the consistency checks. The default value is the oldest open GL period.

You can run the consistency checks for entities from different domains, even if the GL period definitions for the domains are different.

Type. This column displays the types of consistency checks you can run.

Technical (Select). Select this field to run the technical consistency checks. The system selects records to check based on their posting dates.

The technical consistency checks are run for the entities and for the GL period specified.

Business (Select). Select this field to run the business consistency checks.

The business consistency checks are run for the entities and for the GL period specified. For balance type validations, the program checks up to the GL period specified.

For cross-company transactions, the system performs cross-company consistency checks between the entities and any other entities in the same database to which the cross-company transactions link.

The following business consistency checks are performed:

Check	**Description**
Daemon Queues	Checks for unprocessed records, failed queue records, and successfully processed records in all daemons.
Unposted Transactions	Verifies that there are no unposted transactions for the period.
Trial Balance	Verifies that the trial balance transactions balance for the period.
AP Sub-Administration with GL	Verifies that the total value of the AP transactions matches the balance of the supplier control account. This process performs identical checks to those in the AP versus Control GL Validation report (25.21.2.6).
AR Sub-Administration with GL	Verifies that the total value of the AR transactions matches the balance of the customer control account. This process performs identical checks to those in the AR versus Control GL Validation report (25.21.2.5).
AP Payments with GLs of Type Supplier Payment Account	Reconciles the balances of the supplier payment accounts with the open AP payments.
AR Payments with GLs of Type Customer Payment Account	Reconciles the balances of the customer payment accounts with the open AR payments.
GL Open Items with GL	Reconciles the total value of the GL open item transactions with the balance of the accounts of type GL Open Item.
Banking Entry	Reconciles the amount on each banking entry line with the amount posted to the bank account in the linked posting.
Cross-Company Accounts	Verifies that the balance of all cross-company transactions is zero. Additionally, the program checks that the cross-company accounting positions of the selected entities mirror each other. For example, the position in entity A toward entity B must be the same as (but the reverse of) the accounting position from entity B toward entity A.
Unmatched Invoices	Reconciles the value of the unmatched invoices with the balance of the Unmatched Invoices system account.

Check	Description
Revaluations	Checks for unposted revaluation simulations.
Recurring Entries	Checks for unposted recurring entries. This process performs identical checks to those in the Pending Recurring Entries report (25.21.2.12).
Allocations	Checks for transactions that are pending allocation. This process performs identical checks to those in the Pending Allocations report (25.21.2.11).
Auto-balance GL account clear	Checks to determine if any postings remain on the Auto Balance system account at period end.

Other (Select). Select this field to run other validations.

You can modify the other validations list using non-intrusive customization to include any required additional validations. The Numbering Completeness check is included in this section by default.

The other validations are run for the entities and for the GL period specified. For balance type transactions, the validations check up to the GL period specified.

For more information on non-intrusive customization, see *QAD System Administration User Guide*.

Result. This column displays the status of the consistency check. The possible values are:

Pass: After you run the consistency checks in interactive mode, checks that pass are assigned this status.

Warning: After you run the consistency checks in interactive mode, checks with warnings are assigned this status.

Failed: After you run the consistency checks in interactive mode, checks that fail are assigned this status.

Not Executed: This value is displayed for all available checks before they are run.

Start Date. This column displays the date on which the validation was run. The column is blank before you run the consistency checks. After you run the consistency checks in interactive mode, this column is updated.

Start Time. This column displays the time at which the validation was started. The column is set to 00:00:00 before you run the consistency checks. After you run the consistency checks in interactive mode, this column is updated with the relevant start time.

Duration. This column displays the duration of each consistency check. The column is set to 00:00:00:0 before you run the consistency checks. After you run the consistency checks in interactive mode, this column is updated with the duration of each check.

Error Count. This column displays the number of errors found during the consistency check. The column is set to 0 before you run the consistency checks. After you run the consistency checks in interactive mode, this column is updated with the error count for each check.

Version. This column displays the service pack and patch version.

Execute in Batch. Select this field if you want to run the validations in batch at a scheduled time. If you leave this field blank, the consistency checks are run in interactive mode.

Batch Code. Specify the batch code. This field is mandatory when you select the Execute in Batch field.

You must first define the batch code in Batch ID Maintenance (36.14.1). Batch IDs are domain specific.

When you click the Execute button, the system creates a new batch request and the consistency check records are stored in the database with the status Not Executed. You can then use Process Batch Request (36.14.13) to run the consistency checks batch according to the schedule defined for the batch. For further information on batch processing, see *QAD System Administration User Guide*.

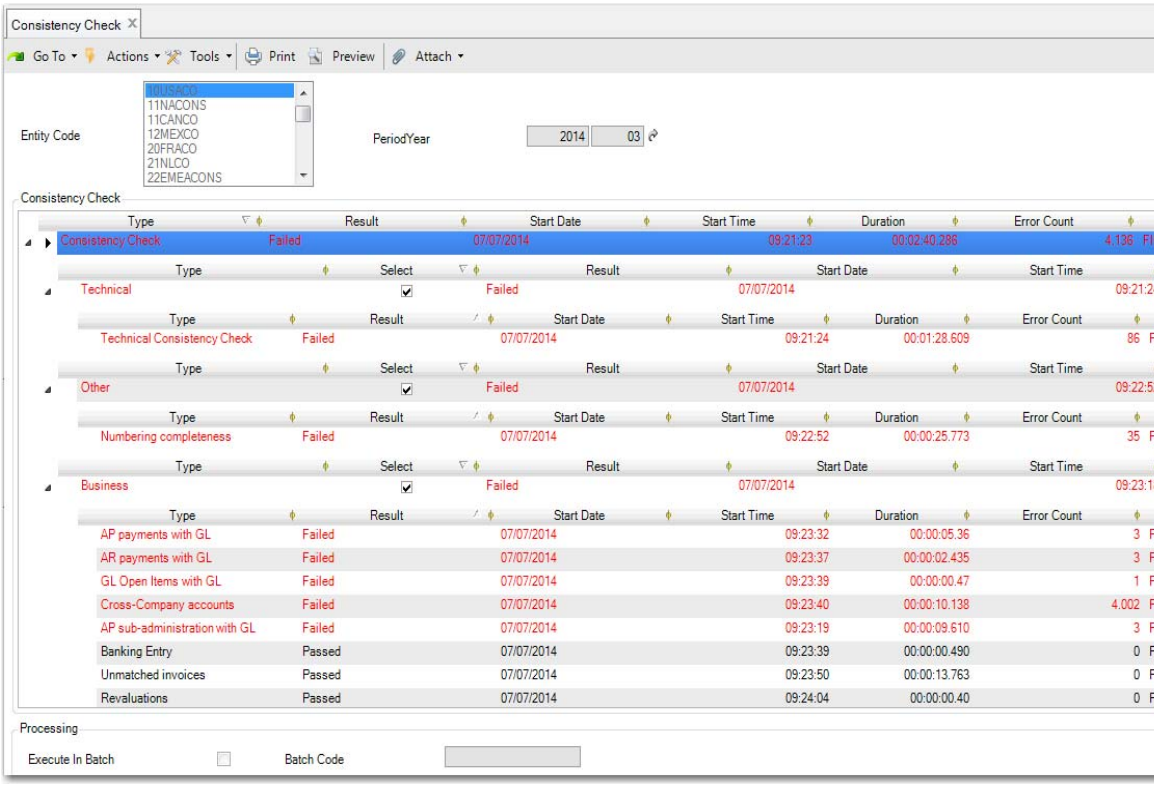
Running the Checks

When you run the consistency checks in interactive mode, a progress bar is displayed, indicating that the checks are ongoing.

Fig. 4.78
Consistency Checks Execute, Progress Bar

When the consistency checks are complete, the Results, Start Date, Start Time, and Duration fields in Consistency Checks Execute are updated with the relevant values. Validations that fail are displayed in red.

Fig. 4.79
Consistency Checks Execute, Results



Results

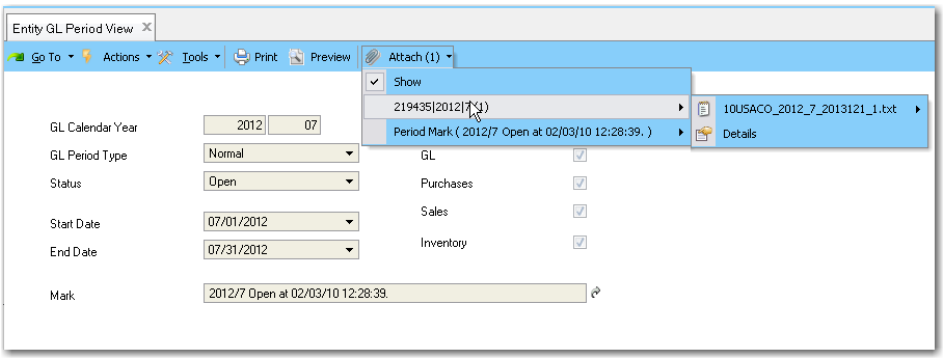
The run parameters and results of each validation run are stored in text files, which are attached to the entity GL period record. You can view the text files as an attachment in the Entity GL Period functions.

Two results files are produced.

- The detailed text file contains information on technical and business checks.
- The summary text file contains more detailed information on the results of the business checks, including information from the GL transactions.

Note When you use batch mode to run a consistency check on multiple entities, a separate set of report files is produced for each entity.

Fig. 4.80
Entity GL Period View

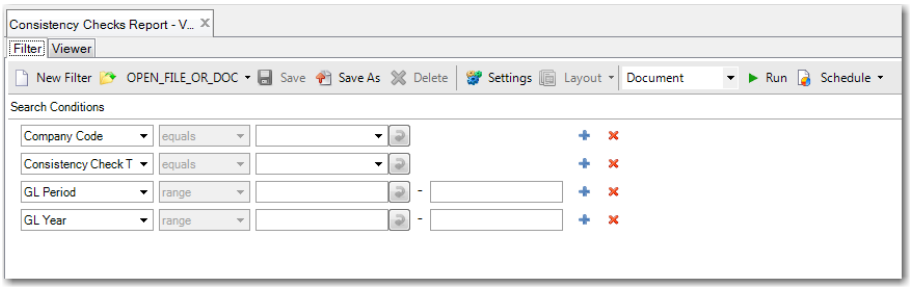


Important There are no automatic correction tools that rectify the results of failed validations. It is recommended that you send the log file for failed validations to QAD Support for further analysis.

Consistency Checks Report

The Consistency Checks report (25.21.3.2) displays the results of the selected consistency check validation run in report format.

Fig. 4.81
Consistency Checks Report



The following are the selection criteria:

- Company Code

  Select the entity for which you want to display the consistency checks.

- Consistency Check Type

  Select the type of consistency check to include in the report: Technical, Business, or Other. Leave the field blank to include all three types.

- GL Year

  Specify the GL calendar year for which you want to run the report.

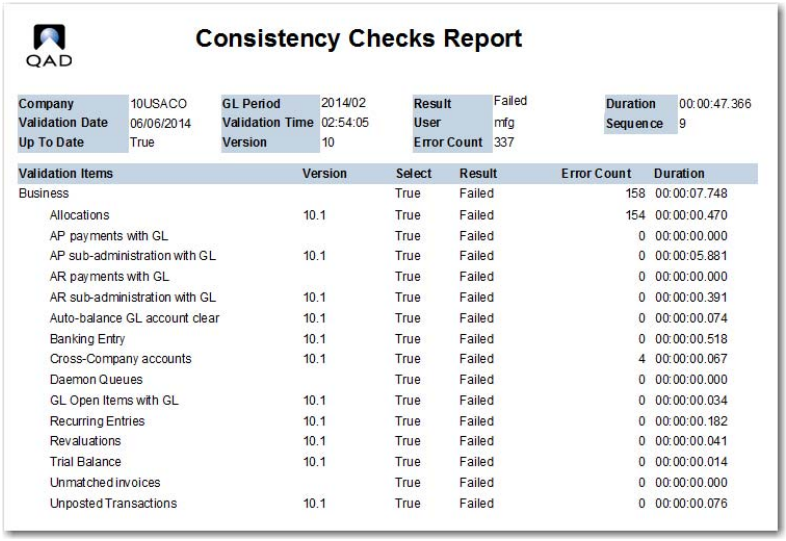
- GL Period

  Specify the GL period for which you want to run the report.

The Consistency Checks report includes the following information:

- A results overview, displayed in the report header. This information includes the total run duration for the report.
- The entity for which the report was run.
- The type of validation performed: Technical, Business, or Other.
- The GL calendar year and period range for which the report was run.
- The run date, run time, and user.
- An indication of whether the results are out of date.
- The validation step and description.
- The result of the validation (Passed or Failed).
- The duration of each validation step.

Fig. 4.82
Consistency Checks, Report Output



QAD

Consistency Checks Report

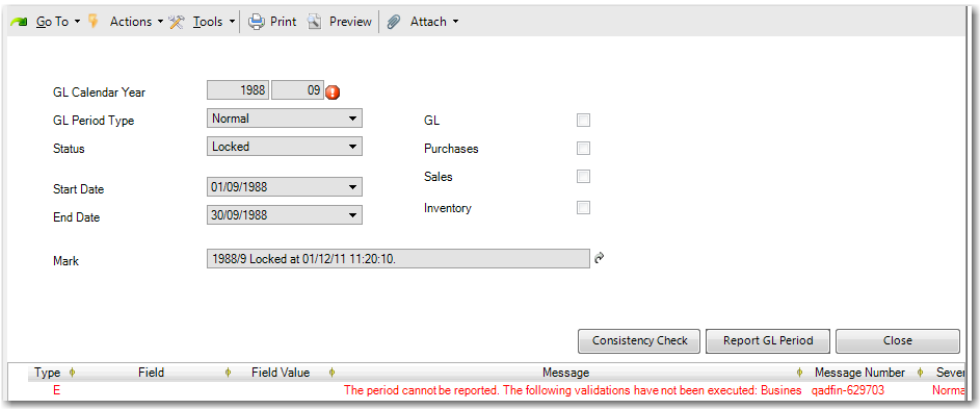
Company	10USACO	**GL Period**	2014/02	**Result**	Failed	**Duration**	00:00:47.366
Validation Date	06/06/2014	**Validation Time**	02:54:05	**User**	mfg	**Sequence**	9
Up To Date	True	**Version**	10	**Error Count**	337		

Validation Items	Version	Select	Result	Error Count	Duration
Business		True	Failed	158	00:00:07.748
Allocations	10.1	True	Failed	154	00:00:00.470
AP payments with GL		True	Failed	0	00:00:00.000
AP sub-administration with GL	10.1	True	Failed	0	00:00:05.881
AR payments with GL		True	Failed	0	00:00:00.000
AR sub-administration with GL	10.1	True	Failed	0	00:00:00.391
Auto-balance GL account clear	10.1	True	Failed	0	00:00:00.074
Banking Entry	10.1	True	Failed	0	00:00:00.518
Cross-Company accounts	10.1	True	Failed	4	00:00:00.067
Daemon Queues		True	Failed	0	00:00:00.000
GL Open Items with GL	10.1	True	Failed	0	00:00:00.034
Recurring Entries	10.1	True	Failed	0	00:00:00.182
Revaluations	10.1	True	Failed	0	00:00:00.041
Trial Balance	10.1	True	Failed	0	00:00:00.014
Unmatched invoices		True	Failed	0	00:00:00.000
Unposted Transactions	10.1	True	Failed	0	00:00:00.076

Reporting a Period

If you use Entity GL Period Report (25.4.2.5) to set a period to reported, the system displays an error message if consistency checks have not been run for that GL period. You are prevented from closing the GL period.

Fig. 4.83
Entity GL Period Report with Error Message



If you attempt to set a GL period to reported, and at least one of the technical or business validations failed when you ran the consistency checks, the system displays a warning. You can choose to overrule the warning and set the period to reported. However, the overrule decision is logged.

Defining Operational Defaults

Operational Accounting Controls

As part of initial system implementation, you should set up values in the various control programs on the Operational Acct Controls menu (36.9). The settings in each control program affect operations within a specific business area. Typically these settings represent a subset of all the settings that affect the related business area. These control settings have been separated because they have a financial effect on all modules, and should be defined only by a financial analyst with security access to this function.

This separation facilitates the segregation of responsibility so that financial personnel can manage the settings that reflect financial and accounting decisions. The financial organization and the project team are usually responsible for entering the data in Domain/Account Control (36.9.24)—a special control program that defines most of the default GL accounts used throughout the operational functions.

Module Control Settings

This section briefly describes each module control program.

Logistics Operational Accounting Control (36.9.1) affects the operation of Logistics Accounting. This is an optional module described in *QAD Master Data User Guide*. You define a number of default GL accounts in this program.

Inventory Accounting Control (36.9.2) determines costing impacts of inventory transactions, and how GL transactions are created. A Transfer Clearing Account is also defined here. Inventory Control is described in *QAD Master Data User Guide*.

Requisition Accounting Control (36.9.3) determines financial approval limits and related settings for creating requisitions with the Global Requisition System, described in *QAD Purchasing User Guide*.

Supplier Consignment Accounting Control (36.9.4) contains settings that affect inventory costing in the supplier consignment work flow, described in *QAD Purchasing User Guide*.

Purchasing Accounting Control (36.9.5) contains settings that affect the financial impact of purchasing activities, included default accounts for PO Interest Applied. Purchasing is described in *QAD Purchasing User Guide*.

Sales Order Accounting Control (36.9.6) contains settings that determine the financial impact of the sales order and invoicing flow, including credit management, the default daybook set, trailer codes, how sales person commission is calculated, and whether price lists are required. Sales and invoicing are described in *QAD Sales User Guide*.

Customer Scheduled Orders/Shipper Accounting Control (36.9.7) contains settings that determine invoicing defaults for shipments using containers and shippers. The Customer Scheduled Orders module is described in *QAD Scheduled Order Management User Guide*. Containers and shippers are described in *QAD Sales User Guide*.

Sales Quote Accounting Control (36.9.9) contains settings that determine the address printed on the quote, whether price lists are required, and how freight is calculated. Sales quotes are described in *QAD Sales User Guide*.

SSM Accounting Control (36.9.10) contains settings that affect the financial aspects of service contracts, contact billing, and call processing. SSM is described in *QAD Service/Support Management User Guide*.

Work Order Accounting Control (36.9.11) contains settings that affect the financial impact of work order completion. Work orders are described in *QAD Manufacturing User Guide*.

Advanced Repetitive Accounting Control (36.9.12) contains the default account for WIP transfers. Repetitive functions are described in *QAD Manufacturing User Guide*.

GL Transaction Control (36.9.13) contains one field you can modify that controls whether an audit history is kept when changes are made in Unposted GL Transaction Correction (25.13). It also displays fields indicating whether transactions in various business areas—inventory, work orders, sales orders, and fixed assets—have been posted.

Domain/Account Control

Domain/Account Control (36.9.24) is a key program that affects processing throughout the system. It is critical to set up this control program correctly, because the system automatically propagates this data to other tables as data records are created.

Example When you designate a domain account for work in process, this account becomes the default account for each product line you create. The product line account becomes the default account for work order accounts defined in Work Order Account Maintenance (1.2.9). The work order account defaults to the specific work orders and is updated when inventory transactions are posted to the general ledger.

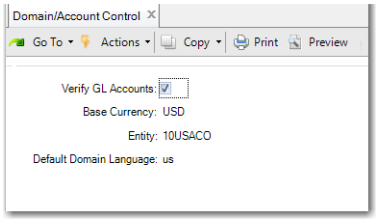
Domain/Account Control has two sections.

- General settings for the domain, most of which are read only here, except for the GL audit trail
- Multiple frames that display default accounts, sub-accounts, and cost centers used by various programs in the system

General Domain Information

Most of the fields in the first frame of Domain/Account Control display information defined for the domain in Domain Create (36.1.1.1).

Fig. 4.84
Domain/Account Control (36.9.24), General Settings



Field Descriptions

Verify GL Accounts. This system-maintained field determines whether the system validates general ledger (GL) accounts and effective dates for transactions created in modules other than General Ledger. Accounts are verified in the GL module regardless of the value in this field.

This field is cleared in a newly created domain. After implementing the GL and defining default accounts throughout the system, you can run Operational Account Structure Validation (36.9.20). This program validates the initial setup and selects Verify GL Accounts if no problems are encountered.

When this field is selected, the system validates the following:

- Each account, sub-account, cost center, and project code entered for a transaction are defined in the appropriate GL setup function with the Active field selected.
- The components of the account number are valid in combination with each other, based on the GL masks specified in the GL setup functions.
- The transaction effective date is within an open GL calendar period.

Base Currency. This field displays the base currency of the domain, defined in Domain Create. Each entity in the domain uses the same base currency. The base currency is the default currency used for financial reports. Financial statements, such as balance sheets and income statements, always print amounts in the base currency. Other reports may specify base or some other currency.

Entity. This field displays the entity that has been marked as Primary in Domain Create. The primary entity defaults to each new site created in a domain. See “Setting Up Domains” on page 28.

Default Domain Language. The system displays the default language specified for the domain in Domain Create. The system selects descriptions in this language to display in operational functions when multiple language descriptions exist.

For information on multiple languages, see *QAD System Administration User Guide*.

Setting Default GL Accounts

The second section of Domain/Account Control (36.9.24) defines default GL accounts, sub-accounts, and cost centers that are accessed by many operational maintenance functions.

Each account is identified by an account code, a sub-account code, and a cost center code. Sub-accounts and cost centers are optional depending on how the account is defined.

These accounts determine defaults when you add static data such as tax rates, product lines, and departments. Later, they appear as defaults on some transactions, such as sales and purchasing.

Note A few accounts in Domain/Account Control are updated directly, such as Sales Freight Accrued and Applied. These accounts typically cannot be modified in the transactions that reference them.

Since these are only default accounts, none of the static data or transactions that reference them are changed when these accounts are modified in Domain/Account Control.

Follow these guidelines for system accounts.

- Know how the system uses them. Many are used in transactions that the software creates automatically.
- Assign every account a value, even though it may never be used. This ensures that transactions cannot be created with a blank account number.

Table 4.32 lists all of the accounts set up in Domain/Account Control. The Type column indicates how the account is used. The Updated By column indicates transactions that update the account.

If you are using either of the optional consignment modules—Customer Consignment Inventory or Supplier Consignment Inventory—you can also define consignment accounts. See *QAD Sales User Guide* and *QAD Purchasing User Guide* for information on these modules.

Table 4.32
Default Domain Accounts

	Account	GL Type	System Type	Updated in
Sales Accounts	Sales	Standard		Invoice Post
	Sales Discount	Standard		Invoice Post
	Sales Invoice Tax	Tax		Invoice Post
	Sales Tax Credit Note	Tax		Invoice Post
	Sales Tax Absorbed	Tax		Tax Rate Maintenance
	Sales Invoice Suspended Tax Account	Tax		Invoice Post
	Sales Credit Note Suspended Tax Account	Tax		Invoice Post
	Sales Returns	Standard		Inventory Receipt–Sales Order Return
	COGS Material	Standard		SO Shipment
	COGS Labor	Standard		SO Shipment
	COGS Burden (Variable)	Standard		SO Shipment
	COGS Overhead (Fixed)	Standard		SO Shipment
	COGS Subcontract	Standard		SO Shipment
	Sales Freight Accrued	Standard		Invoice Post
	Sales Freight Applied	Standard		Invoice Post
	Terms Late Interest	Standard		Invoice Post
Accounts Payable	AP Tax Invoice	Tax		Supplier Invoice
	AP Tax Credit Note	Tax		Supplier Invoice
	AP Tax Retained	Tax		Supplier Invoice
	AP Invoice Delayed Tax	Tax		Supplier Invoice
	AP Credit Note Delayed Tax	Tax		Supplier Invoice
	Expensed Item Receipts	System	PO Receipts	Supplier Invoice
	Expensed Item Usage Variance	Standard		Supplier Invoice
	Expensed Item Rate Variance	Standard		Supplier Invoice
Department	Cost of Production	Standard		Non-Prod Labor, SFC Transfer
	Labor (Absorbed)	Standard		SFC, Repetitive, WO Close
	Burden (Absorbed)	Standard		SFC, Repetitive, WO Close

Table 4.32 — *Default Domain Accounts* — (Page 1 of 3)

	Account	GL Type	System Type	Updated in
Product Line	Inventory	Inventory Control		Inventory Transactions
	PO Receipts (Accrued AP)	System	PO Receipts	PO Receipt, Supplier Invoice
	Purchases	Standard		PO Receipt (Non-Inventory)
	Overhead Appl	Standard		PO Receipt
	Scrap	Standard		WO Receipt
	Work-in-Process	WIP Control		WO, Backflush, Repetitive
	Inventory Discrepancy	Standard		Inventory Counts
	Cost Revalue	Standard		GL Cost Change
	Floor Stock	Inventory Control		WO Close
Variances	PO Price Variance	Standard		PO Receipt
	AP Usage Variance	Standard		Supplier Invoice
	AP Rate Variance	Standard		Supplier Invoice
	Method Variance	Standard		WO Close
	Transfer Variance	Standard		Multisite Transaction
	Material Usage Variance	Standard		WO Close
	Material Rate Variance	Standard		WO Issue, WO Close
	Labor Usage Variance	Standard		SFC, Repetitive, WO Receipt
	Labor Rate Variance	Standard		SFC, Repetitive
	Burden Usage Variance	Standard		SFC, Repetitive, WO Receipt
	Burden Rate Variance	Standard		SFC, Repetitive
	Subcontract Usage Variance	Standard		WO Close
	Subcontract Rate Variance	Standard		WO Close
	Mixed Variance	Standard		WO Close for joint orders (co-products, by-products)
Service	Service Labor	Standard		Call and Project Activity Recording
	Service Overhead	Standard		Call Activity Recording
	Service Expense	Standard		Call and Project Activity Recording
	Expense Due	Standard		Invoice Post
	Service Returns	Standard		Call Activity Recording
	Deferred Revenue	Standard		Contract Maintenance
	Accrued Revenue	Standard		Contract Maintenance

Table 4.32 — *Default Domain Accounts* — (Page 2 of 3)

	Account	GL Type	System Type	Updated in
Consignment	SO Consigned In-Transit	Inventory Control		SO Shipment
	SO Consigned Inventory	Inventory Control		Inventory Transactions
	SO Consigned Offset	Inventory Control		AR Deferral
	PO Consigned Inventory	Inventory Control		Inventory Transactions
	PO Consigned Offset	Inventory Control		AP Deferral

Table 4.32 — *Default Domain Accounts* — (Page 3 of 3)

Setting Up Allocations

The system supports two types of allocations:

- Operational allocation codes are used in operational transactions such as sales and purchasing.
- More complex allocations can be set up for use in general ledger transactions within financial modules.

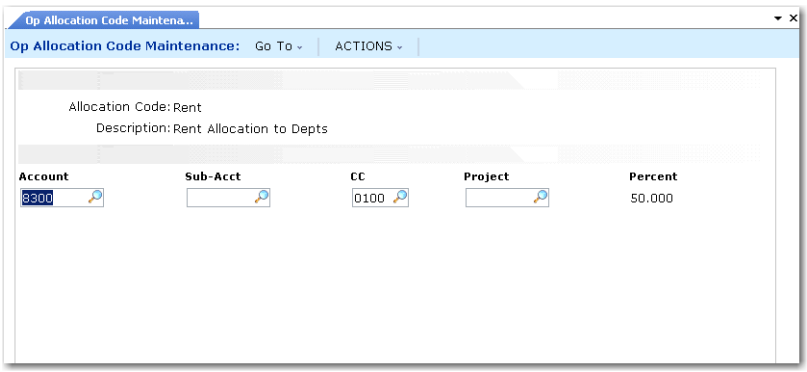
Operational Allocation Codes

To simplify data entry in operational transactions, use Operational Allocation Code Maintenance (25.3.23) to define codes that allocate fixed percentages of expenses to different accounts, sub-accounts, cost centers, and projects. You can specify an allocation code anywhere you enter an account in operational transactions, such as sales orders and purchase orders.

Transactions involving an amount allocated among several accounts can reference an allocation code rather than individual accounts, sub-accounts, cost centers, and projects. Transaction amounts are distributed automatically to allocation accounts when transactions are posted.

You can define nested allocation codes so that one allocation code references another. When the system calculates amounts, it explodes each level of allocation codes, multiplying the amount to be apportioned by the percentages at each level.

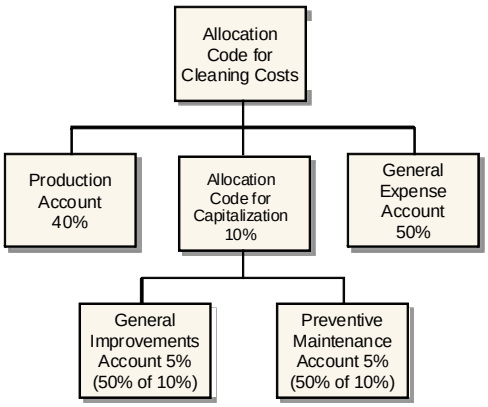
Fig. 4.85
Operational Allocation Code Maintenance (25.3.23)



Example When ABC Company posts utility expenses to Accounts Payable, a part of the expense is posted to cleaning costs. Cleaning costs are pro-rated among several accounts: 40% to Production, 50% to General Expense, 10% to Capitalization. Rather than enter multiple account codes for each transaction, ABC defines an allocation code for the group of accounts, allowing the data entry operator to enter one allocation code rather than three accounts.

Taking this example one step further, allocation codes can be nested. In the example above, 10% of cleaning cost is capitalized as improvements. This 10% is split evenly between accounts for general improvements and preventive maintenance. An allocation code is set up for capitalization. The accounts for general improvements and preventive maintenance each have an allocation percentage of 50%. However, only 5% of the total cleaning cost expense is posted to each account.

Fig. 4.86
Allocation Code Examples

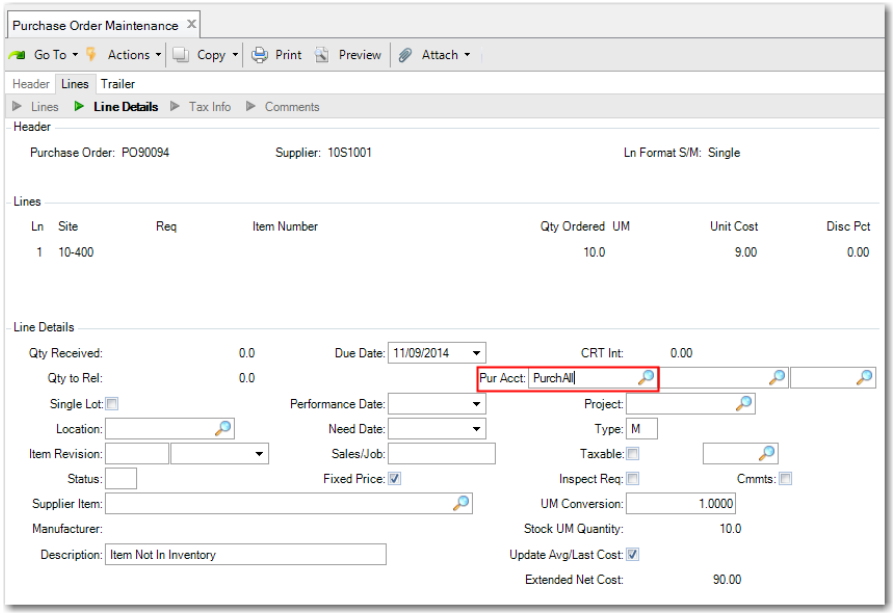


Purchase Order Lines

When you purchase a memo item in Purchase Order Maintenance, you can use operational allocation codes at line level to split the posting lines across several GL accounts, sub-accounts, cost centers, or projects. To use operational allocation codes, specify the allocation code in the Pur Acct field when you create the purchase order.

During Operational Transaction Post, operational allocation codes in PO Receipt and other transactions are “exploded” to split the posting lines across the GL accounts, sub-accounts, cost centers, and projects in the relevant allocation codes. Therefore, in most cases, the system creates the required allocation postings for memo item purchases during Operational Transaction Post.

Fig. 4.87
Purchase Order Maintenance



Receiver Matching

Receiver Matching supports the use of operational allocation codes.

If you set up an operational allocation code for several GL accounts and then specify the allocation code on a purchase order, Receiver Matching splits the posting lines across the GL accounts, sub-accounts, cost centers, and projects in the allocation code.

If you set the Use Exp Item Var Accts field to Yes in Supplier Invoice Control, you can view the operational allocation code in Receiver Matching, but the code is not actually used in the matching process. This situation occurs because the system has already charged the expense to the allocation code. The expense posting was created during PO Receipt, and was offset by the posting to the Expensed Item Receipts account and posted using Operational Transaction Post. In Receiver Matching, the main posting is to the Expensed Item Receipts account, and other accounts (other than tax accounts, the supplier control account, and the unmatched invoices account) are only used if there are usage or rate variances for the memo item purchase. If usage or rate variances occur, these are charged to the Expensed Item Usage Variance account or to the Expense Item Rate Variance account defined in Domain/Account Control.

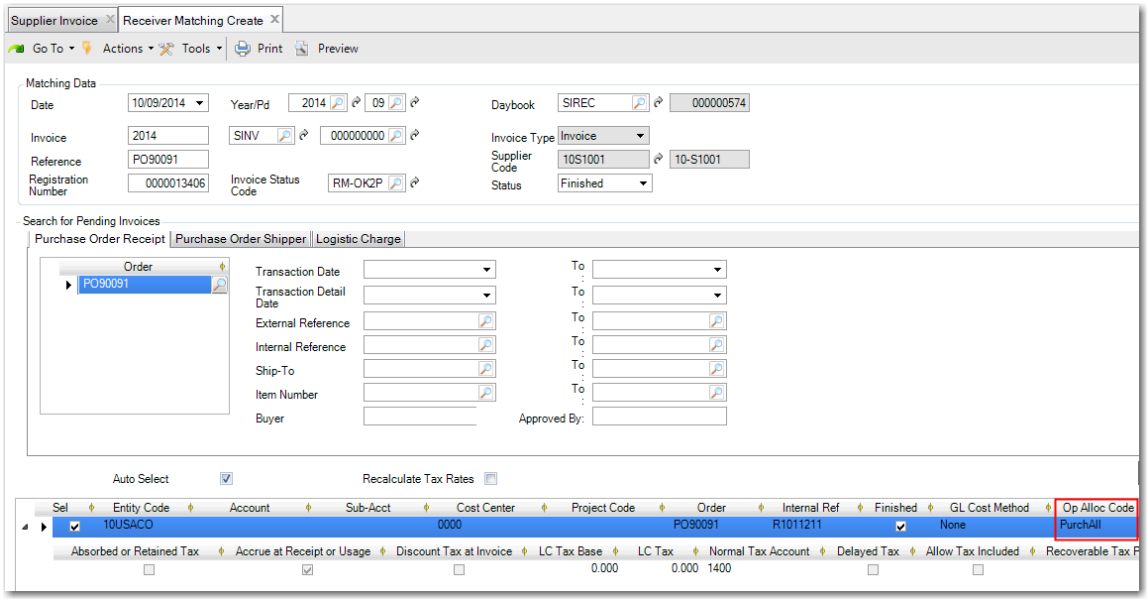
If you set the Use Exp Item Var Accts field to No in Supplier Invoice Control, any usage or rate variances that arise from the matching of a memo item receipt are instead charged to the expense account defined on the purchase order line. If you specify an allocation code instead of a GL account, the allocation code is used in Receiver Matching.

For memo purchases only, you can change the GL account on the Receiver Matching line to an allocation code or you can change the allocation code on the matching line to a different one. In each of these cases, the Receiver Matching GL postings reverse the original postings made at PO receipt and replace those with the new account or allocation code. As part of Receiver Matching, the allocation code is then exploded to its constituent accounts, sub-accounts, cost centers, and projects.

You can view operational allocation codes in Receiver Matching when you are matching memo items. The Op Alloc Code field in the Receiver Matching grid displays an operational allocation code if one was specified on the purchase order for the memo item. For memo items only, you can also enter a new allocation code, even if one was not used on the purchase order line.

See “Receiver Matching” on page 670.

Fig. 4.88
Receiver Matching Create



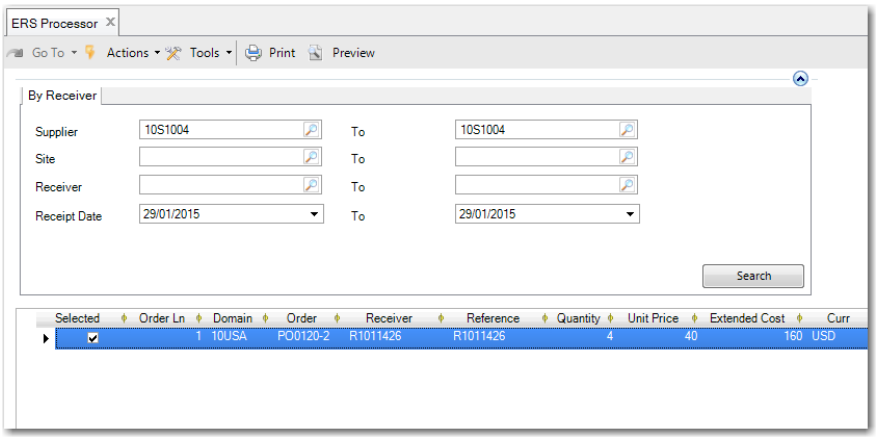
Evaluated Receipts Settlement

If you set up an operational allocation code for several GL accounts and then specify the allocation code on a purchase order, you can use ERS to split the posting lines for the invoice and receiver matching across the GL accounts, sub-accounts, cost centers, and projects in the allocation code.

Example

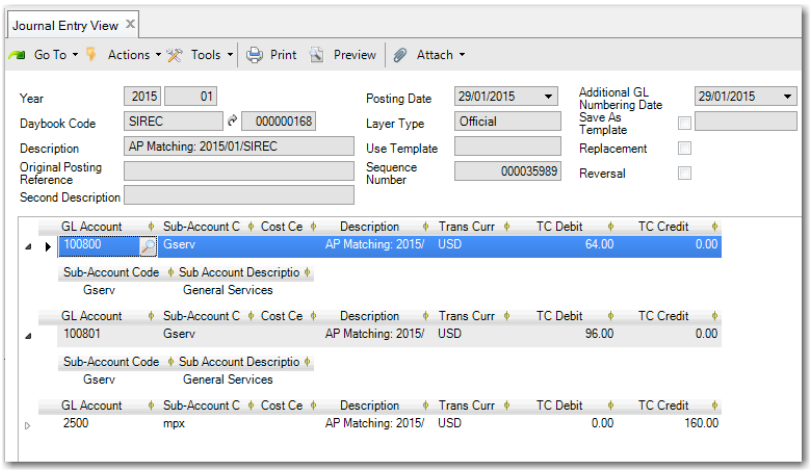
An allocation code specifies that 60% of a transaction amount be allocated to GL account 100801 and that 40% of a transaction amount must be allocated to GL account 100800. You specify the allocation code on a purchase order for a memo item ($160), receive the items and create the purchase order receipt, and then run the ERS Processor.

Fig. 4.89
ERS Processor



The ERS Processor creates a matched supplier invoice. Figure 4.90 shows the matching posting with 60% of the $160 transaction amount allocated to account 100801 and 40% allocated to GL account 100800.

Fig. 4.90
Journal Entry View



See “Evaluated Receipts Settlement” on page 765.

Cross-Company Postings

If you create and receive a purchase order for a memo item that uses an operational allocation code in one entity and then create the supplier invoice and receiver matching in another entity, the system creates cross-company postings. The GL accounts in the operational allocation code must be Standard accounts, and the system then uses the AP cross-company control account specified in the domain for the cross-company postings. During Operational Transaction Post, the posting lines, split according to the operational allocation code, are transferred to the other entity, where the original expense was recorded.

You must set the Use Expensed Item Var Accts field in Supplier Invoice Control to No to use any postings from allocation codes in Receiver Matching. To split the operational allocation code, the system takes a single posting line and splits the posting into two or most combinations of account,

sub-account, cost center, and project, according to the allocation code. For each one of these postings, there must be an equal and opposite posting to the cross-company account in the invoice entity. Related cross-company control account postings in two entities must be equal and opposite.

Financial Allocations

Allocation is the process of distributing costs and revenues to the appropriate accounts, sub-accounts, cost centers, and projects. Use the GL Allocation activities (25.3.22) to identify types of cost and automatically distribute them to the correct cost targets.

Configure allocations using the following sequence of steps:

- Define the allocation structure. Allocation structures consist of a source, a target, and the transfer algorithm between them.
- Group allocations into batches.
- Configure recursive allocations to reuse a previous allocation run as input for the next.
- Interrupt and restart the execution of a batch.
- Validate the results of the allocation run before final posting.

Cost Types

The allocation function recognizes direct and indirect types of cost.

A direct cost can be traced directly to the source. For example, when a department purchases office furniture for its own use, the cost is a direct cost. Direct costs can be further subdivided into:

- Assignable costs are charged directly to the account or sub-account without allocation.
- Shared costs cannot be directly assigned to a cost objective, but are charged instead to an intermediate cost pool.

An indirect cost cannot be traced directly to one source. For example, a company electricity bill covers the electricity usage for all company departments. Initially the bill is allocated to an overhead cost center, and later re-allocated over all the departments. You use allocation to distribute indirect costs to the various direct activities that benefited. For this, you must define a cost allocation plan.

Cost Allocation

The cost allocation process has three steps:

1. Classify Costs. Cost classification is the process of labeling direct and indirect costs relative to the cost allocation process.
2. Pool Costs. Cost pooling is the process of accumulating costs into pools for allocation. You must pool similar allocatable costs, which you can then combine to simplify the allocation process.

   Cost items can be individually allocated or all cost items in the pool can be totaled and the total allocated. The decision depends on the reporting requirements and the level of budget control.

3 Allocation. You can allocate a cost if the goods or services involved are chargeable or assignable to a cost objective in accordance with relative benefits received. This measure of benefit is used to define the allocation algorithm.

Allocation Structure

An allocation consists of the following elements:

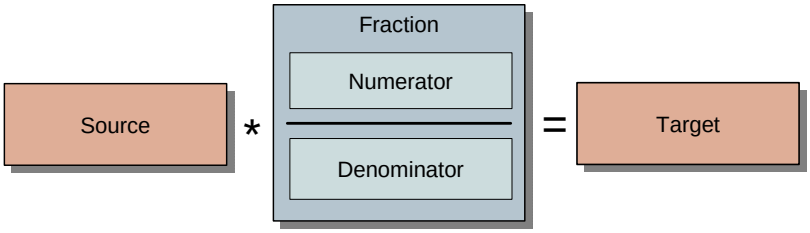
Source. This is the base amount for the allocation.

Fraction. This is a factor applied to the source amount to calculate the amount to be posted to the target.

Target. This consists of the COA elements, such as account, sub-account, cost center, project, or SAF, to which the fraction is to be posted.

Note You can post allocations to both system and user-defined SAFs.

Fig. 4.91
Allocation Structure



Allocation Sources

Constant Value

The source is a value that is entered in the allocation definition, but which can still be changed during execution of the allocation batch. The value can be entered in the base currency or as a combination of base currency and quantity.

Standard Charge

Standard charges are calculated as the multiplication of a quantity and a unit price. Both values are entered in the allocation definition, but can still be changed when the allocation is executed. The per-unit cost for electricity is an example of a standard cost.

WBS Topic

Work Breakdown Structure (WBS) topics are used in budgets to provide analysis for budget costs, and are also used in allocations as a source type. WBS topics are combinations of COA elements, such as GL accounts, cost centers, projects, or SAFs.

The allocation source is calculated as the total of all postings on all the COA elements. The budget daemon calculates the values posted on all WBS topics and maintains up-to-date values before an allocation run. When using WBS topics as source, you can select whether to apply the balance, debit value, or credit value.

Important If you disable the Budgeting module in System Maintain (36.24.3.1), you also disable to ability to create allocation transactions based on WBS topics.

Example The WBS topic Housing Cost is defined in a budget and linked to the GL accounts 610100, 610200, 610300. The total of postings on those accounts is used to calculate the source value.

For more information on budgeting and WBS topics, see “Setting Up Budgets” on page 875.

Fractions

Constant Factor

The fraction can be a constant multiplier that is entered in the allocation definition and which can also be reviewed and changed during the execution of the allocation batch.

Real Fraction

The fraction can be a real fraction defined by its numerator and denominator. Both the numerator and denominator are WBS topics from which the value or quantity is retrieved.

When the allocation is run, the source value is multiplied by the constant value and the real fraction.

Proportional Fraction

A proportional fraction uses multiple fractions. Only the denominator is specified to calculate the fractions. The denominator is a WBS topic.

The numerators are implicitly defined based on the denominator. There are as many numerators (and, thus, fractions) as composing elements in the denominator.

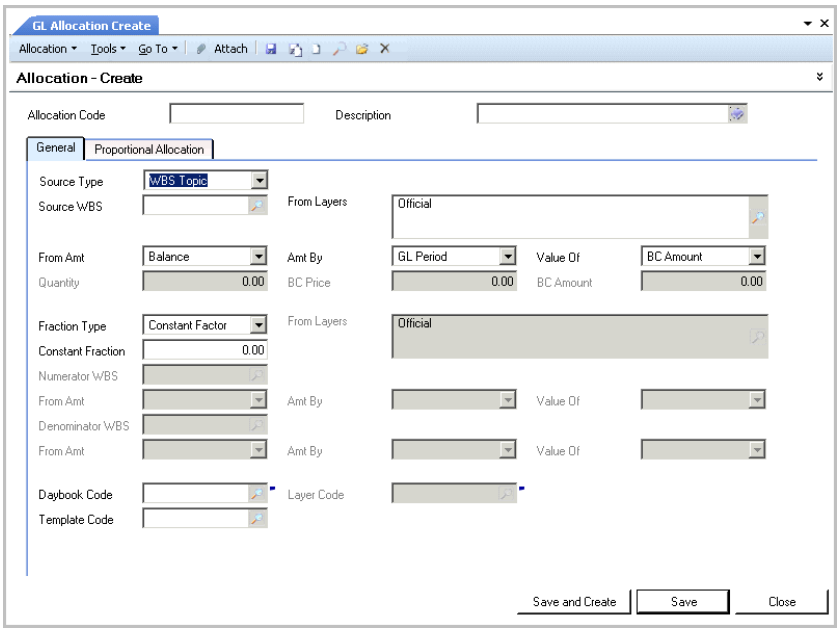
Allocation Targets

You must define a posting template to specify how the amounts calculated by applying the fractions to the source amounts are to be posted.

Creating GL Allocations

Use GL Allocation Create to set up your allocation structure.

Fig. 4.92
GL Allocation Create



Field Descriptions

Source Type. Select an allocation source type from the following:

Constant Value: The source is a constant value that can be modified before executing the allocation batch. The value can be entered as a base currency amount, or as a base currency amount with a quantity.

Standard Charge: The source amount is calculated as the multiplication of a quantity and a unit price. Both values are entered in the allocation definition, but can be modified before executing the allocation batch.

WBS Topic: The source amount is calculated by totaling the postings of the COA elements that comprise the topic.

Source WBS. This field is available when you select WBS topic as the source type. Specify a WBS topic from a Budget definition that has the Used for Allocation field selected. If this field is not selected when the topic is defined, it cannot be used in the allocation definition.

You do not need to enter budget data at this stage. The Allocation function uses only the WBS structure and the COA links. See “Budgeting” on page 873.

From Layers. This field is available when you select WBS topic as the source type. Select the layer from which postings should be taken to calculate the source amount for the allocation.

From Amt. This field is available when you select a WBS topic as the source type. Select from Balance, Credit, or Debit.

This field determines whether only credit activity, debit activity, or both (the balance) are used to calculate the source amount.

Amt By. This field is available when you select WBS Topic as the source type. Specify the time period taken into account when the posting totals are calculated.

- Select GL Period to specify the period entered at the moment of the allocation run.
- Select YTD to specify the period from the start of the accounting year to the current date.

Value Of. This field is available when you select WBS topic as the source type. Select from the following drop-down options:

Both: A base currency amount and a quantity are taken from the source and are allocated to the target.

BC Amount: Only a base currency amount is taken from the source and allocated to the target. The target posting does not include quantity fields.

Quantity: The target receives a base currency amount that is calculated by multiplying the source quantity by the fraction. The target posting does not include quantity fields.

Quantity. This field displays the quantity value when you use a Constant Value or Standard Charge source type. This field is unavailable if the Source Type field is set to WBS Topic.

BC Price. This field is available when you select Standard Charge as the source type. Specify a price in base currency.

BC Amount. Specify a base currency amount to be allocated. This field is available only when you select Constant Value as the source type.

When the source type is Standard Charge, this field displays the calculation of quantity multiplied by base currency price.

Fraction Type. Select a fraction type from the drop-down list:

Constant Faction: The fraction is a constant that you specify in the Constant Fraction field.

Real Fraction: Specify a numerator and denominator.

Proportional Fraction: Only the denominator has to be specified. The numerators are derived from the denominator definition.

Numerator WBS, From Amt, Amt By, Value Of. Use these fields to define the fraction numerator. The fields are available only when you select a fraction of type Real Fraction.

Denominator WBS, From Amt, Amt By, Value Of. Use these fields to define the fraction denominator. The fields are available only when you select a Real or Proportional Fraction.

Daybook Code. Specify a daybook for the allocation posting.

Layer Code. This field displays the layer to which the daybook is assigned.

Template Code. Specify a daybook template for the target posting. For constant factor and real fractions, the template also defines how the amount to be posted is prorated over the different posting lines of the template.

In the following example of a housing allocation cost, the amount to be posted is prorated as:

Administration: 30%

Management: 20%

EDP: 30%

Sales: 20%

The Proportional Allocation tab displays the calculated amounts. This tab contains additional data for the allocation engine when calculating the proportional fractions.

The journal entry for this allocation then displays the final prorated amounts.

Chapter 5

Setting Up Business Relations

The following topics describe how to set up base data used by addresses, how to define business relations, and how to set up the various types of addresses that reference business relations.

Overview 225
Introduces business relations and address data concepts.

Setting Up Base Address Data 227
Define base data required by all addresses.

Creating Business Relations 237
Define address and contact information for entities, customers, and suppliers.

General Data for Customers and Suppliers 246
Introduces general data common to customers and suppliers.

Invoice Status Codes 246
Define codes to manage the approval, allocation, and payment of invoices.

Credit Terms 250
Settings for invoice due dates and staged payments.

Payment Formats 256
Specify the layout of the payment output.

Setting Up Customer Data 267
Configure data used to manage customers.

Creating Customer Records 271
Define customer master data.

Creating Customer Ship-To Addresses 284
Use Customer Ship-To activities to manage ship-to records.

Creating End Users 290
Create end user records for Service/Support Management.

Customer Opening Balance 295
Transfer outstanding customer open items to QAD Financials.

Setting Up Supplier Data 297
Configure data used to manage suppliers.

Creating Supplier Records 300
Define supplier master data.

Supplier Opening Balance 306
Transfer outstanding supplier open items to QAD Financials.

Creating Employees 308
Define employee records.

Overview

Business relations contain location and contact information for all addresses defined in the system. They also contain tax details that are directly referenced or used as defaults for customers and suppliers.

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

Each business relation code identifies a set of up to six system-defined address types that can be associated with different types of records in the system, from customers and suppliers to end users and docks. Some address types are used only in financial functions. These include reminder and remittance types. Others are used only in operational functions. These include ship-to, dock, and end user. The headoffice address is used in both financial and operational functions. See “Address Type” on page 234 for details.

The creation of operational address types is described in *QAD Master Data User Guide*.

Segregation of Duties

Since important financial information, such as accounts and credit limits, is associated with customers, end users, and suppliers, these records are created and maintained within the Accounts Payable and Accounts Receivable modules. Employees are associated with entities and defined with other corporate setup data. This supports segregation of duties requirements mandated by many regulatory bodies.

However, customers and suppliers are also used in operational functions such as manufacturing, sales, and purchasing. End users and employees are used in the Service/Support Management (SSM) module. End users are referenced on calls, contracts, and service returns; employees are set up as service engineers who respond to calls.

Typically, financial staff do not have the expertise to define the data related to these operational functions. For this reason, additional operational data can be set up in supplementary maintenance functions:

- Customer Data Maintenance (2.1.1)
- Supplier Data Maintenance (2.3.1)
- End User Data Maintenance (11.9.1)
- Engineer Maintenance (11.13.1)

To facilitate the collaboration required when defining new customers, suppliers, end users, and employees, e-mail notifications are sent to specific user roles when new records are created:

- CustomerNotify for customers
- SupplierNotify for suppliers
- EndUserNotify for end users
- EmployeeNotify for employees

The members of these roles are then responsible for ensuring that the supplemental information required for operations is added. For details about setting up role membership, see *QAD Security and Controls User Guide*.

Important New customer and supplier records cannot be referenced in operational functions until this additional data has been specified. Adding operational data marks the record as complete.

This is not true of end-user and engineer records; they do not need to be completed before being referenced in SSM functions.

The following table lists all of the records in the system that reference business relations for address data.

Table 5.1
Records Referencing Business Relations

Record	Created	Related Data	Type	E-Mail
Bank	GL Account Create (25.3.13.1)	N/A	Headoffice	No
Carrier	Carrier Maintenance (2.17.1)	N/A	Headoffice	No
Company Address	Company Address Maintenance (2.12)	N/A	Headoffice	No
Customer	Customer Create (27.20.1.1)	Customer Data Maintenance (2.1.1)	Headoffice	Yes
Dock	Dock Maintenance (7.3.1)	N/A	Dock	No
Employee	Employee Create (36.1.7.1)	Engineer Maintenance (11.13.1)	Headoffice	Yes
End User	End User Create (27.20.3.1)	End User Data Maintenance (11.9.1)	Enduser	Yes
Entity	Entity Create (36.1.1.2.1)	N/A	Headoffice	No
Fixed Asset Location	Fixed Asset Location Maintenance (32.1.13)	N/A	Headoffice	No
Salesperson	Salesperson Maintenance (2.5.1)	N/A	Headoffice	No
Ship-To	Customer Ship-To Create (27.20.2.1)	N/A	Ship-To	No
Supplier	Supplier Create (28.20.1.1)	Supplier Data Maintenance (2.3.1)	Headoffice	Yes

Customers and suppliers are associated with shared sets, which in turn can be associated with one or more domains. This lets you maintain customers and suppliers for multiple domains in a single location.

Entity Addresses

When you create the entity that represents your business, you reference the headoffice address of a business relation for address and tax details. This address must be defined first and then referenced in the Entity Create activity. This activity is described in “Setting Up Entities” on page 45.

However, typically a single business operation can require many different addresses. For example, you could have separate addresses for any of the following:

- Address where suppliers send invoices for payment.
- Address where suppliers deliver items on purchase orders.
- Address printed on formal documents sent to customers, such as sales quotes, sales order acknowledgements, and invoices.
- Addresses for sites and locations where inventory is stored. Site and location addresses are used for calculating taxes and generating Intrastat records.

These types of addresses are set up in Company Address Maintenance (2.12). The address details are supplied by specifying the related business relation. The headoffice address is always the one that supplies the address details for company addresses.

These company addresses are referenced during inventory movements and in the following functions:

- Physical Address field in Location Maintenance (1.1.18)
- Ship-To field in Purchasing Control (5.24)
- Declarant field in Declarant Maintenance (29.22.1.20)
- Bill-To field in Purchasing Accounting Control (36.9.5)
- Company Address field in Sales Order Accounting Control (36.9.6)
- Company Address field in Sales Quote Accounting Control (36.9.9)
- Company Address field in SSM Accounting Control (36.9.10)

Company Address Maintenance is described in *QAD Master Data User Guide*.

E-Mail Notification

If you have set up e-mail notification, the system sends notifying e-mails to recipients with the relevant roles when customer, supplier, employee, or end-user records are created.

The system notifies users of an event if they have the appropriate role and have been assigned access to the same domain as the record being created. Users receive a separate e-mail notification for each event for which they have the relevant role.

Setting up and configuring e-mail is described in *QAD System Administration User Guide*.

Setting Up Base Address Data

To ensure consistency of data entry, you must define a number of codes required by all addresses, including:

- Languages

- Countries
- States/provinces
- Counties

Other optional setup includes:

- Defining implementation-specific address types in addition to the ones that are supplied with the system
- Defining corporate codes for grouping business relations for reporting
- Setting up autonumbering sequences for business relations, customers and ship-tos, end users, suppliers, and employees

In addition, for customers and suppliers, codes are needed for managing invoice processing. These include invoice status codes and credit terms.

You can then define business relations and set up customers and suppliers and other similar address types.

Note Before completing the setup of customers and suppliers, you must have already defined accounts and account profiles. Profiles are described in more detail in “Setting Up Profiles” on page 42.

Language

A base set of language codes is supplied with the system. These language codes correspond to the codes used with UI translation files provided by QAD. System-defined languages cannot be changed or deleted.

Languages are used in multiple places in the system:

- A default database language is defined in System Maintain (36.24.3.1). This language provides a default for printed reports when translated strings cannot be found in the language associated with a customer or supplier. This language is used as the default language for displaying translatable strings for system-level operational data.
- A language code is associated with each business domain, and is the default language to use for displaying translatable strings for domain-level data. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.
- Languages are associated with business relations. Each address associated with a business relation can have its own language. The language associated with the specific address type—headoffice, ship-to, end user—is used to select comments in the appropriate language in operational functions, such as sales, purchasing, and service/support.
- Languages are associated with users and determine the language for displaying menus, labels, messages, and other user interface elements.

Before defining business relations, you can define additional language codes if necessary. However, since languages are used to select the appropriate translated strings to display on the user interface and in reports, generally it is not a good practice to create new languages. The ones supplied with the system are associated with translated data strings, and if you define new languages, appropriate translations cannot be found.

Translation Option

Many data setup functions provide a language translation option for description fields. For example, when you define an account, you typically use a cryptic, possibly numeric code and specify a description that indicates the account's use; for example, Account: 001SOVA, Description: Sales Order Variance Account.

Since accounts belong to the accounts shared set and can be used in multiple domains, you may have users with different languages that need to see these descriptions in their own language. You can supply your own translation using the Translation Option associated with the Description field. The correct descriptions are then displayed based on the user's language.

For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Installed Languages

Loading translated language data sets the Installed field to Yes for a language. Language load can be completed in two ways:

- Execute Load Translations (36.24.4).
- Execute System Synchronize (36.24.3.2) with Languages selected.

Note The US language is always set to installed, since English data is always supplied.

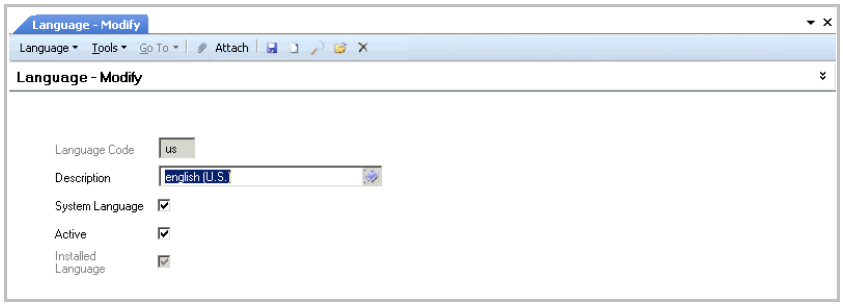
More details about loading and updating language translations can be found in *QAD System Administration User Guide*.

The Installed field is controlled by the system and cannot be set from the user interface. Only installed languages can be associated with a user in User Maintenance (36.3.1). When a user logs in, the system checks the language code associated with the user record and displays UI elements in that language. Requiring the language associated with a user to be installed prevents a user from logging in and not seeing the correct menus and labels.

Using the Language Function

Use the Language activities (36.4.1) to view all records, create new ones, modify user-defined records, or delete user-defined records. System-defined records cannot be deleted.

Fig. 5.1
Language Modify



Field Descriptions

Language Code. Enter a code (maximum two characters) that identifies a language. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 24 characters) of the language code. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

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

Active. Indicate if this is an active record.

Installed Language. This read-only field indicates translated labels for this language have been loaded and are available in the system. This field is set either by executing Load Translations (36.24.4) or System Synchronize (36.24.3.2). Only installed languages can be associated with users in User Maintenance (36.3.1)

For details on language loading and system synchronize, see *QAD System Administration User Guide*.

Country

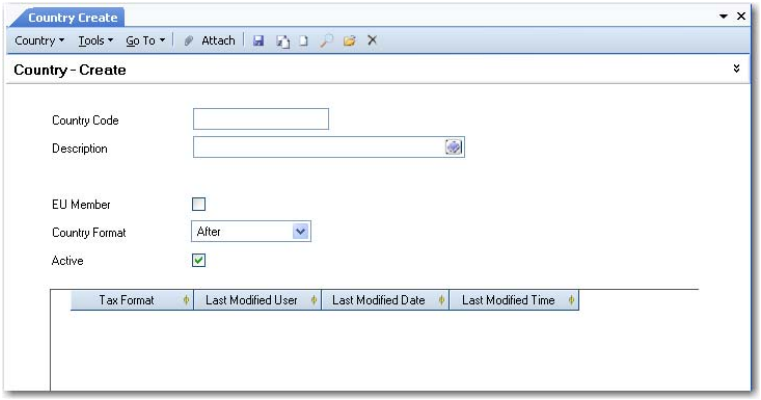
Use the Country activities (36.1.3.1) to create, modify, view, and delete country codes. These codes identify countries and are specified when business relations are defined. Country codes apply to all entities and domains in a database.

Additional attributes of countries can be defined in Country Code Data Maintenance (2.14.1). These attributes are used in operational functions, such as Regulatory Attributes. For details on Country Code Data Maintenance and the QAD Regulatory Attributes module, see *QAD Master Data User Guide*.

The country code associated with an address is used to determine the number and date formats displayed on reports. Internal reports use the country of the user; external reports the country of the sold-to or destination customer or supplier address.

A default set of ISO country codes is supplied with the system.

Fig. 5.2
Country Create



Field Descriptions

Country Code. Enter a code (maximum three characters) that identifies a country. This field is mandatory; the code cannot be blank.

Using the ISO coding structure is recommended because this standard is often required for international communication between banks.

Description. Enter a brief description (maximum 28 characters) of the country. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

EU Member. Indicate if the country belongs to the European Union.

This information is used by the system to determine when a transaction relates to an intra-EU inventory movement, and what type of transaction it is. These transaction types display in various tax reports.

If Use Intrastat in Intrastat Control (2.22.24) is enabled, the system automatically creates Intrastat history records for these transactions.

See *QAD Intrastat User Guide* for information on Intrastat.

Postal Format. This field determines where postal codes display on printed addresses. It defaults to the Business Relation function when addresses are added for the country. Valid values are:

After: Postal code prints after the city and state.

Before: Postal code prints before the city and state.

This code affects only addresses printed on documents meant to be mailed, such as invoices, purchase orders, mailing labels, statements, checks, and reminder letters.

Active. Indicate if this is an active record.

Tax Format. Specify the format for tax identification and tax declaration numbers associated with this country. This format is used to validate the tax IDs specified in the State Tax ID field in the Tax Information tab of the business relation, customer, and supplier functions when the address references an EU member country.

European VAT registration numbers follow strict formats dictated by regulatory authorities, and vary from country to country. You can find lists of valid formats on Web sites such as the following:

http://www.kd85.com/euvat.html

You can right-click to add multiple rows to this grid; some EU countries such as the Czech Republic allow multiple formats.

Use the following characters to build the format:

- 9 is 0–9 only.
- ! is any letter.
- A-Z are treated literally.

Example For tax IDs in Italy, the first two characters must be IT followed by exactly 11 numbers (0-9).To specify the format for Italy, enter IT99999999999.

For Austria, the tax format is the letters AT followed by 9 letters or numbers. To validate for this format you need to create validation rows as follows:

AT999999999

AT!!!!!!!!!

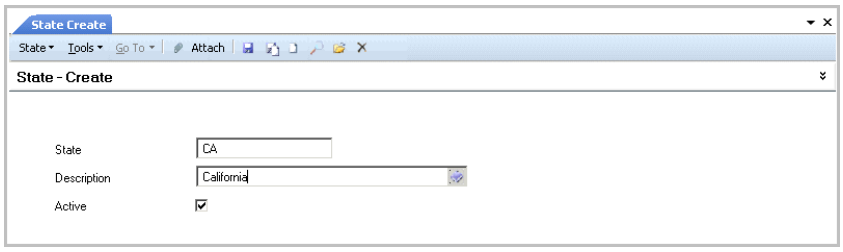
State

Most countries are subdivided in smaller jurisdictional areas. The names of these areas are defined in the State function and specified when creating business relations.

Note You can also use the State function to define provinces or other types of legal reporting units.

Use the State activities (36.1.3.2) to create, view, and modify state records. You can also delete a record that is not referenced in the system.

Fig. 5.3
State Create



Field Descriptions

State. Enter a code (maximum four characters) that identifies a state. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the state. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active record.

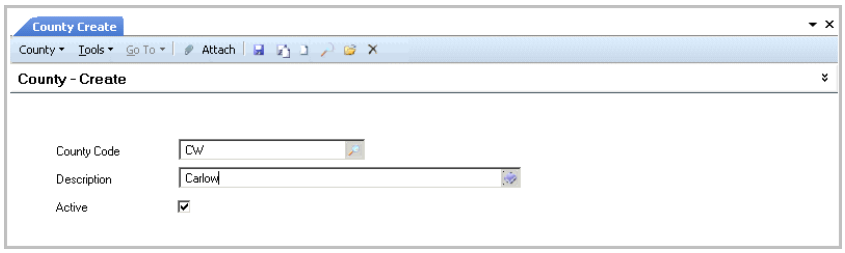
County

Some countries, states, or provinces are subdivided into smaller jurisdictions called counties. Define official county names and specify them when setting up business relations.

Note You can also use the County function to define any smaller regional unit relevant to your country's jurisdictional organization.

Use the County activities (36.1.3.3) to create, modify, and view county codes. You can also delete a record that is not referred to in the system. You can use the Excel Integration option (36.1.3.3.5) to export records to or load records from an Excel spreadsheet.

Fig. 5.4
County Create



Field Descriptions

County Code. Enter a code (maximum three characters) that identifies a county. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the county. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

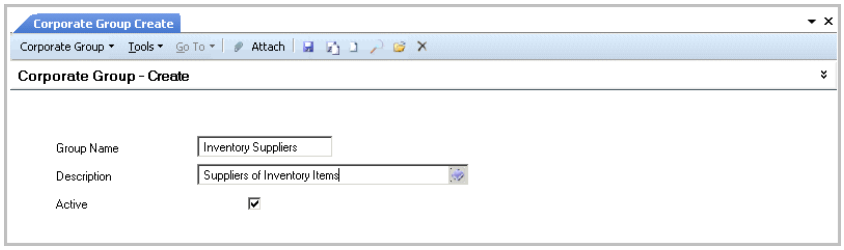
Active. Indicate if this is an active record.

Corporate Group

Use the Corporate Group activities (36.1.4.2) to create, view, and modify corporate groups. You can also delete a record that is not referred to in the system.

A corporate group is a logical grouping of business relations used for reporting.

Fig. 5.5
Corporate Group Create



Field Descriptions

Group Name. Specify a code (maximum 20 characters) that identifies a corporate group. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the corporate groups. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active record.

Address Type

Each business relation can have multiple associated addresses, identified by an address type. Some types are predefined and supplied with the system. The predefined types affect business processing related to addresses.

You can also define your own address types. Any new address types you create can be referenced only in financial functions for reporting and filtering in browses; they are not used in other operational areas.

Use the Address Type (36.1.4.1) activities to view all address types, create your own, modify the ones you have created, or delete user-defined types. System-defined types cannot be deleted.

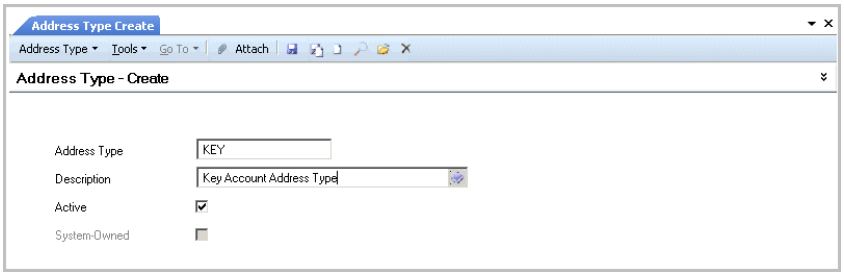
The following table lists the types included with the system.

Table 5.2
System Address Types

Address Type	Description
Ship-To	Address for receipt of goods and services. This address type is automatically associated with addresses created in the Ship-To Create activity. A business relation can have multiple ship-to addresses.
Dock	Specific location within a ship-to address for receipt of goods. Docks are associated with customers or customer ship-to addresses and used in shipping functions. When you create a dock in Dock Maintenance (7.3.3), you must select a dock address type. A business relation can have multiple dock addresses.

Address Type	Description
Enduser	Address associated with a customer where service for purchased items is delivered. This address type is automatically associated with addresses you create in End User Create. End users are referenced in the optional Service/Support Management module. You define additional SSM data in End User Data Maintenance (11.9.1). A business relation can have multiple enduser addresses.
Headoffice	Main address of a business organization, and the only address type that is required. You select this address type for records related to your own company, such as your entity address and site, location, salesperson, and employee addresses, as well as for external organizations, such as customers, suppliers, banks, and carriers. Each business relation must have one and only one headoffice address.
Reminder	Address where reminder letters are sent, if this is different than the headoffice address. Each business relation can have only one reminder address. This address type is used only in AR financial functions.
Remittance	Address where payments are sent if it differs from the headoffice. Each business relation can have only one remittance address. This address type is used only in AP financial functions.
Substitution	Address type used to link a company address with the state tax ID and tax zone. In QAD EE, a tax zone can only have one state tax ID specified. However, in countries where substitution tax applies, multiple IDs may be required in cases where a company is issuing goods or services to multiple states, and each state has its own tax ID. To set up substitution tax, define a Substitution address type in the business relation and link it to the state and the state tax ID.

Fig. 5.6
Address Type Create



Field Descriptions

Address Type. Enter a code (maximum 20 characters) that identifies an address type. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the address type. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active record.

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

Autonumbering Sequences

You can set up sequence numbers to be used to automatically generate numbers for:

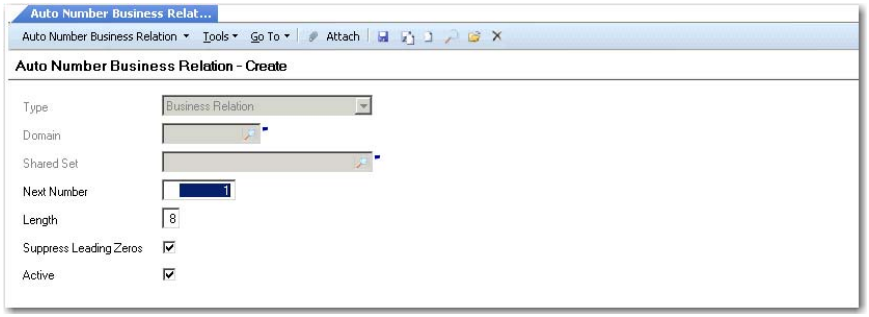
- Business relations
- Customers
- End users
- Suppliers
- Employees

When you leave the code field blank in the activities that create these records, the system supplies a number based on the defined autonumber sequence.

These sequences are all defined in a similar way. However, the scope of the sequence differs for the various types of records:

- Business relation autonumbers are database wide.
- Supplier, customer, and end user autonumbers apply at the shared set level.
- Employee autonumbers apply to each domain, and a domain code must be specified.

Fig. 5.7
Autonumber Business Relation Create



Field Descriptions

Type. This field cannot be updated. It automatically displays the type of component that this autonumbering sequence applies to.

Domain. This field applies to numbering sequences for employees. You can set up a separate sequence for each domain by specifying a domain code.

Shared Set. This field applies to customers, suppliers, and end users. Specify the shared set that this numbering sequence applies to.

Next Number. Specify the next number in the sequence. The system assigns this number to the next record created, and automatically increments the number for each subsequent record.

The number you define must be greater than the number previously defined in the Next Number field.

If you enter a number that has already been assigned to a record, the system displays an error message.

Length. Specify the maximum allowed length for the generated number. The system uses this value to determine the number of leading zeros to add, when required, and to validate automatically generated numbers to ensure they do not become too long.

Suppress Leading Zeros. Select the field to prevent the system from adding leading zeros to generated numbers that are less than the maximum length.

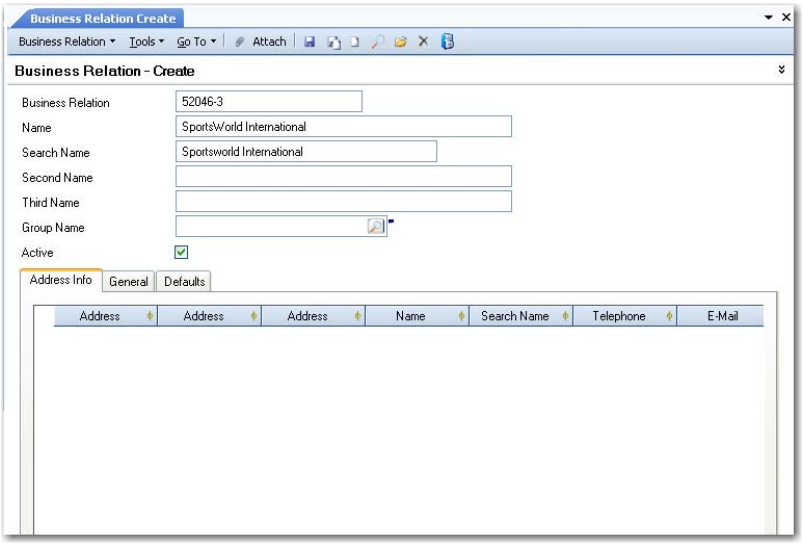
Active. Select the field to enable autonumbering for the relevant function—business relations, customers, suppliers, or employees.

Creating Business Relations

Use the Business Relation activities (36.1.4.3) to create, view, modify, and delete business relation records. You can also use the Excel Integration option to export records to or load records from an Excel spreadsheet.

Business relations can be saved in draft format when Draft Instances is selected in System/User Settings, Change System Setting. When you save a record in draft format, none of the system validations are executed. You can then return later to complete the record by choosing the Business Relation Browse Drafts activity (36.1.4.3.6) and selecting the record you want to finish from the list. For more information on drafts, see *Introduction to QAD Enterprise Applications User Guide*.

Fig. 5.8
Business Relation Create



Field Descriptions

Business Relation. Enter a code (maximum 20 characters) to identify the business relation. You can use numerical or alphanumerical codes. To simplify searches, you should adopt a convention that is easily understood.

If you leave the Business Relation field blank, the system automatically generates a number for the record based on the sequence defined in Business Relation Autonumber Create. See “Autonumbering Sequences” on page 236.

Name. Specify the full name (maximum 36 characters) of the business relation. This field sets the default name for linked addresses such as customers and suppliers. Name defaults from the Business Relation field.

Search Name. Specify an alternate name (maximum 28 characters) for finding the business relation. This can be useful for sorting and filtering. Search Name defaults from the Business Relation field.

Second Name. Optionally, enter an extended name (maximum 36 characters) when the Name field is not large enough to contain all information.

Third Name. If needed, enter a third name, required for some regional reports.

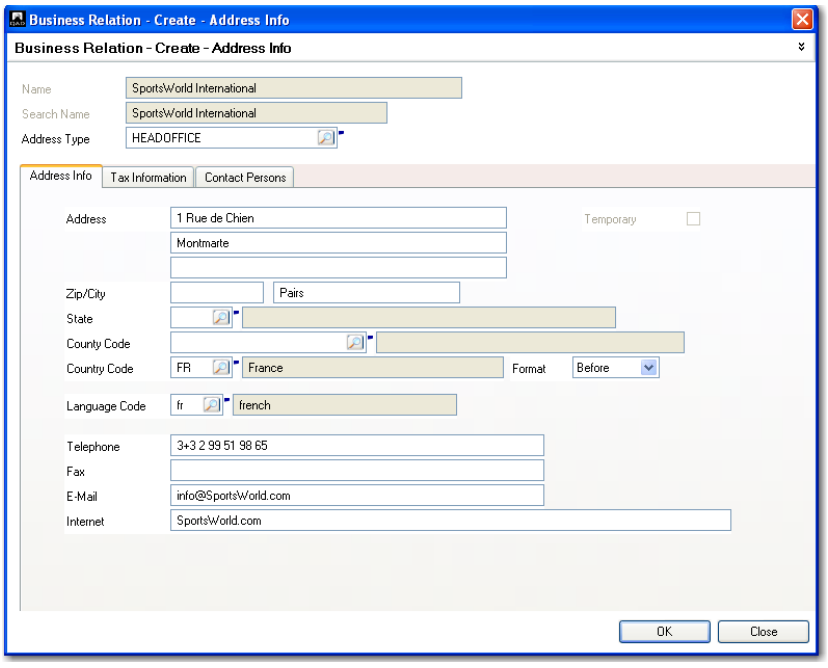
Group Name. Specify a corporate group to associate with the business relation for reporting. Click the Go To button to create a corporate group. See “Corporate Group” on page 233.

Active. Indicate if this is an active record.

Address Information Tab

A business relation must have a single address of the headoffice type. To add an address, right-click in the Address Information tab and choose Insert a New Row. The Business Relation Address Information screen displays.

Fig. 5.9
Business Relation Address, Address Information



Field Descriptions

Name. Specify the full name (maximum 36 characters) of this particular address. Name defaults from the value specified for the business relation. It cannot be modified for the headoffice type.

Search Name. Specify an alternate name (maximum 28 characters) for finding this address. Search Name defaults from the value specified for the business relation. It cannot be modified for the headoffice type.

The name is useful since some address types in the business relation may operate under their own name. For example, a ship-to address for this business relation may have a unique name.

Address Type. Choose an address type from the drop-down list. This field is mandatory.

A set of address types is supplied with the system. You can create new address types using Address Type Create. See Table 5.2 on page 234 for a list of system-supplied address types.

For each business relation, you must create an address with the headoffice address type. Other types of business relation addresses can be created as needed. However, you cannot create any other types until you have created the headoffice address.

It is common for affiliated addresses to operate under different names. For example, a customer ship-to address may have a name that is distinct from the customer address.

The only address types that can be created directly in the business relation are headoffice, dock, reminder, and remittance; you cannot create or delete ship-to and end-user addresses. You must use the Customer Ship-To and End User functions. This prevents ship-to and end-user addresses from being created that are not linked to customer ship-to and end-user records.

Temporary. If the type of this address is ship-to or dock, indicate if the address is temporary. This field is for reference and can be useful for sorting and filtering records.

Ship-to records created in operational functions such as Sales Order Maintenance (7.1.1) are automatically marked as temporary. You can change the setting here if necessary.

Address. Enter up to three lines of address details. Each line can be up to 36 characters. You must enter data in Address Line 1 at a minimum.

Zip. Enter the postal code or US zip code (maximum 10 characters) associated with this address.

Postal codes print on all address reports and documents, based on the setting in the Format field. Some reports can be selected for ranges of postal codes, letting you print reports for specific regions as identified by the postal code. The postal code is also part of the tax zone for the address.

City. Enter the city (maximum 20 characters) for this address. This field is mandatory. City can be used to select a tax zone.

State. Select a valid state or province code for this address. Description displays next to the code. The state is used to select a tax zone.

County Code. Select a valid county code that identifies the county for this address. Description displays next to the code. The county is used to select a tax zone.

Country Code. Select a valid country code that identifies the country where this address is located. Description displays next to the code. This field is mandatory and is used to determine tax defaults.

The default value for the Country field is the country associated with the business relation of the current entity.

Format. This field determines where postal codes display on printed addresses. It defaults from the value for the same field defined for the country. Valid values are:

After: Postal code prints after the city and state.

Before: Postal code prints before the city and state.

Language Code. Enter a valid code identifying the language used by this address. The customer ship-to language defaults to sales documents, such as quotes, sales orders, invoices, and service return material authorizations.

You can select orders for printing by range of language codes. This lets you use preprinted forms in different languages. Some financial documents can also be printed in the language of the customer.

Language defaults from the language specified in the General tab, but each address can have a different language if necessary.

Telephone. Enter the telephone number (maximum 40 characters) for calling this business relation address.

Fax. Enter the fax or telex number (maximum 40 characters) to use when sending documents to this address.

E-Mail. Specify the e-mail address associated with this business relation.

Internet. Specify the Web site of this business relation.

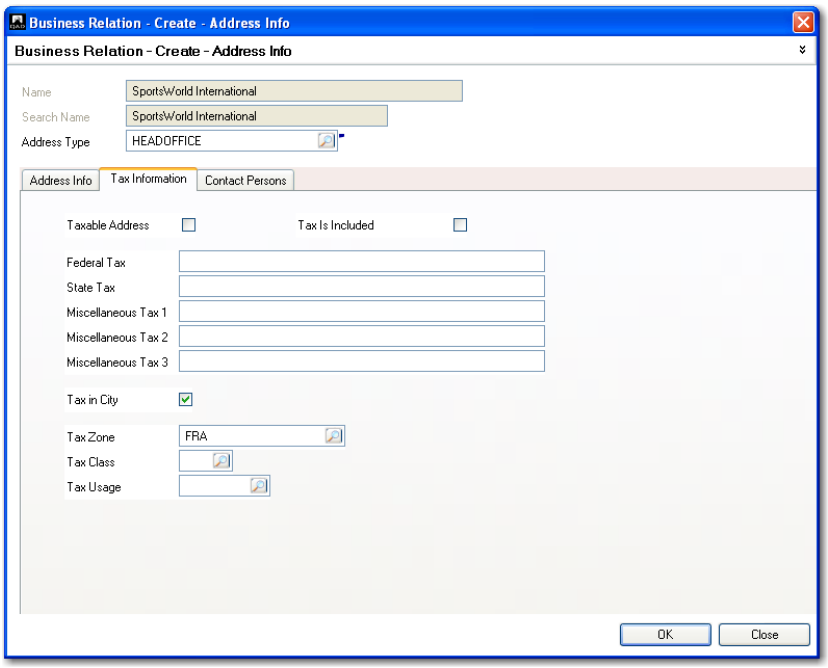
Tax Information Tab

Use the Tax Information tab to enter details that determine how taxes are calculated for this address. Tax codes must be set up using functions on the Global Tax Management (29) menu before specifying them here.

You can modify tax data for customers and suppliers. This is important in cases where a customer and a supplier are both linked to the same business relation, but the tax details of the customer must be different than those of the supplier.

See *QAD Global Tax Management User Guide* for information on tax.

Fig. 5.10
Business Relation, Address, Tax Information Tab



Field Descriptions

Taxable Address. Select this field if business activities for this address are normally subject to tax. The taxable status of the address defaults to transactions where the address is used.

Note A taxable status does not necessarily mean a tax amount is calculated. You can use tax types and zero-percent tax rates to report tax exemptions.

Tax Is Included. Indicate if line item prices for this address normally include tax. The value of Tax Is Included defaults to the header of transactions created for this address.

Clear: Tax is calculated and added to line item prices.

Select: The prices include tax. During line item entry, the system retrieves the item price, reverse-calculates the tax amount, and displays the item price exclusive of tax.

Federal Tax. Enter the tax ID assigned to this address by the federal or national government.

Tax ID prints on tax reports and other selected documents, such as orders and invoices, where it is legally required.

If Tax Report is selected on the General tab, the Federal tax ID must be unique; otherwise, related business relations can share an ID.

Note You can use non-intrusive customization to implement validation for the federal tax ID to ensure it meets the requirements of your local tax authority. This validation is then applied when you enter federal tax IDs in this field, or in the Federal Tax fields in the Customer and Supplier records. See *QAD System Administration User Guide* for more information.

State Tax. For reference and documentation purposes, enter either a state or provincial tax identification number or a VAT registration number. If the country specified for the address is an EU member, the ID is validated based on the tax format associated with the country. See “Tax Format” on page 231.

Note You can use non-intrusive customization to implement validation for the state tax ID to ensure it meets the requirements of your local tax authority. This validation is then applied when you enter state tax IDs in this field, or in the State Tax fields on the Customer and Supplier records. See *QAD System Administration User Guide* for more information.

Miscellaneous Tax 1, 2, 3. For reference and documentation purposes, enter any other tax identification numbers that are useful.

Tax in City. This setting determines whether the address is in the city limits for taxation purposes. It is used only with the Sales and Use Tax Interface for US and Canadian tax processing. See *Technical Reference: QAD Sales and Use Tax Interface.*

Tax Zone. Enter the tax zone for this address, defined in Tax Zone Maintenance (29.2.1). A value is required. The system searches for a default based on the country, state or province, county, city, and postal code of the current address.

If a default is not found, the tax zone specified in Global Tax Management Control (29.24) displays. This normally indicates an error condition and a warning displays when this zone defaults.

The system uses tax zones to help identify the tax environment for transactions involving this address.

Tax Class. Enter a tax class previously defined in Tax Class Maintenance (29.1.5). Tax classes group addresses taxed at specific rates or that are tax-exempt and help determine the default tax environment (set of tax types) for related transactions.

The value of Tax Class defaults to the header of transactions created for this address.

Tax Usage. Enter a tax usage code previously defined in Tax Usage Maintenance (29.1.9). Tax usage codes identify the normal use of items sold to this address.

Tax usage codes, along with tax class and tax date, determine which tax rates apply. Tax rates vary, depending on the nature of operation of the buyer or seller or on the intended usage of the item. Common tax usages are retail, manufacturing, and industrialization.

The value of Tax Usage defaults to the header of transactions created for this address.

Contact Persons Tab

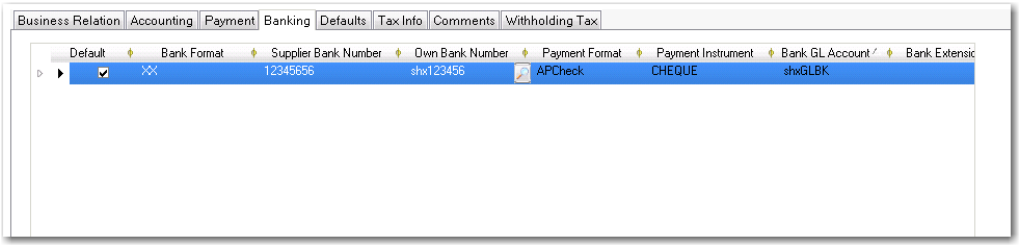
The Contact Persons tab lets you define detailed information for specific people associated with an address. All fields are optional, except for Name and Language.

You can create as many contacts as you need, and associate them with specific address types for the business relation. You can designate one primary and one secondary contact.

Errors display if you try to designate more than one primary or secondary contact. You must clear the field from the current primary or secondary contact before you can select the field on a different record.

To add a contact, right-click in the Contact Persons grid and choose Insert a New Row. The Contact screen displays.

Fig. 5.11
Business Relation, Address Contacts



Most fields you associate with a contact are the same as the fields specified in the Address tab for the business relation, with the following exceptions:

- Telephone and Fax fields are a maximum of 20 characters.
- You can specify additional information related to title, gender, and function.

Only one primary contact per address type is allowed. The primary contact corresponds to the Attention 1 field and the secondary contact corresponds to the Attention 2 field in operational addresses.

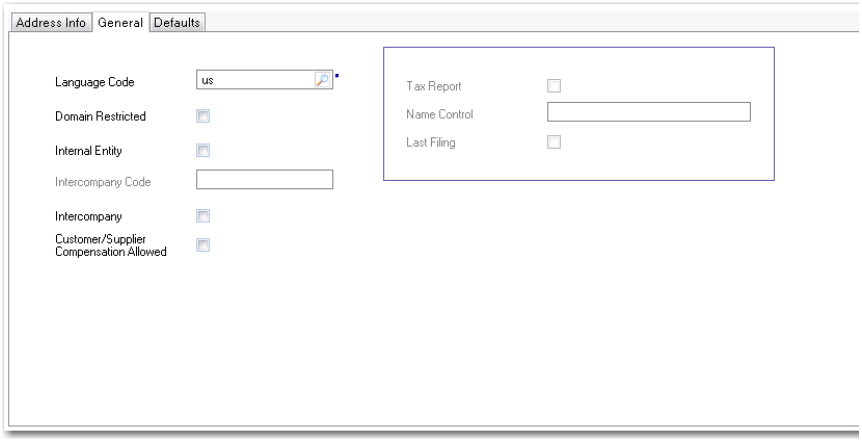
Primary and secondary contacts are used in call processing in the optional Service/Support Management module. The primary contact displays by default in the Caller field of Call Maintenance when you create new calls for an end user.

When a business relation is associated with an entity, the primary contact is also used in several customer-facing reports. The primary contact name, function, and telephone are used as part of the signature section of reminder letters.

General Tab

Use the General tab to define general information about this business relation.

Fig. 5.12
Business Relation, General Tab



Field Descriptions

Intercompany. Indicate if the business relation identifies an entity that is a member of a group of entities that trade with each other. When selected, you can enter an intercompany code in the Intercompany Code field.

Note Intercompany transactions are not the same as cross-company transactions, which are always posted to the cross-company accounts associated with the domain. Intercompany transactions are typically recorded for entities that are not defined in your current database.

If the business relation is identified as an internal entity, the Intercompany field is automatically selected and you cannot change it.

Internal Entity. Indicate if the business relation identifies one of your entities within this database. Only records marked as internal display for selection as the address for a new entity.

If this is an internal entity, you can also update the Tax Report, Name Control, and Last Filing fields, which are used for filing 1099-MISC reports in the US.

For internal entities, the Intercompany field defaults to selected, and cannot be changed. You must specify an intercompany code to be referenced in intercompany and cross-company transactions.

You should ensure that you specify a correct primary contact for the headoffice address of an internal entity since it is printed in some AR functions such as Reminder Letters and Customer Statements.

Customer/Supplier Compensation Allowed. Select the field to allow open items for customers and suppliers that belong to that business relation to be netted against each other.

When customer and supplier compensation is enabled at entity level, the Customer/Supplier Compensation Allowed field must be enabled for the business relations involved for an adjustment to be saved. See “Setting Up Entities” on page 45.

When customer and supplier compensation is disabled for the entity, this overrides the customer and supplier compensation setting for the business relation if compensation is enabled here. See “Open Item Adjustment” on page 383.

Intercompany Code. When Intercompany is selected, you must enter an intercompany code. This code is linked to GL accounts and GL transactions for this business relation when an intercompany transaction is created. This in turn lets you identify transactions that can be eliminated during consolidation.

Typically you should enter an intercompany code that is the same as the entity code. This field is not validated, so you must plan your intercompany codes carefully.

The code entered here must match the intercompany code entered for GL accounts in order to generate intercompany reports.

The intercompany code must be unique for this business relation.

Tax Report. For an internal company, indicate whether to use this address for 1099 tax reporting. In the United States, the Internal Revenue Service requires companies to submit an annual 1099 form on payments to certain suppliers. Only company addresses are used for 1099 tax reporting.

Clear: This address is not used for 1099-MISC reports.

Select: This is the payer address to appear on 1099-MISC reports.

When this field is selected, you must supply values for name, first line of the street address, city, state, zip code, telephone number, and federal tax ID for the headoffice address. A warning displays when Name Control is blank.

More than one company address record can use the same federal tax ID, but only one of those records can have Tax Report selected. More than one company address record can have Tax Report selected, but only when the federal tax ID is different for each record.

Name Control. For an internal company, enter the IRS magnetic media control code assigned to this company.

In the United States, this code is assigned by the IRS and must be included on all 1099 magnetic media. This code is generally listed on your IRS mailing label and contains some combination of the first few letters of your company name.

When Tax Report is selected, a warning displays when this field is blank.

Last Filing. For an internal company, indicate whether this is the last time your company is filing a 1099-MISC under its current taxpayer ID number.

Select only if your company is going out of business or merging with another company.

Language Code. Enter the code identifying the language used by this business relation. The default is the language associated with the current user.

The code specified here sets the default for each address created for the business relation, but can be changed as needed.

The customer ship-to language defaults to sales documents, such as quotes, sales orders, invoices, and service return material authorizations.

You can select orders for printing by range of language codes. This lets you use preprinted forms in different languages.

Master comments are also stored by language. When you update comments during order entry, the system searches for comments stored in the document's language. This lets you quickly access text, such as customs documentation or item descriptions, in the correct language.

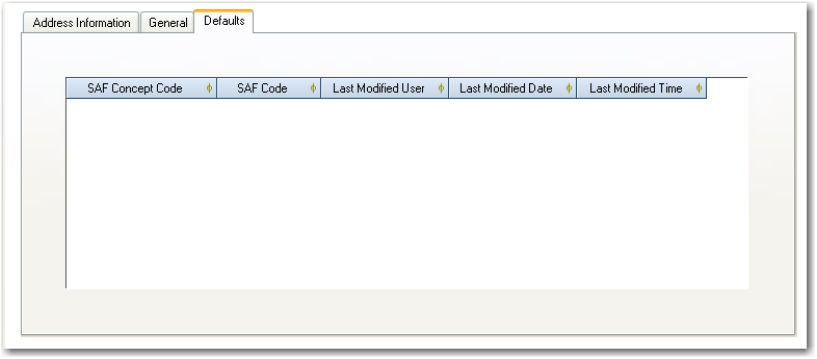
Domain Restricted. Indicate if access to this business relation is restricted by domain. A restricted business relation can only be viewed, modified, and reported on in the domain in which it was created. If, for example, the database is organized by domain per country, you can use this restriction to ensure that users cannot accidentally or deliberately use a business relation that belongs to another domain and country.

The value for this field defaults from the Business Relations by Domain field in System Maintain (36.24.3.1). See *QAD System Administration User Guide*.

Defaults Tab

Use the Defaults tab to specify default values for concepts within an SAF structure. Only one default can be specified for each concept. The defaults are used when a code value is not supplied in a transaction. These fields are not required. See "SAF Defaulting" on page 154.

Fig. 5.13
Business Relation, Defaults Tab



Field Descriptions

SAF Concept Code. Specify an SAF concept code.

SAF Code. Specify an SAF code.

General Data for Customers and Suppliers

You define three types of codes used within the system to manage the invoice process, format payment files, and calculate credit and due dates for both customers and suppliers. Define these codes before you begin setting up either customers or suppliers:

- Invoice status codes manage the stages of invoice processing.
- Credit terms manage the calculation of due dates.
- Payment formats create files for electronic delivery to customer and supplier banks.

Invoice Status Codes

Use the Invoice Status Code activities (36.1.11) to create, modify, view, and delete codes used to:

- Manage the approval, allocation status, and payment of invoices for suppliers.
- Identify contested invoices for filtering reports and managing finance charge calculation for customers.
- Associate a default invoice status with each customer and supplier record.

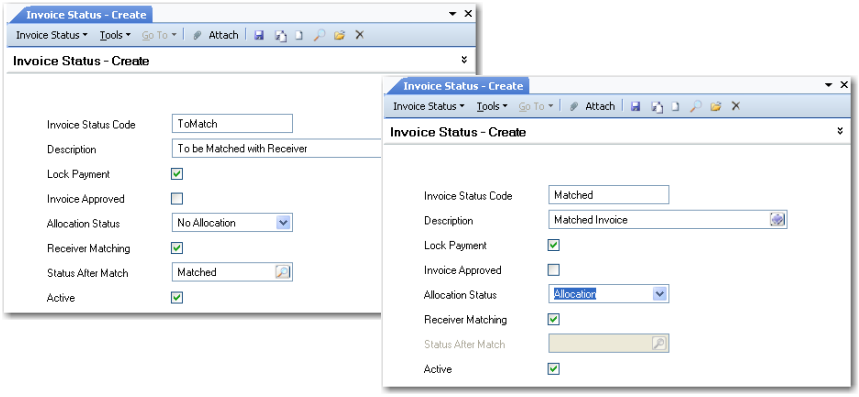
Invoice status codes are primarily used with suppliers. You approve supplier invoices and release them for payment by modifying the invoice status code applied to the invoice. You also control when and how postings occur by specifying an invoice status code with a different allocation status.

See “Allocating, Approving, and Releasing for Payment” on page 659.

The allocation status is typically changed after receiver matching, and you can specify the status the system should use after matching by linking two codes together. This linking is used to provide defaults during the processing of supplier invoices when receiver matching is done as a separate step. The defaults can be changed as needed.

The following figure shows two status codes: one before matching, and one after. The first code references the second.

Fig. 5.14
Linked Status Codes



Note When you define linked status codes; you should work backwards. Define the after matching codes first so they are available when you create the before matching codes. Alternatively, you can use the Go To function to create a second code while you are creating the first.

Sample Invoice Status Codes

Typically, you define a set of status codes that reflect all the activities associated with a supplier invoice. The following table illustrates one possible set.

Table 5.3
Sample Invoice Status Codes

Status Code	Description	Lock	Invoice Approved	Allocation Status	Match	Status After
Registered	New Invoice	Yes	No	No Allocation	No	N/A
Registered (PO)	New Invoice	Yes	No	No Allocation	Yes	Complete (PO)
Approved	Approved: Invoice is Valid	Yes	Yes	No Allocation	No	N/A
Approved (PO)	Approved: Invoice is Valid	Yes	Yes	No Allocation	Yes	Complete (PO)
Released	Released for Payment	No	Yes	No Allocation	No	N/A
Released (PO)	Released for Payment	No	Yes	No Allocation	Yes	Complete (PO)
Posting Prepared	Detailed Posting Prepared	No	Yes	Transient Allocation	No	N/A
Complete	Posting Complete	No	Yes	Allocation	No	N/A
Complete (PO)	Posting Complete	No	Yes	Allocation	Yes	N/A

Status Code	Description	Lock	Invoice Approved	Allocation Status	Match	Status After
Hold	On Payment Hold	Yes	Yes	Allocation	No	N/A
Initial	Initiate receiver matching from Initial Invoice	Yes	N/A	No Allocation	Yes	Complete (P/0)

These sample codes define several potential steps for processing supplier invoices when different roles in the organization are responsible for each step. In some organizations, a simpler approach may be adopted using fewer steps. For example, if invoices are first registered and then approved, released for payment, and posted all as one operation, only the Registered and Complete status are needed.

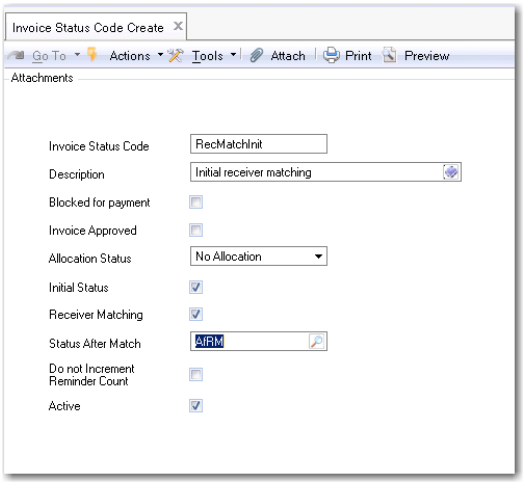
Different sets of codes may be needed depending on whether you are creating a financial invoice or an invoice for matching with a purchase order (PO). In the sample set up, the codes for POs have Receiver Matching selected, and specify a code to be assigned—Complete (PO)—when the matching is done. Since you need to define the Complete (PO) code before the others, this type of table is helpful in designing the codes you want to use.

The Hold status code can be used when a problem arises with a supplier after invoices have been completed and released for payment. In this case, it may be necessary to put one or many invoices for a supplier on payment hold until the problem is resolved.

Note None of the invoice status settings has any effect on customer invoices; the status code is used for filtering in reports and determining how invoices are included in finance charge calculations. Invoice status codes do not have a blocking effect on customer invoices and do not form part of the credit checking process.

Creating Invoice Status Codes

Fig. 5.15
Invoice Status Code Create



Field Descriptions

Invoice Status Code. Enter a code (maximum 20 characters) that identifies a combination of values for managing supplier invoices or a filter criteria for customer invoices. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the invoice status. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Lock Payment. Select this field to prevent supplier invoices with this invoice status from being included in payment selections.

Invoice Approved. Select this field if supplier invoices with this status can be approved for payment. This field must be selected in order to complete the Supplier Invoice Approve activity.

Allocation Status. Choose the allocation status for supplier invoices with this invoice status. This status controls how the system manages posting of GL transactions related to the invoice. Posting of a supplier invoice always has two steps:

- Posting to the temporary Unmatched Supplier Invoices account
- Posting from the Unmatched Supplier Invoices account to the correct cost account

How these steps occur is determined by the status code. Possible status values are:

No Allocation: The invoice is posted to the Unmatched Supplier Invoices account; posting to the cost account must occur later as a separate step.

Allocation: Two postings are created, the first to the Unmatched Supplier Invoices account and then immediately to the cost account in the official layer.

Transient Allocation: Two postings are created, the first to the Unmatched Supplier Invoices account and then immediately to the cost account in the transient layer.

Any: This option lets you choose either Allocation or Transient Allocation, as long as you have the appropriate daybook specified. A status code with this value would be used only for financial invoices; not receiver matching. In the Matching Posting tab of the supplier invoice, the official daybook defaults, but you can select a transient one if you want. This setting can simplify setup in some situations by avoiding having to have two different codes.

Initial Status. Select this field when you are creating an invoice status code to be used for initial invoices. Invoice status codes for initial invoices must be locked for payment, not approved and have a status of No Allocation. You can optionally select Receiver Matching as another attribute for initial invoices that are to be used in a matching process. This field is only available when you have selected No Allocation as the previous attribute.

Receiver Matching. Select this field when you are creating an invoice status code to be used for receiver matching. Selecting this field and No Allocation also makes the Status after Match field available. The status before match must have No Allocation and Receiver Matching set to Yes; the status used in the Status after Match field has Allocation selected and Receiver Matching also set to Yes. See “Using Invoice Status Codes” on page 681.

Note You cannot modify this field if the status code has been referenced in the Status after Match field of another code. You also cannot delete a status code that is referenced by another status code.

Status after Match. When No Allocation and Receiver Matching are selected, specify the invoice status code to be applied to the invoice after it has been matched.

The Status after Match field links a status code that is applied to the invoice before matching—with no allocation—and after matching—with allocation, so that the one is automatically replaced by the other, reducing errors and streamlining the process.

The code you specify in this field must have Allocation selected and Receiver Matching set to Yes.

Do not Increment Reminder Count. Select this field to create an invoice status code that prevents reminder levels on customer reminder letters from incrementing. You can use these status codes to create invoices that remain at the same reminder level for each print run.

Active. Indicate if this is an active record.

Credit Terms

Credit terms are used to calculate invoice due dates and to apply settlement discounts on early payments. Use credit terms also to define staged payments, which allow multiple payments to be made in stages based on invoice percentages. Credit terms are linked to customers and suppliers, and default when an invoice is created. You can modify these defaults on the invoice.

Types of Credit Terms

Two types of credit terms can be defined:

- Normal, for specifying the due date and any settlement discount that may be given for early payment
- Staged, indicating that multiple payments are made in stages based on invoice percentages:
  - A first amount (x percent) will be paid on due date MMDDYYYY.
  - A second amount (y percent) will be paid on due date MMDDYYYY.
  - A third amount (z percent) will be paid on due date MMDDYYYY.

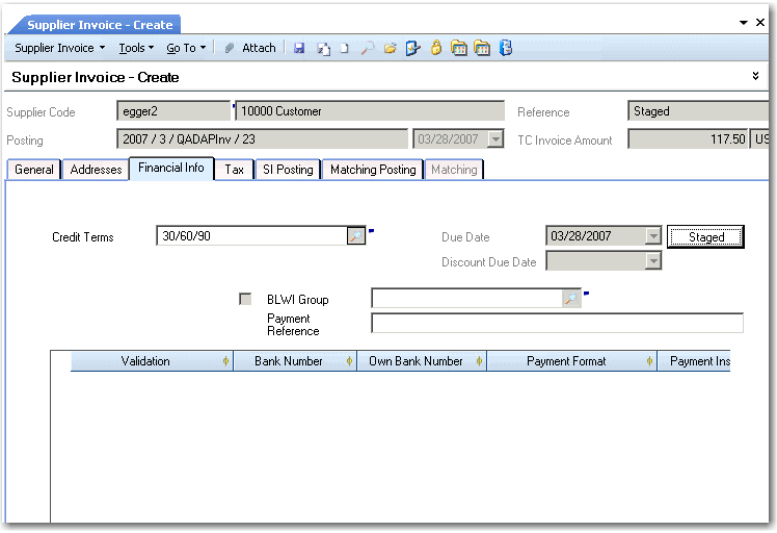
One credit terms code can contain a combination of types. For example, a long-term construction contract may specify a series of staged payments, with discounts for early payment to be applied to each stage. You can create a credit terms code that defines the stages and the discounts within one structure.

Note When you create a staged credit terms code, the codes that apply to each stage must be of type Normal.

Aging analysis functions take into account the individual amounts and due dates, and show each amount in a separate due column. Payment selection functions also account for the individual amounts and due dates, and select for payment only the part that is actually due.

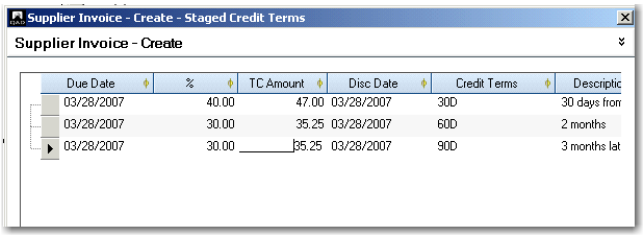
When staged terms apply to the invoice, the Staged button is enabled in the Supplier Invoice activity.

Fig. 5.16
Supplier Invoice



Clicking the Staged button displays the various components of the staged credit terms and lets you modify the percentage applied to each.

Fig. 5.17
Staged Credit Terms in Invoice



When a staged credit terms code applies, the system calculates and displays default values, which you can modify as needed.

Each line contains a due date, a percentage, and an amount. When the percentage is entered, the amount is calculated as the percentage of the invoice total. If you modify the amounts, the system verifies that the sum of all amounts entered equals the invoice total or an error displays.

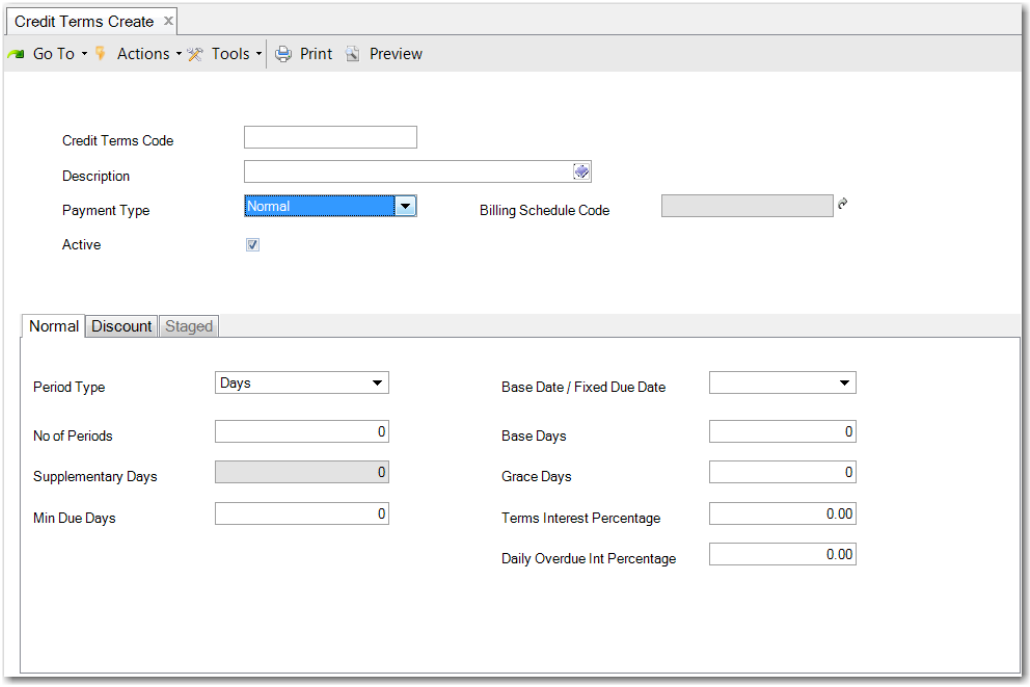
Each due date on the grid must be unique.

When a payment selection is created, you can select invoices based on due date. For invoices with a multi-stage credit terms code, only the due part of the invoice is selected in the payment selection.

Creating Credit Terms

Use the Credit Terms activities (36.1.10) to create, view, modify, or delete a credit terms code. Only credit terms that are not referred to elsewhere in the system can be deleted.

Fig. 5.18
Credit Terms Create



Field Descriptions

Credit Terms Code. Specify a code (maximum of eight characters) that identifies this credit term. You cannot modify existing credit term codes. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the credit term. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Payment Type. Select the type of payment: Normal, Scheduled, or Staged.

The payment type determines which tabs can be used to configure the credit terms code. Normal and Discount are used with normal payment types; Staged is used with the Staged payment type. When you select the Scheduled payment type, the tabs are disabled and the Billing Schedule Code field becomes mandatory.

Active. Indicate if this is an active record.

Billing Schedule Code. This field is only active when the Payment Type field is set to Scheduled, and it is then also mandatory. Enter a billing schedule code or use the lookup to select a code for use in due date calculations. The billing schedule code you enter must already exist and needs to be valid for payment type Scheduled.

Normal Tab

Use the Normal tab to define settings that determine invoice due dates for Normal credit terms.

Field Descriptions

Period Type. Choose the period type from the drop-down list that is used as the base for due date calculation. Calculations can be based on days, weeks, fortnights, months.

In each case, the system calculates the due date starting from the invoice date, and adds the number of periods (for example, weeks or months) indicated in the next field.

Days: The system calculates the due/discount date by starting from the invoice date and adding the number of days indicated in the No of Periods field.

Months: The system calculates the due/discount date by starting from the invoice date, going to the end of the invoice month, adding the number of calendar months indicated in the No of Periods field, then adding the number of days specified in the Supplementary Days field.

Fortnight: If the invoice date is prior to 15th of the month, the system uses 15th of the month as the starting point for discount/due date calculations. If the invoice date is after 15th, the system uses the end of the invoice month as the starting point in its calculations. Finally, if the invoice date falls on 15th or last day of month, the invoice date is used as the starting point.

Week: The system uses the date of the Saturday after the invoice date as the starting point for discount/due date calculations or the invoice date if it is Saturday. You can use this calculation so that the payment due date always falls on a Saturday of the following month, depending on the invoice date.

No of Periods. Indicate the number of periods to take into account when calculating the due date.

Supplementary Days. Specify the number of days that should be added to the normal calculation date. This value applies only when you select the period type Month.

Min Due Days. Specify the minimum number of days in which the payment must be made. This prevents creating invoices with unreasonable due dates. If an invoice is created near the end of the month and a due date is set for the end of the month, it is not reasonable to expect it to be paid. If the number of days between the invoice creation date and the end of month is less than the minimum number of due days, the payment due date is moved to the next period.

Example An invoice is created on October 31 with credit terms specifying payment at the end of the month, with due days of 10, and minimum due days of 15. Using these terms, the due date is calculated as November 10 (October 31 + 10). Next, the system compares the minimum due days (15) to the difference between the due date and the invoice date (November 11 – October 31). The difference is less than the minimum due days, so the due date is moved to the next period. In this case, the original due date of November 10 is changed to December 10.

Base Date/Fixed Due Date. Specify a base date to be used as the start date for the due date calculation, instead of the invoice creation date. Do this in situations where goods are shipped in advance of a negotiated invoice date but payment is made relative to the invoice date.

The system uses the later of the invoice date and base date as the starting point for the due date calculation and the earlier of the base date and invoice date as the starting point for the early payment discount date calculation.

When creating credit terms with a fixed due date, specify the due date. See “Creating Credit Terms with Fixed Due Dates” on page 255.

Base Days. Specify the number of calendar days by which the due date and early payment discount date are extended. When the system calculates due or discount dates, it appends Base Days to the calculated date.

Grace Days. Specify the number of days to be added to the financial due date of an invoice, after which interest charges are calculated.

Terms Interest Percentage. Specify a percentage to be used to calculate an amount to be added to the item list price. This percentage is based on the number of days to pay that are defined in the credit terms. When terms interest is used, it accrues the estimated inflation increase in sales and purchases.

Terms interest is typically used in hyperinflation environments to calculate an advance estimate of the currency gain/loss in the hyperinflationary currency.

- For purchasing, GL terms interest entries are created at PO receipt and update interest accrued and applied accounts specified in Purchasing Accounting Control (36.9.5).
- For sales, GL terms interest entries are created at invoice post, and update accrued and applied interest accounts set in Sales Order Accounting Control (36.9.6).

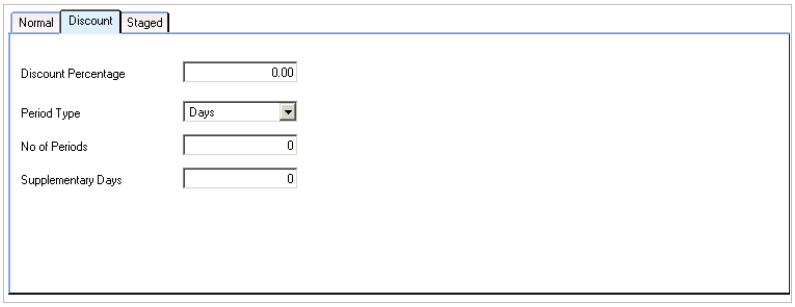
Daily Overdue Int Percentage. Specify an interest percentage to be charged per day for overdue payments. This option is used in specific accounting environments only, and is used in EDI Advanced Banking.

See “EDI Advanced Banking for Accounts Receivable” on page 843.

Discount Tab

Use the Discount tab to define the data that determines settlement discounts on early payments for Normal credit terms.

Fig. 5.19
Credit Terms, Discount Tab



Field Descriptions

Discount Percentage. Specify a discount percentage to be applied for prompt payments with this credit terms code. The default percentage is zero, and you must specify the actual discount percentage in this field, and not the payment percentage. For example, to apply a discount of 2% on settlement of the payment, you enter 2 as the value, and not 98.

Period Type. Choose the period type from the drop-down list: days, weeks, fortnights, months.

No of Periods. Enter the number of periods to take into account when calculating the due date.

Supplementary Days. Specify the number of days that should be added to the normal calculation date. This value applies only when you select the period type Month.

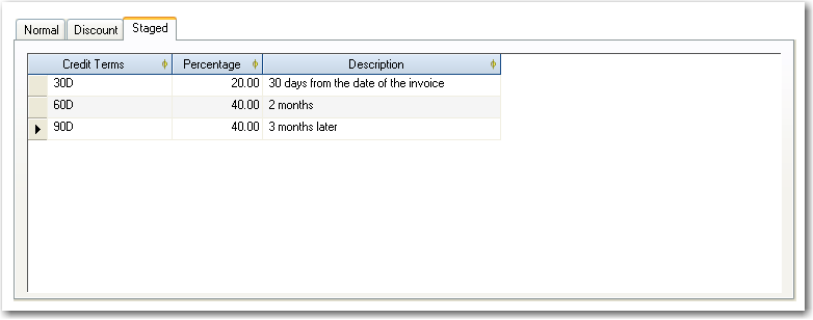
Staged Payments Tab

Staged payments consist of a series of normal credit terms, staggered over time periods. Enter a credit term code and percentage of payment for each stage of the payment. The description of the credit terms code is displayed for reference. The payment percentages must total 100%.

Each credit term code that you enter for a stage must be unique and of type Normal.

Example For a staged credit term code consisting of three stages, create the following codes for each of the stages: PC001, PC002, and PC003. Create a separate code for the staged payment: SP1.

Fig. 5.20
Credit Terms, Staged Tab



Creating Credit Terms with Fixed Due Dates

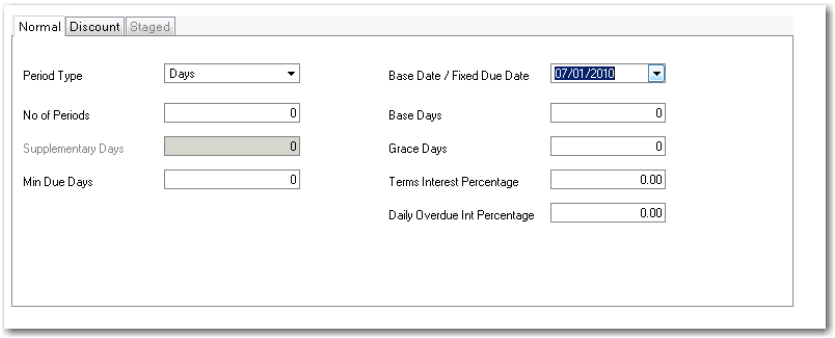
You can use Credit Terms Create to create credit terms with fixed due dates.

Fixed due dates are not calculated based on the invoice date. For example, if a credit term has a fixed due date of February 1, and an invoice for which that due date applies is created on February 15, the invoice due date is still fixed as February 1. You can also create staged credit terms with fixed due dates.

Complete the following steps to create credit terms with fixed due dates:

1. Specify the due date in the Base Date/Fixed Due Date field.
2. Set the No of Periods, Supplementary Days, Minimum Due Days, and Base Days fields to 0 (zero).

Fig. 5.21
Credit Terms Create, Fixed Due Date



Prepayment Credit Terms

At domain level, you can specify default prepayment credit terms for that domain. When prepayments are created, the domain-level prepayment credit terms are used instead of the customer's or supplier's default credit terms. If you do not specify a prepayment credit term at domain level, the system uses the credit terms specified in the customer or supplier record for the prepayment.

Deduction Credit Terms

At domain level, you must specify default deduction credit terms for that domain. This step is mandatory.

When deductions are created, the domain-level deduction credit terms are used instead of the customer's default credit terms. The due date of the deduction is then calculated using the domain credit terms.

See "Processing Deductions" on page 539 for more information on deductions.

Payment Formats

Payment formats are used in customer and supplier payments to define the layout of the payment output. These codes ensure that each payment from your account is formatted according to the requirements of the receiving customer or supplier bank. Each individual payment contains your own bank account details, the required format, and the correct customer and supplier account information.

Payment formats determine aspects of the payment such as:

- Whether the payment is for AR or AP
- Whether it is domestic, foreign, or both
- Which payment instrument to use, such as check, draft, or electronic transfer

Payment electronic formats are used with paper-based payments such as checks or drafts and with electronic payments such as direct debit or electronic transfer. Formats tend to be common to certain regions. For example, US banks tend to deal with AP and AR checks, while AP electronic transfers and AR direct debits are more commonly used by Northern European banks, and checks, drafts, and transfers by Southern European banks.

Note Payment formats are not required for cash transactions, which are processed using Petty Cash Maintenance.

Preconfigured formats are available on the QAD Support Web site for download and can be loaded in the system using an import function. These formats are designed for specific banking systems, and are used to create electronic payment files to be transferred to these banks. See “Bank File Format Import” on page 264.

You ensure that supplier and customer payments automatically use the correct format by linking the format to your bank account and then associating the linked account number to the supplier or customer bank account number. Once the account numbers are linked, the system selects the correct format.

When you create a customer or supplier payment, the customer or supplier default bank is automatically displayed in the payment screen. If you have defined multiple account numbers for a supplier or customer, you can select another account number for the payment but only if it has been linked to a format. See “Linking Payment Formats to Bank Accounts” on page 265.

Manual or paper payments and electronic payments are treated differently in the system, and require different formats.

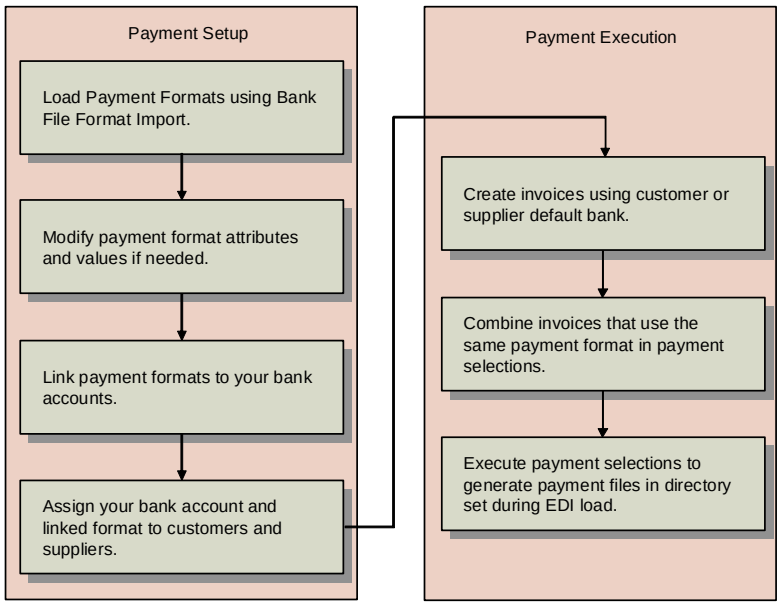
The system lets you change the default bank account and payment format within a supplier payment selection, provided the status of the selection is initial, and the bank account and linked format have already been configured. See “Changing Bank Accounts on a Payment Selection” on page 726.

Payment Format Setup Workflow

A number of different types of data must be set up before you can generate customer and supplier payments.

The following figure illustrates the general flow. This figure assumes that you have already created bank account validations and defined your entity banks. See “Define Bank Account Formats” on page 791 and “Define Own Bank Number” on page 794.

Fig. 5.22
Setting Up Payment Data



1 Load the payment formats you need using Bank File Format Import. This function imports predefined file formats for electronic bank files.

   Note You can also use Payment Format Excel Integration to create a template and load data. For more information on Excel Integration, see *Introduction to QAD Enterprise Applications User Guide*. However, this is typically not required, since Bank File Format Import provides this data for you.

2 Typically, no changes are needed to these formats, but if necessary attributes and values can be changed. See “Payment Format Maintenance” on page 259.

3 Link the payment formats to your entity bank account using Bank Payment Format Link (25.11.2). See “Linking Payment Formats to Bank Accounts” on page 265.

4 Associate your bank account and the correct linked format with the customer and supplier bank account numbers specified on the Banking tab of the Customer or Supplier function. See “Associating Your Bank with Customers or Suppliers” on page 266.

5 When this setup is complete, you can create invoices using this payment information, combine them in payment selections, and execute the selections to generate payment files. These activities are described in “Customer Payments” on page 503.

SEPA

The Single Euro Payments Area (SEPA) is a payment-integration initiative of the European Union (EU) to simplify electronic bank transfers. Within SEPA, all euro payments are treated as domestic payments.

A SEPA reference number is an alphanumeric string, up to 25 characters long. The letters RF always appear at the beginning of a SEPA reference. The two characters following RF are check digits and the remaining characters make up the actual reference.

Every electronic transaction within SEPA is assigned a SEPA reference. For customer payments, SEPA payment references are generated within the system and saved as a unique identifier for each transaction. According to SEPA standards, SEPA references are to be stored in four-character blocks. Therefore, numbers generated by the system are created and stored with blanks.

For supplier invoices received, the supplier generates the SEPA payment reference and the AR clerk enters the reference in the system. The SEPA reference is then validated by the system. For supplier transactions, the number is stored as you enter it. However, the system is able to process and validate the reference numbers whether they include blanks or not.

The Payment Reference fields on customer and supplier screens also enable you to use SEPA to allocate payments. SEPA references are also printed on financial reports such as Customer Invoice Print (27.1.1.4) and Supplier Remittance Print (28.9.9.8). In these reports, the SEPA references are always displayed with blanks. The SEPA payment reference is also used for matching in Process Incoming Bank Files and is integrated in the XML message of the outgoing supplier payment file. The SEPA reference in the XML message must be without blanks for processing purposes. Therefore, if the original reference contained blanks, these are removed for XML transmission.

When a customer or supplier bank account is set up to use the SEPA payment format, then any transaction must include a valid SEPA reference number. When SEPA messages are switched on at entity level, any deviation from SEPA format returns a warning message.

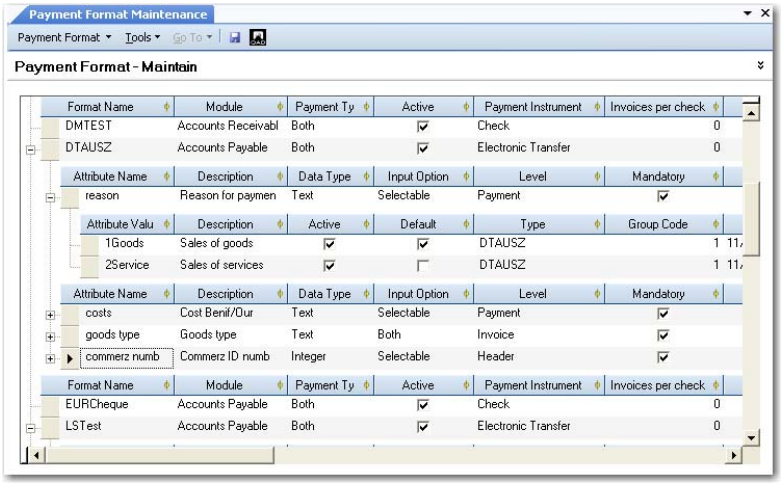
Payment Format Maintenance

Use Payment Format Maintenance (25.11.1) to view and modify payment formats, their attributes, and attribute values. You can also create a new format by adding a new row in the grid and specifying its attributes. You must ensure that these attributes match the requirements of the banking system to which you send the payment.

For electronic payment formats, most users use Bank File Format Import to import predefined formats so that manually creating payment formats is not needed. This function imports formats as bank-specific XML files, and automatically creates payment formats that are customized for the bank's individual requirements. The imported formats are displayed in the list of available payment formats and can then be linked to the bank accounts used for the payments. See "Bank File Format Import" on page 264.

Once you have used a payment format in a payment, you cannot subsequently modify the format code, but can modify the description and currency. The exception to this rule is the use of bank accounts and formats within a supplier payment selection, which you can change when the status of the selection is initial. See "Changing Bank Accounts on a Payment Selection" on page 726.

Fig. 5.23
Payment Format Maintenance



Field Descriptions

Format Name. Enter a name for the payment format.

Module. Specify Accounts Payable or Accounts Receivable depending on whether the format is used for supplier payments or customer payments.

Payment Type. Specify Domestic, Foreign, or Both as the payment type. A payment is defined as foreign if the country code of the supplier is different than that of your own entity.

The system verifies that the payment type of the format is correct based on the bank validations:

- If the validation format associated with your GL bank account (in the Banking tab of Account Create) is the same as the validation specified for the customer or supplier bank (in the Banking tab of Customer Create or Supplier Create), only formats marked as domestic or both can be used.
- If the validation format associated with your GL bank account is different than the one specified for the customer or supplier bank, only formats marked as foreign or both can be used.

See “Define Bank Account Formats” on page 791.

Active. Indicate if this is an active record.

Currency. Specify a currency for the payment format.

Payment Instrument. Select Check, Draft, Direct Debit, Electronic Transfer, Promissory Note, Summary Statement, Transfer, or Credit Card as the payment instrument for this format.

You use checks, drafts, direct debits, promissory notes, summary statements, and credit cards in AR payments. Transfers and electronic transfers are used in AP payments only. See “Customer Payments” on page 503 and “Supplier Payment Instruments” on page 708 for descriptions of these instruments.

Invoices per Check. If you are creating a check format, enter the number of invoice lines that can be printed on the check. This limit ensures that you do not have more invoice lines on a single check than can be printed on a single page, and prevents an error in the numbering sequence of a check print run.

Type Description. Enter a brief description (maximum 40 characters) of the payment format.

TP Site, TP Address, Subsystem. These fields display information used in the EDI eCommerce load program.

SEPA. Select this field to indicate that the format is of type SEPA. By default, this field is not displayed but you can add it to the grid using the Columns right-click option.

Payment Attributes

Payment attributes provide additional information about the payment, and can be mandatory or optional depending on the requirements of the banking system that is to receive the payment. Attributes are typically used for electronic payments, since you are unlikely to need attributes and values for a paper payment format.

You create a new attribute by selecting the format row in the grid and adding a child row to the format. You can add values to attributes, in cases where you want to apply an attribute to a number of different payments and identify each payment by a different value.

When you change the bank account and payment format on a supplier payment selection, you must ensure that attributes linked to the new format are consistent with the original attributes you defined for the invoices and supplier referred to in the selection. This is described in “Changing Payment Attributes on a Selection” on page 727.

Example The sales commission codes for payments to a particular customer are 400, 500, and 600. You create an AR payment attribute called Commission Code which has the values 400, 500, and 600. When creating customer payments, you can select the correct commission code for each payment.

When you load predefined payment formats, all required attributes are already defined and loaded.

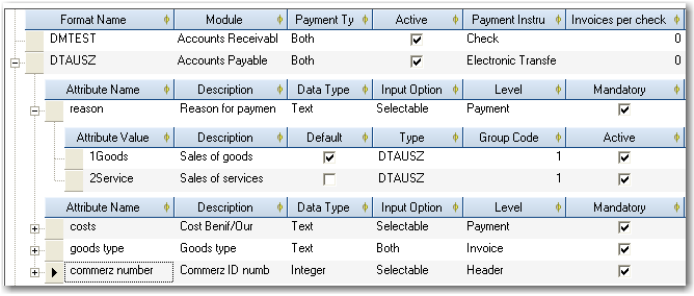
Three types of payment attributes correspond to three sections of an electronic payment file:

Header-level attributes. These attributes can be used for addressing details in the payment header of the file. When a format containing header attributes is used in a customer or supplier payment selection, you can modify the header-level attributes of the format in the Payment Selection Create screen. See “Supplier Payment Selections” on page 718 and “Creating Customer Payment Selections” on page 533.

Payment-level attributes. These attributes are used to provide payment information for customer or supplier orders. These attributes can be modified during the creation of the invoice.

Invoice-level attributes. These attributes are used to provide invoice information in the payment file. These attributes can be modified during the creation of the invoice.

Fig. 5.24
Payment Attributes



Field Descriptions

Attribute Name. Enter an appropriate attribute name.

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

Data Type. Select the payment format data type:

Date. When you select a date type, you must enter a valid date as the attribute value. For example, enter the expiration date for the payment as a date attribute.

Text: When you select a text type, enter an attribute name as a generic description of the attribute values. For example, use a text type to record the Cost Commission code for the payment.

Amount: An amount attribute must be a positive or negative decimal number. Use the amount attribute to indicate a set quantity; for example, the quantity of goods sold for which this payment is being made.

Logical: A logical attribute is either true or false and must have the values Yes or No. You must select one of these attribute values as a default value.

Example Define an attribute for domestic sales and assign the values Yes or No. For payments for domestic sales, you select the Yes value when creating the payment. For non-domestic sales, you select the No value.

Integer. This type must consist of a negative or positive whole number. For example, you can create an attribute to indicate the central bank reporting ID of your bank.

Input Option. Select an input option for the attribute:

Selectable: Users must select one of the attribute values when creating the payment.

Editable: Users can edit the value on the payment screen.

Both: Users can select from the values defined, or edit the value on screen.

Level. This field indicates the level of the payment file to which the attribute applies: Header, Invoice, or Payment.

Mandatory. This field indicates if the attribute is mandatory in a payment using this format. When an attribute is mandatory, you must supply a value for the attribute in order to complete the payment.

Active. This field indicates that the attribute is active.

Group Code. This field is an internal reference ID for a set of attributes.

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

Payment Attribute Values

Assign values to an attribute by selecting the attribute row in the grid and adding a child row to the attribute.

Field Descriptions

Attribute Value. Enter a text or numerical value for the attribute, depending on the attribute data type. When you enter multiple values, you must select one when creating the payment.

Description. Enter a brief description (maximum 40 characters).

Active. Indicate if this is an active record.

Default. Select this value as the default value to be displayed in the payment create screen.

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

Grouping Payment Attribute

You can use the Grouping attribute to group payments.

If your bank charges a fee for each payment transaction, you can use the Grouping attribute to group multiple invoice payments for the same supplier in order to reduce bank charges. In this case, Grouping is set to True.

If your bank does not charge a fee for each transaction line, it is better to have a single payment for each invoice because this helps the supplier to match the payments to open invoices. In this case, Grouping is set to False.

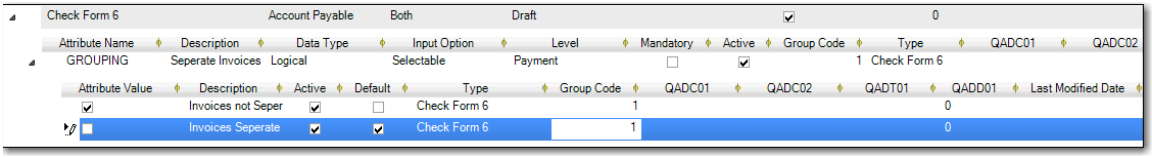
Set the default Grouping value to False in the Banking tab of any suppliers where you want to use a single payment for each invoice. If you do not specify this attribute, the default behavior is that Grouping is set to True.

When the attribute is set for a supplier, all newly created invoices for that supplier inherit the setting. However, you can modify the attribute on a case by case basis using Supplier Invoice Create or Supplier Invoice Modify. In Payment Selection Confirm, if all the selected invoices for a supplier have Grouping set to False, the system separates the payment selection into single payments for each invoice.

The Grouping attribute is pre-added for some payment formats. However, you can add the attribute for any payment formats using Payment Format Maintenance.

The Grouping attribute must have a type of Logical. If you specify Selectable as the Input Type, you can create two possible values for the Grouping attribute: True and False. To create the two values, insert two child rows and select the Value field for one of the rows. The selected row indicates the True value.

Fig. 5.25
Grouping Attribute



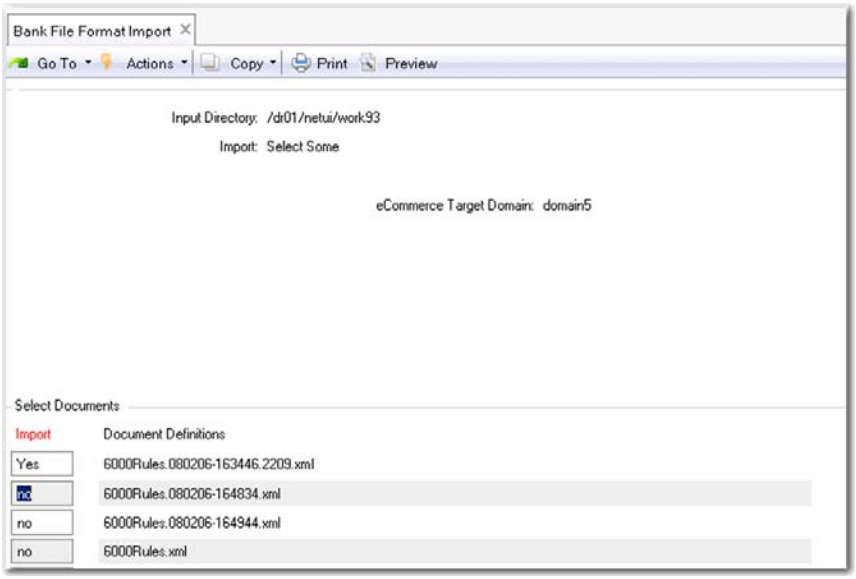
Bank File Format Import

To configure and install predefined bank formats, you use a number of EDI eCommerce functions to create a definition for the specific bank file format. For the EDI eCommerce steps required, see *QAD System Administration User Guide*.

You then use Bank File Format Import (31.23) to import predefined bank format XML files for use with electronic bank payments. Each imported format file is specific to an individual bank and contains the payment information and attributes required for that bank. Once the file is imported, a payment format with the same name is displayed in Payment Format Maintenance. You can then link this format to the bank account you intend to use for electronic payments.

The format definition files are usually delivered by the bank in zipped XML format. You unzip the files to a server directory and then load the files into the system using the Import function.

Fig. 5.26
Bank File Format Import



Field Descriptions

Input Directory. Specify the input directory from which to load the XML definition files. This is the same server directory in which the original bank files were stored.

Import. Choose from the following selection options:

Select All. All the format files in the directory are imported, and a payment format is created for each one.

Select Some. Select one or multiple files to import. The system displays the Select Documents frame, which is a list of the format files available in the input directory.

You can use the keyboard arrow keys to scroll through the list of available import files before selecting. Press the space bar or use the Enter key to select a file. Press F1 or F4 to exit this selection screen.

eCommerce Target Domain. This read-only field indicates the eCommerce domain into which the trading partner information is loaded. eCommerce domains are associated with one or many QAD domains and are described in *QAD EDI eCommerce User Guide*.

The system prompts you to confirm that all information is correct. Choose No to cancel the import.

Note You cannot overwrite existing format files of the same name.

When the import is completed, review the log file in the import directory for errors or warnings. For example, the function directory may not exist, or a user-defined function may not compile correctly. This log file is named:

```
library-import-<today's date>-(nn).log
```

and is stored in the input directory.

Optionally, for outbound definitions, verify the destination directory and file name counter in Transmission Group Maintenance (35.13.13). These fields define where exported files are written and which eCommerce NRM sequence is used to generate file names.

Note The Transmission Group name matches the Trading Partner ID and also maps to the bank format name.

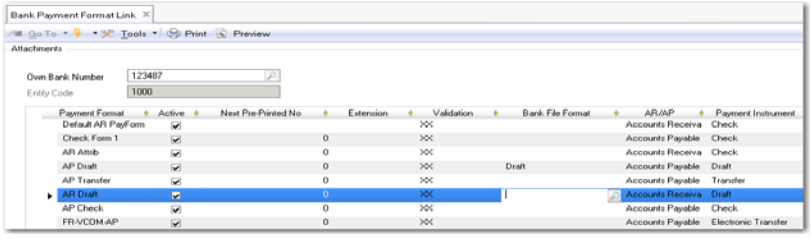
Linking Payment Formats to Bank Accounts

Use Bank Payment Format Link (25.11.2) to link payment formats to bank accounts. You select the bank account by its number, and only GL accounts for which you have defined the account number can be linked to a format.

You can link as many formats as required to the account, although you normally require only one format (for example, check, draft, or electronic transfer) for each customer or supplier. When you select multiple formats for the account, all formats are linked to the same account number. When you create a payment selection, the other formats defined for the account are selectable in the account number browse. See “Supplier Payment Selections” on page 718.

Once you select a format, the system loads the format details into the grid as read-only fields.

Fig. 5.27
Bank Payment Format Link



Field Descriptions

Own Bank Number. Select the account number of the bank account to which you want to link a payment format.

Entity Code. This field displays the entity associated with the bank account. This is usually the current entity, and the bank account is normally your own bank account.

Payment Format. Specify a payment format to link to the bank account.

Next Pre-Printed Number. Enter an initial number for supplier check print runs. The system automatically uses this number to begin check print runs when the payment format is associated with the supplier payment.

See “Printing and Voiding Supplier Checks” on page 751.

Extension. This field indicates the bank extension number, if any.

Validation. This field indicates the account number validation, if any.

Bank File Format. Select a bank file format when you intend to generate automatic AR and AP payments from electronic files produced by this bank account. You define bank file formats using Bank File Format Maintain.

AR/AP. This field displays the module (Accounts Receivable or Accounts Payable) for the payment format.

Payment Instrument. This field displays the payment instrument for this format: Check, Draft, Direct Debit, Transfer, Electronic Transfer, Direct Debit, Promissory Note, or Credit Card.

Note Customer payment selections for direct debits are automatically defined as automatic payments. See “Creating Customer Payment Selections” on page 533.

Payment Type. This field displays the payment type for this format: Domestic, Foreign, or Both. See “Payment Format Maintenance” on page 259.

Bank Account. Specify the GL account of type bank to which you want to link this payment format. The lookup displays the bank account number, and retrieves only GL accounts for which an account number has been defined.

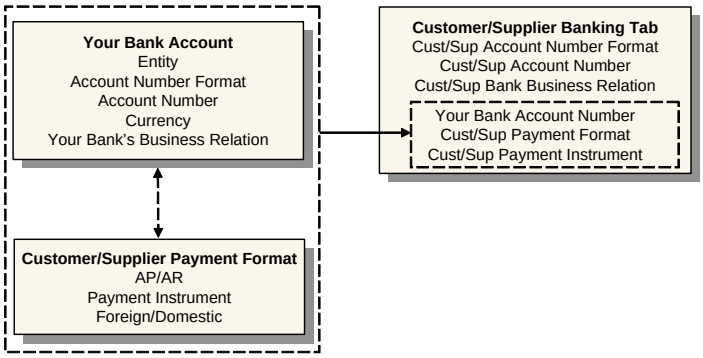
Bank Charge Applies. Select this field when the bank charges for payments made in this format. If the supplier pays the bank charge, the system calculates the charge and deducts it from payments before sending these payments to the supplier. See “AP Bank Charges” on page 737. This field is hidden by default and can be displayed by right-clicking the column header, choosing Columns, and selecting the Visible option in the appropriate row.

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

Associating Your Bank with Customers or Suppliers

You set up the relationships between your entity bank account and customer and supplier accounts on the Banking tab of the customer and supplier definitions. See “Banking Tab” on page 277.

Fig. 5.28
Associating Your Bank with Customers and Suppliers



You can assign multiple bank account numbers to the customer or supplier, but you designate one default account. The business relation you specify for the customer or supplier in the Banking grid is that of the customer or supplier's bank.

Once you have completed the setup, the system automatically loads the account and format details when you create a customer or supplier payment.

The Financial Info tab of customer and supplier invoices displays the customer or supplier bank number, your entity bank number, and the payment format and payment instrument to apply to the invoice.

For customer or supplier payments, the system loads your bank account, the customer or supplier bank account number, and the payment format to apply to the payment. To load a different format for the customer or supplier, select a different account number. Create a new line in the grid for each account number.

When you change the bank account and linked format on an initial supplier payment selection, the system automatically loads the new account and format details into the Banking tab of the supplier definition. See "Changing Bank Accounts on a Payment Selection" on page 726.

Setting Up Customer Data

Customers represent the companies that purchase your goods and services. They are referenced on sales quotations, sales orders, invoices, and in accounts receivable. They are also used for service and support documents, such as calls, contracts, and return material authorizations (RMAs).

Customers are created and all financial related data, such as credit limits and accounts, are defined by designated users with access to financial functions. After a customer has been created and set up by an authorized role, additional operational data, such as the default inventory site for sales transactions, can be associated with the record in Customer Data Maintenance (2.1.1). For details, see *QAD Master Data User Guide*.

Note The customer cannot be used in operational functions until this data is set up.

Values associated with customer addresses determine default values in functions that reference customers, as well as determining how customer transactions are processed. For example, Credit Hold determines whether orders for a customer are automatically put on credit hold.

A sales order or sales quotation can reference up to three customer addresses. These addresses can reference the same business relation or different business relations.

- *Sold-to customer.* The customer placing the order.
- *Bill-to customer.* The customer paying the invoice. A single bill-to is assigned when the customer is set up. If no bill-to is assigned, the sold-to customer code is used as the bill-to.
- *Ship-to customer.* The customer receiving the order. Ship-to customer IDs are set up in the Customer Ship-To function. Each customer can have multiple ship-to addresses.

Sales order header information, such as default credit terms and currency, is determined by the bill-to customer. Other fields default from the sold-to customer, unless a customer record was entered for the ship-to address for the order. These include language, taxable status, and other tax defaults.

During order entry, the bill-to address defaults from the sold-to, unless a different bill-to address is assigned to the sold-to customer. The ship-to address also defaults from the sold-to address. If alternate ship-to addresses are defined, they can be selected as needed.

Before setting up customers, you must first define customer type codes and credit rating codes, described next. Customers also require GL profiles for defining:

- Control accounts for invoices
- Control accounts for credit notes
- Customer bank accounts
- Sales accounts

You must set up the accounts and profiles before defining customers.

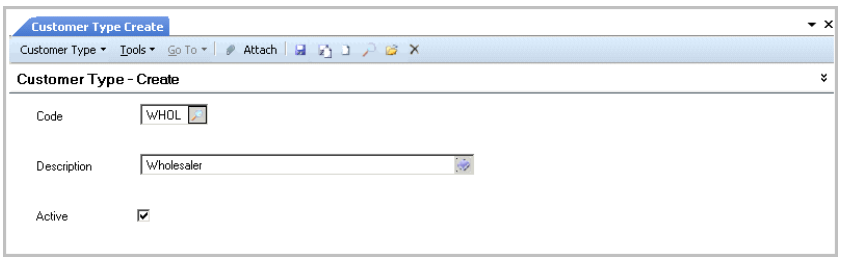
See Chapter 4, “Setting Up General Ledger,” on page 81.

Customer Type

Use the Customer Type activities (27.20.4) to create, modify, view and delete codes for grouping customers. You can use customer type to select groups of customers for reporting, in particular for sales analysis reports. Customer types are system-wide data and apply to all domains and entities.

You can also define GL sales accounts by customer type, channel, product line, and site in Sales Account Maintenance (1.2.17). This lets you separately track sales and cost of sales amounts for different types of customers.

Fig. 5.29
Customer Type Create



Field Descriptions

Type. Enter a code (maximum four characters) that identifies a customer type. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the customer type. This field is mandatory; the description cannot be blank.

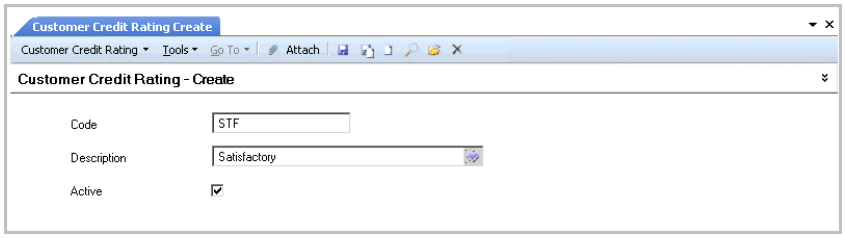
You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active record.

Customer Credit Rating

Use the Customer Credit Rating activities (27.20.5) to create, modify, delete, and view codes for ranking customers by creditworthiness. You can use customer credit rating to select groups of customers for reporting. Customer credit rating codes are system-wide data and apply to all domains and entities.

Fig. 5.30
Customer Credit Rating Create



Field Descriptions

Code. Enter a code (maximum eight characters) that identifies a customer credit rating. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the rating. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active record.

Bank Account Numbers

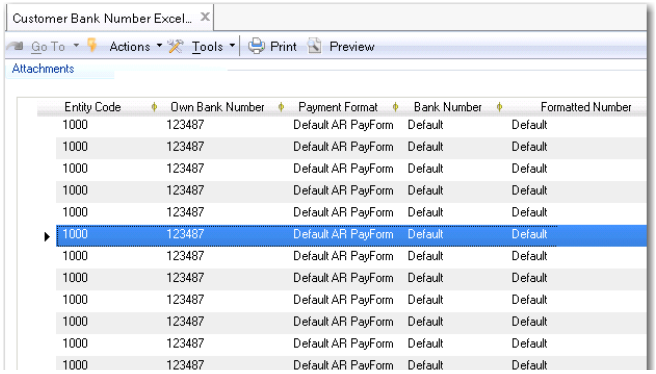
You can use Customer Bank Number Excel Integration (27.20.1.8) and Supplier Bank Number Excel Integration (28.20.1.7) to load bank numbers and modify existing bank number records. You can also export the data to Excel for update or review.

Note This same function is available for suppliers; the description here applies to both customers and suppliers. In addition, the supplier function enables you to load supplier bank numbers by filter.

You can use the Load Bank Numbers option in the right-click menu in the grid to load all existing customer bank numbers. You can then make mass updates to all the customer bank numbers; for example, changing the own bank number of a cross-section of customers. The Existing Record field in the grid lets you determine whether the bank number record you modified updates an existing record or creates a new bank number record.

For a description of how to import data from Excel, see *Introduction to QAD Enterprise Applications User Guide*.

Fig. 5.31
Customer Bank Number Excel Integration



Field Descriptions

Bank Account Number. Specify the bank account number.

Formatted Number. This field displays the formatted bank account number. See “Define Bank Account Formats” on page 791.

Active. Indicate if this is an active record.

Default. Specify the default bank account number.

Extension. Specify the bank extension number.

Validation. Indicate if the account number must be validated.

SWIFT Code. Specify the SWIFT code.

Type. Specify the parent type: Customer, Supplier, or GL.

Branch. Specify the branch associated with the bank.

Parent Object Code. Specify a customer, supplier, or GL code.

Business Relation Code. Specify the bank business relation code.

Curr. Specify the currency code of the bank account.

Entity Code. Indicate for which entity the bank number can be used.

Own Bank Number. Specify the number of your bank to be associated with this customer or supplier bank.

Payment Format. Specify the code set up in Payment Format Maintain associated with your bank account number.

Payment Instrument. Specify the payment instrument associated with the payment format associated with your bank account.

Referenced. This field indicates if the account is already referenced within the system.

Existing Record. This field lets you control how the system treats existing bank number records modified using Bank Number Excel Integration. When using Bank Number Excel Integration, the combination of customer code, bank number, own bank number, and payment format uniquely identifies a record.

If you modify an existing bank number record in the grid and leave the Existing Record field selected, the system tries to locate a unique bank number record to update that has the same key identifier values as the record you modified in the grid. If the system locates a single matching record, it saves your change as a modification to the existing record. If the system cannot find a matching record to update, an error message displays.

If you modify an existing bank number record in the grid and deselect the Existing Record field, the system saves your change as a new bank number record.

When you load existing bank number records from the database, the Existing Record field is automatically selected for bank numbers that have never been used in a payment and is deselected for bank numbers that have been used in payments. If a bank number is used in a payment, you can no longer update the bank number record.

Important Before using combinations of own bank numbers and payment formats in Excel integration, you must define them first in Bank Payment Format Link.

Bank Account Format. Specify the code set up in Bank Account Format Create for validating this bank account number.

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

Example

Open Customer Bank Number Excel Integration. You right-click in the grid and select Load Customer Bank Numbers to load all customer bank numbers in the database into the grid.

You select a record with the following details:

- Customer Code: APEX
- Bank Number: 320-8998278-84
- Own Bank Number: 110-7897237-66
- Payment Format: Check

In the Customer Bank Number Excel Integration grid, you change the own bank number of the record to 230-5897239-68 and select the Existing Record field. You click the Save button and the system updates the existing bank number record.

Creating Customer Records

Use the Customer activities (27.20.1) to create, view, modify, or delete a customer. Account profile details cannot be modified if transactions already exist. A record can be deleted only if it is not referred to in the system. Instead, you can mark the record inactive.

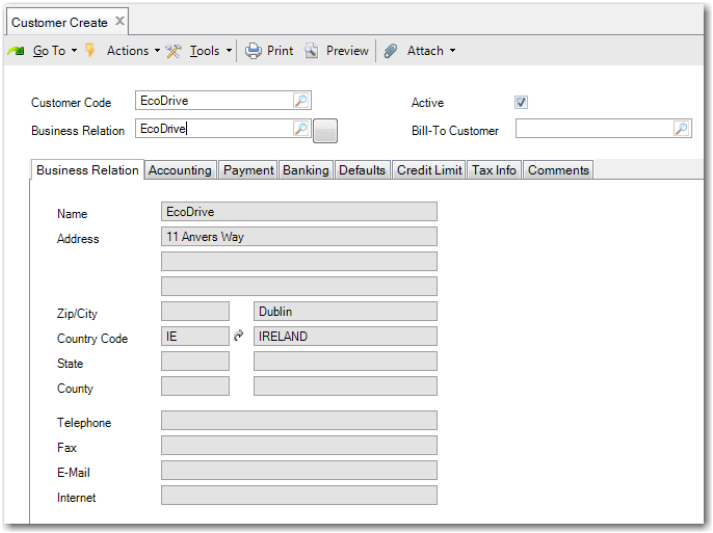
Customers can be saved in draft format when Draft Instances is selected in System/User Settings, Change System Setting. When you save a record in draft format, none of the system validations are executed. You can then return later to complete the record by choosing the Customer Browse Drafts (27.20.1.7) activity and selecting the record you want to finish from the list. For more information on drafts, see *Introduction to QAD Enterprise Applications User Guide*.

The Customer function supports these additional activities:

- Use Customer Credit Limit Maintain (27.20.1.6) to adjust the customer credit information. This displays exactly the same tab that displays in Customer Create. See “Credit Limit Tab” on page 279.
- Use Customer Activity Dashboard (27.18.1) to view all customer credit-related information, including open items and payments, for one or multiple entities. From this view, you can drill down to the details of the invoices and credit notes. See “Credit Reporting and Views” on page 568 for details.
- Use Excel Integration (27.20.1.5) to export customer records to or load records from an Excel spreadsheet. For more information on Excel Integration, see *Introduction to QAD Enterprise Applications User Guide*.
- Use Customer Bank Number Excel Integration (27.20.1.8) to import data related to customer banks.

After creating a customer here, specify additional operational data in Customer Data Maintenance (2.1.1). An e-mail is automatically sent to the members of the CustomerNotify role responsible for creating this data when a new customer is created.

Fig. 5.32
Customer Create



Field Descriptions

Customer Code. Specify a code (maximum eight characters) that identifies a customer. If the code you specify matches an existing supplier code, a warning message displays. You can choose to ignore the warning, and create the record. However, when a supplier and customer share the same code, they must reference the same business relation.

If you leave the Customer Code field blank, the system automatically generates a number for the record based on the sequence defined in Customer Autonumber Create. See “Autonumbering Sequences” on page 236.

Business Relation. Choose a business relation code to associate with this customer. Address and contact details default from the headoffice address type of the business relation; you cannot modify the details here. After you have created a customer, you cannot modify the associated business relation.

Note You can create a new business relation for the customer if necessary by clicking the Go To icon next to this field.

Active. Indicate if this is an active record. When you mark a record as inactive, all of the transactions that can be blocked in Blocked Transaction Maintenance (2.23.1) can no longer be completed. For example, you cannot create a new sales quote or order for the customer.

See *QAD Master Data User Guide* for details about blocked transactions.

Bill-To Customer. Enter an optional code that identifies another customer that receives the bills for this customer.

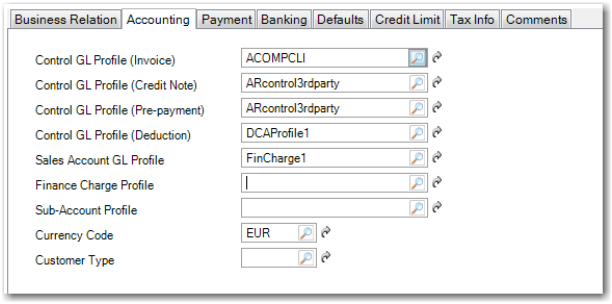
Business Relation Tab

The Business Relation tab displays the address information defined for the associated business relation. You cannot modify this data here. See “Address Information Tab” on page 238 for details about these fields.

Accounting Tab

Use the Accounting tab to set up control accounts and other accounting information.

Fig. 5.33
Customer Create, Accounting Tab



Field Descriptions

Control GL Profile (Invoice). Specify the valid, active GL profile of type Customer Account used to determine the accounts receivable GL control account for invoices. This field is required.

Control GL Profile (Credit Note). Specify the valid, active GL profile of type Customer Account used to determine the accounts receivable GL control account for credit notes. This field is required.

Control GL Profile (Prepayment). Specify the valid, active GL profile of type Customer Account used to determine the accounts receivable GL control account for prepayments. This field is required.

All functions that create prepayments use the GL account linked to this profile, including Banking Entry, Open Item Adjustment, Customer Payment Create, Supplier Payment Create, and Supplier Payment Selection.

Control GL Profile (Deduction). Specify the valid, active GL profile of type Customer Account used to determine the accounts receivable holding account for deductions.

See “Processing Deductions” on page 539.

Sales Account GL Profile. Specify the valid GL profile of type Sales Account used to determine the account for sales. This field is required.

Finance Charge Profile. Specify the valid, active GL profile of type Sales Account used to determine the account for finance charge postings. This field is required when the Finance Charge field in the Payment tab is selected.

When finance charges are calculated, amounts are posted to accounts in this profile.

Sub-Account Profile. Optionally specify a default sub-account profile. If the account specified by the Control GL Profile (Invoice) of the customer requires a sub-account, the value used is either:

- The sub-account found in this profile, if specified
- The default sub-account associated with the GL control account

Currency Code. Specify the currency code for this customer. Currency defaults from the current domain base currency, but can be modified.

Customer Type. Enter an optional code classifying customers by type. For example, you might classify customers as type RET for retail customers and WHSL for wholesalers. You can use customer type to select groups of customers for reporting, in particular for sales analysis reports.

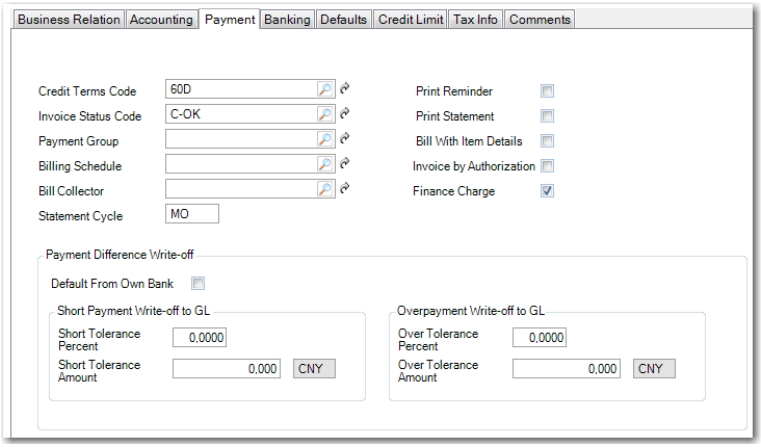
You can also define GL sales accounts by customer type, channel, product line, and site in Sales Account Maintenance. This lets you separately track sales and cost of sales amounts for different types of customers.

Define type codes in Customer Type Create, described on page 268.

Payment Tab

Use the Payment tab to enter details on how payments from this customer are managed.

Fig. 5.34
Customer Create, Payment Tab



Field Descriptions

Credit Terms. Specify the default credit terms for this customer. This field is required. See “Credit Terms” on page 250 for details.

Invoice Status Code. Specify the default invoice status for invoices for this customer. This field is required.

Generally, you specify a status that indicates invoices are uncontested. A contested invoice is typically a special condition.

See “Invoice Status Codes” on page 246 for details.

Payment Group. Specify a payment group in which you want to include this customer.

Billing Schedule. Specify a billing schedule for the customer by selecting the appropriate billing schedule code.

Bill Collector. Assign a default bill collector.

Invoice by Authorization. Indicate how invoice totals should be calculated and displayed for this customer.

Clear: Invoice totals are calculated by line. This is the typical method for calculating totals, unless the customer is using AR Self-Billing.

Select: Invoice totals are calculated by authorization number. The printed invoice includes the price and amount for each authorization line, as well as the total for all authorization lines. The extended price for each invoice line item is not displayed.

This field is important for customers using the AR Self-Billing module and ensures that rounding errors do not occur between the AR amount calculated by Self-Bill Payment Application and the invoice amount. Rounding errors can prevent invoices from being closed or create unapplied payments.

Select this option if this customer typically pays invoices for items on scheduled orders using authorization numbers. When the self-payment is applied by authorization number, the amounts match exactly.

The value you specify in this field sets the default for the same field in Scheduled Order Maintenance (7.3.13). It can be changed for individual orders as needed. See Chapter 8, “Self-Billing,” on page 591 for details on self-billing.

Finance Charge. Select this field to make this customer’s accounts liable for finance charges. If the customer has past due balances, finance charges are levied.

Clear this field to disable finance charge calculation for this customer.

See “Finance Charges on Overdue Payments” on page 580 for more information on how finance charges are calculated.

Note You can use invoice status codes to keep individual customer invoices from being included in finance charges.

Statement Cycle. Specify a value to indicate how often you normally print AR statements for this customer.

The system checks the value of this field when generating statements for customers with Print Statement selected. You can select statements to print on a regular basis for each customer based on their cycle code.

Print Reminder. Indicate if reminders are typically printed for this customer to report past due balances.

Clear: The customer’s balance is not reviewed when Reminder Letter is executed, regardless of the selection criteria.

Select: When you generate reminder letters with the appropriate selection criteria, this customer’s accounts are reviewed. If the customer has past due balances, a reminder letter is printed.

See “Reminding Customers of Outstanding Balances” on page 577 for more details on reminder letters.

Print Statement. Indicate if statements should be printed for this customer. When this field is selected, a statement is printed for this customer using the frequency specified in Statement Cycle.

Clear: A statement for this customer is never generated.

Select: Statements are included for this customer.

Bill with Item Details. To provide item line details in bills produced for this customer, select this field.

The Payment Difference Write-off section enables you to assign specific payment tolerance settings for this customer for incoming bank files.

Default From Own Bank. Leave the Default From Own Bank field clear (blank) to use this screen to enter specific tolerance settings for this customer for incoming bank files.

Select this field to use the tolerance settings for the own bank account instead of customer-specific settings. The own bank account tolerance settings are configured in Payment Processing Configuration Maint (31.1.13).

Customer-specific payment tolerance settings override the settings by bank account in Payment Processing Configuration Maint.

Note If you use customer-specific payment tolerance settings, you still need to maintain tolerance GL account, sub-account, and cost center values in Payment Processing Configuration Maint (31.1.13). See “Payment Processing Configuration Maint” on page 823.

The tolerance calculation is only applied to invoices that are fully allocated.

Short Tolerance Percent. Enter a tolerance percent. For example, if you enter 1%, any payment that brings the total payment to 99% or more of the fully allocated invoice amount is considered a payment of that invoice. If both the percent and amount tolerances are set, the payment difference is only accepted if both conditions are met.

If the payment is outside the tolerance, the system creates an unallocated banking entry, an initial customer payment, or a prepayment (in the case of an over payment), depending on the settings.

Short Tolerance Amount. Enter a tolerance amount. For example, if the tolerance amount is 50 and the invoice amount is 5000, any payment between 4950 and 5000 is considered a payment on that invoice. If both the percent and amount tolerances are set, the payment difference is only accepted if both conditions are met.

If the payment is outside the tolerance, the system creates an unallocated banking entry, an initial customer payment, or a prepayment (in the case of an over payment), depending on the settings.

Over Tolerance Percent. Enter a tolerance percent. For example, if you enter 1%, any payment that brings the total payment to 101% or less of the fully allocated invoice amount is considered a payment of that invoice. If both the percent and amount tolerances are set, the payment difference is only accepted if both conditions are met.

If the payment is outside the tolerance, the system creates an unallocated banking entry, an initial customer payment, or a prepayment (in the case of an over payment), depending on the settings.

Over Tolerance Amount. Enter a tolerance amount. For example, if the tolerance amount is 50 and the invoice amount is 5000, any payment between 5000 and 5050 is considered a payment on that invoice. If both the percent and amount tolerances are set, the payment difference is only accepted if both conditions are met.

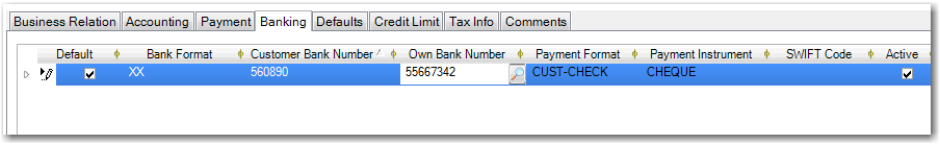
If the payment is outside the tolerance, the system creates an unallocated banking entry, an initial customer payment, or a prepayment (in the case of an over payment), depending on the settings.

Banking Tab

Use the Banking tab to set up the process for payments from this customer. The details you enter here—your own bank account, the customer’s bank account number, and the formats required for processing different types of payment from this customer—are automatically retrieved for customer payments and payment selections.

See also “Associating Your Bank with Customers or Suppliers” on page 266.

Fig. 5.35
Customer Create, Banking Tab



Field Descriptions

Right-click to insert a new row to add banking information for this customer.

Default. Indicate if this is the default bank account number for the customer. You can set up multiple accounts for each customer, with one default account.

Bank Format. Choose the validation method to be used for the customer bank account number from those defined in Bank Account Format Maintain. When you select a bank number format, the system creates one or more child rows in which you define the individual segments to be validated. Click the plus sign (+) next to the row to see the child rows.

You can also type the number directly in the Bank Account Number field if you want.

See “Define Bank Account Formats” on page 791 for details.

Customer Bank Number. Specify the customer’s bank account number directly in this field or enter the validated segments in the Value fields of the child rows. The number you enter in the child field is automatically copied to the parent row when you click away from the child row.

Note If you modify a customer bank number that is already used in invoices and payments, the referenced invoices and payments are updated with the new customer bank number.

Own Bank Number. Specify your own bank account number, which is the account number for the entity in which you are currently working. You can retrieve only bank accounts to which payment formats have been linked using Bank Payment Format Link. If multiple formats are linked to one bank account, each displays in the lookup results as a separate row. This ensures that you can select the correct format for different types of payments from this customer.

Payment Format. Displays the payment format linked to your bank account. See “Payment Format Maintenance” on page 259.

Payment Instrument. This field displays the payment instrument linked to the payment format.

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

Active. Indicate if this is an active record.

Business Relation Code. This field displays the business relation linked to the customer. This field is mandatory if you are setting up AP Bank Charges. See “AP Bank Charges” on page 737.

Branch. Enter the branch code for the bank, if necessary. Many banking systems use branch codes as identification codes in transactions. This field is mandatory if you are setting up AP Bank Charges. See “AP Bank Charges” on page 737.

Self-Bill Default. If this customer uses self-billing, select this field to specify a bank account for self-bill payments. If you do not select a bank account, the system uses the default account in the self-billing process.

Payment Status. Use this field to select a payment status for the automatic payment created from the Self-Billing process. The status you select must be already defined for this bank account. If no status is defined for the self-billing automatic customer payment, the system assigns a status of Paid to the automatic payment.

Bank Account Type. Enter a code representing the bank account type. This bank account type code appears in the payment file that is sent to the bank during the AP payment process.

Curr. Specify the currency of the account. This field is used for information purposes only, and helps you identify the currency associated with each bank account.

Entity Code. This field indicates the entity to which your own bank account is linked.

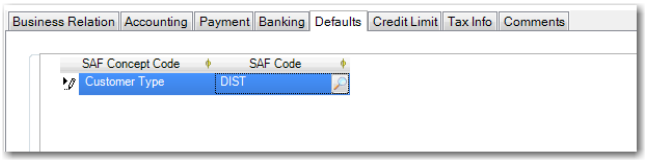
Bank GL Account. This field displays the account code of the bank account linked to the own bank account and payment format combination.

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

Defaults Tab

Use the Defaults tab to specify default values for concepts within an SAF structure. Only one default can be specified for each concept. The defaults are used when a code value is not supplied in a transaction. These fields are not required. See “SAF Defaulting” on page 154.

Fig. 5.36
Customer Create, Defaults Tab



Field Descriptions

SAF Concept Code. Specify an SAF concept code.

SAF Code. Specify an SAF code.

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

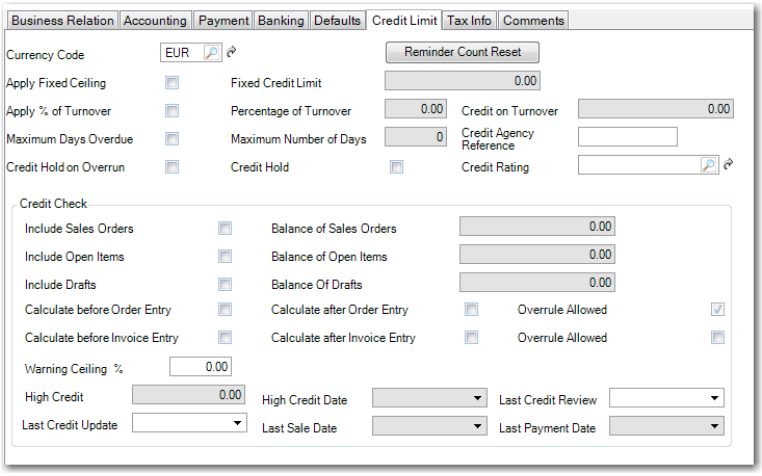
Credit Limit Tab

Use the Credit Limit tab to apply credit limits to customers. Managing customer credit is discussed in more detail in “Managing Customer Credit” on page 567.

The maintenance of credit data is also available as a separate activity, Customer Credit Limit Maintain, which displays exactly the same tab as the one in the Customer Create and Modify activities. You must have access to the Customer Credit Limit Maintain activity in order to use the tab in Customer Create and Maintain.

Note The Credit Limit tab is read-only in Modify mode. This prevents a customer credit limit from being raised or lowered when there is already activity in the system for this customer. You can, however, manually over-ride this restriction using Customer Credit Limit Maintain.

Fig. 5.37
Customer Create, Credit Limit Tab



Field Descriptions

Currency Code. The default currency code defined in the Accounting tab displays. All the amounts you specify on the Credit Limit tab are displayed in this currency. When a customer account uses a different currency than the default, the open balance is converted using the default accounting exchange rate.

Reminder Count Reset. Click to reset the reminder level for all invoices for this customer. The reminder level on the invoice indicates the level of reminder letter that is sent to the customer when the invoice is overdue.

Use the following fields to indicate how you want to calculate the credit limit.

Apply Fixed Ceiling. When selected, you can enter a currency amount—in the customer's default currency—in the Fixed Credit Limit field. This represents the maximum open balance over all entities that use the customer shared set.

Fixed Credit Limit. When Apply Fixed Ceiling is selected, specify the currency amount that determines the maximum credit extended to this customer.

Note This credit limit is stored at the shared set, and not entity level.

Apply % of Turnover. When selected, you can enter a percentage in the Percentage of Turnover field.

Turnover is the total sales over the 12 months preceding the current month over all the entities in the customer shared set.

Percentage of Turnover. When Apply % of Turnover is selected, specify a percentage value. The system applies this percentage to the last year turnover and displays the result in the Credit on Turnover field. The amount is recalculated when you change the percentage.

Credit on Turnover. Displays the turnover limit amount, which is calculated by applying the percentage specified to the turnover amount.

Maximum Days Overdue. When selected, you can enter a value in the Maximum Number of Days field.

Maximum Number of Days. When Maximum Days Overdue is selected, specify the number of days that any invoice for this customer can be overdue before the system disallows any further credit. During credit checking, the system looks for any invoice that is overdue more than this number of days. If such an invoice is found, additional credit is refused, regardless of the size of the invoice.

Credit Rating. Enter an optional code rating the customer's creditworthiness. Set up codes in Customer Credit Rating Create (27.20.5).

Credit rating is for reference only. It displays on the Customer Credit View and can help you evaluate customer credit issues.

Credit Agency Reference. If relevant, enter the credit agency reference number assigned to this customer. This field is for reference only. It displays on the Customer Activity Dashboard to help you investigate customer credit issues.

If your company does not use reference numbers as tracking identifiers, record any other company identifier you use for credit investigations.

One common credit agency is Dun & Bradstreet, a provider of business-to-business credit and business-related information for both publicly and privately held companies. The D&B number is a distinctive nine-digit number used as an identifier in electronic data interchange (EDI) and global electronic commerce transactions.

Customers doing business with your company using EDI can submit their D&B number as part of the registration and transaction processes. This number eliminates errors in electronic transactions and serves as a consistent trading partner identifier in business transactions.

Credit Hold on Overrun. Select this field and the system puts the customer on credit hold if any of the credit limits are violated when new orders for this customer are created.

Credit Hold. Select this field to put this customer on credit hold. All future orders for this customer are placed on hold, regardless of the outcome of credit checks. Additionally, any existing open orders for the customer are placed on hold.

The system displays a warning when you create or modify any AR transactions or any orders for a customer on hold.

Leave this field blank to perform credit checks for the customer according to the parameters set in Customer Credit Limit Maintain. If the Hold Orders over Limit field is selected in Sales Order Accounting Control (36.9.6), orders that cause the customer to exceed the credit limit are placed on hold. If Hold Orders over Limit is blank in Sales Order Accounting Control (36.9.6), only a warning is displayed for orders that cause the customer to exceed the credit limit.

Whether orders for this customer are also put on hold depends on settings in Sales Order Accounting Control (36.9.6). If you want to put all existing orders on hold, you can use Sales Order Auto Credit Hold (7.1.17). See *QAD Sales User Guide* for details on sales orders.

Specify what document types to include when calculating the customer's current credit amount. You must select at least one of these options when you have enabled Apply Fixed Ceiling or Apply % of Turnover.

- Select Include Orders to include the balance of open orders in the system.
- Select Include Open Items to include the balance of unpaid invoices.

The current balance is calculated and displayed in the fields next to the options.

Specify when to perform credit checks and whether users can override the system results.

- Select Calculate before Order Entry to perform the credit check before a new order is entered.
- Select Calculate after Order Entry to perform the credit check when saving a new or modified order and include the new order amount in the total.
- Select Calculate before Invoice Entry to perform the credit check before a new customer invoice is entered.
- Select Calculate after Invoice Entry to perform the credit check when saving a new or modified invoice and include the new invoice amount in the total.

When you have enabled credit calculation before and after order entry, the calculation is done at the beginning and end of the following programs, except where noted.

- Sales Quote Maintenance
- Sales Quote Release to Order
- Sales Order Maintenance
- Pending Invoice Maintenance
- Customer Scheduled Order Maintenance (only before)
- EDI PO Load
- RMA Maintenance
- Material Order Maintenance (only before)
- Call Maintenance (only before)
- Contract Quote Maintenance
- Contract Maintenance

Specify whether to allow users to enter transactions for a customer when the customer's credit limit is exceeded. You define this using two Overrule Allowed fields: one for order entry and one for customer invoice entry.

When the fields are selected, the system displays a warning if a transaction causes a customer's credit limit to be exceeded, and the user can continue entering or saving the transaction. When the field is cleared, the system displays an error message and the user cannot continue processing the transaction.

The Overrule Allowed field for order entry is always selected and is read-only. If a credit violation occurs when you create an order, the system displays a warning message and you can proceed with the transaction.

When you deselect the Overrule Allowed field for Check before Customer Invoice Entry, the system displays a warning message if there is a credit violation, but does not prevent you from continuing with the invoice creation. When you deselect the field for Check before Customer Invoice Entry, the system prevents you from saving an invoice for this customer if there is a credit violation. Deselect this field for both Before and After options to prevent a credit limit overrun for invoices.

Specify a warning ceiling percentage.

Warning Ceiling in %. Select to generate a warning message when the specified percentage of the credit limit has been reached.

Example An organization includes open orders and unpaid invoices in the credit check for a customer. A customer credit limit is set at $100,000. A warning ceiling of 75% displays a warning when a transaction causes the sum of open orders plus unpaid invoices to exceed $75,000. The transaction can be completed.

If warning ceiling is 0%, no warnings are displayed.

The following fields are used to store and display additional credit information for reference:

High Credit. This field displays the highest amount of credit you have ever extended to this customer. This is the largest AR balance they have had open at one time.

This field is calculated and updated by various programs that create AR transactions, including Invoice Post and Print, Open Item Adjustment, Bank Entry, Customer Payment, Customer Opening Balance, and Customer Invoice. It helps determine customer creditworthiness.

High Date. This field displays the date the highest credit amount was extended to this customer.

Last Credit Review. Enter the date when the customer's credit status was last reviewed.

Last Credit Update. Enter the date when the customer's credit status was last updated.

Last Sale Date. The system displays the date an invoice was last posted for this customer. This date is updated by Invoice Post and Print (7.13.4).

Last Payment Date. The system automatically updates this date when transactions are posted in Banking Entry, Petty Cash, and Customer Payments.

Tax Info Tab

Tax values default to documents created for the customer and can be modified during transaction processing.

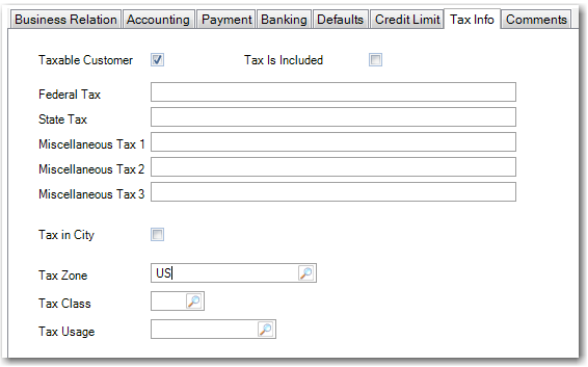
The value for the Taxable Customer field defaults from the Taxable field in Global Tax Management Control (29.24). The values for the Tax Is Included and Tax in City fields default from the business relation.

Note If the Taxable field in Global Tax Management Control is set to No, the Taxable Customer field defaults to No in all new customer records in the current domain and in all other domains that use the same customer shared set.

You can modify the default details as needed. See "Tax Information Tab" on page 240 for a description of the fields.

Note You can use non-intrusive customization to implement validation for the federal and state tax IDs to ensure they meet the requirements of your local tax authority. This validation is then applied when you enter federal and state tax IDs in this tab, or in the Tax tabs on the Business Relation and Supplier records. For more information, see *QAD System Administration User Guide*.

Fig. 5.38
Customer Create, Tax Info Tab



Comments Tab

The Comments tab lets you enter free-form text related to this customer that is saved with the customer record. Comments display in the Customer Activity Dashboard.

Creating Customer Ship-To Addresses

Use the Customer Ship-To activities (27.20.2) to create, view, modify, or delete customer ship-to records.

You can use Customer Ship-To Create (27.20.2.1) in multiple ways:

- Create an entirely new ship-to and specify the address, tax, and contact details in this function. To do this, clear all the link-to-address fields, and enter a code in the Ship-To Code field (or leave blank for a system-generated number). The new address is created as a ship-to address type for the customer's business relation. Multiple ship-tos for the same customer can share the same address.
- Indicate that another customer—of the same or different business relation—is the ship-to address of a specified customer; in this case, the same code and address information is used. A customer can be the ship-to address of only one other customer, and the address used is the headoffice address.

  You can create ship-to records for inactive customers.
- Indicate a customer's end user is also a ship-to address. In this case also, the same code and address information is used.
- Specify a new ship-to code and associate it with an existing address with the ship-to type defined for the customer or the customer's business relation (where two customers share the same business relation).

Example Alverton has two associated ship-tos: one for deliveries and one for returns. The company uses a central receiving address, so deliveries and returns have a common ship-to address. If Alverton updates any of the address details, the same change can be applied to both ship-tos at the same time.

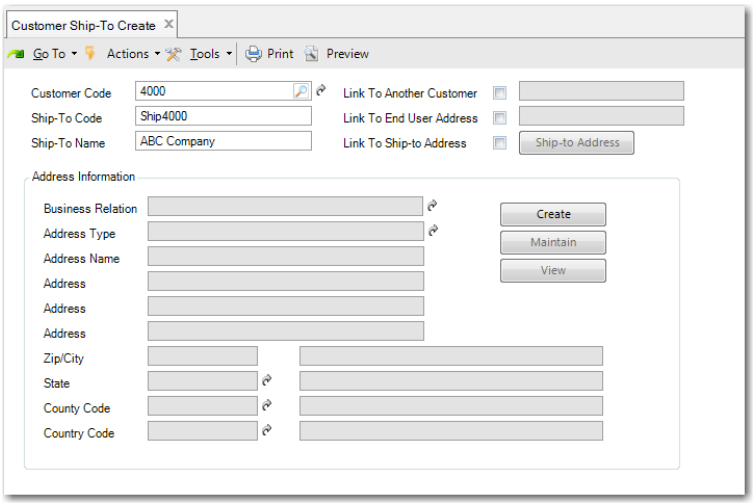
Important When maintaining ship-to addresses in Customer Ship-To Modify, if you modify any of the key address fields (address lines 1 to 3, the City field, or the Zip field) to be the same as an existing address, the system displays an error message stating that you must use the Link to Ship-To option to assign the ship-to to an existing address.

Temporary ship-to address records can be created during the execution of the following operational programs:

- Sales Quote Maintenance (7.12.1)
- Sales Quote Copy from Order (7.12.5)
- Sales Quote Copy from Quote (7.12.6)
- Sales Order Maintenance (7.1.1)
- Pending Invoice Maintenance (7.13.1)
- S/RO Maintenance (7.23.1)
- RMA Maintenance (11.7.1.1).
- Material Order Maintenance (11.11.1)

This is possible only when the user executing the operational program also has permission to execute the Customer Ship-To Create activity.

Fig. 5.39
Customer Ship-To Create



Field Descriptions

Customer Code. Enter the code that identifies the customer this ship-to record is associated with.

Ship-To Code. If you are not linking to another customer or to an end user, specify a new code. This code is automatically created with an address type of ship-to. If you leave Ship-To Code blank, the system automatically generates a number for the record based on the sequence defined in Customer Autonumber Create. See “Autonumbering Sequences” on page 236.

If you select Link to Another Customer or Link to End User, the Ship-To Code field is filled with the value you specify for the customer or end user. These addresses are added as ship-tos for the customer specified in Customer Code.

Ship-To Name. Enter a maximum of 36 characters for the ship-to name. The default is the business relation name for the customer to which the ship-to is linked. This field is optional.

Link to Another Customer. Select this field if you want to specify another customer as the ship-to of this customer. You can then select an existing customer from the lookup. The customer code you select is displayed in the Ship-To Code field, and the customer’s headoffice address is displayed in the Address Information fields.

The Maintain and Create buttons in the Address Information area are unavailable. You can use the View button to see tax and contact details.

Link to End User Address. Select this field if you want to specify an end-user address as the ship-to of this customer. You can then select an existing end user from the lookup. The end-user code you select is displayed in the Ship-To Code field, and the end user’s headoffice address is displayed in the Address Information fields.

The Maintain and Create buttons in the Address Information area are unavailable. You can use the View button to see tax and contact details.

Link to Ship-to Address. Select this field if you want create a new code that shares address information with another existing ship-to address for the specified customer code. Click the Ship-To Address button to display all ship-to addresses for the customer. After you select the address you require from the lookup, you can modify details.

All fields in the Address Information frame are read-only. Which buttons are active depends on your previous input:

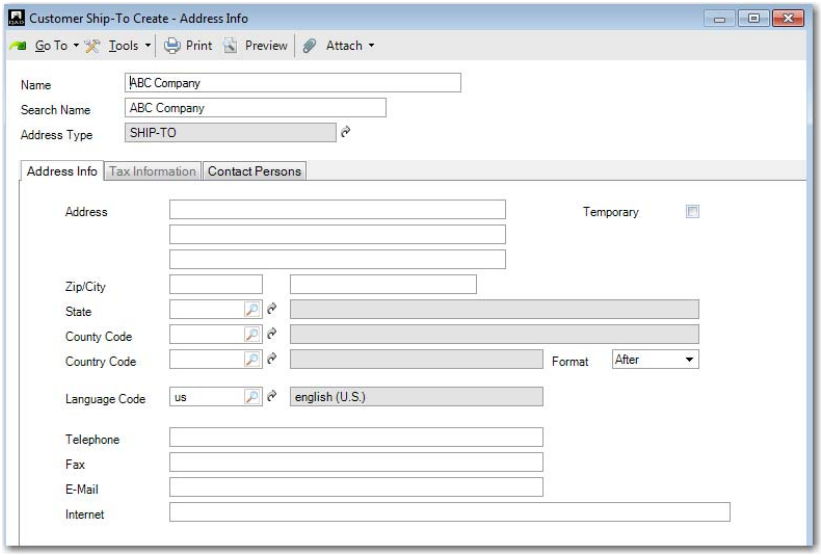
Click View to view address details. When you specify another customer or end user as the ship-to, the address is display only.

Click Maintain to modify an existing ship-to type address. The Customer Ship-To Modify Address Information screen is the same as the business relation screen, and also contains tabs for contact information and tax information. This button is active when you select an address using the Link to Ship-to Address option.

Click Create to display the Customer Ship-To Create Address Information screen, which lets you create a new address to use as the ship-to address. This button is active when none of the link-to check boxes is selected.

When you create a new ship-to address using the Create activity or modify an address using the Maintain activity, the customer’s business relation is updated with the new ship-to address details.

Fig. 5.40
Customer Ship-To Create Address Information



The fields in the Customer Ship-To Create Address Information screen have the same layout and restrictions as those in the Business Relation Address Information tab. See “Address Information Tab” on page 238.

Creating a New Ship-To Code and Address

To create a new ship-to code and new address:

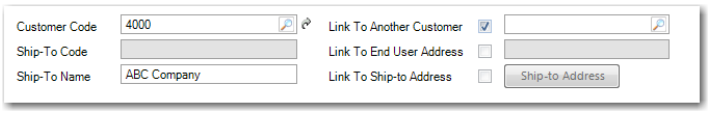
1. Specify the customer code.
2. Clear all the Link to fields.
3. Specify the ship-to code in the Ship-To Code field, or leave blank for a system-generated number.
4. Click the Create button in the Address Information tab.
5. Specify the new ship-to address in the fields provided.
6. Click Save.

   The ship-to address is saved in the business relation for the customer.

Using Another Customer or End-User Address as the Ship-To

You can use the Link to Another Customer and Link to End User Address check boxes to associate another customer or an end user of the current customer as the ship-to. This works the same for both fields; linking to a customer is described here. Address details from the headoffice of the business relation associated with the customer or end user are referenced.

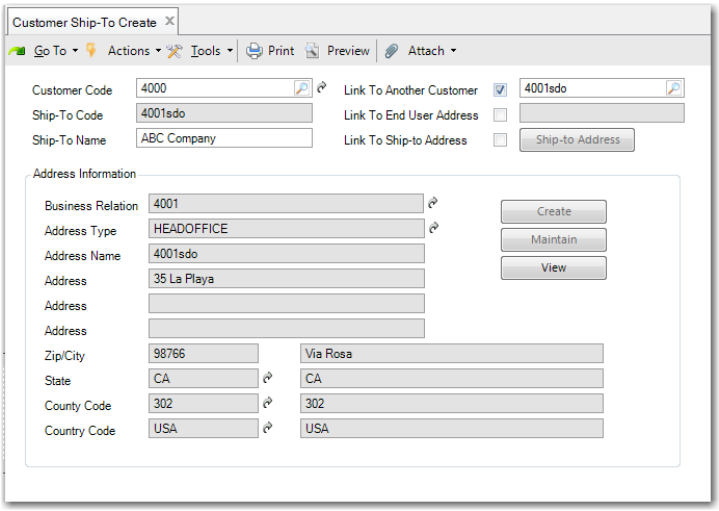
1. Specify the customer code.
2. Leave the Ship-To Code field blank.
3. Select the Link to Another Customer field. This enables the field to the right of the check box.



4 Click the lookup button in the newly enabled field and select the customer address you want to use.

The customer code displays in the Ship-To Code field and the address details of the headoffice of the customer's business relation display in the Address Information area. The address cannot be modified; tax and contact details can be viewed by clicking the View button.

Fig. 5.41
Ship-To Using Another Customer



5 Click Save.

Modifying a Shared Ship-To Address

1 Open Customer Ship-To Modify.

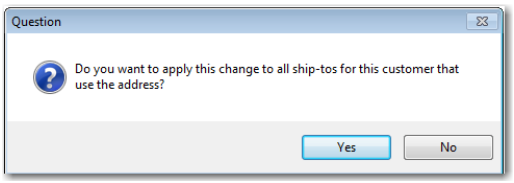
2 In the browse, locate and open the record you want to modify.

3 Click the Maintain button to display the address details.

4 Modify the details as required.

5 Save the changes in Customer Ship-To Modify.

If you modify address details for a ship-to address shared by other ship-tos for the same customer, the system prompts you to apply the change to all ship-tos with that address.



If you select Yes, the system checks to see if an address that matches the modified address already exists. If a matching address already exists, the system links all ship-tos that shared the original address to that address record. If a matching address does not already exist, the system links all ship-tos that shared the original address to the modified address record.

If you select No, the system checks to see if an address that matches the modified address already exists. If a matching address already exists, the system links the ship-to to that address record. If a matching address does not already exist, the system links the ship-to to the modified address.

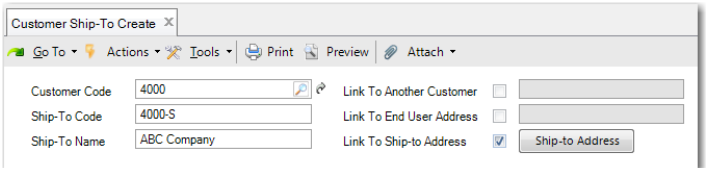
Reassigning a Shared Ship-To Address

If a ship-to shares the same address as other ship-tos for the same customer and you use the Ship-To Address option to select a different ship-to address, the system asks you if you want to apply this address change to all ship-tos that share the original address.

If you select Yes, the system applies the change to all ship-tos that share the original address. If you select No, the system links the current ship-to alone to the new address.

Setting an Existing Address as the Ship-To

1. Specify the customer code.
2. Specify the ship-to code or leave blank for a system-supplied number.
3. Select the Link to Ship-To Address field.



4. Click the Ship-To Address button. This displays all ship-to addresses for that customer code.
5. Select the address you want to use.
6. Click Maintain to update the address details if necessary.
7. Click Save to save your changes.

Deleting a Ship-To

A number of restrictions relate to deleting a ship-to address. You cannot delete a ship-to address if it is referenced as the ship-to customer on a sales order, material order, sales quote, scheduled order, invoice, service repair order (SRO), or SSM return material authorization (RMA).

When you delete a ship-to record in Customer Ship-To Delete, the associated business relation ship-to address is also deleted provided it is not referenced on another address in any domain.

Creating End Users

Use the Customer End User (27.20.3) activities to create, view, modify, or delete end-user records. End users are used in the Service/Support Management module to identify the address that owns items requiring service. End users are specified on calls, return material authorizations, and contracts.

End-user addresses must be of type enduser. You can create end user records for inactive customers.

After creating end users here, specify additional SSM data in End User Data Maintenance (11.9.1). An e-mail is automatically sent to the members of the EndUserNotify role responsible for creating this data when a new end user is created.

The system can automatically create end-user records based on settings in Service Management Control (11.24) when an invoice is posted for an item being recorded in the SSM installed base. For details, see *QAD Service/Support Management User Guide*.

End users can also be created during the execution of the following SSM programs:

- Contract Quote Maintenance (11.5.1.1)
- Contract Maintenance (11.5.13.1)
- Call Quote Maintenance (11.1.1.7)
- Call Maintenance (11.1.1.1)
- RMA Maintenance (11.7.1.1)

This is possible only when the user executing this SSM program also has permission to execute the End User Create activity (27.20.3.1).

You can use End User Create in multiple ways:

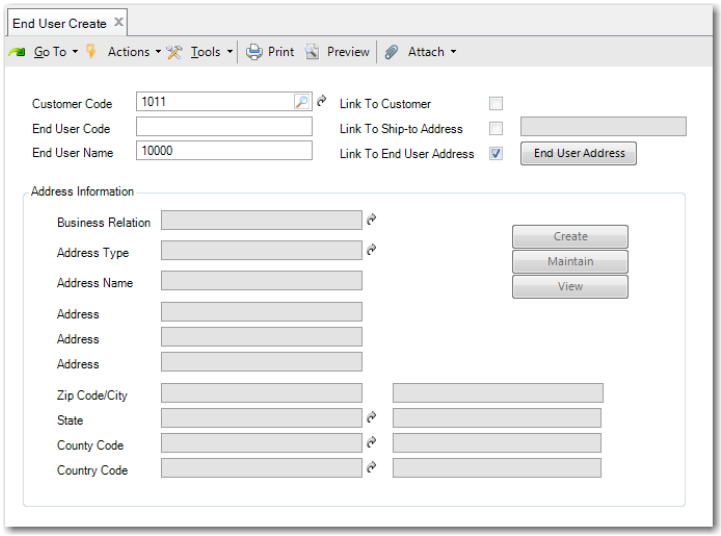
- Create an entirely new end user and specify the address, tax, and contact details in this function. To do this, clear all the link-to-address fields, and enter a code in the End User Code field (or leave blank for a system-generated number). The new address is created as an enduser address type for the customer's business relation.

  Multiple end users for the same customer can share the same address.
- Indicate that the customer is also an end user.
- Specify an existing ship-to address of a customer as an end user. In this case, the end-user code is the same as the ship-to code and the address details cannot be modified here.
- Specify a new end-user code and associate it with an existing address with the enduser type defined for the customer or the customer's business relation (where two customers share the same business relation).

  Example Alverton has two associated end users, E1001 and E1002. The two end users share the same end user address. You create a third end user E1003 for customer Alverton. You can now associate the same address with E1003 by specifying Alverton as the customer code, selecting Link to End User, clicking the End User Address button, and choosing the E1001 (or E1002) address from the lookup. If you update any of the address details, you have the option to apply the changes to all end users who reference the address.

Important When maintaining end user addresses in End User Modify, if you modify any of the key address fields (address lines 1 to 3, the City field, or the Zip field) to be the same as an existing address, the system displays an error message stating that you must use the Link to Address option to assign an end user to an existing address.

Fig. 5.42
Customer End User Create



Field Descriptions

Customer Code. Enter the code that identifies the customer this end-user record is associated with.

You can link an end user to an inactive customer, even though the lookup for the Customer Code field only displays active customers. You can manually enter the customer code for an inactive customer in the Customer Code field and the system will accept this value.

End User Code. If you are not linking to another customer or to a ship-to address, specify a new code. This code is automatically created with an address type of end user. If you leave the End User field blank, the system automatically generates a number for the record based on the sequence defined in End User Autonumber Create. See “Autonumbering Sequences” on page 236.

If you select Link to Customer or Link to Ship-To Address, the End User Code field is filled with the value you specify for the customer or ship-to. These addresses are added as end users for the customer specified in Customer Code.

End User Name. Enter a maximum of 36 characters for the end user name. The default is the business relation name for the customer to which the end user is linked. This field is optional.

Link to Customer. Select this field if you want to define the customer entered in the first field as an end user. In this case, the end-user code is set to the customer code and cannot be modified. All address details are filled in based on the headoffice address of the customer and cannot be changed. The Maintain and Create buttons are disabled. You can use the View button to see the details.

Link to Ship-To Address. Select this field if you want to enter a ship-to associated with the customer and define the ship-to as an end user. When selected, a lookup for existing ship-tos is enabled beside the Link to Ship-To Address field. You can enter or select the ship-to. All address details come from the selected ship-to address. The Maintain and Create buttons are disabled. You can use the View button to see the details.

Link to End User Address. Select this field if you want to create a new end-user code that shares an existing end-user address for the specified customer code. Click the End User Address button to display all end-user addresses for the customer. After you select the address you require from the lookup, the Maintain and View buttons are enabled and you can update the address details.

All fields in the Address Information frame are read-only. Use the buttons as follows:

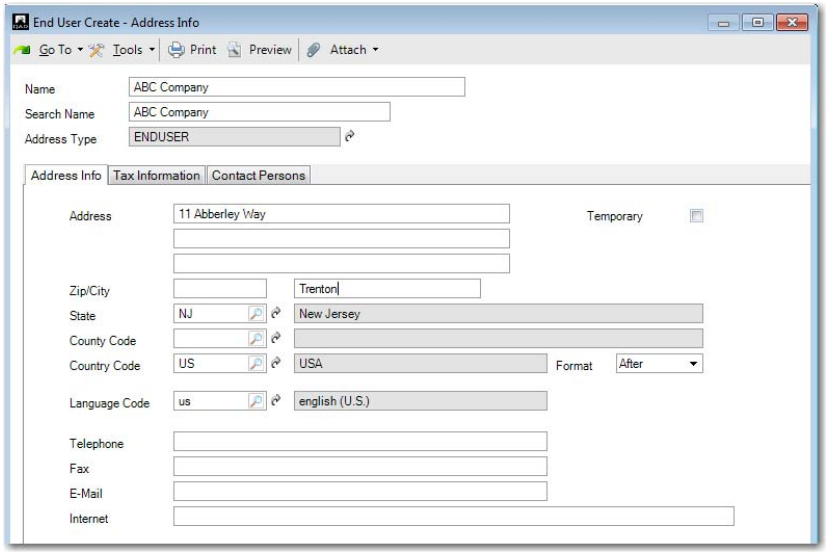
Click View to view address details. When you define the customer as an end user or select an existing ship-to as an end user, the address is display only.

Click Maintain to modify an existing enduser type address. The Customer End User Modify Address Information screen is the same as the business relation screen, and also contains tabs for contact information and tax information. This button is active when you select an address using the Link to End User Address option.

Click Create to display the Customer End User Create Address Information screen, which lets you create a new address for the ship-to end user. This button is active when none of the link-to check boxes is selected.

When you create a new end-user address using End User Create (27.20.3.1), the customer's business relation is updated with the new end-user address.

Fig. 5.43
Customer End User, Address Information



The fields in the Customer End User, Create Address Information screen have the same layout and restrictions as those in the Business Relation Address Information tab. See "Address Information Tab" on page 238.

End-user contact information is used extensively in the Service/Support Management module when recording calls. You should ensure that the end user has a primary contact if SSM is being used.

Creating a New End-User Code and Address

To create a new end-user code and address:

1. Specify the customer code.
2. Clear the Link to Customer, Link to Ship-To Address, and Link to End User Address fields.
3. Specify the end-user code in the End User Code field or leave blank for a system-generated number.
4. Click the Create button in the Address Information tab.
5. Specify the new end-user address in the fields provided.
6. Click Save.

   The end-user address is saved in the business relation for the customer.

Setting a Ship-To Address as an End User

1. Specify the customer code.
2. Leave End User Code blank.
3. Clear the Link to Customer and Link to End User Address fields.
4. Select the Link to Ship-To Address field.

   A lookup for existing ship-tos is enabled beside the Link to Ship-To Address field.
5. Enter or select the ship-to. All address details come from the selected ship-to address.

   The ship-to code displays in the End User Code field and the address details of the headoffice of the customer's business relation display in the Address Information area. The address cannot be modified; tax and contact details can be viewed by clicking the View button.
6. Click Save.

Setting an Existing Address as an End User

1. Specify the customer code.
2. Specify the end-user code or leave blank for a system-supplied number.
3. Clear the Link to Customer and Link to Ship-To Address fields.
4. Select the Link to End User Address field.
5. Click the End User Address button. This displays all end-user addresses for the business relation associated with the customer code.
6. Select the address you want to use.

7 Click Maintain to update address details if necessary.

8 Click Save.

Modifying a Shared End User Address

1 Open End User Modify.

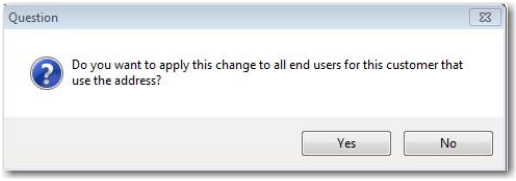
2 In the browse, locate and open the record you want to modify.

3 Click the Maintain button to display the address details.

4 Modify the details as required.

5 Save the changes in End User Modify.

If you modify address details for an end user address shared by other end users for the same customer, the system prompts you to apply the change to all end users with that address.



If you select Yes, the system checks to see if an address that matches the modified address already exists. If a matching address already exists, the system links all end users who shared the original address to that address record. If a matching address does not already exist, the system links all end users who shared the original address to the modified address record.

If you select No, the system checks to see if an address that matches the modified address already exists. If a matching address already exists, the system links the end user to that address record. If a matching address does not already exist, the system links the end user to the modified address.

Reassigning a Shared End User Address

If an end user shares the same address as other end users for the same customer and you use the End User Address option to select a different end user address, the system prompts you to apply this address change to all end users that share the original address.

If you select Yes, the system applies the change to all end users that share the original address. If you select No, the system links the current end user alone to the new address.

Deleting an End User

The system enforces a number of restrictions on deleting an end-user address. You cannot delete an end-user address if it is referenced on a material order, return material authorization (RMA), or call, contract, or invoice.

Note When you delete an end-user record in Customer End User Delete (27.20.3.4), the associated business relation end-user address is also deleted provided it is not referenced by another address in any other domain.

Customer Opening Balance

Use Customer Opening Balance Create (27.1.10) to manually create an open item in the sales sub-ledger, and generate postings for customer invoice and credit note control accounts.

The activity lets you transfer the outstanding open items (invoices, credit notes, adjustments, prepayments, deductions) for a specific customer in detail from an external system to your QAD application.

Create a standard GL account to act as a balancing transfer account for the control accounts.

The opening balance activity updates the following accounts:

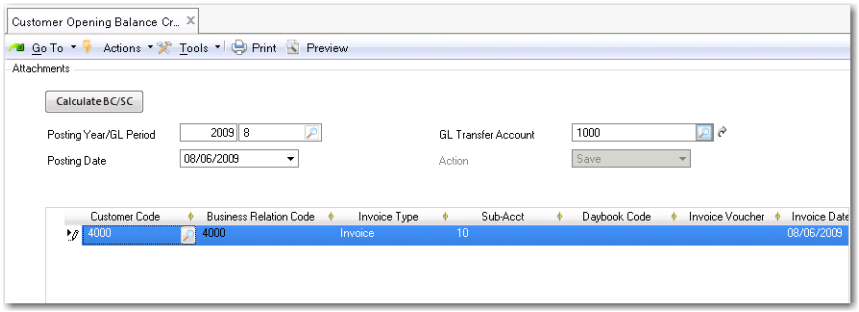
- For invoices, debits Customer Control and credits the GL Transfer account.
- For credit notes, debits GL Transfer and credits Customer Control.
- For item adjustments, if the adjustment involves a debit on the item, the accounts referenced are the same as those for an invoice. If it involves a credit, the accounts referenced are the same as those for a credit note.

The transfer account is used in postings to the control account balances, because you cannot initially post to the control accounts. You cannot modify these postings, and the input of customer, supplier, and GL opening balances ensures that the transfer accounts are referenced in the postings balance.

Opening balances can be created manually or by using Excel integration. For more information on Excel Integration, see *Introduction to QAD Enterprise Applications User Guide*.

Use the Export to Excel for Maintenance option to create a template for open items. You should ensure that all the values you enter in the Excel spreadsheet are valid for this customer.

Fig. 5.44
Customer Opening Balance Create



Field Descriptions

Posting Year/Period. Specify an accounting year and period for the opening balance.

GL Transfer Account. Specify a GL account for the posting. This must be a manual account of type Standard.

Posting Date. Specify the date the posting is effective.

Enter the item details in the grid. These details are identical to those for customer invoices and credit notes, except for the tax and posting information.

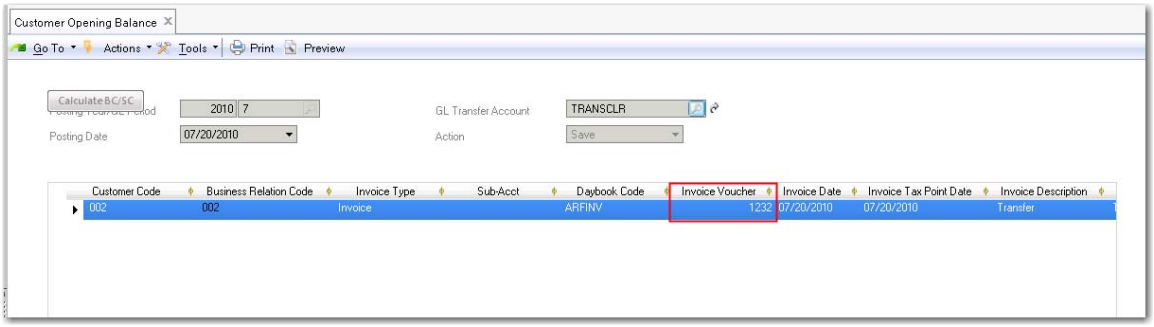
You can use the Calculate BC/SC button to convert the transaction currency amounts to the base currency and statutory currency using the default exchange rate.

See “Supplier Opening Balance” on page 306 for a detailed description of the fields in the grid.

Customer Opening Balance and Invoice Numbering

When you successfully save an opening balance entry, the grid is updated with the invoice number, as shown in Figure 5.45.

Fig. 5.45
Customer Opening Balance Grid, New Invoice Number



The system includes three options for numbering invoices, credit notes, and invoice and credit note corrections:

- Standard invoice numbering without numbering checks. This option is the default, and applies if consecutive and chronological numbering are not enabled.
- Consecutive invoice numbering

  If consecutive invoice numbering is enabled, the system ensures that invoices, credit notes, and invoice and credit note corrections are consecutive without gaps.
- Chronological invoice numbering—an extension of consecutive invoice numbering.

  If chronological invoice numbering is enabled, the system ensures that invoices, credit notes, and invoice and credit note corrections are sequentially numbered in the correct date order and without gaps. Chronological invoice numbering can only be enabled if consecutive invoice numbering is also enabled.

  You can configure whether the system displays a warning or an error when users attempt to save transactions with past or future posting dates, thereby disrupting the chronological numbering sequences.

For standard, consecutive, and chronological invoice numbering; invoices, credit notes, and invoice and credit note corrections are numbered by entity, year, GL period, and daybook.

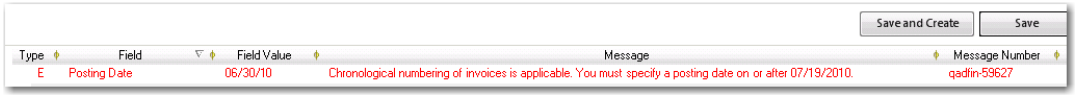
You enable consecutive and chronological invoice numbering, and select a warning or error option at domain level. See “Invoice Numbering Tab” on page 39.

When chronological invoice numbering is enabled, the numbering controls described in this section apply in Customer Opening Balance Create and Supplier Opening Balance Create, and in all customer and supplier invoice functions.

The following chronological invoice numbering controls apply:

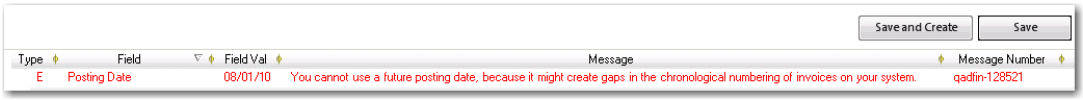
- If you attempt to save an invoice with a posting date that is earlier than the posting date of a saved invoice with the same entity and daybook combination, the system displays an error or warning message, depending on the option selected in the domain Invoice Numbering tab.

Fig. 5.46
Past Invoice Date Error



- If you attempt to save an invoice with a future posting date, the system displays an error or a warning, depending on the option selected in the domain Invoice Numbering tab.

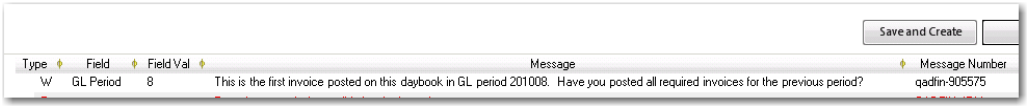
Fig. 5.47
Future Posting Date Error



- When you attempt to save the first invoice in a new GL period for a daybook and entity combination, the system displays a warning.

  Note This message is always a warning.

Fig. 5.48
First Invoice in GL Period Warning



Setting Up Supplier Data

Use the Supplier function (28.20.1) to set up codes representing the companies you purchase goods and services from. Suppliers are used in purchasing, accounts payable, Service and Support Management, and other functions.

Supplier addresses, like customer addresses, determine default field values and affect how supplier transactions are processed in the system. Remit-to addresses are used when payments created in accounts payable must be sent to an address other than the supplier address. Each supplier can have only one remit-to address. Remit-to addresses are defined in the business relation with an address type of remittance.

Before setting up suppliers, you must first define payment formats, payment groups, bank account numbers, and supplier types. These topics are described next.

Note If you plan to generate 1099 tax reports in the United States, you must also set up purchase type codes.

Suppliers also require GL profiles for defining:

- Control accounts for invoices
- Control accounts for credit notes
- Supplier bank accounts

- Purchases accounts

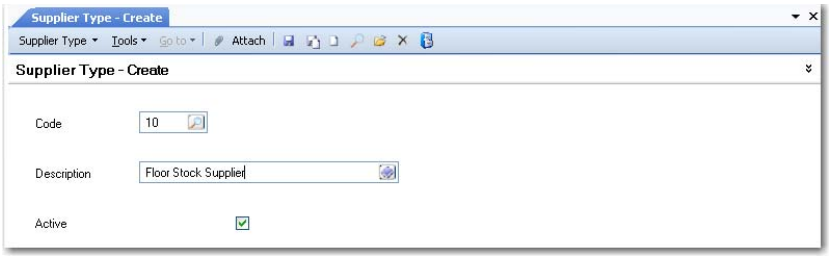
You must set up the accounts and profiles before defining suppliers.

Supplier Type

Use the Supplier Type activities (28.20.2) to create, view, modify, and delete codes for grouping suppliers. You can use supplier type to select groups of suppliers for reporting.

You can also define GL purchasing accounts by product line, site, and supplier type in Purchasing Account Maintenance (1.2.5). This lets you separately track purchase costs for different types of suppliers.

Fig. 5.49
Supplier Type Create



Field Descriptions

Code. Enter a code (maximum four characters) that identifies a supplier type. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the supplier type. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

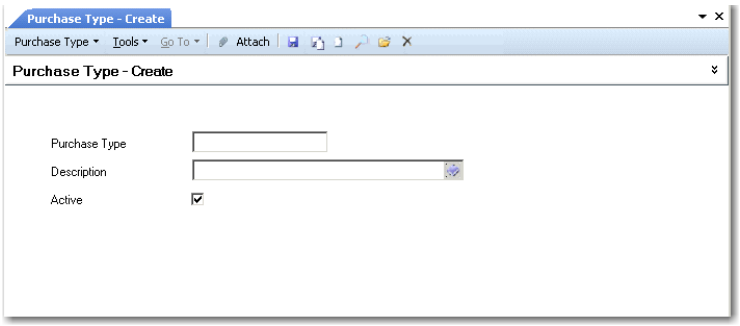
Active. Indicate if this is an active record.

Purchase Type

Use the Purchase Type activities (28.20.3) to create, view, modify, and delete codes for grouping supplier invoices for reporting, letting you track your cash expenditures for different types of expenses. For example, use EX for miscellaneous expenses and PO for purchases of raw materials or components.

You must use at least three purchase codes—for Rents, Royalties, and Non-Employee Compensation—if you are submitting 1099 tax reports. Each of these categories is summarized into a different box on the 1099 report.

Fig. 5.50
Purchase Type Create



Field Descriptions

Purchase Type. Enter a code (maximum four characters) that identifies a purchase type.

Description. Enter a brief description (maximum 40 characters) of the purchase type. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

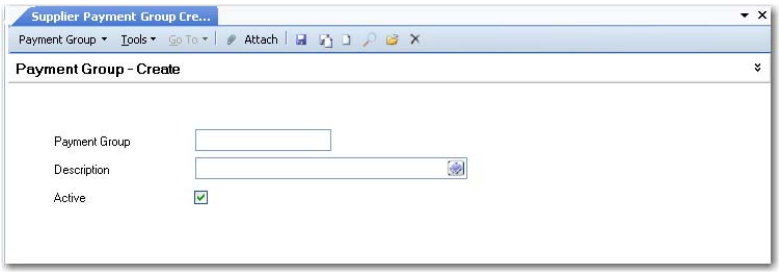
Active. Indicate if this is an active record.

Payment Group

You use payment groups to link multiple suppliers together and to use as filter criteria when making supplier payment selections. Payment groups are linked to suppliers, and let you search for invoices from multiple suppliers when you create the payment selection. You link a payment group with a supplier on the Payment tab of Supplier Create (28.20.1.1).

Use the Supplier Payment Group activities (28.9.1.3) to create, view, modify, and delete payment groups. You can delete only groups that are not referenced in the system.

Fig. 5.51
Supplier Payment Group Create



Field Descriptions

Payment Group. Enter a code (maximum 20 characters) that identifies a payment group.

Description. Enter a brief description (maximum 40 characters) of the payment group.

You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active record.

Creating Supplier Records

Use the Supplier activities (28.20.1) to create, view, modify, or delete a supplier. Account profile details cannot be modified if transactions already exist. A record can be deleted only if it is not referred to in the system. Otherwise, you can mark the record inactive.

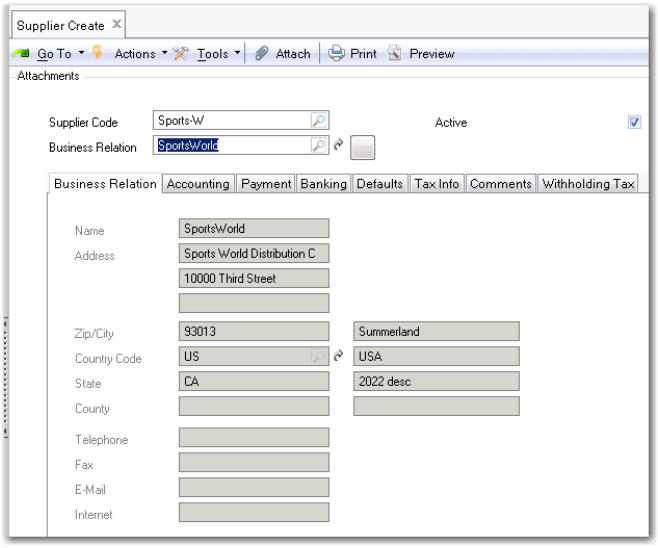
Suppliers can be saved in draft format when Draft Instances is selected in System/User Settings, Change System Setting. When you save a record in draft format, none of the system validations are executed. You can then return later to complete the record by choosing the Supplier Browse Drafts activity and selecting the record you want to finish from the list. For more information on drafts, see *Introduction to QAD Enterprise Applications User Guide*.

The Supplier function supports these additional activities:

- Use Supplier Activity Dashboard (28.18.1) to view all supplier payment and invoice information, including open items and payments, for one or multiple entities. From this view, you can drill down to the details of the invoices and credit notes. See “Supplier Activity Dashboard” on page 752 for details.
- Use Excel Integration (28.20.1.5) to export supplier records to or load records from an Excel spreadsheet. For details, see *Introduction to QAD Enterprise Applications User Guide*.
- Use Supplier Bank Number Excel Integration (28.20.1.7) to import data related to customer banks. This function is exactly the same as Customer Bank Number Excel Integration. See “Bank Account Numbers” on page 269.

After creating a supplier here, specify additional operational data in Supplier Data Maintenance (2.3.1). An e-mail is automatically sent to the members of the SupplierNotify role responsible for creating this data when a new supplier is created.

Fig. 5.52
Supplier Create



Field Descriptions

Supplier Code. Specify a code (maximum eight characters) that identifies a supplier. If the code you specify matches an existing customer code, a warning message displays. You can choose to ignore the warning, and create the record. However, when a supplier and customer share the same code, they must reference the same business relation.

If you leave the Supplier Code field blank, the system automatically generates a number for the record based on the sequence defined in Supplier Autonumber Create. See “Autonumbering Sequences” on page 236.

Note If you plan to send 1099 US tax reporting forms to this supplier, do not use the apostrophe (’), asterisk (*), or other special characters on the recipient name line. These characters are not allowed on the 1099 form.

Business Relation. Choose a business relation code to associate with this supplier. Address and contact details come from the headoffice address type of the business relation. After you have created a supplier, you cannot modify the associated business relation.

Note You can create a new business relation for the customer if necessary by clicking the Go To icon next to this field.

Active. Indicate if this is an active record. When you mark a record as inactive, all of the transactions that can be blocked in Blocked Transaction Maintenance (2.23.1) can no longer be completed. For example, you cannot create a new purchase requisition or purchase order for the supplier.

See *QAD Master Data User Guide* for details about blocked transactions.

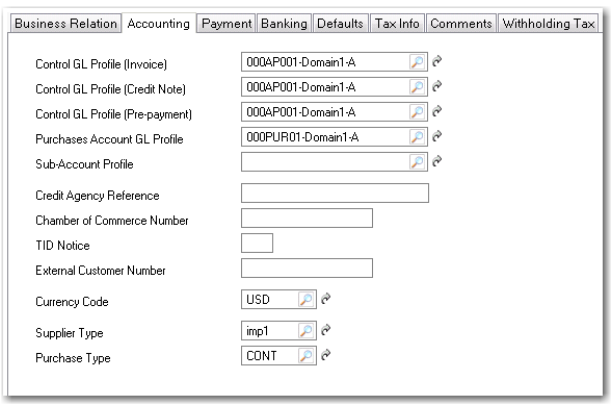
Business Relation Tab

The Business Relation tab displays the address information defined for the associated business relation. You cannot modify this data here. See “Address Information Tab” on page 238 for details about these fields.

Accounting Tab

Use the Accounting tab to set up control accounts, tax details, and other accounting information.

Fig. 5.53
Supplier Create, Accounting Tab



Field Descriptions

Control GL Profile (Invoice). Specify a valid, active GL profile of type Supplier Account that identifies the accounts payable control account for invoices. This is a required field.

Control GL Profile (Credit Note). Specify a valid, active GL profile of type Supplier Account that identifies the accounts payable control GL account for credit notes. This is a required field.

Control GL Profile (Prepayment). Specify a valid, active GL profile of type Supplier Account used to determine the accounts payable GL control account for prepayments. This field is required.

All functions that create prepayments use the GL account linked to this profile, including Banking Entry, Open Item Adjustment, Customer Payment Create, Supplier Payment Create, and Supplier Payment Selection.

Purchases Account GL Profile. Specify valid, active GL profile of type Purchases Account used to determine the account for purchases. This field is required.

When an purchase order is created for this supplier for a non-inventory item, the default account used is determined by the Purchases Account Profile value, the default cost center defined for this account, and the sub-account found in the Sub-Account Profile.

Sub-Account Profile. Optionally specify a default sub-account profile. If the account specified by the Purchases GL Profile of the supplier requires a sub-account, the value used is either:

- The sub-account found in this profile, if specified
- The default sub-account associated with the GL control account

Credit Agency Reference. If relevant, enter the credit agency reference number assigned to this supplier. This field is for reference only. It displays on the Supplier Performance Report to help you investigate customer credit issues.

If your company does not use reference numbers as tracking identifiers, record any other identifier you use for credit investigations.

One common credit agency is Dun & Bradstreet, a provider of business-to-business credit and business-related information for both publicly and privately held companies. The D&B number is a distinctive nine-digit number used as an identifier in electronic data interchange (EDI) and global electronic commerce transactions.

Suppliers doing business with your company using EDI can submit their D&B number as part of the registration and transaction processes. This number eliminates errors in electronic transactions and serves as a consistent trading partner.

Chamber of Commerce Number. Enter an optional registration number assigned to this address code, typically, the Chamber of Commerce registration number.

This field is for reference only, and appears on various reports and inquiries.

TID Notice. Optionally, enter the number of times the US Internal Revenue Service has notified you that this supplier’s tax ID number is invalid.

External Customer Number. Enter the external customer number (maximum 10 characters) associated with this supplier.

This number applies to some check print requirements, and follows the name and address of the supplier.

Currency Code. Specify the default currency code for this supplier. Currency defaults from the domain base currency.

Supplier Type. Enter an optional code classifying suppliers by type. For example, you might classify suppliers as type RAW for raw material suppliers and SUB for subcontractors.

You can use supplier type to select groups of suppliers for reporting, in particular for supplier and accounts payable reports. If you are in the US and submit 1099 tax reports, you can select suppliers by type.

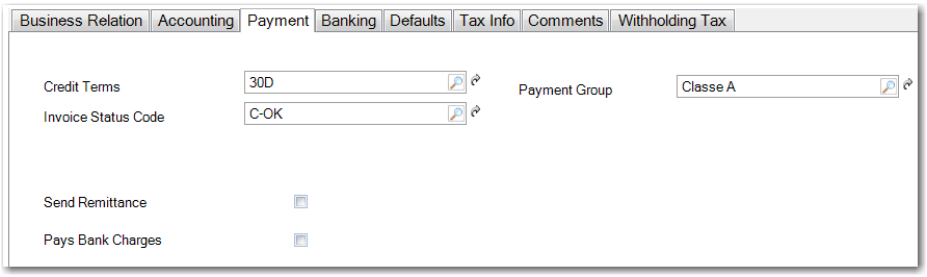
You can also define purchasing accounts by product line, site, and supplier type.

Purchase Type. Specify a code for grouping supplier invoices for reporting, letting you track your cash expenditures for different types of expenses. For example, use EX for miscellaneous expenses and PO for purchases of raw materials or components.

This field is optional when Tax Report is selected, indicating that you are submitting 1099 tax forms in the United States.

Payment Tab

Fig. 5.54
Supplier Create, Payment Tab



Field Descriptions

Credit Terms. Specify the default credit terms for this supplier. This field is required. The credit terms determines the due date calculated for the supplier invoices. See “Credit Terms” on page 250.

Invoice Status Code. Specify the default invoice status for determining the approval, payment, and allocation status of invoices for this supplier. This field is required. See “Invoice Status Codes” on page 246 for details.

Payment Group. Specify the payment group. A payment group can be used as a filter criterion when making a payment selection.

Send Remittance. Select this field to indicate which suppliers you want to send remittances to.

You can then print the remittance using Supplier Remittance Print (28.9.9.8) after you have run the supplier payment selection. This report is addressed to the Remittance address defined for the supplier’s business relation.

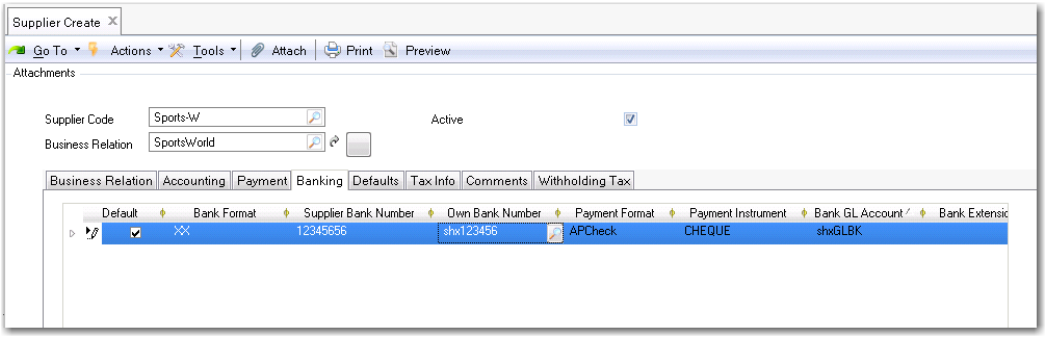
Pays Bank Charges. Select this field to indicate that the supplier pays any bank charges that may apply to payments that you make for invoices. See “AP Bank Charges” on page 737. This field is hidden by default and can be added using design mode.

Individual Payments. Indicate whether each invoice gets an individual payment line in payment files.

Banking Tab

Use the Banking tab to set up the accounts and payment formats for this supplier. The details you enter here are automatically retrieved for supplier payments and selections.

Fig. 5.55
Supplier Create, Banking Tab



Insert new rows for bank account and payment format details.

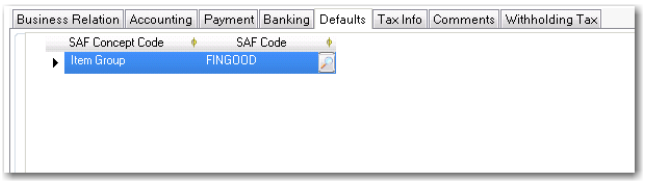
This tab is very similar to the banking tab for customers. See “Banking Tab” on page 277.

Note If you modify a supplier bank number that is already used in invoices and payments, the referenced invoices and payments are updated with the new supplier bank number.

Defaults Tab

Use the Defaults tab to set default values for SAF analysis for this supplier. See “Supplementary Analysis Fields” on page 143 for details.

Fig. 5.56
Supplier Create, Defaults Tab



Field Descriptions

SAF Concept Code. Specify an SAF concept code.

SAF Code. Specify an SAF code.

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

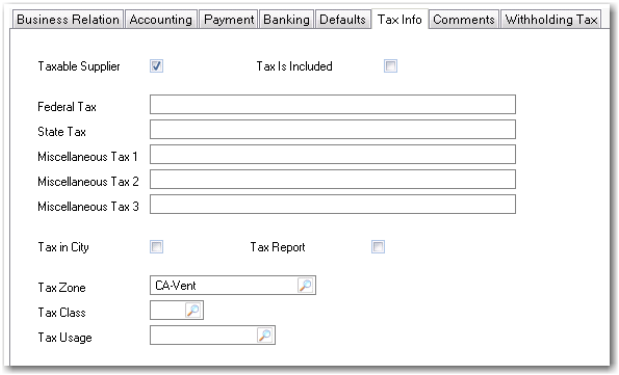
Tax Info Tab

Tax values default to documents created for the supplier and can be modified during transaction processing. The values for the Taxable Supplier, Tax Is Included, and Tax in City fields default from the Business Relation.

You can modify the default details as needed. See “Tax Information Tab” on page 240 for a description of the fields.

Note You can use non-intrusive customization to implement validation for federal and state tax IDs to ensure they meet the requirements of your local tax authority. This validation is then applied when you enter federal and state tax IDs in this tab, or in the Tax tabs on the Business Relation and Customer records. For more information, see *QAD System Administration User Guide*.

Fig. 5.57
Supplier Create, Tax Info Tab



Tax Report. Select this field to authorize generation of a supplier tax activity (1099) report to this supplier. The 1099-MISC Report references this field.

Select: The system reviews all payments to this supplier over the time period specified. If the sum of these payments is greater than the minimum 1099 amount specified, this supplier is included on the 1099 report listing the supplier name, address, and tax ID, along with a detailed or summarized list of payment amounts.

Clear: The 1099-MISC Report excludes this supplier regardless of selection criteria.

When this field is selected, the headoffice address of the associated business relation must have values for name, first line of the street address, city, state, zip code, telephone number, and federal tax ID. In addition, a default purchase type must be specified.

Details about 1099 reporting are included in *QAD Global Tax Management User Guide*.

Comments Tab

The Comments tab lets you enter free-form text related to this supplier that is saved with the supplier record. Comments display on the Supplier Activity Dashboard.

Withholding Tax Tab

Withholding tax and the Withholding Tax tab are described in *QAD Global Tax Management User Guide*.

Supplier Opening Balance

Use Supplier Opening Balance Create (28.1.15) to manually create open items (invoices, credit notes, or adjustments) in the purchases sub-ledger and generate appropriate postings.

The activity lets you transfer the outstanding open items (invoices, credit notes, adjustments) for a specific supplier in detail from an external system to your QAD application.

Create a standard GL account to act as a balancing transfer account for the control accounts.

The opening balance activity updates the following accounts:

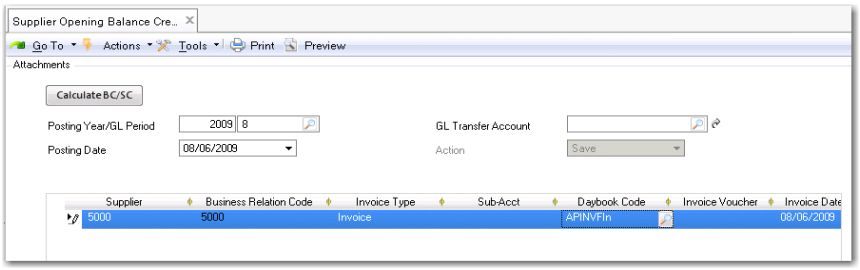
- For invoices, debits the GL Transfer account and credits Supplier Control.
- For credit notes, debits Supplier Control and credits GL Transfer.
- For item adjustments, if the adjustment involves a debit on the item, the accounts referenced are the same as those for a credit note. If it involves a credit, the accounts referenced are the same as those for an invoice.

The transfer account is used in postings to the control account balances, because you cannot initially post to the control accounts. You cannot modify these postings, and the input of customer, supplier, and GL opening balances ensures that the transfer accounts are referenced in the postings balance.

Opening balances can be created manually or by using Excel integration. For more information, see *Introduction to QAD Enterprise Applications User Guide*.

Use the Export to Excel for Maintenance option to create a template for open items. You should ensure that all the values you enter in the Excel spreadsheet are valid for this supplier.

Fig. 5.58
Supplier Opening Balance Create



Field Descriptions

Posting Year/Period. Specify an accounting year and period for the opening balance.

GL Transfer Account. Specify a GL account for the posting. This must be a manual account of type Standard.

Posting Date. Specify the date the posting is effective.

You can use the Calculate BC/SC button to convert the transaction currency amounts to the base currency and statutory currency using the default exchange rate.

The following fields display in the grid:

Supplier Code. Specify a supplier code.

Business Relation Code. The business relation code of the supplier displays.

Invoice Type. Select the invoice type from Invoice, Credit Note, Adjustment, Invoice Correction, Credit Note Correction.

Sub-Account Code. Specify the sub-account code for this supplier, if necessary.

Daybook Code. Specify a daybook code for the open item.

Invoice Voucher. Enter the invoice number.

Invoice Date. Specify the invoice creation date.

Invoice Tax Point Date. Specify the tax point date.

Invoice Reference. Enter the invoice reference text, if required.

Invoice Description. Enter the invoice description. This field is mandatory.

Posting Text. Enter reference text for this opening balance posting.

Posting Type. Specify credit or debit as the posting type.

TC Invoice Amount. Enter the invoice amount in transaction currency.

Currency Code. Enter the transaction currency code, if this is different from the base currency.

BC Invoice Amount. Specify the invoice amount in base currency, if this is different from the transaction currency. Click Calculate BC/SC to fill in this amount based on the value specified for TC Invoice Amount.

Base Currency Code. This field displays the base currency.

SC Invoice Amount. Enter the invoice amount in the statutory currency, if required. Click Calculate BC/SC to fill in this amount based on the value specified for TC Invoice Amount.

Statutory Currency Code. This field displays the statutory currency code.

Payment Instrument. This field displays the payment instrument.

Payment Reference Number. Enter an invoice reference number if required.

Bank Number. Enter the bank account number defined for this supplier. This number should match the bank account number you defined for this supplier on the supplier Banking tab.

Bank Number Extension. Enter the bank number extension, if required.

Credit Terms. The credit terms assigned to the supplier display; you can change them if required.

Invoice Due Date. Enter the invoice due date. Due date is calculated based on the credit terms.

Invoice Due Date (Discount). Enter the date when a discount is to be applied to the invoice. This field defaults to today's date.

Cost Center. Specify a cost center, if required.

Project. Specify a project code, if required.

Invoice Status Code. Select an invoice status code with allocation selected. If you want the opening balance approved, select a code that requires approval or is locked for payment.

Supplier Opening Balance and Invoice Numbering

When you successfully save an opening balance entry, the grid is updated with the invoice number.

As with customer opening balances, you have the option to use standard, consecutive, or chronological invoice numbering when creating supplier opening balances. See “Customer Opening Balance and Invoice Numbering” on page 296 for more information.

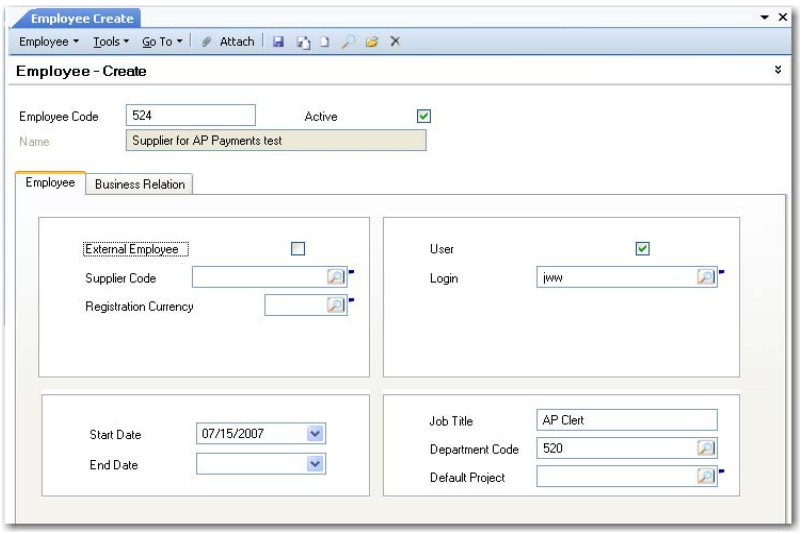
Creating Employees

Use the Employee activities (37.1.7) to create, view, modify, or delete an employee. A record can be deleted only if it is not referred to in the system. Otherwise, you can mark the record inactive.

Employees are associated with entities. They are referenced when defining engineers in the Service/Support Management module and also for labor recording for work orders and repetitive schedules. If you define employees as engineers, an e-mail can be automatically sent to the members of the EmployeeNotify role responsible for creating engineer data when a new employee is created.

Only active employees can be selected in these operational functions.

Fig. 5.59
Employee Create



Field Descriptions

Employee Code. Specify a code (maximum eight characters) that identifies an employee. The code cannot match any other employee in the current entity or any other entities in the current domain. The employee is associated with the entity that is active in your current session.

If you leave the Employee Code field blank, the system automatically generates a number for the record based on the sequence defined in Employee Autonumber Create. See “Autonumbering Sequences” on page 236.

Name. This field displays a value only after you select a business relation code to associate with this employee in the Business Relation tab. Address and contact details come from the headoffice address type of the business relation, including the value for name. After you have created an employee, you cannot modify the associated business relation.

Active. Indicate if this is an active record.

External Employee. Select this field if the employee is a contractor or not employed directly by your organization.

Supplier Code. Specify a supplier code to associate with this employee for the payment of expense claims.

Registration Currency. Specify the currency that should be used when expenses for this employee are paid. This field is available only when a supplier code is specified.

Start Date. Specify the date this employee was hired. This field is for reference and filtering report data.

End Date. Specify the date when this employee terminated employment at your company. This field is for reference and filtering report data. Generally, when you enter an end date, you should also clear the Active field to indicate that this employee is no longer active.

User. Indicate if this employee is also defined as a valid user in User Maintenance (36.3.1).

Login. If this employee is also a user, enter the associated login ID specified in User Maintenance. This field is available only when the User field is selected.

Job Title. Enter an optional job title for this employee. This field is for reference only and useful in sorting browses. Job titles can also be useful on shop floor reports.

Department Code. Specify the department in which this employee normally works.

Department codes, defined in Department Maintenance (14.1), identify major groupings of manufacturing work centers, at your own site or at sites belonging to outside suppliers.

Employees are not restricted to reporting labor at only work centers in their own department. This field is a default useful for reviewing employees by department.

Default Project Code. Optionally enter a code identifying the GL project normally assigned to this employee.

The employee project defaults in Shop Floor Control functions when non-productive labor is reported. It can be changed manually as needed.

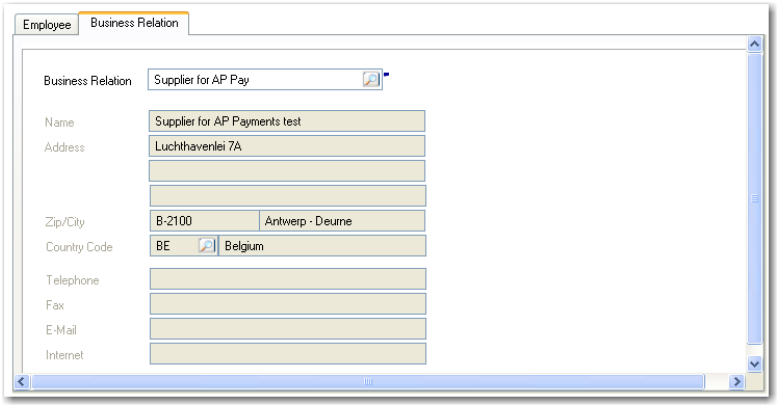
If this employee is defined as a service engineer in the Service/Support Management module, the default project is also used when expenses are recorded for a call in Call Activity Recording (11.1.1.13). In this context, the service expense is considered a form of non-productive labor.

Business Relation Tab

Use the Business Relation tab to specify the business relation code associated with this employee. All address details default from the headoffice address type of the business relation. You cannot modify this data here. See “Address Information Tab” on page 238 for details about these fields.

The system fills in the Name field based on the business relation after you save the record.

Fig. 5.60
Employee Create, Business Relation Tab



Chapter 6

General Ledger Transactions

The following topics describe the different types of GL transactions and their associated GL functions.

Overview 313
Introduces and summarizes the types of GL transaction.

Journal Entry 320
Describes how to record basic transactions in the system.

Additional GL Numbering 334
Discusses how you can generate a secondary numbering sequence for GL transactions.

Verifying and Approving Transactions 347
Explains how GL transactions can be verified and approved in order to prevent fraud.

GL Open Item Reconciliation 352
Describes how to reconcile the outstanding balance of a GL open item account with the underlying transaction detail.

Revaluation 370
Describes how to revaluate foreign currency transactions.

Open Item Adjustment 383
Reconcile unpaid or incorrectly paid invoices and credit notes.

Posting Templates 396
Save the posting details for reuse.

Recurring Entry 399
Configure transactions that are repeated regularly.

Reversing Transactions 403
Reverse activity on existing journal entries.

Running Allocations 408
Use transactions to distributing costs and revenues to the appropriate COA elements.

Mass Layer Transfer 414
Transfer batches of postings from the transient layer to other layers.

Intercompany and Cross-Company Transactions 418
Describes transaction between entities in the same domain and across domains.

Journal Entry Excel Cross-Company Integration 424
Explains the function that lets you load cross-company journal entries defined in an Excel spreadsheet.

Journal Entry Archiving 434
Explains the function that lets you summarize and archive operational journal entries.

Mirror Accounting 445
Reflect inventory transactions immediately in the income statement.

Year-End Transactions 451
Run a process to automatically create closing postings.

Exporting Accounting Data 458
Introduces the function that lets you export files of accounting data in standard format, including file types that are required by financial authorities in certain countries.

Reviewing Posted Transactions 461
Summarizes the options available for viewing and reporting GL transactions.

Overview

The general ledger (GL) is a record of all transactions that occur in an entity. It is maintained by recording debit and credit transactions in a process known as posting. After transactions have been posted, the balance in each account is updated.

Journal entries are the basis of most GL records. Journal entries directly map to GL postings, and the general ledger lets you view the activity and balance of each account at a glance. See “Journal Entry” on page 320.

Transactions recorded in the official layer or management layer are created and posted as part of the same journal entry process. Transactions recorded in the transient layer can be transferred to the official layer or management layer.

Simple GL transactions consist of multiple posting lines associated with amounts and GL accounts. During posting, the transaction detail in the posting line is used to update cumulative account balance detail records for the GL period. This detail is then used when generating financial statements and summary reports.

GL Transaction Activities

This section summarizes the activities you can use in managing GL transactions.

Journal Entries

A journal entry, or posting, is the basic transaction in the accounting system. Journal entries are often composed of multiple posting lines, each associated with a GL account and an amount.

Use the Journal Entry activities (25.13.1) to create, view, modify, delete, and reverse journal entries. See “Journal Entry” on page 320.

Additional GL Numbering

Additional GL Numbering lets you generate a secondary numbering sequence for GL transactions. This sequence number is an alternative reference number for use in countries where local GAAP constraints require that GL posting numbering be sequential, without any gaps. See “Additional GL Numbering” on page 334.

Verification and Approval

GL transactions can be verified and approved in order to prevent fraud.

You can use the functions on Status Transition Menu (25.3.12) in combination with the Verify and Approve activities in the Journal Entry function to define and implement a process to verify and approve transactions. See “Verifying and Approving Transactions” on page 347.

Revaluation

Each GL transaction is denominated in a transaction currency. Currency fluctuation means that transaction amounts can inflate or devalue, with respect to the base currency amounts or statutory currency, within the GL period in which they are posted. Revaluation enables you to identify the results from variances in exchange rates. See “Revaluation” on page 370.

Adjustments

Open items are unpaid and partly-settled invoices, both from customers and suppliers. You can resolve open items and balance the relevant accounts by posting journal entries, by closing invoices and reducing the open balance, or by posting payments. See “Open Item Adjustment” on page 383.

You can also reconcile the outstanding balance of a GL open item account with the underlying transaction detail using GL Open Item Reconciliation (25.15.2.13). See “GL Open Item Reconciliation” on page 352.

You can correct errors in GL transactions by reversing the transaction in the current or subsequent GL period. Recording a reversing transaction as a correction effectively mirrors the original transaction, which lets you net the transaction amount and balance the account. See “Reversing Transactions” on page 403.

Posting Templates

If you plan to record the same journal entry on a regular basis, posting templates let you save the posting details for reuse. Templates are usually used with recurring entries, in which the template is posted at recurring intervals according to a predefined schedule. See “Posting Templates” on page 396.

Recurring Entries

The majority of GL transactions are similar in nature. For example, monthly or quarterly GL postings often use the same account, currency, and exchange rate types, and credit or debit the same amounts each time. You can use posting templates to save the structure of the journal entry for reuse. See “Posting Templates” on page 396.

Recurring transactions are set up to post according to a predefined schedule; for example, a direct debit payment for building rent or insurance. By creating a posting template for a predetermined number of GL periods, you automate these transactions. Recurring entries, as with all other GL transactions, can also be adjusted at any stage before posting. See “Recurring Entry” on page 399.

Reversing Entries

Reversing entries are used for two purposes:

- Correcting errors in posted transaction by posting an opposing entry to net out the original amounts.
- Posting accruals, such as payroll earned, but not yet paid.

You can reverse a journal entry in two ways: manually or automatically.

See “Recurring Entry” on page 399.

Allocations

Costs and revenues must be correctly sourced in the chart of accounts. Allocation is a method of breaking a single payment or cost down to its constituent parts, and identifying and distributing the correct amounts to each source component. You can create allocations as templates. See “Running Allocations” on page 408.

Layer Transfer

Unfinalized transactions are generally posted to daybooks in a transient layer for review or for simulation purposes. Mass layer transfer lets you move postings from the transient layer to the management or official layers. When transactions are moved to another layer, the overall account balances remain the same, but the balances are now stored in the layer to which you have moved them. See “Mass Layer Transfer” on page 414.

You can use a second transfer function, Mass Layer PC-Transfer Execute (25.13.12), to transfer batches of unfinalized periodic costing calculations from the transient layer to the management or official layers. See “Mass Layer Transfer for Periodic Costing” on page 417.

Intercompany and Cross-Company Transactions

An intercompany transaction is a single GL transaction or journal entry that indicates trade with another entity in your organization. The transaction only updates the GL of the entity in which it is recorded, but contains an intercompany code within the GL transaction, as a reference to another entity. The GL transaction posts to one entity only.

Cross-company transactions reference each other across more than one entity, and the associated GL transaction posts to both entities. Both of these types of accounting are required to generate the account balances for multi-entity organizations. See “Intercompany and Cross-Company Transactions” on page 418.

You can also use Journal Entry Cross Co Excel Integration (25.13.1.10) to load cross-company journal entries defined in an Excel spreadsheet. See “Journal Entry Excel Cross-Company Integration” on page 424.

Mirror Accounting

Mirror accounting links a set of source (balance sheet) accounts to a set of mirror (income statement) accounts. This function ensures that inventory transactions are reflected immediately in the income statement, as well as in the balance sheet.

When an inventory transaction is posted that updates the source accounts, the system generates a mirror posting that updates the mirror accounts simultaneously. A mirror transaction can optionally be split into two sub-transactions. You create source and mirror daybooks as part of the configuration task; and the split transactions can be posted to either the source or mirror daybooks. See “Mirror Accounting” on page 445.

Year-End Closing

Year-end financial statements are the most important reports generated by the organization. Generate year-end transactions once all GL periods, except the last period, are closed. GL transactions primarily affect the current fiscal year. You can create adjusting transactions in a separate correction period, and optionally, use a different daybook to help distinguish between audited and unaudited results.

See “Year-End Transactions” on page 451.

Export Accounting Data

You can use Accounting Data Export (25.13.23.1) to export files of accounting data in standard format, including file types that are required by financial authorities in certain countries. See “Exporting Accounting Data” on page 458.

Reviewing Posted Transactions

The system contains a wide range of reports and views that let you analyze GL transaction activity.

See “Reviewing Posted Transactions” on page 461.

Posting Transactions from Other Modules

In a production system, most GL transactions originate from operational transactions, such as manufacturing, purchasing, and inventory movements. The system collects most operational transactions in an unposted transaction table. You can review the transactions to ensure that amounts, accounts, and dates are correct. Once the transactions are verified, you must post them to update GL account balances.

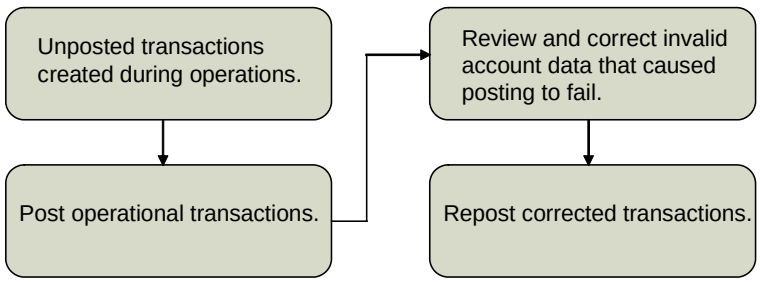
Operational transactions fall into four areas:

- Inventory Control (IC)
- Work Order (WO)
- Fixed Assets (FA)
- A limited number of sales order (SO) transactions

Note Invoicing sales orders using Invoice Post and Print (7.13.4) directly updates the GL.

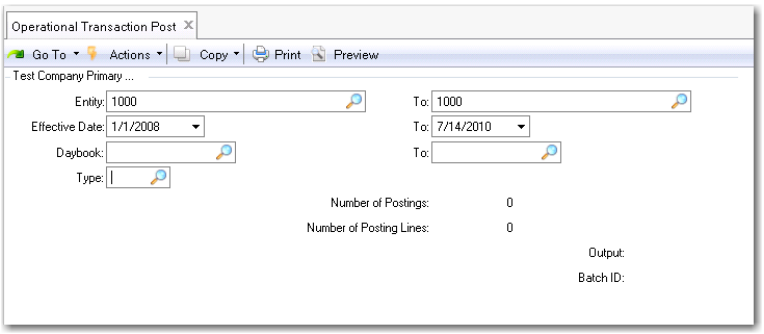
Figure 6.1 illustrates the process flow for operational transactions.

Fig. 6.1
Operational Transaction Flow



Note Before operational transactions can be posted, you must set the Verify GL Accounts field in Domain/Account Control (36.9.24) to Yes. Before setting the Verify GL Accounts field, you can run the Op Account Structure Validation report to determine if any issues exist with combinations of accounts, sub-accounts, cost centers, and projects. See “Domain/Account Control” on page 206.

Fig. 6.2
Operational Transaction Post



Entity. Specify the range of entities for which you want to post transactions. You must have security access to all entities in the specified range.

The default is the current entity.

Effective Date. Specify the range of dates for which you want to post transactions. Leave the fields blank to begin with the first date on which transactions exist. The default is the current system date.

Daybook. Specify a range of daybook codes for which you want to post transactions. Daybooks are associated with operational transactions in Default Daybook Maintenance.

This field is optional.

Type. Specify a transaction type for the program to only post unposted transactions with this transaction type. If you leave the field blank, the program posts transactions regardless of their transaction type.

The possible transaction types are:

- FA: Fixed Assets
- IC: Inventory Control
- SO: Sales Orders (non-invoice transactions only)
- WO: Work Orders

Creating Operational Transactions

Unposted operational GL transactions—composed of multiple lines representing debits and credits to individual accounts—are created by operational processing functions outside the GL module. They are identified with a 14-character operational reference number in the following format:

```
<transaction type><yr><mm><dd><transaction number>
```

Example At the same time PO Receipts (5.13.1) generates an RCT-PO inventory transaction, it also creates an unposted GL transaction with an IC prefix. A typical operational reference would be IC1402210037—the 37th inventory movement transaction created on February 21, 2014.

Important The use of daybooks is mandatory and you must create at least one daybook of type Journal Entries.

Additionally, based on the daybook associated with the transaction type, the system assigns a GL reference number used to identify the transaction after it is posted to the general ledger:

```
<Year>/<DaybookCode><SequenceNumber>
```

Default Daybook Maintenance (25.8.4) records associated with the operational transaction functions must reference active daybooks. If you attempt to post a transaction that references an inactive daybook, the system displays an error, and the transaction is not posted.

Important As part of daybook setup, you must define at least one record in Default Daybook Maintenance to represent the system daybook in operational transactions.

Use Unposted Transaction Inquiry (25.13.13) or Unposted Transaction Register (25.13.14) to view operational transaction records before they have been posted. In the register program, you can select Unbalanced Only to limit the output to records that failed to post correctly.

Note The system assigns an operational SO reference number to transactions created in Invoice Post and Print (7.13.4). However, the posting process for invoices is not part of the same process flow as other operational transactions. Only Revenue Recognition (11.5.18.21) in the Service/Support Management (SSM) module creates SO-type transactions that are posted as part of the SO transaction process. See *QAD Sales User Guide* for information on invoice post.

Posting Transactions

To apply unposted transaction amounts to the GL, use Operational Transaction Post (25.13.7). You can select transactions for posting by entity, date, or the daybook assigned based on records in Default Daybook Maintenance (25.8.4). The system verifies that all transactions contain valid combinations of active account, sub-account, cost center, and project code; the effective posting date must also be within a valid GL period. Transactions must also be balanced, with debits equaling credits. Otherwise, an error message displays and the transaction is not posted.

The concept of statutory currency does not exist in the operational modules. Therefore, when operational transactions are fed to Financials using Operational Transactions Post and Invoice Print and Post, the resulting GL transactions are updated with the corresponding statutory currency amounts. If the transaction currency is not available, then the system converts the base currency amount to statutory currency using the statutory exchange rate type.

Note If the criteria ranges select multiple transactions, only those with one or more posting lines that contain invalid account information fail the posting process. Transactions with valid values on all lines are posted.

Both numeric identifiers generated during the creation process are retained as part of the history record. GL reporting functions display both numbers The Reference ID field on GL reports lists both the operational reference number and GL reference.

General ledger operational transaction reports, views, and browses list the following details for operational transactions:

- Reference ID
- Transaction Type
- Doc Type

- Address

These fields can be filtered when generating reports.

Legal Document Number

Inventory movement transactions store the related legal document number in the GL record, if available. When the records are posted, Operational Transaction Post and Invoice Post and Print pass the legal document number to Financials.

The following reports and inquiries display the legal document number in the GL transaction description, if applicable.

- Unposted Transaction Inquiry (25.13.13)
- Unposted Transaction Register (25.13.14)
- Unposted GL Trans Correction (25.13.16)

Split Data

If allocation codes have been set up to split specified percentages of the transaction amount among multiple accounts, the system creates a separate posting line for each account combination.

Operational transactions are created in pairs that are balanced. A single GL reference can contain multiple lines and, when posted, separate transactions are created for each daybook.

For transactions that span multiple entities, operational programs create separate transactions for each entity, as needed. The system automatically generates a reference to link the cross-company transactions during the posting process.

Currency and Exchange Rate

IC and WO transactions use the inventory exchange rate type, if it is defined. FA and SO transactions normally use the existing accounting exchange rate type. If no inventory exchange rate is in effect at the time of PO receipt, then the accounting exchange rate type is used by default.

See “Inventory Exchange Rate” on page 75 for more information.

Correcting Account Errors

Use Unposted GL Transaction Correction (25.13.16) to modify invalid account data for transactions that fail validation. To be accessible in this program, transactions must have failed transaction post. You can update the following fields:

- Account
- Sub-Account
- Cost Center
- Project

In addition to updating the unposted transaction table, this program also modifies the fields in operational transaction history to ensure that the history reflects the same values as the actual GL posting. Any errors you locate and correct using Unposted GL Transaction Correction also exist in

Inventory Transaction History, which now contain references to account data that no longer exists. Re-run Operational Transaction Post to update Inventory Transaction History with the account data changes.

You can edit a line of an operational GL transaction only if it contains an account error. For example, if while updating invalid data, you notice an incorrect—but valid—account in one of the posting lines, you cannot change it. You cannot modify transaction dates or amounts either. In these cases, you must create a second operational transaction to reverse the original amount, correct the account data, and run the post program again.

Changes made in this program can be audited by setting GL Transaction Audit Trail to Yes in GL Op Transaction Control (36.9.13). Audit records indicate the field name, old value, new value, user ID, and date and time associated with the change. These records can be archived and deleted using Audit Detail Delete/Archive (36.23.1). See *QAD System Administration User Guide* for details.

Journal Entry

A journal entry, or posting, is the basic transaction in the accounting system. In its most simple representation, a journal entry is a transaction composed of multiple posting lines, each of them associated with a GL account and an amount. Nevertheless, in most cases, journal entries also have other dimensions, represented by analytical codes.

Use the Journal Entry activities (25.13.1) to create, view, modify, delete, and reverse journal entries. You can use Journal Entry Create (25.13.1.1) only to manually record transactions for financial daybooks. However, Journal Entry View (25.13.1.3) lets you view transactions posted to operational and external daybooks, in addition to financial daybooks. See “Using Daybooks” on page 164 for more information.

Note You can only modify or delete journal entries posted to a transient layer. See “Transient Layer” on page 162.

You can also use the following activities within Journal Entry:

- Journal entries can be saved in draft format when Draft Instances is selected in Change System Settings (36.24.5.1). When you save a record in draft format, none of the system validations are executed. You can then return later to complete the record by choosing the Journal Entry Browse Drafts activity and selecting the record you want to finish from the list. For more information on drafts, see *Introduction to QAD Enterprise Applications User Guide*.

  See *QAD System Administration User Guide* for more information on system and user settings.

- Using the Journal Entry Cross Co Excel Integration (25.13.1.10) feature, you can export data into Excel spreadsheets for analysis or reporting. You can also create new data within Excel and import it to the system database, where it is validated before being saved. You can load single entity and multi-entity journal entries and cross-company journal entries defined in an Excel spreadsheet. See “Journal Entry Excel Cross-Company Integration” on page 424.

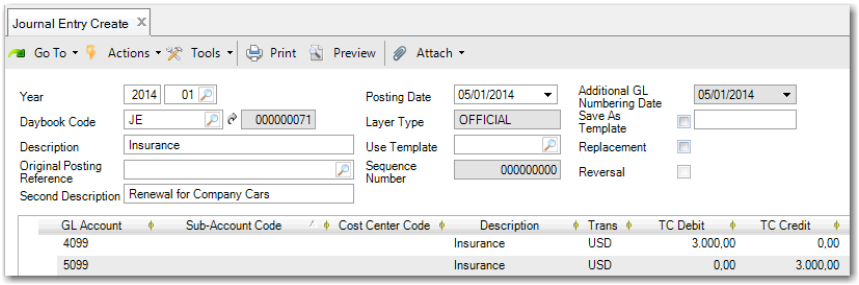
  Note You can also use Journal Entry Excel Integration (25.13.1.6) to import and export journal entries to Excel. However, it is recommended that you use Journal Entry Cross Co Integration.

You cannot use Journal Entry Excel Integration to load postings for accounts that do not accept manual postings; for example, control accounts, customer and supplier payment accounts, inventory accounts, WIP accounts, and purchase order receipt system type accounts.

For more information on Excel Integration, see *Introduction to QAD Enterprise Applications User Guide*.

In exceptional circumstances, your system administrator can use another tool, Journal Entry Excel Integration Repair (25.13.1.18), to repair inconsistencies between control accounts and their related sub-ledgers. In Journal Entry Excel Integration Repair, the GL account validation is unrestricted, and it is possible to post to control accounts without posting to the corresponding sub-ledger. It is important to restrict user access to this tool because it can create inconsistencies between GL control accounts and the sub-ledgers. Journal Entry Excel Integration Repair should only be used by authorized personnel to solve existing inconsistencies in the system.

Fig. 6.3
Journal Entry Create



Field Descriptions

Year. Specify the GL calendar year and GL period for the journal entry.

Daybook Code. Specify a daybook for the entry. The daybook must be of type Journal Entries. The read-only, system-generated voucher number displays next to the code.

Description. Enter a brief description (maximum 40 characters) of the journal entry. The description defaults to each entry line.

Original Posting Reference. This field displays the original posting reference in cases where a posting has been reversed or replaced.

Second Description. Specify a plain, easily understood additional description for this journal entry. You can enter up to a maximum of 60 characters.

Posting Date. Specify the date for the postings. The posting date for journal entries must occur within the GL calendar year and period.

Layer Type. This read-only field displays the layer type associated with the daybook.

Use Template. Specify an existing template code.

See “Posting Templates” on page 396 for details.

Note In Journal Entry Modify, the Use Template field can be edited for journal entries with transient layers. When you specify an existing template code in the Use Template field, the related template is applied.

Sequence Number. This field displays a nine-digit sequence number generated for the journal entry. This is an alternative reference number for use in countries where local GAAP constraints require that GL posting numbering be sequential, without any gaps.

Note The sequence number is generated only if the Additional GL Numbering check box is activated for the entity. See “Additional GL Numbering Tab” on page 49 and on page 334 for details.

Additional GL Numbering Date. This field displays the GL numbering date associated with the additional GL sequence. When creating a journal entry in a normal GL period, the numbering date defaults to the posting date and cannot be modified.

When creating or modifying a posting for a correct period, the Additional GL Numbering Date field becomes active and you can specify the numbering date to use.

Save as Template. Select to save the entry details as a posting template. If you select this field, you must specify a new posting template code in the text box.

For more information on templates, see “Posting Templates” on page 396.

Note In Journal Entry Modify, you can edit this field for journal entries at all layers. You can remove the existing template code, replace the existing code, or add a code when the field was blank. However, if you enter a code that is already used in another journal entry, an error is displayed, stating that a template with this code already exists.

Replacement. This field is read-only and indicates if the journal entry is a replacement posting. Normally, if a GL posting is incorrect, it is rectified using two subsequent GL postings: a reversal posting to balance out the original, incorrect posting, and a new replacement posting with the correct values.

Note Use Journal Entry Replacement View to view a list of the replacement journal entries in the system.

Reversal. Select the field if the journal entry is a reversal posting to balance out a previous, incorrect posting.

You cannot reverse and replace a journal entry at the same time. You may select only one of the Replacement and Reversal fields for a journal entry.

Posting Lines

Define the transaction posting lines in the grid. A posting line can be composed of multiple sub-levels containing additional posting information.

The level 1 posting line contains fields for the GL account, sub-account, cost center, journal entry description, base currency, and debit and credit amounts in the base currency.

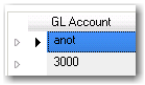
The posting grid can automatically display additional level 2 posting lines and fields, depending on how the GL accounts used in the transaction are defined, such as fields for:

- Transaction currency
- Quantity
- Intercompany
- Cost center analysis
- Project analysis

- SAF analysis
- Open items
- Tax account details

If the posting line contains additional level 2 posting lines, a line expander (▷) appears to the left of the line:

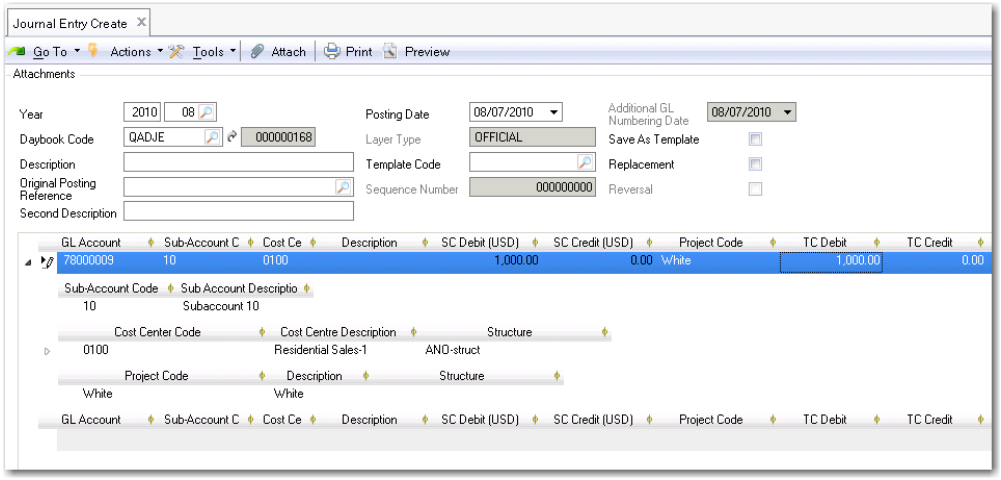
Fig. 6.4
Posting Line with Expander



Click on the line expander to view the level 2 posting lines.

If the GL account you use does not have analysis and the transaction you enter is in the base currency, the posting contains only a single line and no level 2 posting lines.

Fig. 6.5
Journal Entry, Multiple Level 2 Posting Lines



Field Descriptions

GL Account. Specify a GL account code.

Description. This field displays a brief description of the posting line. This defaults from the header.

Currency. Specify the transaction currency code. If a currency has been defined for the GL account, the system loads it by default. If no currency is defined for the account, the system uses the domain base currency. The default accounting exchange rate is applied for multi-currency transactions.

See “Currency” on page 324 for details on entering values in a non-base currency.

For details on currencies and exchange rates, see “Currencies” on page 62 and “Exchange Rates” on page 65.

Debit. Enter the debit amount for the transaction. The credit amount is set to zero when you enter a debit amount. The amount is displayed in the domain base currency.

Credit. Enter the credit amount for the transaction. The debit amount is set to zero when you enter a credit amount. The amount is displayed in the domain base currency.

Currency View. Choose Base Currency or Transaction Currency from the drop-down list to view the posting amounts in either currency.

Total. This read-only field displays the total of debit and credit amounts for the posting.

Note For more information on defining GL account values, see “Creating GL Accounts” on page 90.

Currency

For accounts that are not denominated in a unique currency, you can record journal entries in either the base currency (BC) of the domain or in a non-base, transaction currency (TC). For accounts denominated in a specific currency, you enter amounts using the transaction currency and the system converts the amounts to the base currency.

The system displays a level 2 posting line with fields for entering the transaction currency when:

- You specify a GL account that is denominated in a non-base currency.
- You modify the default base currency value in the Currency field in the level 1 posting line to a non-base currency (for accounts that accept postings in all system currencies).

The level 2 posting line for the transactions currency contains the following fields:

- TC Debit
- TC Credit
- BC Debit
- BC Credit
- Exchange Rate (TC/BC)
- Scale Factor (TC/BC)

The system uses the accounting exchange rate to convert between the transaction currency and base currency, and calculates the base currency amount as:

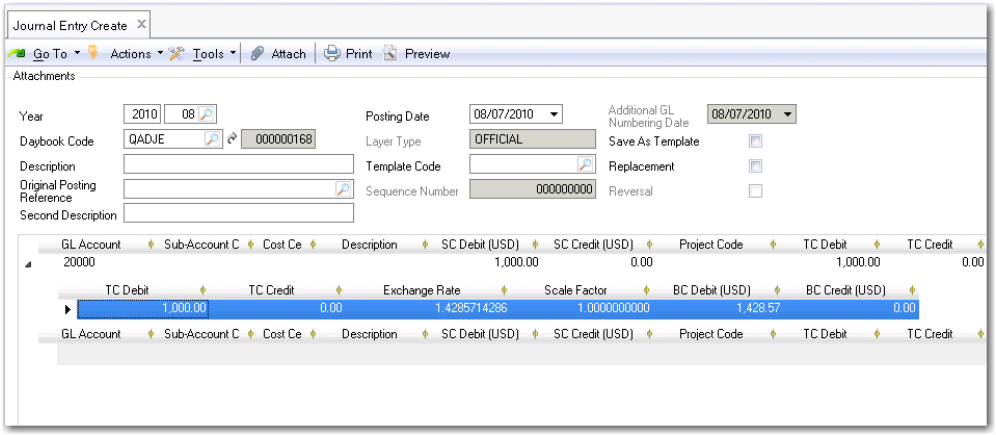
*BC Amount = TC Amount * Exchange rate (TC/BC) * Scale Factor (TC/BC)*

Note On level 1 of a currency posting line, the system displays either the transaction amounts or base currency amounts, depending on the setting in the Currency View field at the bottom of the screen.

If the Exchange Rate field is displayed in the posting line, you can modify the exchange rate there. If you modify the exchange rate, the new value is used in the base currency calculation.

See “Setting Up Multiple Currencies” on page 57 for more information on currencies and exchange rates.

Fig. 6.6
Journal Entry, Currency Grid



Field Descriptions

TC Debit. Enter the debit amount in the transaction currency. The credit amount is set to zero when you enter a debit amount.

TC Credit. Enter the credit amount in the transaction currency. The debit amount is set to zero when you enter a credit amount.

Exchange Rate. The system displays the default exchange rate for the currencies defined for the shared set. Edit the rate if necessary. See “Exchange Rates” on page 65 for more information on exchange rates.

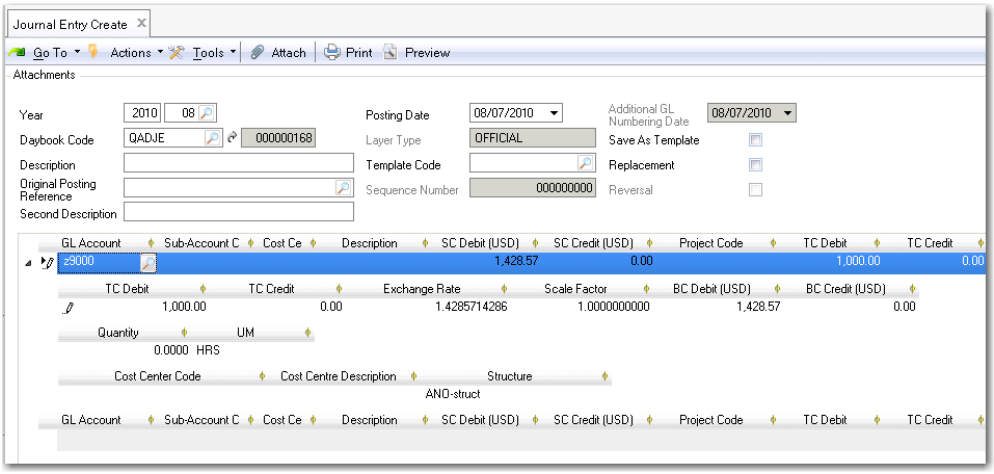
Scaling Factor. This field displays the scaling factor for the exchange rate. The scaling factor is used for currencies that have a very small value relative to other currencies.

BC Debit/Credit. The system displays the debit or credit amount calculated in the base currency.

Quantity

The Quantity grid is displayed when the account specified in the posting is defined with a quantity value and unit of measure. The quantity value is the number of units specified. The unit of measure is the type of unit, which you can define as inches, pounds, work hours, days, or any item for which you want to include details in the transaction. See “GL Account Unit of Measure” on page 112.

Fig. 6.7
Journal Entry, Quantity Grid



Field Descriptions

Quantity. Enter a positive or negative quantity amount.

UM. This field displays the unit of measure defined for the account.

Intercompany

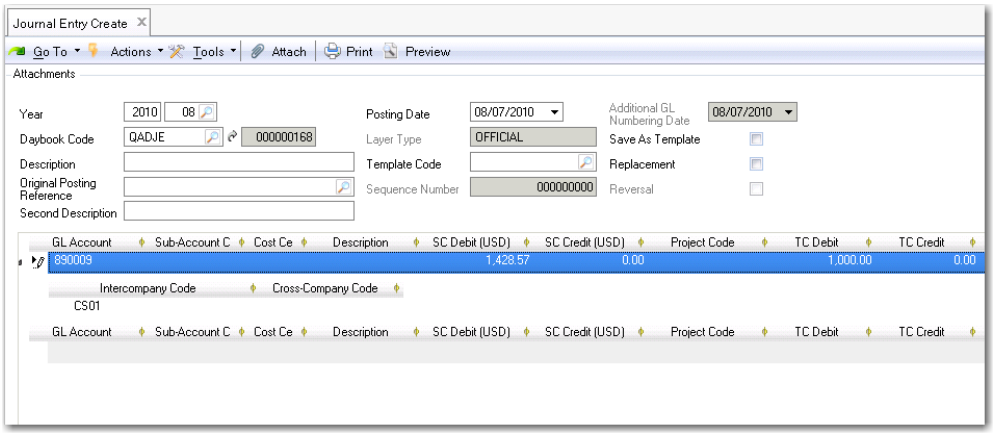
The Intercompany grid is displayed when the account specified in the posting was defined as an intercompany account, enabling you to perform intercompany transactions.

An intercompany transaction is a GL transaction or journal entry that affects only one entity, but contains an intercompany code within the GL transaction, as a reference to another entity. Cross-company transactions span more than one entity.

Note When viewing journal entries for which there are cross-company postings, you can view the cross-company postings by right-clicking the posting line and selecting the Cross Company Posting option.

Intercompany and cross-company accounting is described in more detail in “Intercompany and Cross-Company Transactions” on page 418.

Fig. 6.8
Journal Entry, Intercompany Grid



Field Descriptions

Intercompany Code. The intercompany code defined for the account displays. Specify a different intercompany code if necessary. See “Intercompany Transactions” on page 419.

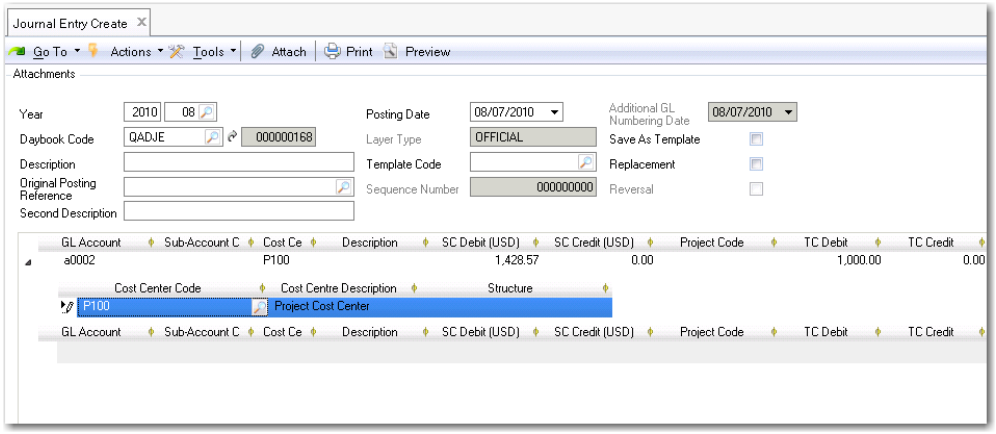
Cross-Company Code. This field is read-only when creating intercompany transactions. When creating cross-company transactions, you specify the code of the other entity in the transaction. See “Cross-Company Transactions” on page 419.

Cost Center

The Cost Center grid is displayed when the account specified in the posting is defined with cost center analysis.

See “Cost Centers” on page 105 for information on defining cost center analysis on an account.

Fig. 6.9
Journal Entry, Cost Center Grid



Field Descriptions

Cost Center Code. The cost center code defined for the account displays. Specify a different cost center if necessary.

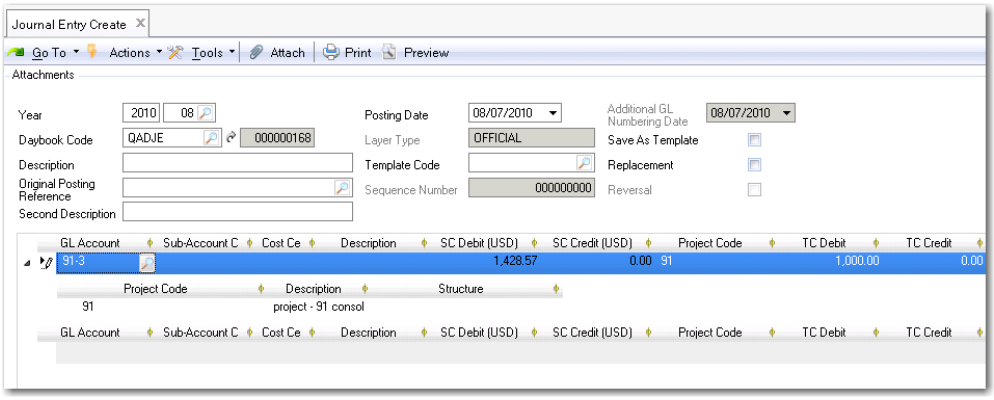
Structure. If an SAF structure is associated with the cost center defined for the account, it displays.

See “Supplementary Analysis Fields” on page 143 for more information on SAF analysis.

Project

The Project grid is displayed when the account specified in the posting is defined with project analysis. See “Projects” on page 107 for information on defining project analysis on an account.

Fig. 6.10
Journal Entry, Project Grid



Field Descriptions

Project Code. This field displays the project defined for the account. You can specify a different project if necessary.

Description. This field displays a brief description (maximum 24 characters) of the project.

Structure. If an SAF structure is associated with the project defined for the account, it displays. See “Supplementary Analysis Fields” on page 143 for more information on SAF analysis.

SAF

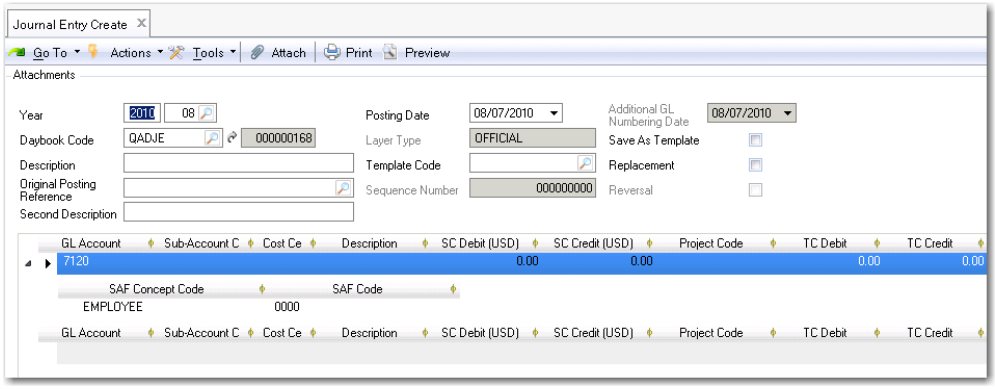
The SAF grid displays when the account, cost center, or project specified in the posting is defined with SAF analysis. SAFs provide additional reporting on specific areas within GL accounts. If SAF analysis has been defined for an account, cost center, or project, the codes appear automatically in the posting lines.

Journal Entry Create can only display a single SAF structure on a posting line. If a posting line contains more than one set of SAFs, you receive the error message: “Dual SAF structures are not allowed within a single posting line.”

If a posting line contains both a project and a cost center, and both have SAF structures, only the cost center SAFs are used and the project SAFs are ignored. See “Supplementary Analysis Fields” on page 143 for more information on setting up SAFs.

See “Defaults Tab” on page 103 for information on defining SAF analysis on an account, and “Supplementary Analysis Fields” on page 143 for detailed information on SAF analysis.

Fig. 6.11
Journal Entry, SAF Grid



Field Descriptions

SAF Concept Code. This field displays the SAF concept code defined for analysis on the account.

SAF Code. This field displays the SAF code assigned to the SAF concept. Every SAF concept has at least one default SAF code.

GL Open Item

The Open Item grid displays when the account specified in the posting is defined as an open item account. GL open items are typically used for posting accruals, for example, insurance costs for an entire year, broken down into monthly values.

You can save transactions on GL open item accounts to the official, management, or transient layers.

When you post to GL accounts of type Open Items, you have three options:

- Create a new GL open item denoted by a new allocation key.
- Link to and update an existing GL open item by specifying the existing item's allocation key. The system then creates a GL open item movement.
- Save the transaction without an allocation key by selecting the Allocate Later option. In this case, the system does not create a GL open item or a GL open item movement.

This behavior applies in the following screens where you can specify GL open item accounts for transactions:

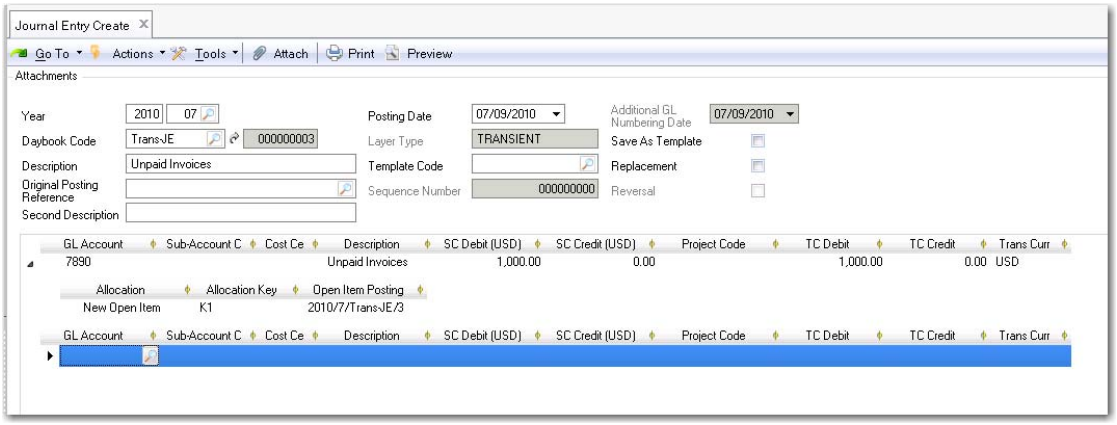
- Banking Entry Create—Allocate and Banking Entry Allocate
- Open Item Adjustment Create
- Receiver Matching Create and Receiver Matching Modify
- Supplier Invoice Create and Supplier Invoice Modify
- Customer Invoice Create and Customer Invoice Modify
- Recurring Entry Post
- Journal Entry Reverse

- Reversing Journal Create
- Petty Cash Create—Allocate and Petty Cash Allocate

You can then use GL Open Item Reconciliation (25.15.2.13) to perform a mass reconciliation of transactions on GL open item accounts. In GL Open Item Reconciliation, you can allocate entries to a new open item or to an existing open item. In addition, you unallocate allocated transactions by resetting their statuses to Allocate Later. See “GL Open Item Reconciliation” on page 352 for more information.

For more information on GL Open Item accounts, see “GL Account Types” on page 87.

Fig. 6.12
Journal Entry, Open Item Grid



Field Descriptions

Allocation. Choose a transaction type from the drop-down list.

New Open Item: Allocate transaction amounts to a new open item.

Link to Open Item: Use the allocation key to link this transaction to an existing open item.

Allocate Later: Save the transaction without an allocation key. The system does not create a GL open item or a GL open item movement.

Allocation Key. Specify an allocation key for a new open item. This key subsequently identifies the GL open item in browses and reports.

If you chose Link to Open Item, click the lookup to display the allocation keys of existing open items and select the one you want to link to.

Open Item Posting. This field displays the posting reference for the open item.

Tax Details

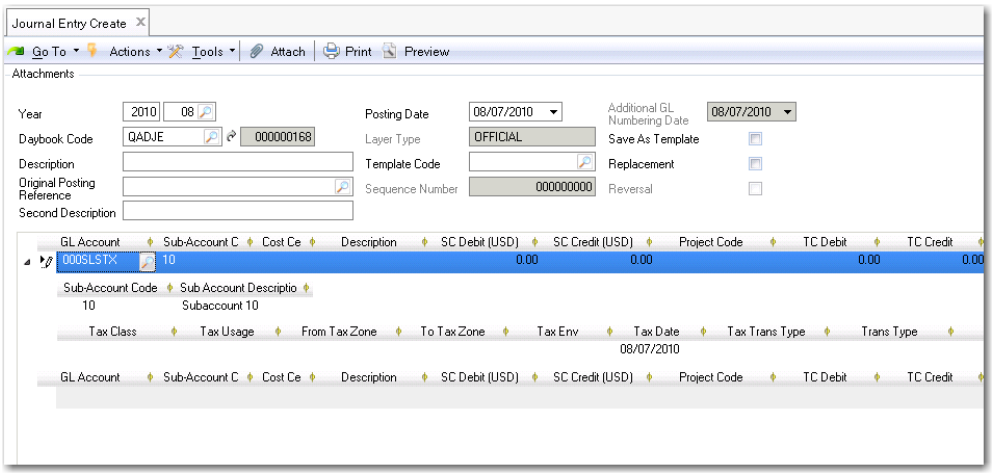
The Tax Details grid displays when the account specified in the posting is defined as a tax account. The posting line includes the following fields:

- Type
- Tax Zone From/To
- Tax Usage, Tax Environment, Tax Class

The system determines the tax rate to use based on the values specified for the above fields.

To calculate values for the Base Debit, Base Credit, Full Debit, and Full Credit fields, the system uses the rules defined in Global Tax Management. See *QAD Global Tax Management User Guide* for more information on tax.

Fig. 6.13
Journal Entry, Tax Details Grid



Journal Entry Auto Balancing

When you create a posting, the system calculates the value of the posting in base currency or statutory currency, or in both currencies. Normally, the base currency debit and credit totals and the statutory currency credit and debit totals must be equal for the posting to be saved. However, if Journal Entry Auto Balancing is enabled, you can save a posting even if the posting is not balanced in base currency or in statutory currency, within certain limits. To balance the posting, the system automatically creates an additional posting line that balances the whole transaction. The additional posting line is made to an Auto Balance system account.

The system creates a balancing posting when the following conditions apply:

- An Auto Balance system type account is defined for the GL shared set of the current domain.
- A posting is unbalanced in base currency, statutory currency, or in both currencies even after all existing mechanisms, such as rounding and exchange gain or loss, have been applied.
- At least one of the transaction currency, base currency, or statutory currency amounts is balanced (for automatic postings only)
- The unbalanced amount is sufficiently small; that is, less than or equal to the number of posting lines minus one, multiplied by the rounding unit. This situation only applies in Journal Entry Create and related functions.

  Important In Customer Invoice Create and Supplier Invoice Create, the system always generates a balancing posting to the Auto Balance system account when one is defined, regardless of the size of the unbalanced amount.

  Example

  The rounding for a currency is two decimal places, the threshold is .005, and the rounding unit is .01.

If a posting has four lines, the limit is:

(4 -1) * .01 = .03.

In this case, any balance differences of .03 or less are posted automatically to the Auto Balance system account.

Journal Entry Auto Balancing applies for any posting, regardless of its origin; for example, manual posting, automatic posting, or journal entry excel integration. The balance of the posting is calculated at the last stage during the saving of the posting. When the balancing posting line is created, the system displays a warning message.

Fig. 6.14
Journal Entry Create, Autobalance Warning

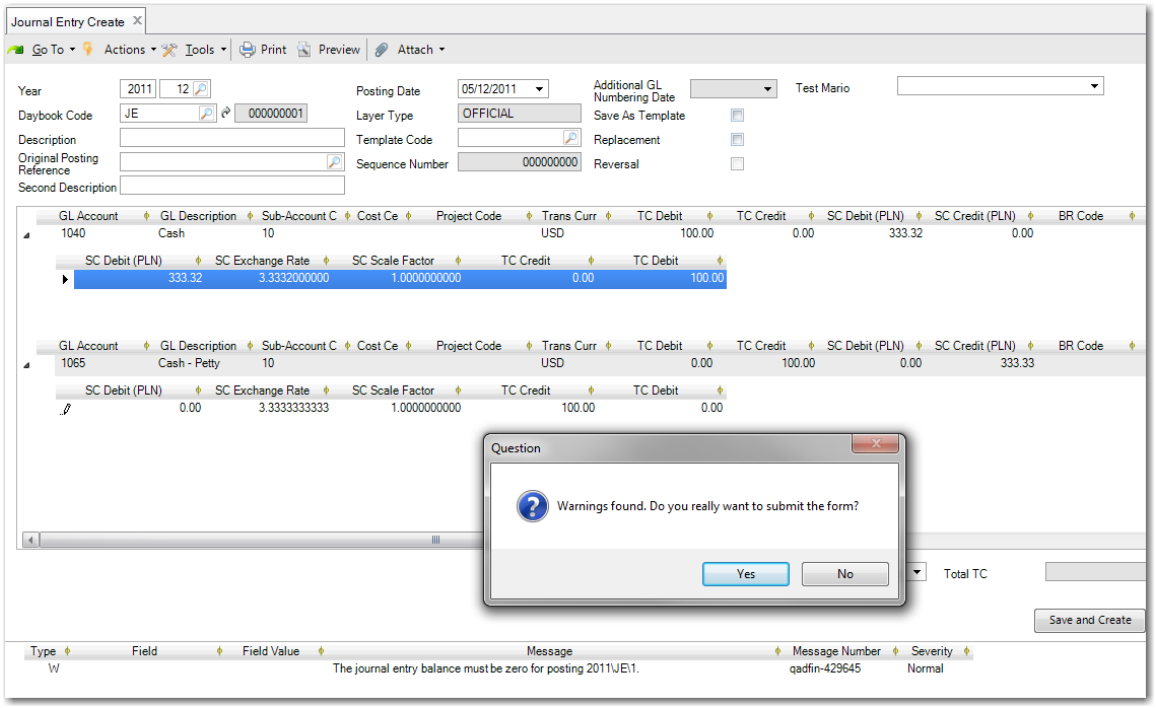
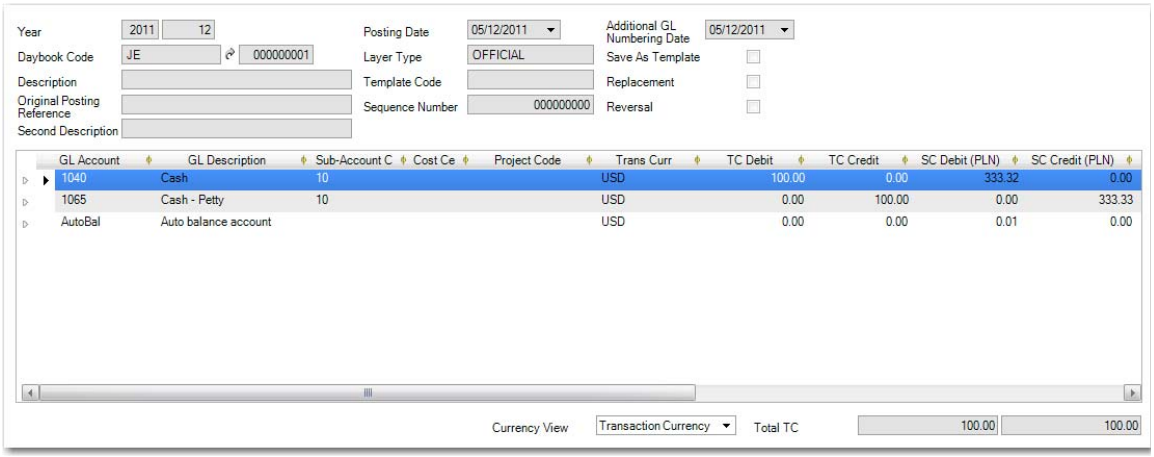


Figure 6.15 shows the balancing posting for the journal entry shown in Figure 6.14.

Fig. 6.15
Journal Entry Create, Autobalance Posting



When a balancing posting is created, the system also sends a notification e-mail to all users linked to the PostAutoBalNotify role in the entity in which the posting was created.

You must regularly review the postings to the Auto Balance account and reallocate them to the correct GL account. Otherwise, incorrect financial reports can be produced. You can manually reallocate the Auto Balance postings using manual journal entries or using Journal Entry Excel Integration Repair.

Consistency Checks Execute includes a check to determine if any postings remain on the Auto Balance system account at period end. If postings remain, the system raises a warning, but you are not prevented from setting the GL period to Reported. The Entity GL Period functions also perform the same check if you attempt to set the status of a GL period to Reported.

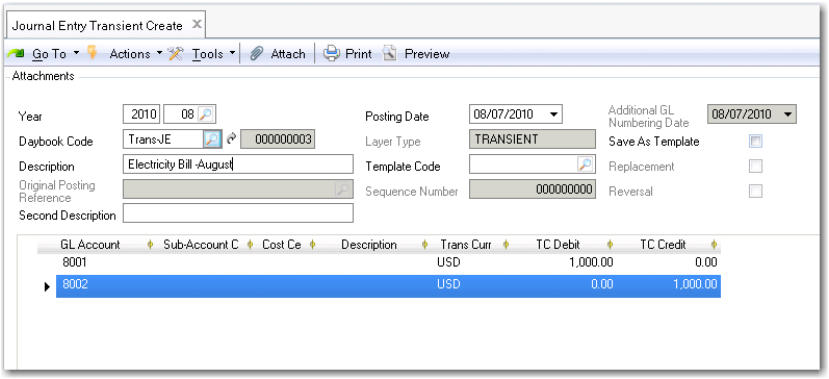
When you run Year End Closing Execute, the system checks if there is an outstanding balance on the Auto Balance system account for that year. Use the Y/E Close Auto Balance Check on the General tab of the Entity record to indicate how Year End Closing proceeds if there is an outstanding balance. See “Setting Up Entities” on page 45. This check is performed on the official and management layers only. Postings to the transient layer for the Auto Balance account do not affect the Year End Closing. See “Year-End Transactions” on page 451 for more information on Year End Closing Execute.

Important You must clear both the debit and the credit balances on the Auto Balance account separately. You cannot clear the net balance alone.

Transient Journal Entries

Use Journal Entry Transient Create (25.13.1.11) to create journal entries directly in the transient layer. You can only select daybooks linked to transient layers. You can also modify transient journal entries using Journal Entry Transient Modify (25.13.1.12).

Fig. 6.16
Journal Entry Transient Create



Journal Entries and Daybook Security

Daybooks security lets you restrict access to transactions associated with certain daybook types to users that have roles linked to that daybook. See “Daybook Security” on page 174 for more information on daybook security.

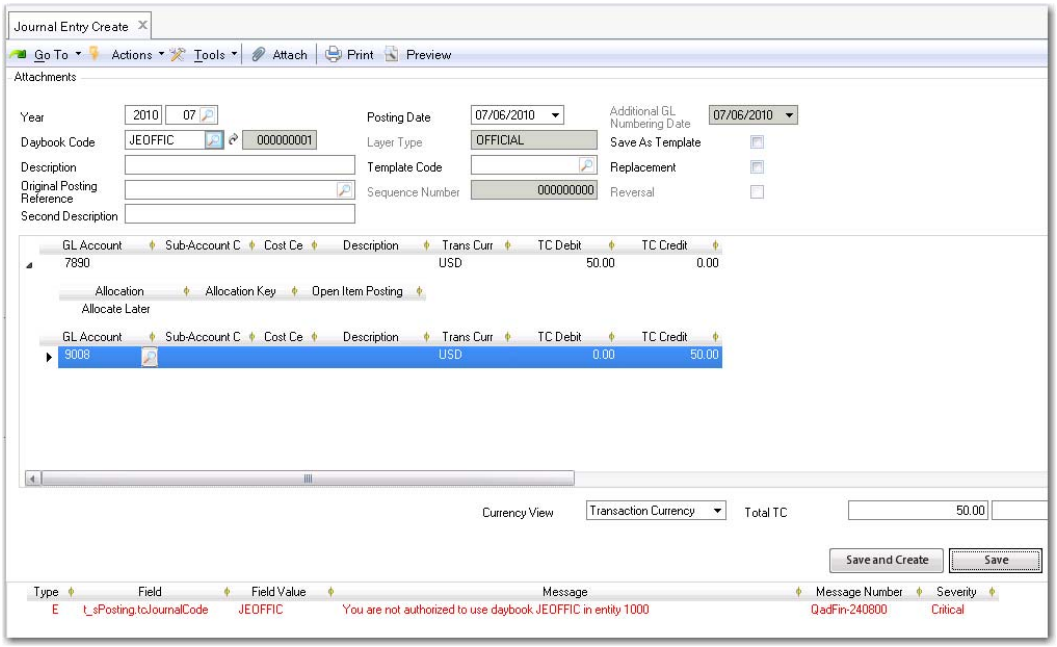
You can apply daybook security to journal entry transactions posted to daybooks with a control type of Financials or External. If implemented, the restriction applies to all journal entry activities, except the View activity.

When saving a journal entry posting in Journal Entry Create or Journal Entry Reverse, the system checks the daybook and displays an error if the transaction uses a daybook that you do not have role permissions for. You cannot subsequently save the posting. See Figure 6.17.

In Journal Entry Modify, Journal Entry Delete, and Journal Entry Reverse, if you select a posting in an unauthorized daybook, the system displays a warning and you can only view the posting.

Note Daybook security for journal entries also applies to journal entries created using Journal Entry Excel Integration, Journal Entry Excel Integration Repair, and Journal Entry Cross Co Excel Integration.

Fig. 6.17
Journal Entry Create, Daybook Security Error



Additional GL Numbering

Additional GL Numbering lets you generate a secondary numbering sequence for GL transactions. This sequence number is an alternative reference number for use in countries where local GAAP constraints require that GL posting numbering be sequential, without any gaps. Additional GL Numbering is enabled at entity level. See “Setting Up Entities” on page 45.

When additional GL numbering is activated for an entity, a sequence number is generated for all postings in official and management layers for which additional GL numbering applies. The system assigns the sequence number to any posted GL transactions that originate from all modules, both financial and operational, such as purchasing and sales. The sequence number has the following format:

- It has nine digits starting from 000000001.

- The number increments by 1 per posting. For example, if the current posting is numbered 000000005, the next posted transaction will be numbered 000000006.

The sequence number of a transaction subsequently appears in statutory reports, such as the GL Numbering report. See “GL Numbering Report” on page 341.

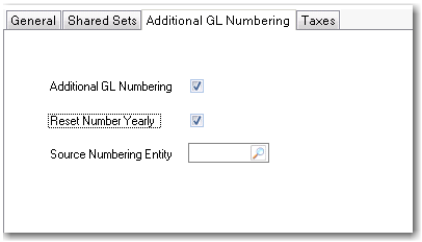
In certain countries, such as Italy, auditors can request that accounts be reclassified on statutory reports. The auditor may require, for example, that some transactions from the prior year be represented in one of the current year’s reporting periods. You can renumber additional GL sequences using the GL Sequence Renumber report (25.15.1.17). See “GL Sequence Renumber Report” on page 339.

Setting Up Additional GL Numbering

You enable additional GL numbering in the entity record. See “Setting Up Entities” on page 45.

When additional GL numbering is enabled for an entity, you can specify another active entity from the same domain as the numbering source for additional GL numbering in the current entity. You can also indicate whether the numbering sequence must be reset yearly.

Fig. 6.18
Entity Modify, Additional GL Numbering Tab

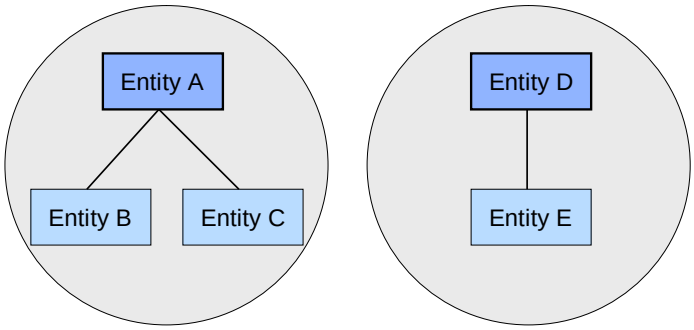


Select the Reset Number Yearly field for the system to automatically reset the GL numbering sequence at the beginning of each GL calendar year.

To specify another entity as the numbering source for additional GL numbering in the current entity, additional GL numbering must be enabled in the source entity. The numbering sequences from the source entity are then used as the numbering source for GL postings in the current entity. Any entity that uses another entity as its numbering source is referred to as a dependent entity.

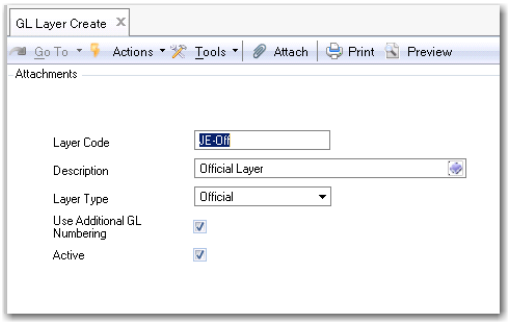
If an entity is the numbering source for dependent entities, you can only configure the Reset Number Yearly field in the source entity. In addition, a dependent entity cannot itself be the numbering source for another entity. For example, if entities A, B, and C belong to the same domain, and entity A is the numbering source for entity B, then entity B cannot be the numbering source for any other entities. However, entity A can simultaneously be the numbering source for multiple entities, such as entity B and entity C in the example in Figure 6.19. A grouping of source and dependent entities for additional GL numbering purposes is referred to as a numbering group.

Fig. 6.19
Numbering Groups



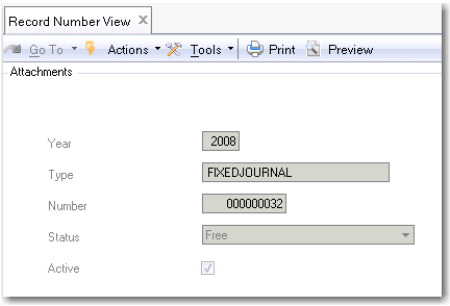
You use the Additional GL Numbering field in GL Layer Create (25.8.14.1) and GL Layer Modify (25.8.14.2) to denote the layers for which the system must generate additional GL numbers. You can generate additional GL numbers for transactions in the official and management layers. See “Accounting Layers” on page 161.

Fig. 6.20
GL Layer Create (25.8.14.1)



Use Record Number Maintain (36.16.21.2) to specify the first number in an additional GL numbering sequence. Specify a transaction type of FIXEDJOURNAL and a status of Free when specifying additional GL numbering starting sequences. For more information on Record Number Maintain (36.16.21.2), see *QAD System Administration User Guide*.

Fig. 6.21
Record Number View (36.16.21.1)



Sequence Number for Posted Transactions

When creating journal entries in entities and layers for which additional GL numbering is active, a sequence number is generated. This number remains at zero until you save the journal entry.

Fig. 6.22
Unsaved Journal Entry

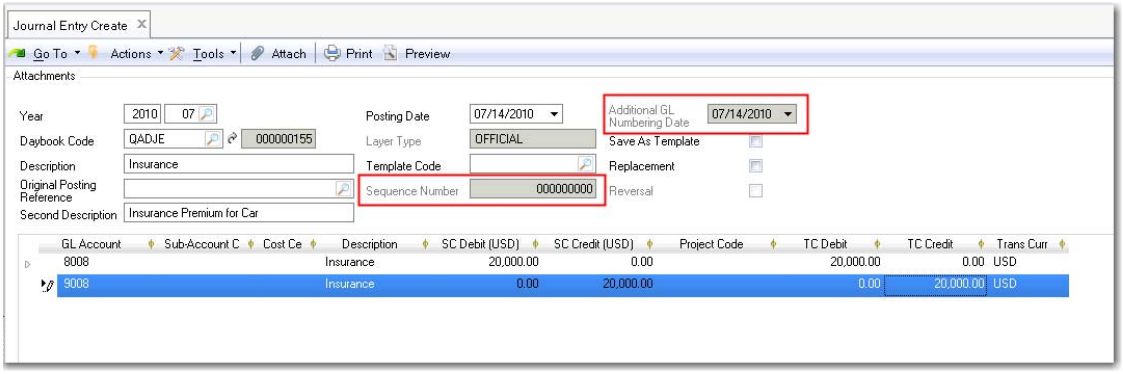
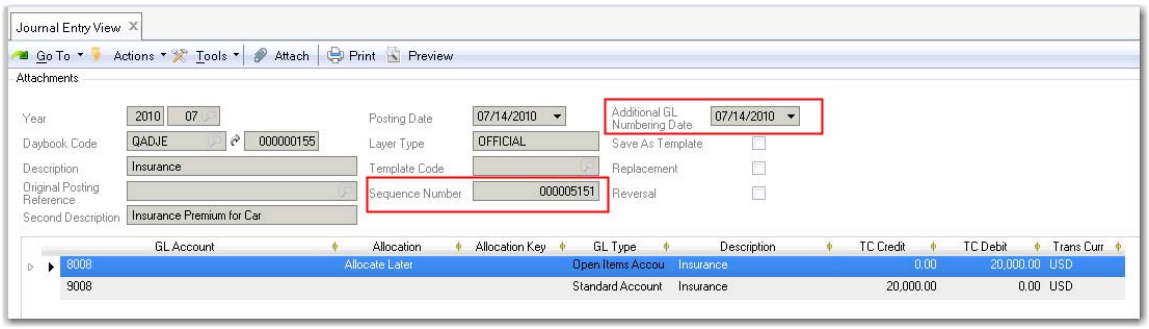


Figure 6.23 shows a saved journal entry record with its sequence number. You can also view the sequence number in Journal Entry Modify (25.13.1.2), Journal Entry Excel Integration (25.13.1.6), and Journal Cross Co Excel Integration (25.13.1.10) when exporting transactions.

Fig. 6.23
Saved Journal Entry



Numbering Date

The sequence number is also associated with a numbering date, as shown in Figure 6.23. The numbering date for a transaction can be the same as or later than the transaction's posting date. When creating a posting in Journal Entry Create (25.13.1.1), the numbering date is set to the posting date and cannot be modified.

There are exceptions where you can specify the date used for numbering. In the following functions, you can specify a numbering date when creating or modifying a posting in a correction period:

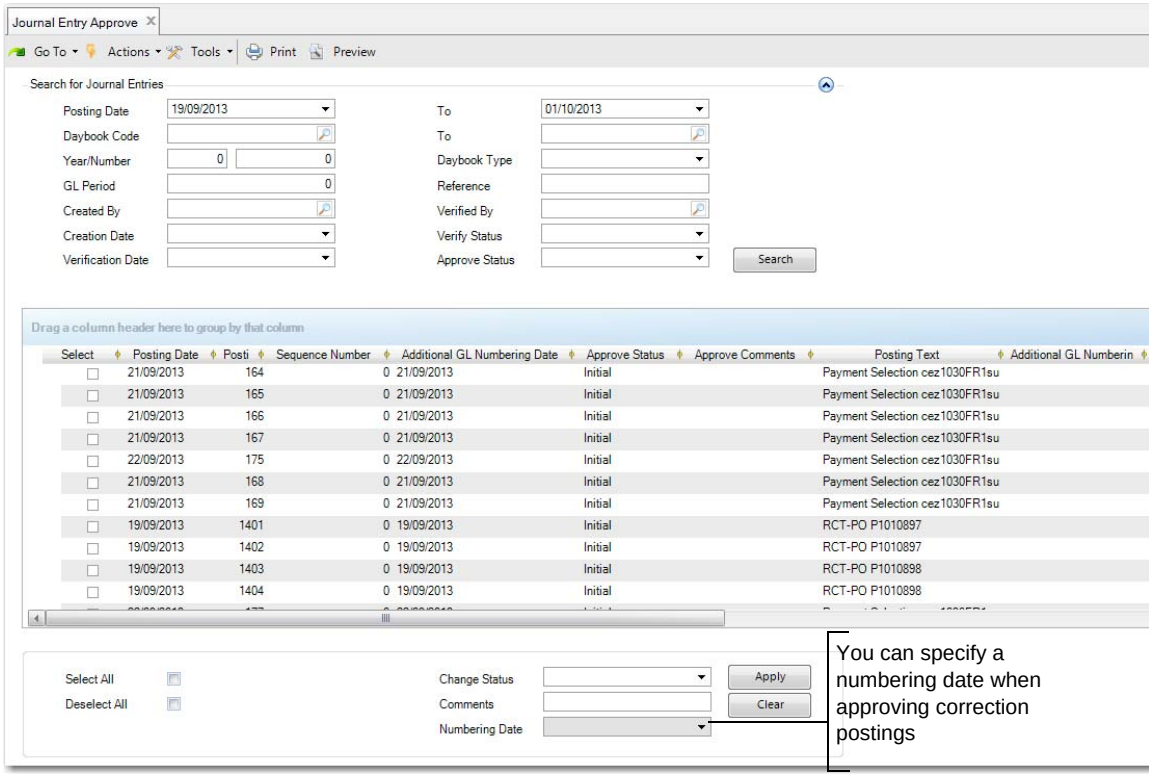
- Journal Entry Create (25.13.1.1) and Journal Entry Modify (25.13.1.2)
- Journal Entry Transient Create (25.13.1.11) and Journal Entry Transient Modify (25.13.1.12)
- Journal Entry Reverse (25.13.1.5) and Journal Entry Transient Reverse (25.13.1.17)
- Reversing Journal Create (25.13.1.14)

Numbering Dates and Journal Entry Approval

When Additional GL Numbering is enabled, you can specify a numbering date for correction postings in Journal Entry Approve (25.13.1.8). If you specify a numbering date, all approved postings selected in the grid are assigned that numbering date. If you do not specify a numbering date, the numbering date for the postings is not updated.

See “Verifying and Approving Transactions” on page 347 for more information on approving transactions.

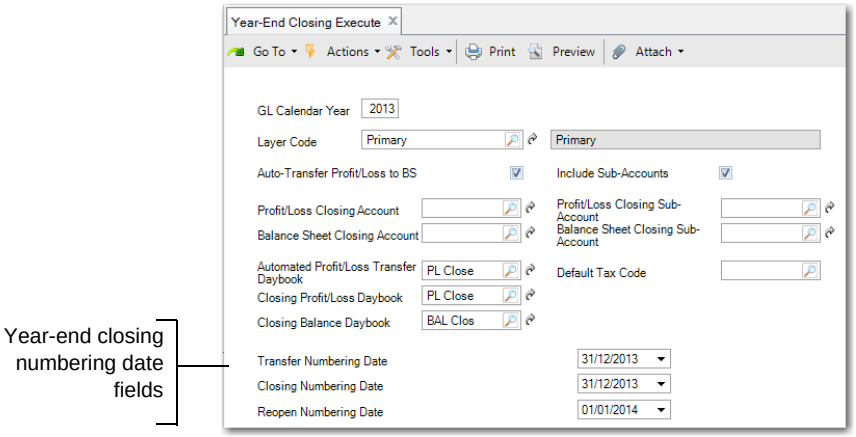
Fig. 6.24
Journal Entry Approve (25.13.1.8)



Numbering Dates and Year-End Closing

When Additional GL Numbering is enabled, you can specify numbering dates for official layer and management layer year-end closing postings in Year-End Closing Execute (25.21.4.1).

Fig. 6.25
Year-End Closing Execute (25.21.4.1)



Use the Transfer Numbering Date field to specify a numbering date for the system-generated posting that transfers the profit and loss to the balance sheet. This numbering date is optional, and the Transfer Numbering Date field is only available when you select the Auto Transfer Profit/Loss to BS field.

The Closing Numbering Date field lets you specify a numbering date for the profit and loss and balance sheet closing postings, and the Reopen Numbering Date field lets you specify a numbering date for the balance sheet reopening posting. Both of these numbering dates are mandatory and their default value is the system date.

See “Year-End Transactions” on page 451 for more information on year-end closing.

GL Sequence Renumber Report

The GL Sequence Renumber report (36.30) can be used to renumber additional GL numbering sequence numbers for the current entity or for all the entities in a numbering group, if the current entity is a source entity. If you want to renumber additional GL numbering sequence numbers for another entity, you must log in to that entity and run the GL Sequence Renumber report there.

The GL Sequence Renumber report removes the original sequence numbers and reassigns sequence numbers to the postings, based on the starting sequence number you specify when you run the report.

Note In order to reassign sequence numbers, the GL periods for which you run the GL Sequence Renumber report must be locked.

If you reassign sequence numbers to an entity that is the numbering source for other entities, sequence numbers are reassigned for the whole numbering group of entities.

The GL Sequence Renumber report renumbers postings sequentially and consecutively based on their numbering date. The posting with the earliest numbering date is assigned the first number in the new sequence. If several postings share the same numbering date, these postings are assigned sequence numbers by daybook code and entity code.

If the Reset Number Yearly field is selected in the Additional GL Numbering tab for the entity, the reassigned sequence numbers are numbered sequentially and consecutively within the GL calendar year.

Before reassigning sequence numbers, the system checks to ensure that no transactions without sequence numbers exist within the numbering group for the specified GL calendar year and period. If GL transactions without sequence numbers are found, an error displays and no sequence numbers are reassigned. You must then assign sequence numbers to the prior GL periods before proceeding.

The GL Sequence Renumber report has the following selection criteria:

- Year

  Specify the GL calendar year for which you want to renumber additional GL sequence numbers. The default is the current GL calendar year.

- Period

  Specify the GL period for which you want to renumber additional GL sequence numbers. The default is the current GL period. The period must be locked before you can renumber the additional GL sequence numbers.

- Renumber

  Select Yes to renumber the sequence numbers that match the selection criteria. The function removes the original assigned sequence numbers and reassigns new sequence numbers for the specified GL periods. An audit report then summarizes the updates made.

  Select No to print a simulation of the sequence number reassignment based on the criteria you have entered. This option does not update sequence numbers.

- Start Sequence Number

  Specify the first sequence number you want to assign. This number is assigned to the posting with the earliest numbering date.

The GL Sequence Renumber report displays the following information for each posting that matches the selection criteria:

- Sequence number
- Numbering date
- Posting date, if it is different than the numbering date
- Daybook code
- Entity code
- Voucher
- Posting description

Fig. 6.26
GL Sequence Renumber Selection Criteria

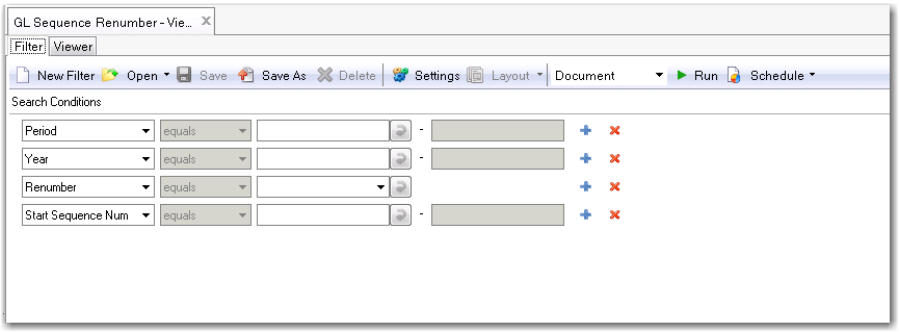
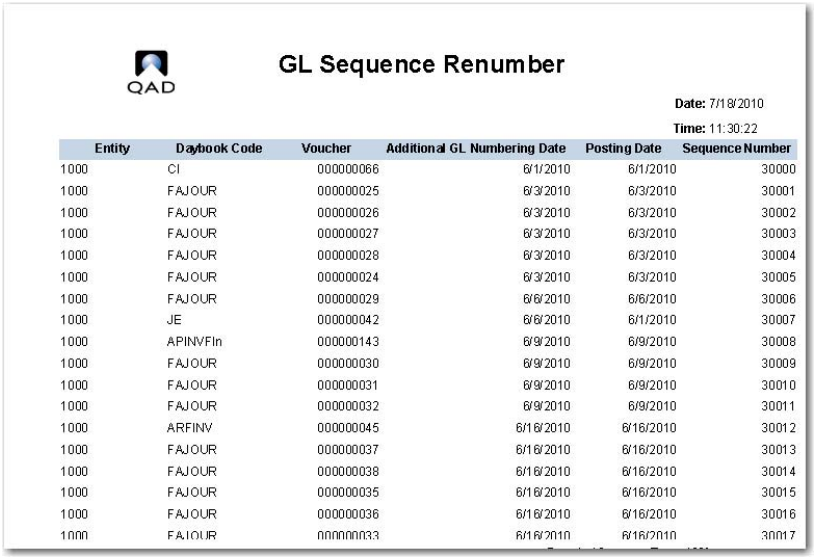


Figure 6.27 shows the GL Sequence Renumber report run in simulation mode for the start sequence number 30000.

Fig. 6.27
GL Sequence Renumber Report (36.30)



QAD

GL Sequence Renumber

Date: 7/18/2010
Time: 11:30:22

Entity	Daybook Code	Voucher	Additional GL Numbering Date	Posting Date	Sequence Number
1000	CI	000000066	6/1/2010	6/1/2010	30000
1000	FAJOUR	000000025	6/3/2010	6/3/2010	30001
1000	FAJOUR	000000026	6/3/2010	6/3/2010	30002
1000	FAJOUR	000000027	6/3/2010	6/3/2010	30003
1000	FAJOUR	000000028	6/3/2010	6/3/2010	30004
1000	FAJOUR	000000024	6/3/2010	6/3/2010	30005
1000	FAJOUR	000000029	6/6/2010	6/6/2010	30006
1000	JE	000000042	6/6/2010	6/1/2010	30007
1000	APINVFIn	000000143	6/9/2010	6/9/2010	30008
1000	FAJOUR	000000030	6/9/2010	6/9/2010	30009
1000	FAJOUR	000000031	6/9/2010	6/9/2010	30010
1000	FAJOUR	000000032	6/9/2010	6/9/2010	30011
1000	ARFINV	000000045	6/16/2010	6/16/2010	30012
1000	FAJOUR	000000037	6/16/2010	6/16/2010	30013
1000	FAJOUR	000000038	6/16/2010	6/16/2010	30014
1000	FAJOUR	000000035	6/16/2010	6/16/2010	30015
1000	FAJOUR	000000036	6/16/2010	6/16/2010	30016
1000	FAJOUR	000000033	6/16/2010	6/16/2010	30017

GL Numbering Report

The GL Numbering report (25.15.1.18) lists all transactions posted over the specified time frame. The pages in the GL Numbering report are numbered progressively for the whole year.

The report has the following selection criteria:

- Additional Numbering Date

  Specify the range of numbering dates for which to run the report.
- Additional GL Sequence Number

  Specify the range of sequence numbers for which to run the report.
- Print Address

  Select Yes to print the entity's address details at the top of each page of the report.

  Select No if you do not want to print the entity's address details on each page of the report.
- Print Second Description

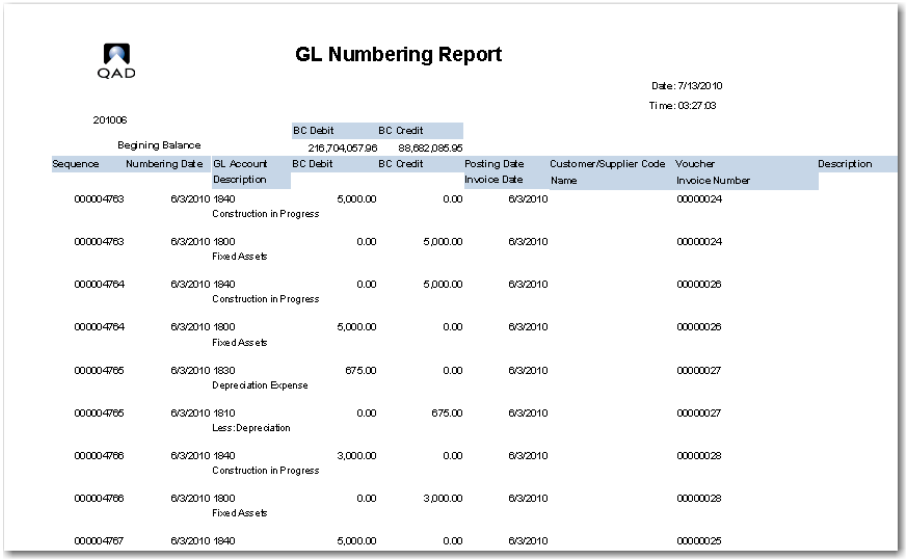
Select Yes to print the second description for each posting. The second description is a user-specified, plain description of the posting.

Select No if you do not want to print the second description on the report.

The report lists the following detail for each transaction:

- Numbering date
- Sequence number
- Supplier or customer code
- Supplier or customer name
- Posting description and the secondary GL description, if this option is selected
- Voucher
- Invoice number
- Invoice date
- Account
- Account description
- Debit amount
- Credit amount
- Posting date. The posting date is printed if it is different from the numbering date.

Fig. 6.28
GL Numbering Report (25.15.1.18)



GL Numbering Report

Date: 7/13/2010
Time: 03:27:03

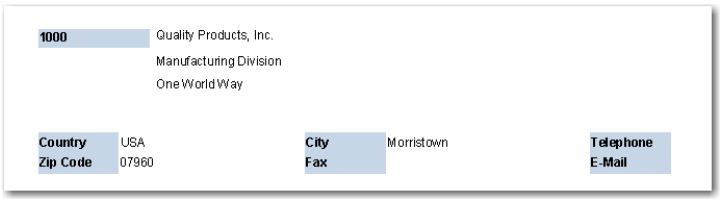
201006

		BC Debit	BC Credit
Begining Balance		216,704,057.96	88,682,085.95

Sequence	Numbering Date	GL Account / Description	BC Debit	BC Credit	Posting Date / Invoice Date	Customer/Supplier Code / Name	Voucher / Invoice Number	Description
000004763	6/3/2010	1940 Construction in Progress	5,000.00	0.00	6/3/2010		00000024	
000004763	6/3/2010	1800 Fixed Assets	0.00	5,000.00	6/3/2010		00000024	
000004764	6/3/2010	1940 Construction in Progress	0.00	5,000.00	6/3/2010		00000026	
000004764	6/3/2010	1800 Fixed Assets	5,000.00	0.00	6/3/2010		00000026	
000004765	6/3/2010	1830 Depreciation Expense	675.00	0.00	6/3/2010		00000027	
000004765	6/3/2010	1810 Less:Depreciation	0.00	675.00	6/3/2010		00000027	
000004766	6/3/2010	1940 Construction in Progress	3,000.00	0.00	6/3/2010		00000028	
000004766	6/3/2010	1800 Fixed Assets	0.00	3,000.00	6/3/2010		00000028	
000004767	6/3/2010	1940	5,000.00	0.00	6/3/2010		00000025	

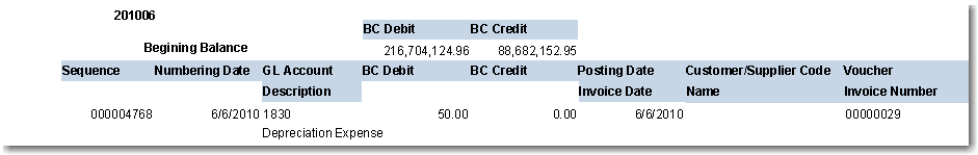
If you select Yes in the Print Address field, the address information of the source entity is printed on each page.

Fig. 6.29
Address Details



At the beginning of a period, the report prints the accumulated balance of all transactions from the beginning of the year.

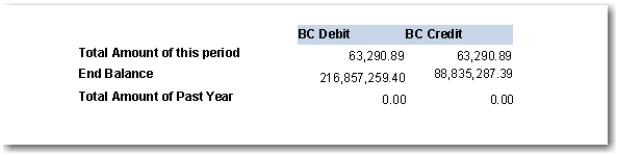
Fig. 6.30
Accumulated Balance



The following information is printed at the end of the GL Numbering report:

- The total debit and credit amounts in base currency for the selected period.
- The total debit and credit amounts in base currency from the beginning of the year to the end of the period.
- If the report selection criteria includes transactions from the prior year, the total debit and credit amount in base currency for these transactions is printed.

Fig. 6.31
End of Report Totals



Numbering Examples

Example

This example uses two entities, Entity 1000 and Entity 2000. The entities have the following additional GL numbering settings:

Settings	Entity 1000	Entity 2000
Additional GL Numbering:	Yes	Yes
Reset Number Yearly:	No	N/A
Source Numbering Entity:	N/A	Entity 1000
Next Sequence Number:	000000001	N/A

The entities use the following GL periods:

GL Period	Period Type	From - To Dates
201411	Normal	11/01 - 11/30
201412	Normal	12/01 - 12/31

GL Period	Period Type	From - To Dates
201413	Correction	12/15 - 12/31
201414	Year-End Closing	N/A
201500	Year-End Closing	N/A
201501	Normal	01/01 - 01/31
201502	Normal	02/01 - 02/28
201503	Normal	03/01 - 03/31
201504	Normal	04/01 - 04/30

The entities use the following daybooks:

Daybook	Layer Type	Layer Included in GL Numbering?
Inv1	Management	Yes
Inv2	Management	No
JE	Official	Yes
Trans1	Transient	No
Year-End	Official	Yes

At the end of 2014, Entity 1000 and Entity 2000 contain the following postings:

Entity 1000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
1000-N01	JE	201411	20141110	20141120	20141110
1000-N02	JE	201411	20141115	20141115	20141115
1000-N03	Trans1	201411	20141115	20141115	20141115
1000-N04	Inv1	201411	20141115	20141115	20141115
1000-N05	Inv2	201411	20141115	20141115	20141115
1000-N06	JE	201412	20141211	20141218	20141211

Entity 2000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
2000-N01	JE	201411	20141109	20141109	20141109
2000-N02	JE	201411	20141115	20141115	20141115
2000-N03	Inv1	201411	20141115	20141115	20141115
2000-N04	Trans1	201411	20141120	20141120	20141120
2000-N05	Inv1	201412	20141215	20141215	20141215

You run GL Sequence Renumber for Entity 1000 for periods 201411 and 201412. Entity 1000 is the numbering source for both Entity 1000 and Entity 2000. The following sequence numbers are assigned:

Sequence	Posting	Numbering Date	Daybook	GL Period
000000001	2000-N01	20141109	JE	201411
000000002	1000-N01	20141110	JE	201411
000000003	1000-N04	20141115	Inv1	201411
000000004	2000-N03	20141125	Inv1	201411

Sequence	Posting	Numbering Date	Daybook	GL Period
000000005	1000-N02	20141115	JE	201411
000000006	2000-N05	20141115	JE	201411
000000007	1000-N06	20141211	JE	201412
000000008	2000-N05	20141215	Inv1	201412

Postings 1000-N03, 1000-N05, and 2000-N04 are not assigned sequence numbers because the daybooks to which they are posted belong to layers that are excluded from additional GL numbering.

Posting 2000-N01 is assigned sequence number 000000001 because it has the earliest numbering date.

Postings 1000-N04, 2000-N03, 1000-N02, and 2000-N05 have the same numbering date, and their sequence numbers are assigned in order by daybook code, and then by entity code.

Example

This example uses correction postings for Entity 1000 and Entity 2000.

The following are the correction postings:

Entity 1000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
1000-C01	JE	201413	20141201	20141220	20141201
1000-C02	JE	201413	20141203	20141215	20141231
1000-C03	Inv1	201413	20141207	20150115	20150115
1000-C04	JE	201413	20141215	20150315	20150315
1000-C05	Inv1	201413	20141220	20150325	20150325
1000-C06	Inv1	201413	20141225	20150404	20150404

Entity 2000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
2000-C01	JE	201413	20141209	20150109	20150109
2000-C02	JE	201413	20141231	20150225	20150225

Using Journal Entry Approve, you approve postings 1000-C03, 1000-C04, and 1000-C05, and specify their numbering date as 20150331. Posting 1000-C06 does not need to be approved at this time so you manually modify its numbering date to 20150331.

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
1000-C01	JE	201413	20141201	20141220	20141201
1000-C02	JE	201413	20141203	20141215	20141231
1000-C03	Inv1	201413	20141207	20150115	***20150331***
1000-C04	JE	201413	20141215	20150315	***20150331***
1000-C05	Inv1	201413	20141220	20150325	***20150331***
1000-C06	Inv1	201413	20141225	20150404	***20150331***

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
2000-C01	JE	201413	20141209	20150109	20150109
2000-C02	JE	201413	20141231	20150225	20150225

In addition, Entity 1000 and Entity 2000 contain the following normal postings in GL periods 201501 to 201502:

Entity 1000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
1000-N07	JE	201501	20150101	20150101	20150101
1000-N08	JE	201502	20150201	20150201	20150201
1000-N09	Inv1	201503	20150301	20150301	20150301

Entity 2000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
2000-N06	JE	201501	20150120	20150120	20150120
2000-N07	JE	201502	20150220	20150220	20150220
2000-N08	Inv1	201503	20150320	20150320	20150320

You try to run GL Sequence Renumber for Entity 1000 for GL periods 201501 to 201502. The renumbering process fails for 1000-C01 and 1000-C02 because these postings must be numbered within GL period 201412 before you can proceed to renumber GL periods 201501 and 201502.

You run GL Sequence Renumber again for GL period 201412, and the system creates the following numbered postings:

Sequence	Posting	Numbering Date	Daybook	GL Period
000000007	1000-C01	20141201	JE	201413
000000008	1000-N06	20141211	JE	201412
000000009	2000-N05	20141215	Inv1	201412
000000010	1000-C02	20141231	JE	201413

Finally, you run GL Sequence Renumber for Entity 1000 for GL periods 201501 to 201502. The system creates the following numbered postings:

Sequence	Posting	Numbering Date	Daybook	GL Period
000000011	1000-N07	20150101	JE	201501
000000012	2000-C01	20150109	JE	201413
000000013	2000-N06	20150120	JE	201501
000000014	1000-N08	20150201	JE	201502
000000015	2000-N07	20150220	JE	201502
000000016	2000-C02	20150225	JE	201413

Example

On April 6, 2015, you run Year-End Closing Execute (25.21.4.1), and specify the numbering date as March 31, 2015. The system creates the following closing postings:

Entity 1000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
1000-Y01	Year-End	201413	20141231	20150406	20150331
1000-Y02	Year-End	201414	20141231	20150406	20150331
1000-Y03	Year-End	201414	20141231	20150406	20150331
1000-Y04	Year-End	201500	20150101	20150406	20150331

Entity 2000

Posting	Daybook	GL Period	Posting Date	System Date	Numbering Date
2000-Y01	Year-End	201413	20141231	20150406	20150331
2000-Y02	Year-End	201414	20141231	20150406	20150331
2000-Y03	Year-End	201414	20141231	20150406	20150331
2000-Y04	Year-End	201500	20150101	20150406	20150331

You run GL Sequence Renumber for Entity 1000 for GL period 201503. Entity 1000 is the numbering source for both Entity 1000 and Entity 2000. The following sequence numbers are assigned:

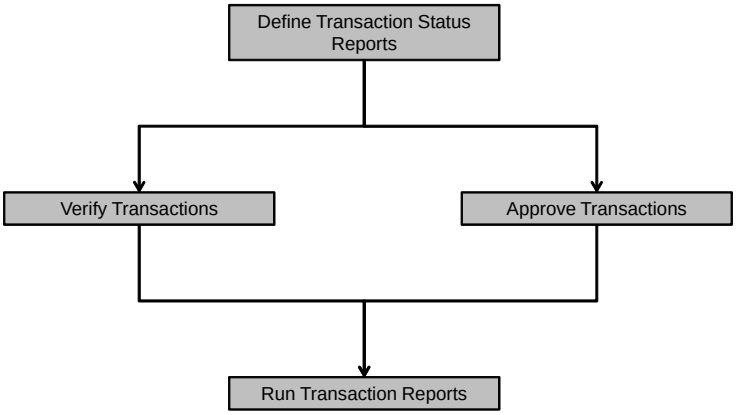
Sequence	Posting	Numbering Date	Daybook	GL Period
000000017	1000-N09	20150301	Inv1	201503
000000018	2000-N08	20150320	Inv1	201503
000000019	1000-C03	20150331	Inv1	201413
000000020	1000-C05	20150331	Inv1	201413
000000021	1000-C06	20150331	Inv1	201413
000000022	1000-C04	20150331	JE	201413
000000023	1000-Y01	20150331	Year-End	201413
000000024	1000-Y02	20150331	Year-End	201414
000000025	1000-Y03	20150331	Year-End	201414
000000026	1000-Y04	20150331	Year-End	201400
000000027	2000-Y01	20150331	Year-End	201413
000000028	2000-Y02	20150331	Year-End	201414
000000029	2000-Y03	20150331	Year-End	201414
000000030	2000-Y04	20150331	Year-End	201500

Verifying and Approving Transactions

GL transactions are verified and approved to prevent fraud. In some countries, it is a bookkeeping practice that every transaction of a business should be recorded, checked, and approved by authorized signatories. Accordingly, a transaction has its creator, verifier, and approver; these each must be different individuals in the business to ensure that the transactions information is accurate.

Use the functions on Status Transition Menu (25.3.12) in combination with the Verify and Approve activities in the Journal Entry function to define and implement the process to verify and approve transactions in your QAD system.

Fig. 6.32
Transaction Verification and Approval Process



Verified and approved transactions are reported in GL Verification and Approval Report (25.15.1.13).

Defining Status Transitions

A status transition defines how the status of a transaction can be changed from one status to the other. You can select from the following verification and approval statuses to customize the flow of status transitions to fit your business requirements.

Table 6.1
Verification and Approval Statuses

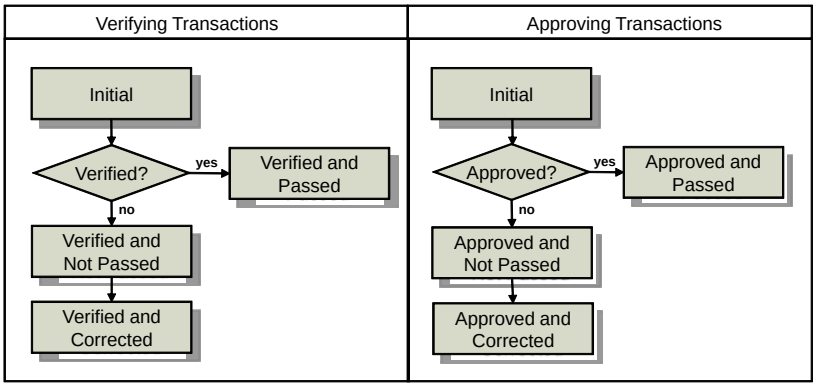
Verification Statuses	Approval Statuses
• Initial • Verified and Not Passed • Verified and Corrected • Verified and Passed	• Initial • Approved and Not Passed • Approved and Corrected • Approved and Passed

When you define transitions:

- You can set up transitions so only transaction approval is required.
- Some general rules apply to the definition of a transition; for example, the Initial status cannot be used as the ending status of a transition, and an approval status cannot precede a verification status in a transition.

Example The following diagram illustrates a recommended logic of transactions verification and approval. Optionally, you can go from the Initial status to Approved if you choose not to include verification as a separate step.

Fig. 6.33
Transaction Verification and Approval Logic

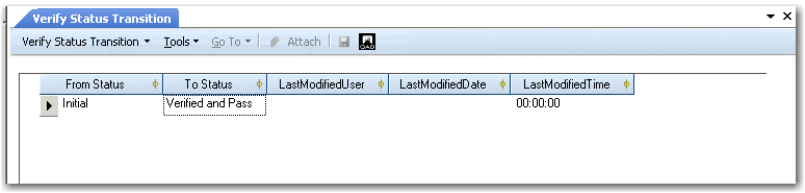


Defining Status Transitions for Verify

Use Verify Status Transition Maintain (25.3.12.1) to define the status transition rules for verifying transactions. The rules are applied in Journal Entry Verify (25.13.1.7).

You can specify one combination of a beginning status and a different ending status to define a verification status transition.

Fig. 6.34
Verify Status Transition Maintain



Field Descriptions

From Status. Select the beginning status of a transition.

To Status. Select the ending status of a transition.

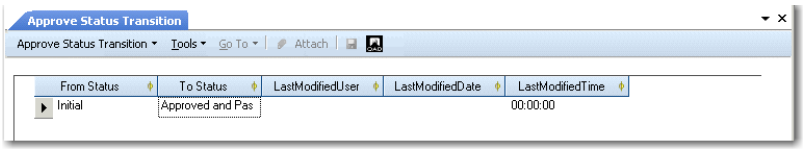
Last Modified Date/Time and User. These read-only fields are maintained by the system and display the ID of the user who last updated the record, and the date and time of update.

Defining Status Transitions for Approval

Use Approve Status Transition Maintain (25.3.12.2) to define the status transition rules for approving transactions. The rules are applied in Journal Entry Approve (25.13.1.8).

You can specify one combination of a beginning status and a different ending status to define an approval status transition.

Fig. 6.35
Approve Status Transition Maintain



Field Descriptions

From Status. Specify the beginning status of a transition.

To Status. Specify the ending status of a transition.

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

Verifying Transactions

Use Journal Entry Verify (25.13.1.7) to assign a verification status and your user name to one or more transactions.

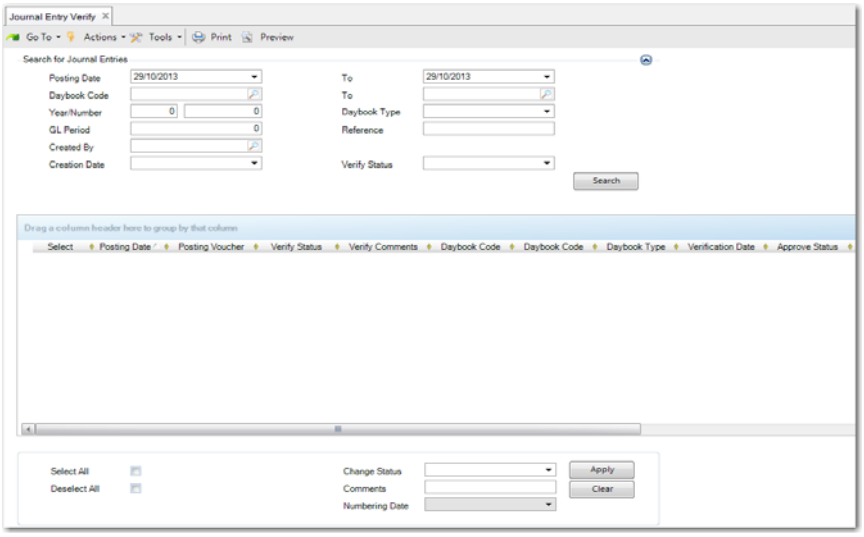
Note You cannot verify any transactions that you created.

To verify transactions:

1. Specify values in the selection criteria fields to identify the transactions you want to verify.
2. Click Search, and the transactions that meet the specified criteria are listed in the grid.
3. Under the Select column, select check boxes for the transactions with a verification status you want to change.

   Click Clear to remove unselected transactions from the grid.
4. Do one of the following:
   - To verify one selected transaction, change its verification status in the Posting Verify Status column.
   - To verify a group of selected transactions, choose a verification status in the Change Status drop-down and click Apply.
5. Optionally, under the Posting Verify Comments column, enter comments for the transactions you verify.
6. Click Save.

Fig. 6.36
Journal Entry Verify



Approving Transactions

Use Journal Entry Approve (25.13.1.8) to assign an approval status and your user name as the approver of one or more transactions.

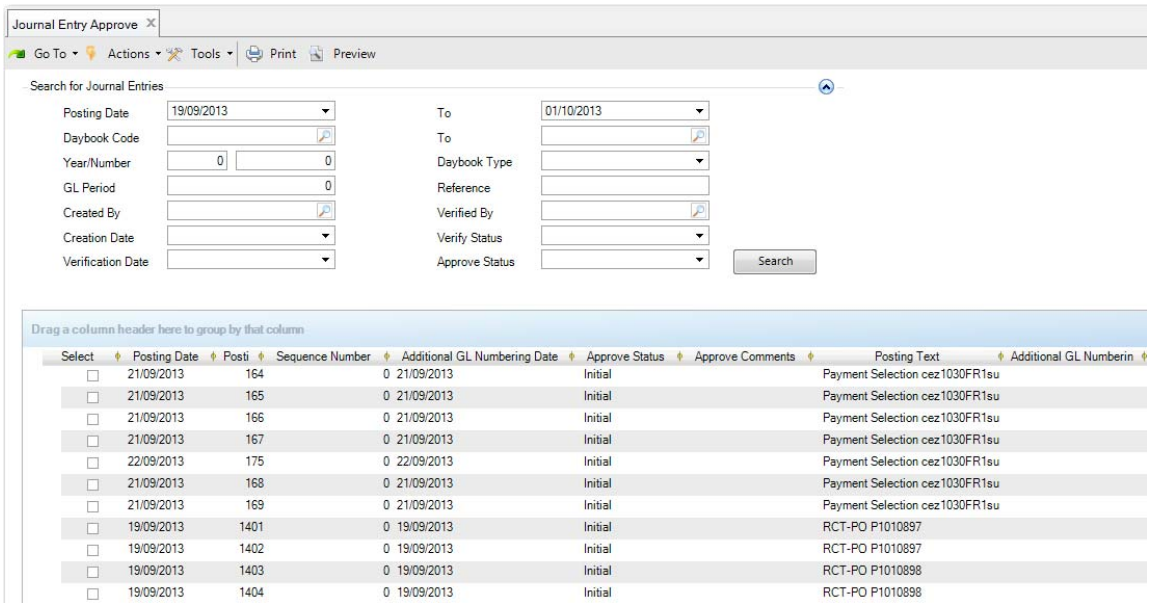
Note You cannot approve the transactions that you created or verified.

To approve transactions:

1. Specify values in the selection criteria fields to identify the transactions you want to approve.
2. Click Search, and the transactions that meet the specified criteria are listed in the grid.
3. Under the Select column, select check boxes for the transactions whose approval statuses you want to change.

   Click Clear to remove unselected transactions from the grid.
4. Do one of the following:
   - To approve one selected transaction, change its approval status under the Posting Approve Status column.
   - To approve a group of selected transactions, choose an approval status in the Change Status drop-down and click Apply.
5. Optionally, under the Posting Approve Comments column, enter comments for the transactions you approve.
6. Click Save.

Fig. 6.37
Journal Entry Approve



GL Open Item Reconciliation

Use GL Open Item Reconciliation (25.15.2.13) to reconcile the outstanding balance of a GL open item account with the underlying transaction details. The outstanding balance is the sum of the unmatched transactions on the account. After matching debit transactions with credit transactions, the remaining unmatched transactions reflect the true account balance.

GL open items are typically used for posting accruals; for example, insurance costs for an entire year, broken down into monthly values.

For GL open item accounts, the system tracks matched and unmatched items in a GL open item sub-ledger. The identifier used to mark and link related transactions is called an allocation key. Through the use of allocation keys in GL Open Item Reconciliation (25.15.2.13), debit and credit transactions can be matched and reconciled.

You specify allocation keys when creating the postings on GL open item accounts using Journal Entry Create (25.13.1.1), and in other system functions where you can enter transactions on GL open item accounts. When creating open item postings, the transactions can be created with one of three statuses:

- Link to Open Item, where the movement is linked to an existing allocation key.
- New Open Item, where a new allocation key is assigned to the movement.
- Allocate Later, where the user chooses not to allocate the open item and a normal GL movement is created, without an allocation key.

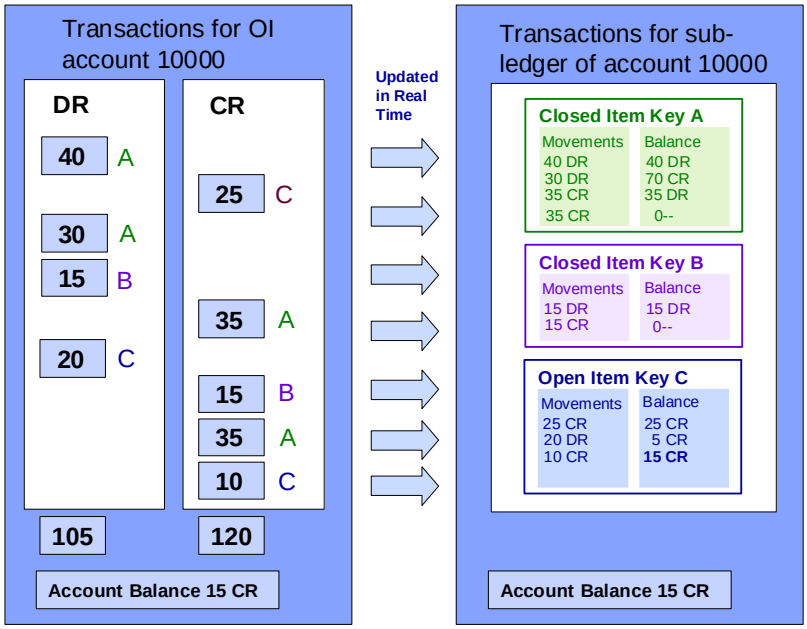
See “GL Open Item” on page 329 for a description of how to create postings on GL open item accounts and for a list of system functions where you can create postings for GL open item accounts.

The use of allocation keys to reconcile debit and credit transactions is similar to the French accounting concept of Lettrage, where matching debit and credit transactions are assigned the same key, often a letter of the alphabet. However, in Lettrage, the transactions are not matched and netted until the end of the GL period. In GL Open Item Reconciliation (25.15.2.13), debit and credit transactions assigned the same allocation key can also be matched in real time.

Note If you change a standard GL account to an open item GL account and the account already has transactions posted to it, you can use another function called GL Open Item Initialization (25.15.2.12) to reconcile the historical transactions automatically. See “GL Open Item Initialization” on page 364.

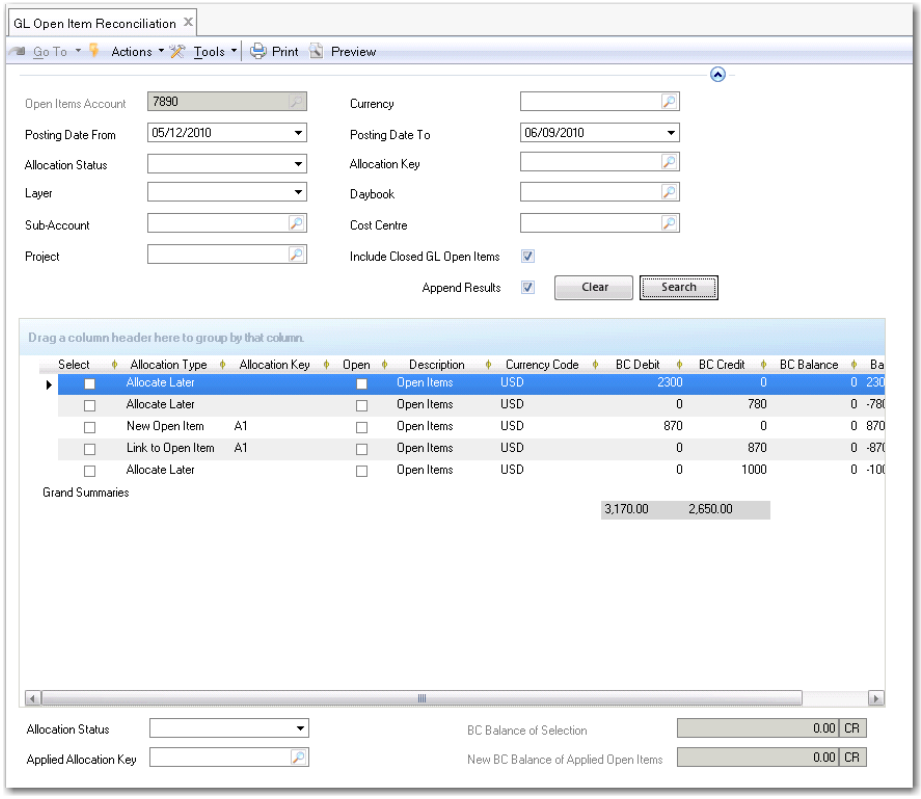
Figure 6.38 shows transactions for GL open item account 10000. Using allocation keys in GL Open Item Reconciliation (25.15.2.13), the outstanding debit and credit movements on account 10000 are matched, leaving an outstanding credit balance of 15 USD.

Fig. 6.38
Transactions and Reconciliation for Account 10000



Use the filter criteria in GL Open Item Reconciliation (25.15.2.13) to locate open items for a given GL open item account. Open item movements created for that account in Journal Entry and other functions and matching the selection criteria are displayed. You also have the option to include closed GL open item movements in the search criteria. Open item movements are closed when the balance of their associated allocation key becomes zero.

Fig. 6.39
GL Open Item Reconciliation



You can select one or more lines from the grid and allocate them to a new open item, or you can match items by linking them to an existing allocation key. In addition, you can deallocate allocated transactions by resetting their statuses to Allocate Later. See “Deallocating an Allocated Item” on page 362.

You can view the outstanding balance of open items by selecting the items in the grid. The BC Balance of Selection field at the bottom of the screen then displays the balance of the selected items, while the New BC Balance of Applied Open Items shows the projected balance of the open item key applied to the selected lines. This balance can be different from that shown in the BC Balance of Selection field because the open item key can already have a balance from movements that are not in the current selection.

See page 357 and page 360 respectively for detailed examples of allocating to an existing open item and allocating to a new open item.

For all transactions displayed in the grid, you can drill-down and view the source transactions. See “Viewing Source Transactions” on page 363. You can also view GL open items and their allocation statuses using a report and a number of views. See “GL Open Item Reports and Views” on page 367.

The following section describes the fields in GL Open Item Reconciliation (25.15.2.13):

Open Items Account. Specify the GL open item account for which you want to create a reconciliation. The lookup only displays active GL accounts of type Open Items. This field is mandatory.

You can only display transactions for a single account at any time.

When the Append Results field is selected, the Open Items Account field is disabled to prevent transactions from multiple open item accounts from being displayed in the grid. See the Append Results field description for more information.

Currency. Specify the currency for which you want to search for open item movements. This field is optional.

Posting Date From. Specify the first posting date from which you want to search for GL open items. The default is the current date.

Posting Date To. Specify the last posting date up to which you want to search for GL open items. The default is the current date.

Allocation Status. Select an allocation status to search for open items with that status. The possible values are:

Blank (which means any status)

Allocated

Unallocated

Allocation Key. Specify an allocation key to search for GL open items with that key. This field is optional.

Layer Type. Specify a GL layer type to search for GL open items posted to that layer. You can post GL open items to the official, management, or transient layers. This field is optional.

Daybook. Specify a daybook to search for GL open items posted to that daybook. This field is optional.

Sub-Account. Specify a sub-account to search for GL open items posted to that sub-account. This field is optional.

Cost Center. Specify a cost center to search for GL open items posted to that cost center. This field is optional.

Project. Specify a project to search for GL open items posted to that project. This field is optional.

Include Closed GL Open Items. Select the field to include closed GL open items in your search. This option is deselected by default.

Append Results. Select the field to append the results of your searches one under another in the grid.

When the Append Results field is selected, the Open Items Account field is disabled to prevent transactions from multiple open item accounts from being displayed in the grid.

Example

You specify a GL open item account and a posting date range of 09/07/2014 to 09/07/2014, and click Search. The grid displays any transactions on the account from that date. While those search results are displayed in the grid, you can change the posting date range (or any other search criteria), for example, to be from 01/07/2014 to 09/07/2014. Any transactions returned for the broader date range are appended to the grid results, under the transactions returned from your original search.

Grid

Select. Select the field to indicate the transactions you want to reconcile. The BC Balance of Selection field immediately displays the overall balance of the selected transactions.

If you right-click on the column header, a context menu displays where you can choose to select all transactions at once or to deselect all transactions at once.

Posting Date. This field displays the posting date of the transaction on the open item account.

Allocation Type. This field displays the allocation status of the transaction line. The possible values are:

New Open Item

Link to Open Item

Allocate Later

Daybook. This field displays the daybook to which the transaction was posted.

Voucher. The field displays the voucher assigned to the transaction.

Allocation Key. This field displays the allocation key assigned to the transaction. If the Allocation Type is Allocate Later, the Allocation Key field is blank.

Open. This field indicates if the open item key to which the movement is allocated is open. The Open field is automatically selected for movements allocated to an open item key that has an open balance.

If you include closed items in the selection, the Open field is cleared for lines belonging to the closed item key.

For unallocated transactions with a status of Allocate Later, both the Allocation Key and Open fields are blank.

Description. This field displays the GL account description of the GL open item account.

BC Debit. This column lists the debit transaction amounts.

BC Credit. This column lists the credit transaction amounts.

BC Balance. This field displays the overall balance for an allocation key. The balance value is preceded by a minus sign if the balance is a credit balance.

If the transactions have not been allocated, the BC Balance field displays zero.

Activity BC. This field displays the value of the open item transaction. The field contains a positive value for debit transactions and a negative value for credit transactions.

Additional Grid Fields

You can add more columns to the grid.

You can add any of the fields available in the GL Transactions View by right-clicking on the column headers and selecting the Columns option. Using the Columns dialog, you can add columns to the grid or remove columns from the grid by selecting or deselecting the field beside the column name.

Fields Under Grid

Allocation Status. Select the action you want to perform on the items you selected in the grid.

New Open Item: Allocate the transactions to a new open item.

Link to Open Item: Use the allocation key to link this transaction to an existing open item.

Allocate Later: Save the transactions without an allocation key. The system does not create a GL open item or a GL open item movement.

You can deallocate an allocated open item by selecting the item in the grid and then specifying Allocate Later in the Allocation Status field. See “Deallocating an Allocated Item” on page 362.

Applied Allocation Key. Specify the allocation key to apply to the transactions selected in the grid.

When creating a new open item, this allocation key is assigned to the new open item. This key subsequently identifies the GL open item in browses and reports.

If you chose Link to Open Item in the Allocation Status field, click the lookup to display the allocation keys of existing open items and select the one you want to link to. Alternatively, if you know the allocation key, you can just enter it in the field, without using the lookup.

BC Balance of Selection. This field displays the balance in base currency of the open item lines you selected from the grid.

New BC Balance of Applied Open Items. This field displays the new balance in base currency of the applied allocation key. This value is the sum of all transactions linked to the allocation key specified in the Applied Allocation Key field. The balance includes all transactions for the allocation key, even if you have not selected these lines in the grid.

A GL open item is closed automatically if its balance in base currency becomes zero. However, you can select a closed item again in GL Open Item Reconciliation (25.15.2.13) and re-open it by allocating new movement lines to it or by deallocating movement lines from it.

Example

In this example, GL Open Item Reconciliation (25.15.2.13) is used to reconcile unallocated lines to an existing open item.

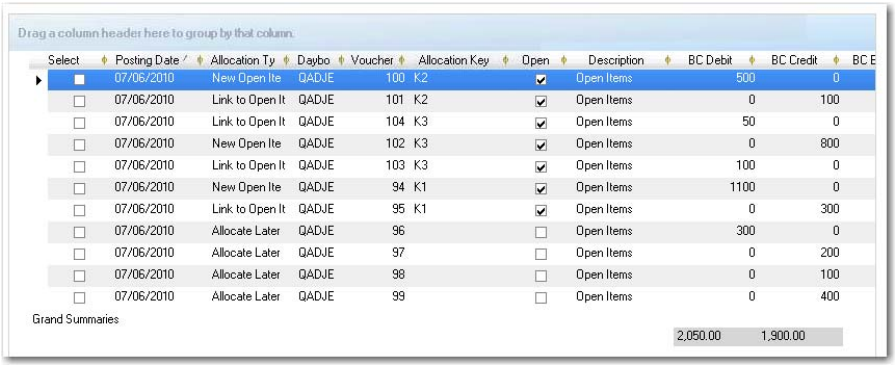
GL open item account 1011 has the following transactions:

Line	Allocation	Allocation Key	BC Debit	BC Credit
1	New Open Item	K1	1100	
2	Link to Open Item	K1		300
3	Allocate Later	Blank	300	
4	Allocate Later	Blank		200
5	Allocate Later	Blank		100
6	Allocate Later	Blank		400
7	New Open Item	K2	500	
8	Link to Open Item	K2		100
9	New Open Item	K3		800

Line	Allocation	Allocation Key	BC Debit	BC Credit
10	Link to Open Item	K3	100	
11	Link to Open Item	K3	50	

Figure 6.40 shows the transactions as they appear in the grid in GL Open Item Reconciliation (25.15.2.13).

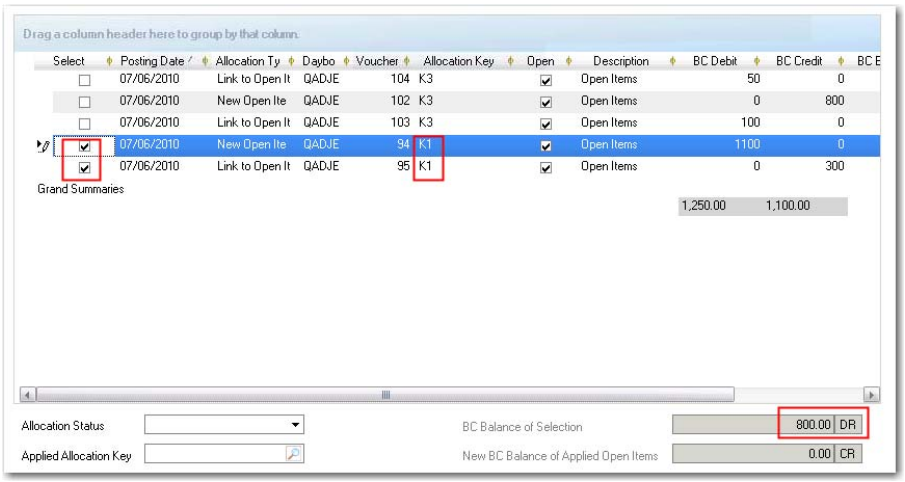
Fig. 6.40
GL Open Item Reconciliation, Transactions on Account 1011



By selecting the transactions that belong to each allocation key, you can see the base currency balance for each key. The following table displays the balance of the allocation keys:

Allocation Key	BC Debit	BC Credit	BC Balance
K1	1100	300	800
K2	500	100	400
K3	150	800	-650

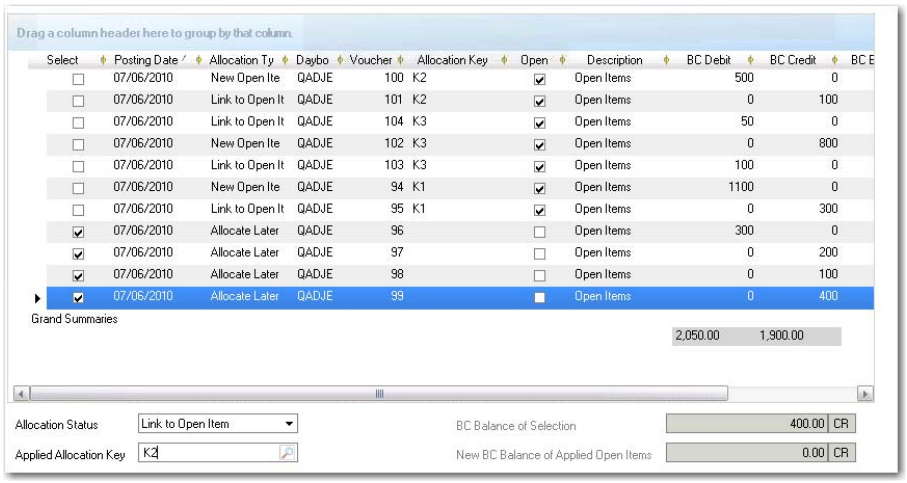
Fig. 6.41
BC Balance of Allocation Key, K1



You then use GL Open Item Reconciliation (25.15.2.13) to reconcile the lines without an allocation key. You select the four unallocated lines in the grid.

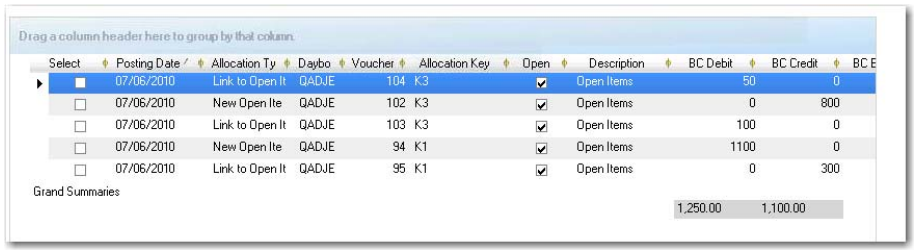
In the Allocation Status field under the grid, select Link to Open Item and specify K2 in the Applied Allocation Key field.

Fig. 6.42
GL Open Item Reconciliation, Linking to an Open Item



This update is reflected in the grid as follows:

Fig. 6.43
GL Open Item Reconciliation, Updated Grid



As a result of the reconciliation, allocation key K2 is closed, and the following are the outstanding balances for the open allocation keys on the account:

Allocation Key	BC Debit	BC Credit	BC Balance
K1	1100	300	800
K3	150	800	-650

Figure 6.44 and Figure 6.45 also show the outstanding balances for the two allocation keys.

Fig. 6.44
BC Balance of Allocation Key, K1

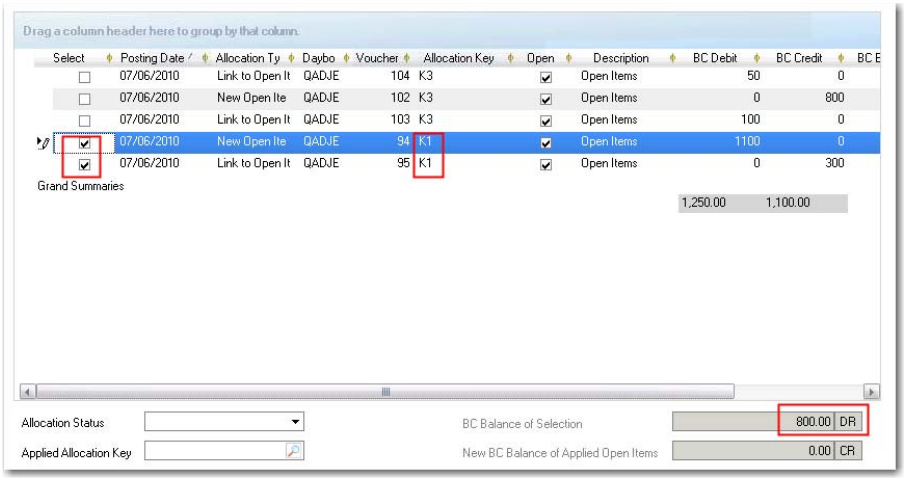
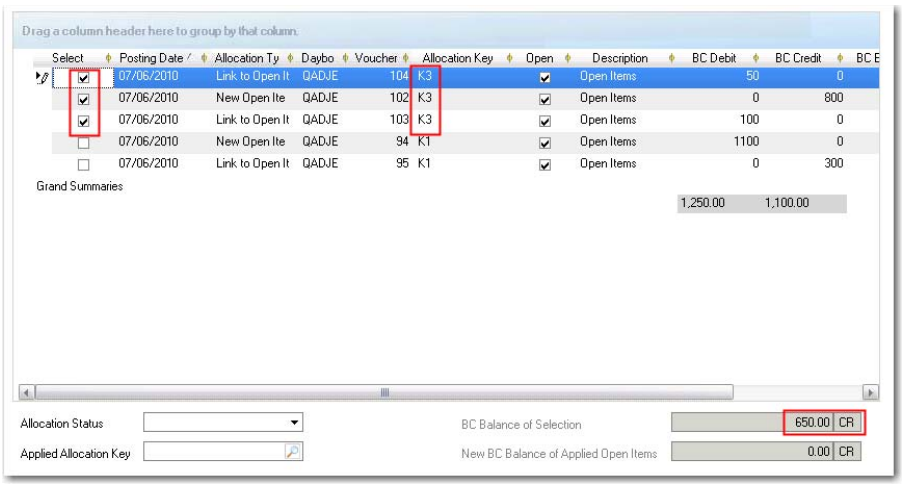


Fig. 6.45
BC Balance of Allocation Key, K3



Example

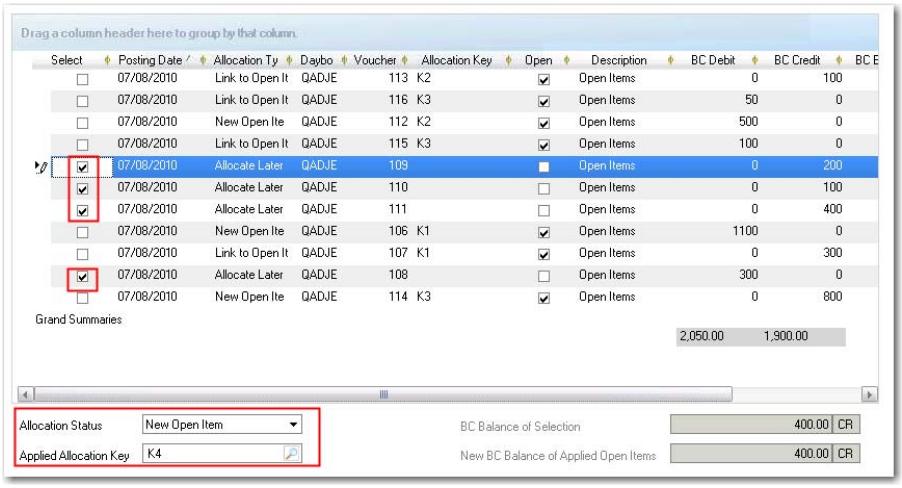
This example reuses the same original transactions as the previous example. However, in this example, GL Open Item Reconciliation (25.15.2.13) is used to link the unallocated lines to a new open item with the allocation key, K4.

Line	Allocation	Allocation Key	BC Debit	BC Credit
1	New Open Item	K1	1100	
2	Link to Open Item	K1		300
3	***Link to Open Item***	***K4***	300	
4	***Link to Open Item***	***K4***		200
5	***Link to Open Item***	***K4***		100
6	***Link to Open Item***	***K4***		400
7	New Open Item	K2	500	
8	Link to Open Item	K2		100

Line	Allocation	Allocation Key	BC Debit	BC Credit
9	New Open Item	K3		800
10	Link to Open Item	K3	100	
11	Link to Open Item	K3	50	

In the grid, you select the four previously unallocated items, select New Open Item in the Allocation Status field, and specify K4 in the Applied Allocation Key field, as shown in Figure 6.46.

Fig. 6.46
GL OI Reconciliation

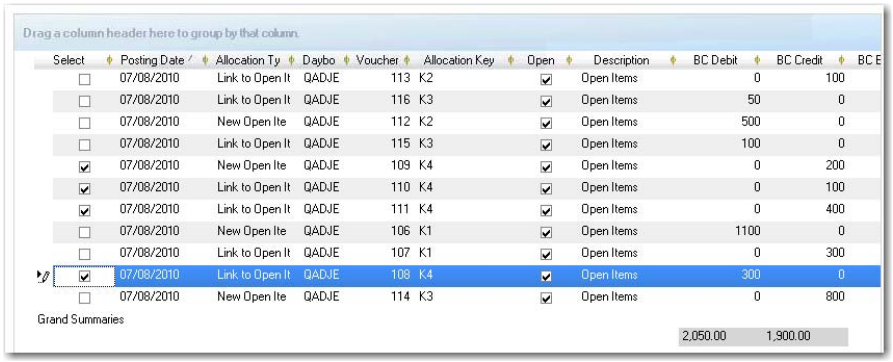


As a result of the update, the base currency balance of the open items is now:

Allocation Key	BC Debit	BC Credit	BC Balance
K1	1100	300	800
K2	500	100	400
K3	150	800	-650
K4	300	700	-400

Figure 6.47 shows the updated grid.

Fig. 6.47
GL Open Item Reconciliation, Updated Grid



Deallocating an Allocated Item

Using GL Open Item Reconciliation (25.15.2.13), you can also deallocate allocated lines.

To deallocate an item:

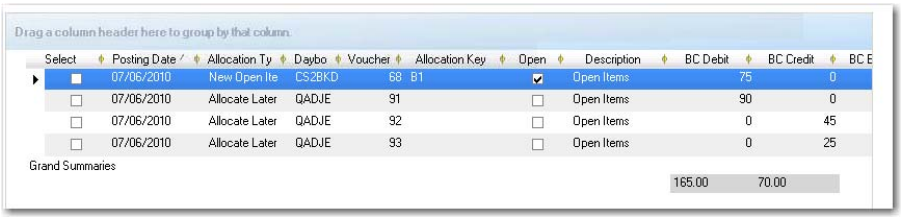
1 Select the allocated line in the grid in GL Open Item Reconciliation (25.15.2.13).

2 In the Allocation Status field at the bottom of the screen, change the allocation status of the selected line to Allocate Later.

Fig. 6.48
Allocated Item

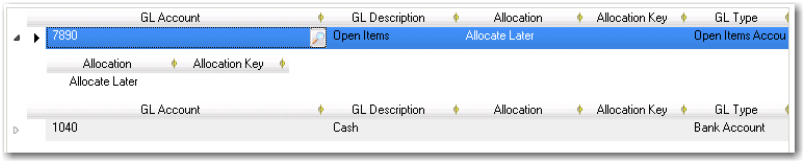
3 Click the Execute button to deallocate the item.

Fig. 6.49
Deallocated Item



If you view the original transaction—in this case, a journal entry—the change in status to Allocate Later is also reflected there.

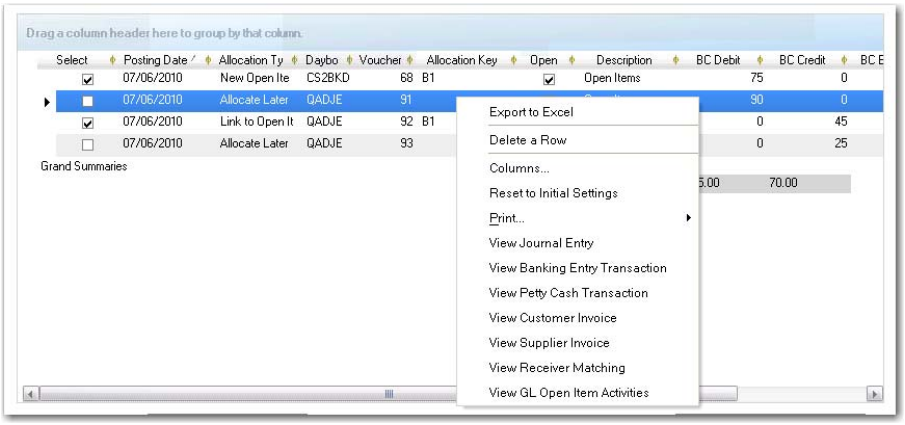
Fig. 6.50
Updated Journal Entry



Viewing Source Transactions

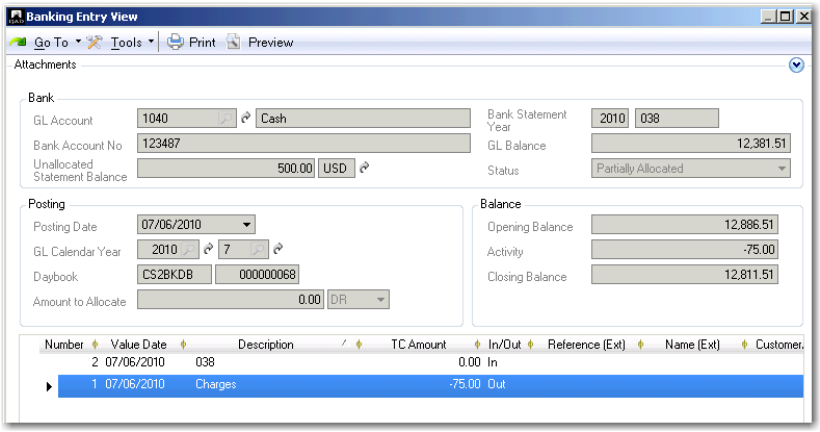
In GL Open Item Reconciliation (25.15.2.13), you can right-click on a transaction in a grid and select an option to view the transaction source.

Fig. 6.51
GL Open Item Reconciliation, Right-Click Menu



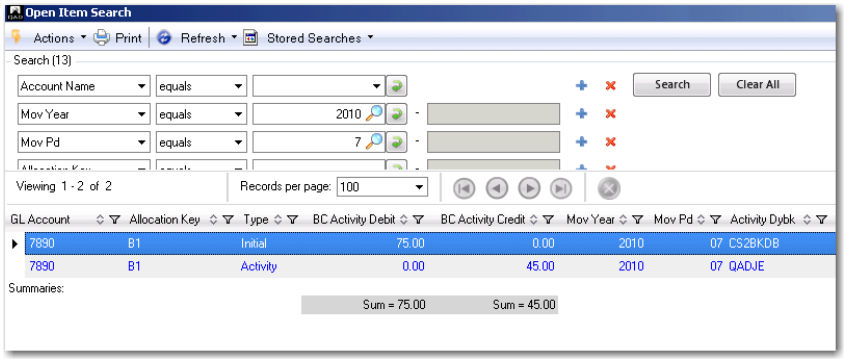
In the example shown in Figure 6.51, the grid entry line relates to a banking entry transaction on the open item account. If you select View Banking Entry Transactions, you can see the originating transaction in Banking Entry View (31.1.3).

Fig. 6.52
Banking Entry View (31.1.3)



If the line is allocated, you can select View GL Open Item Activities in the right-click menu in the GL Open Item Reconciliation grid to view all activities for the same allocation key. See “GL Open Item Activity View” on page 368 for more information on this view.

Fig. 6.53
GL Open Item Activities



GL Open Item Initialization

If you change a standard GL account to an Open Item GL account and the account already has transactions posted to it, you can use GL Open Item Initialization (25.15.2.12) to reconcile the transactions automatically. This function accommodates situations where there was prior uncertainty over which accounts required the use of GL open items.

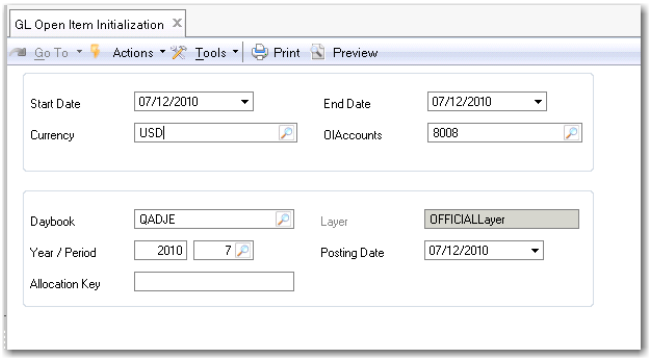
When you convert a standard account to a GL open item account, all existing transactions on the account are assigned the default allocation value of Allocate Later.

If a standard account was created for use in the operational modules and specified in, for example, Domain/Account Control (36.9.24), Product Line Maintenance (1.2.1), Purchasing Account Maintenance (1.2.5), or Inventory Account Maintenance (1.2.13), the system prevents you from changing the standard account to a GL open item account.

When you run GL Open Item Initialization (25.15.2.12), the system gathers all transactions for the specified converted open items account, reconciles any transactions that can be reconciled, and creates a closing and an opening transaction for the account.

The closing transaction is automatically assigned the allocation key you specify in GL Open Item Initialization (25.15.2.12). The same key is also assigned to all unallocated transactions on the account, linking the historical transactions in one step. This prevents the older unmatched transactions on the account from being continuously listed as unallocated in GL Open Item Reconciliation (25.15.2.13) or in the GL Open Item report (25.15.1.8).

Fig. 6.54
GL Open Item Initialization (25.15.2.12)



Start Date. Specify a start date to search for transactions on GL open item accounts that were converted from standard accounts. The start date is mandatory.

End Date. Specify an end date to search for transactions on GL open item accounts that were converted from standard accounts. The end date is mandatory.

OI Accounts. Specify one or more active GL open item accounts, previously converted from standard accounts, for which to create a reconciled initial open item. This field is mandatory.

Currency. Specify a currency to search for open items denominated in this currency. This field is mandatory.

Important The following five fields are used to define the posting details for the closing and opening postings created for the initial open item:

Daybook. Specify the daybook to which you want to post the reconciled initial open item. This field is mandatory.

Layer. This field displays the layer to which the daybook belongs.

Year/Period. Specify the GL calendar year and GL period in which to create the initial open item. These fields are mandatory. The defaults are the GL calendar year and GL period of the current system date.

Posting Date. Specify the posting date that the system must use when posting the reconciled initial open item. This field is mandatory. The default is the current system date.

Allocation Key. Enter the allocation key to assign to the new initial open item. This field is mandatory.

Example

Transactions with the following amounts are posted to standard account 8008.

Posting Date	BC Debit	BC Credit
06/01/2014	375	
06/11/2014	425	
6/25/2014		1500
Total	800	1500

The outstanding balance on the account is 700 Cr.

Account 8008 is later converted to an open items account using GL Account Modify (25.3.13.2). The transactions on the account are automatically assigned the allocation status Allocation Later.

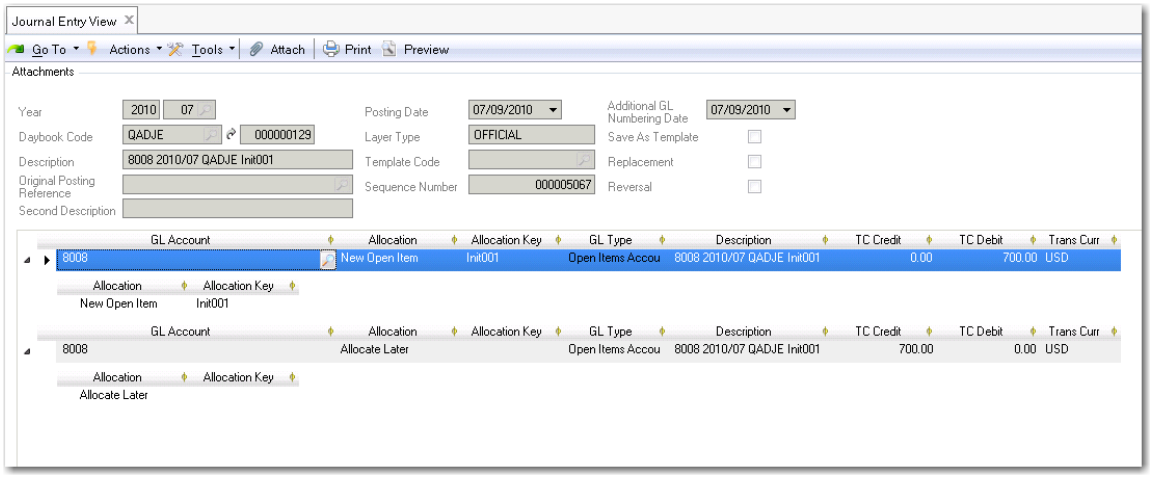
Posting Date	Allocation	Allocation Key	BC Debit	BC Credit
06/01/2014	Allocate Later	N/A	375	
06/11/2014	Allocate Later	N/A	425	
6/25/2014	Allocate Later	N/A		1500
Total			800	1500

You run GL Open Item Initialization (25.15.2.12) to create an initial open item for all transactions on the account. You specify the allocation key Init001. As a result, the following postings are created on the daybook you specified. The first line is the closing posting and the second line is the opening posting.

Account	Allocation	Allocation Key	BC Debit	BC Credit
8008	New Open Item	Init001	700	
8008	Allocate Later	N/A		700

Figure 6.55 shows the journal entry posting created.

Fig. 6.55
Journal Entry View, Initial Open Item Posting

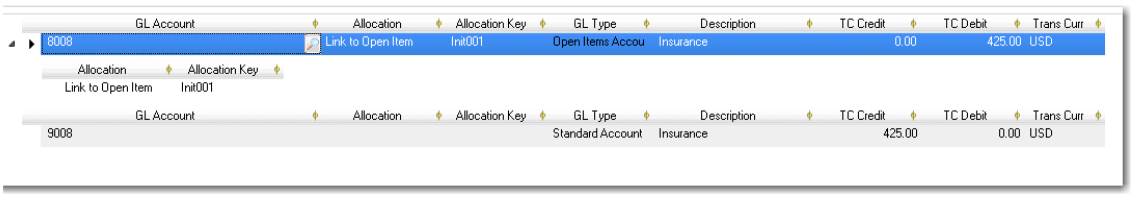


The original transactions on account 8008 are updated to reflect that they are now linked to open item Init001. As a result, allocation key Init001 is closed, and all original transactions are reconciled with the closing transaction. You can then reconcile any new transactions on the account with the opening transaction.

Posting Date	Allocation	Allocation Key	BC Debit	BC Credit
06/01/2010	Link to Open Item	Init001	375	
06/11/2010	Link to Open Item	Init001	425	
6/25/2010	Link to Open Item	Init001		1500

Figure 6.56 shows the updated grid from the original journal entry posting on account 8008 for 425 USD debit, showing that the transaction is now linked to allocation key Init001.

Fig. 6.56
Journal Entry View (25.13.1.3)



GL Open Item Reports and Views

GL Open Item Report

The GL Open Item report (25.15.1.8) lists and totals GL open items within the open items sub-ledger. The output is grouped by allocation key.

The following are the report selection criteria:

- Entity

  Specify the entities for which to run the report. You can only select entities in the current domain.

- GL Account

  Specify the range of accounts for which to run the report. Only GL open item accounts within this range that match the other selection criteria are included in the report output.

- Allocation Key

  Specify the allocation key for which to run the report. This field is optional.

- Include Activity

  Select Yes to display the transactions for each allocation key.

  Select No to display totals for each allocation key.

- Open at Date

  Specify the date for which you want to run the report. GL items that were open on this date and that meet the other report selection criteria are included.

- Include GL Open Item Transactions

  Select All to display all GL open item transactions that match the selection criteria.

  Select Allocated Transactions to only display allocated GL open item transactions that match the selection criteria.

  Select Unallocated Transactions to only display unallocated GL open item transactions that match the selection criteria.

- Layer

  Specify the GL layers for which to run the report. Only transactions in these layers are included in the report output.

Fig. 6.57
GL Open Item Report, Run to Exclude Activity

QAD

GL Open Items Report

Test Company Primary
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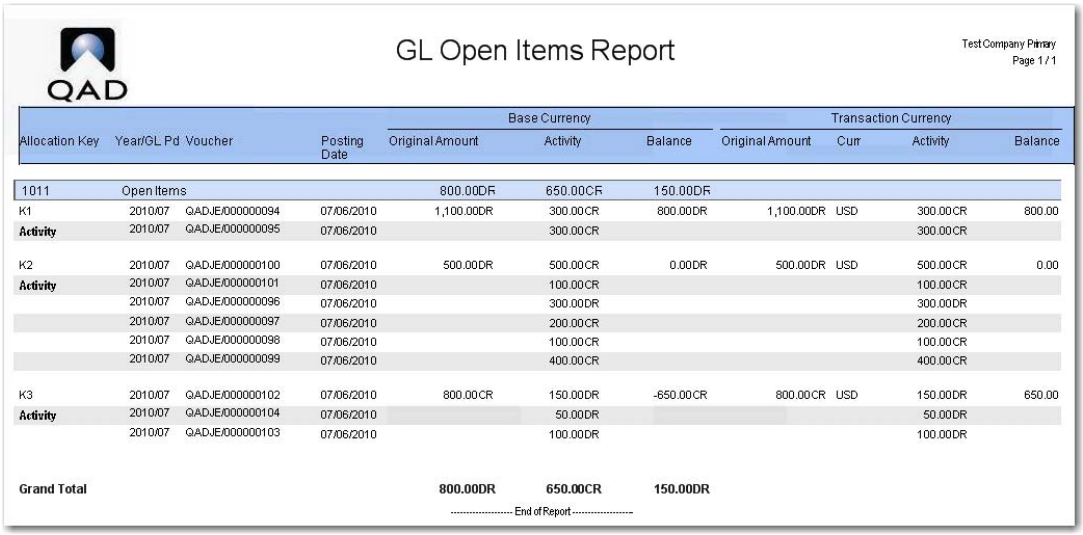
Allocation Key	Year/GL Pd	Voucher	Posting Date	Base Currency Original Amount	Base Currency Activity	Base Currency Balance	Transaction Currency Original Amount	Transaction Currency Curr	Transaction Currency Activity	Transaction Currency Balance
1011	Open Items			800.00DR	650.00CR	150.00DR				
K1	2010/07	QADJE/000000094	07/06/2010	1,100.00DR	300.00CR	800.00DR	1,100.00DR	USD	300.00CR	800.00
K2	2010/07	QADJE/000000100	07/06/2010	500.00DR	500.00CR	0.00DR	500.00DR	USD	500.00CR	0.00
K3	2010/07	QADJE/000000102	07/06/2010	800.00CR	150.00DR	-650.00CR	800.00CR	USD	150.00DR	650.00
Grand Total				**800.00DR**	**650.00CR**	**150.00DR**				

End of Report

Fig. 6.58
GL Open Item Report, Run to Include Activity



GL Open Items Report

Test Company Primary
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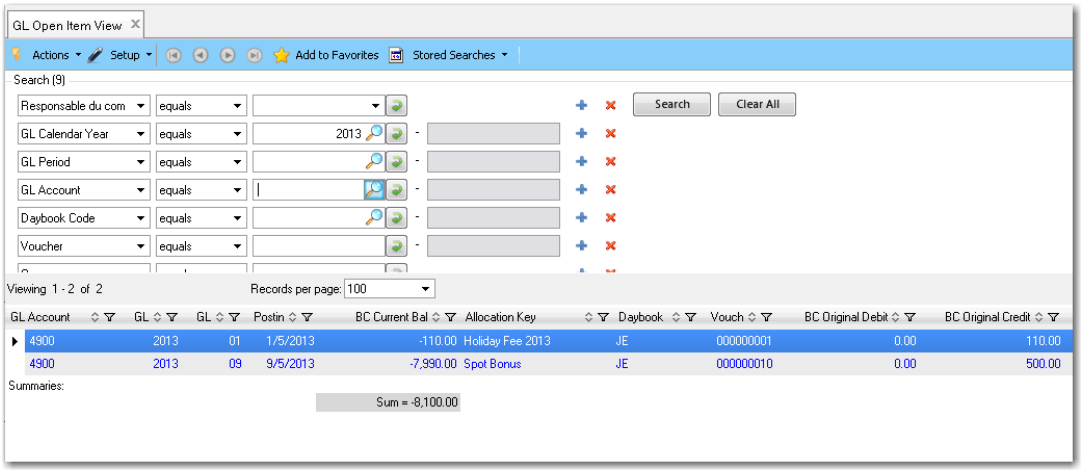
Allocation Key	Year/GL Pd	Voucher	Posting Date	Base Currency Original Amount	Base Currency Activity	Base Currency Balance	Transaction Currency Original Amount	Curr	Transaction Currency Activity	Transaction Currency Balance
1011	Open Items			800.00DR	650.00CR	150.00DR				
K1	2010/07	QADJE/000000094	07/06/2010	1,100.00DR	300.00CR	800.00DR	1,100.00DR	USD	300.00CR	800.00
Activity	2010/07	QADJE/000000095	07/06/2010		300.00CR				300.00CR	
K2	2010/07	QADJE/000000100	07/06/2010	500.00DR	500.00CR	0.00DR	500.00DR	USD	500.00CR	0.00
Activity	2010/07	QADJE/000000101	07/06/2010		100.00CR				100.00CR	
	2010/07	QADJE/000000096	07/06/2010		300.00DR				300.00DR	
	2010/07	QADJE/000000097	07/06/2010		200.00CR				200.00CR	
	2010/07	QADJE/000000098	07/06/2010		100.00CR				100.00CR	
	2010/07	QADJE/000000099	07/06/2010		400.00CR				400.00CR	
K3	2010/07	QADJE/000000102	07/06/2010	800.00CR	150.00DR	-650.00CR	800.00CR	USD	150.00DR	650.00
Activity	2010/07	QADJE/000000104	07/06/2010		50.00DR				50.00DR	
	2010/07	QADJE/000000103	07/06/2010		100.00DR				100.00DR	
Grand Total				**800.00DR**	**650.00CR**	**150.00DR**				

End of Report

GL Open Item View

The GL Open Item View (25.15.2.5) displays the balance of transactions for each allocation key on a GL open item account.

Fig. 6.59
GL Open Item View



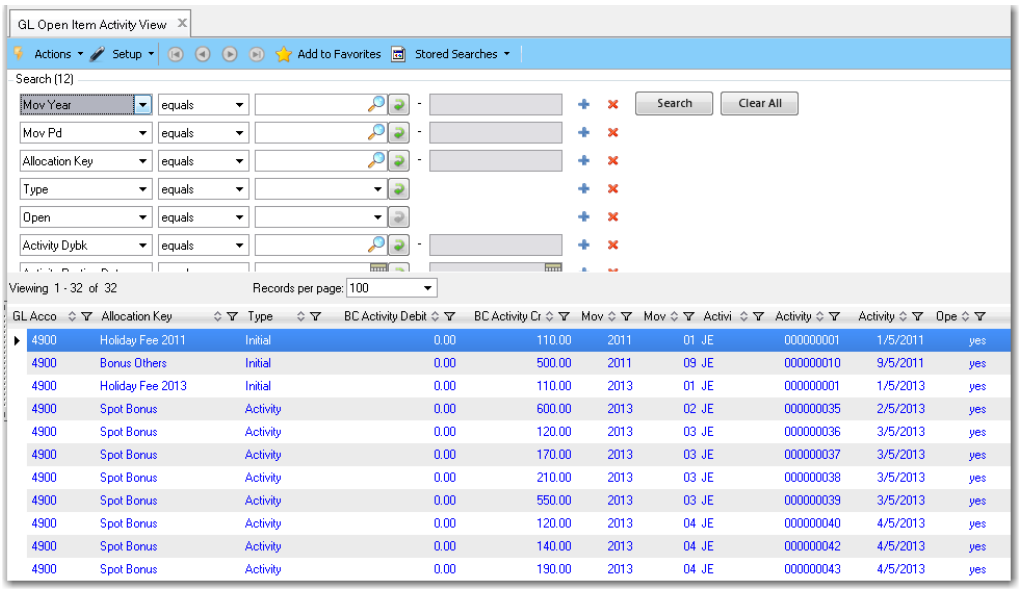
GL Open Item Activity View

The GL Open Item Activity View (25.15.2.6) displays activity on a GL open item account for the specified search criteria. For the time period specified, the view lists each transaction performed on the account and the allocation key, and indicates whether the movement is open or closed. The view only displays transactions for which a GL open item movement was created; that is, transactions for new open items or transactions linked to an existing open item.

Note Transactions created with the Allocate Later option do not create GL open item movements until they are allocated.

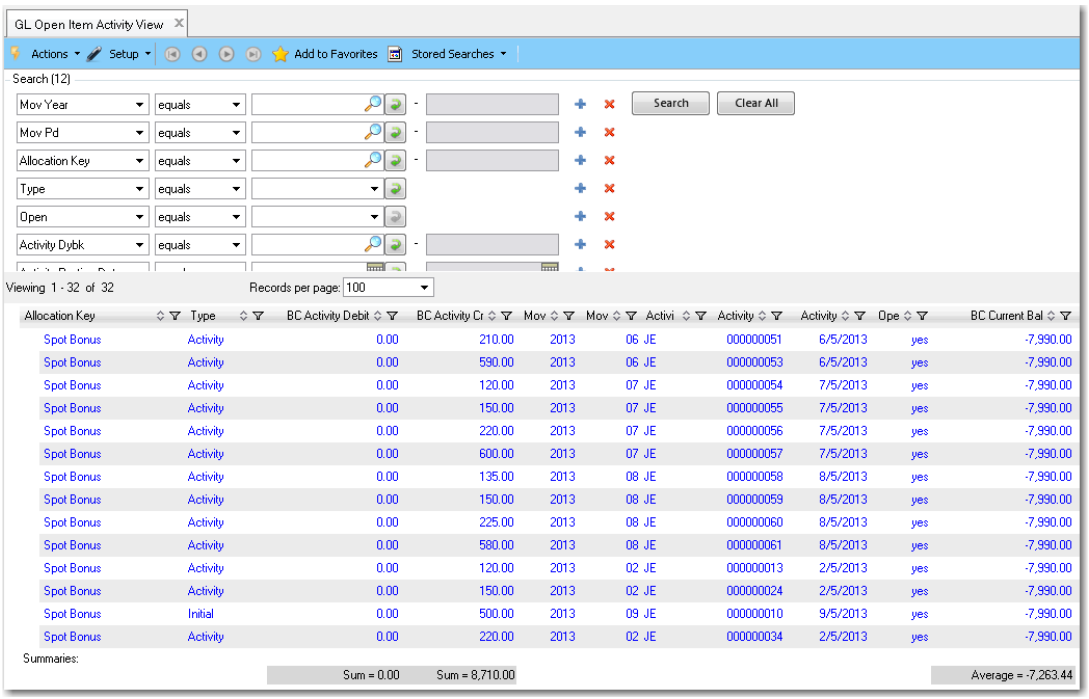
The Type column displays the value Initial for transactions for which new open items were created and displays the value Activity for transactions linked to existing open items.

Fig. 6.60
GL Open Item Activity View



If you group the transactions by GL account and allocation key and add an Average summary to the BC Curren Bal column, you can create an overview of all open item keys for each account with their associated balances. You can view the details by clicking the plus sign (+) beside each allocation key. You can also save the browse settings as a stored search for reuse later.

Fig. 6.61
GL Open Item Activity View, Grouped Transactions

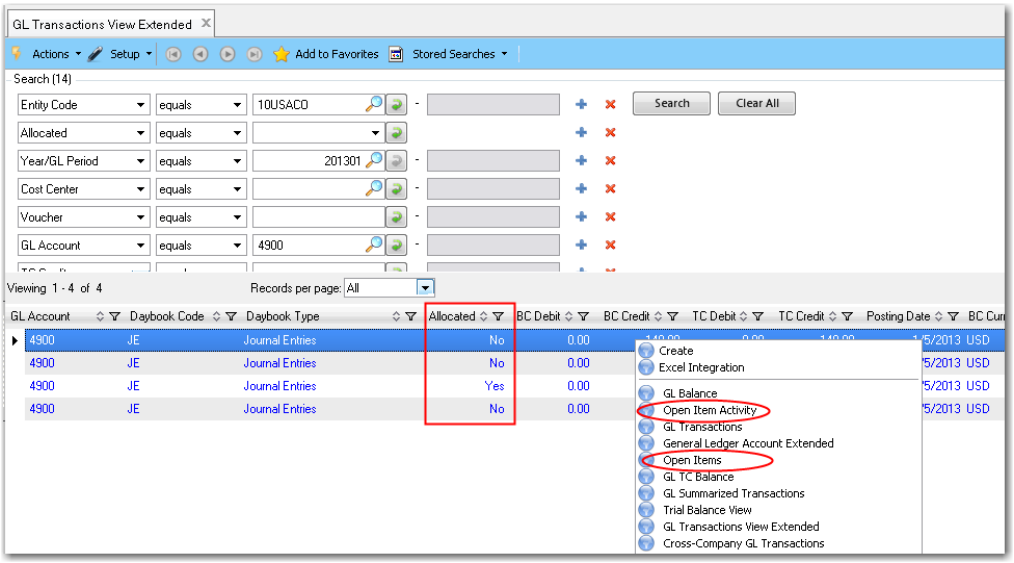


GL Transactions View Extended

The GL Transactions View Extended (25.15.2.10) includes an Allocated search criteria that lets you search for allocated or unallocated GL open item transactions. For allocated transactions, the allocation key is also displayed in the view.

The GL Transactions View Extended (25.15.2.10) and the GL Transactions View (25.15.2.1) also let you drill-down to view the underlying GL open item transactions.

Fig. 6.62
GL Transactions View Extended



Revaluation

A transaction in a foreign currency is recorded initially in the base currency by applying the exchange rate between the base currency and the transaction currency at the date of the transaction. However, GAAP rules stipulate that balances on accounts denominated in foreign currency be reported using the closing rate for the GL period in which the transaction was recorded.

You typically revaluate at the end of every GL period, and the process is more commonly used by international organizations, since a US entity dealing in USD only never needs to revalue.

The revaluation process involves revising amounts in non-base currency accounts based on the exchange rate in effect at the end of a GL period. GL accounts denominated in non-base currency or accounts that accept postings in all currencies are subject to revaluation.

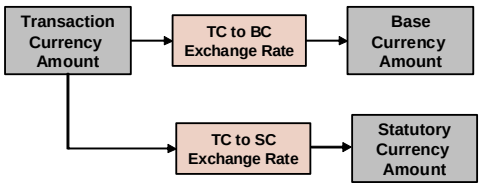
When you create transactions in the system, you can use either the base currency or the transaction currency. If you use the transaction currency, the system converts the transaction amounts to the base currency using the current accounting exchange rate. You can modify or replace this exchange rate before posting.

There are two types of revaluation:

- Revaluation of transactions denominated in a non-base currency, relative to the base currency

- Revaluation of transactions denominated in a non-base currency, relative to the statutory currency

Fig. 6.63
Types of Currency Amount and Exchange Rates



The exchange rate differences for a certain item must be recorded in each GL period until the period in which the item is closed. The exchange rate difference is then reversed on the first day of the next GL period. When the item is closed, the exchange difference is realized.

Accounts can also be revalued based on balances or activity. Balance sheet accounts are revalued based on the year-to-date balance, and profit and loss accounts are revalued based on activity. These settings cannot be changed.

Accounts Subject to Revaluation

Revaluation affects the following account types:

- Customer, supplier, and cross-company control accounts

  Open items denominated in a foreign currency are subject to revaluation until paid.

  Cross-company control accounts with open items denominated in a foreign currency are included in the revaluation when you select the Balance Sheets field in the Revaluation Scope group box of Revaluation Simulate (25.21.1.1) or Revaluation Post (25.21.1.5).

- Customer and supplier payment accounts

  The effect of revaluation on customer and supplier payment accounts depends on the payment instrument. If the payment instrument is direct debit (customer accounts only), the foreign currency transactions are performed using the accounting exchange rate for the direct debit date, and revaluation is not required. However, for drafts and post-dated checks denominated in a foreign currency, the payee must wait until the due date to collect the value. The value of the check or draft can vary from the date of issue until the due date, and is subject to revaluation.

- Standard GL accounts

  Some standard GL accounts accept transactions in any currency, and are, therefore, subject to revaluation.

- Bank and cash accounts

  Bank and cash accounts can be denominated in a non-base currency, which must be expressed in the base currency of the entity.

- Tax accounts

  Some tax accounts accept transactions in any currency, and are, therefore, subject to revaluation.

- Inventory and WIP control accounts

  You must revalue open balances in Inventory and WIP control accounts relative to the statutory currency to report closing valuations for the balance sheet.

  Note Base currency Inventory and WIP control account balances must be revalued in the books of a consolidation entity if the base currency of a source entity is different than that of the consolidation entity.

Setting Up Revaluation

To enable accounts to be revalued, you must configure currencies and revaluation parameters on the accounts, and then create a posting structure for revaluation postings.

Typically, two or three accounts are involved in revaluation: the source account, target account, and revaluation account.

- The source account is the original GL account to which the transaction affected by revaluation was posted.
- The system account is the account that contains the exchange rate differences produced by the revaluation.
- The revaluation account is the account into which the revaluation results are posted—that is, the profit or loss.

Note Only the system account and the revaluation account (for sub-ledger accounts) are used in the posting. However, for standard GL accounts, the source and revaluation accounts are the same, and the source account is also used in the posting.

Sub-ledger accounts require a separate target account for revaluation. The target account in these cases is a separate standard GL account, in which you post the exchange rate differences. These separate accounts are then reconciled to the general ledger.

For all account types, the unrealized loss or gain must be posted to one of the following accounts:

- Unrealized Exchange Loss
- Unrealized Exchange Gain

You can define only one of each type of account in a shared set, and you can configure only one set of revaluation accounts in each shared set. The system uses the same set of accounts for both transaction currency and statutory currency revaluation.

See “System Accounts” on page 88 for details on creating unrealized and realized loss/gain accounts.

Revaluation Example

The base currency of an entity is British pounds (GBP). AR account 12785643 is denominated in Euros, and has a balance of €10,000. On the day of posting, €10,000 is equivalent to £6,800. However, at the end of GL period, €10,000 is equivalent to £6,600. Because the account is a sub-ledger account, a second account is required for the revaluation difference. The postings are as follows:

Unrealized Loss Account	
200	

Revaluation GL Account	
	200

The balance of the source account is:

12785643 AR Account	
6800	

Therefore, the value of the account (£6,600) is attained by combining the revaluation GL account with the 12785643 AR account.

Revaluation posting to these accounts is automatic.

Revaluation postings for all balance sheet accounts are automatically reversed in the revaluation accounts on the first day of the following period.

Reversing revaluation amounts in a standard profit and loss GL account is optional. Select the Reverse P&L Revaluations field on the General tab of the Entity screen to enable this option for all standard GL accounts in an entity.

Typically, revaluation of profit and loss GL account is not required. However, it may be necessary in hyperinflationary regions where organizations restate their profit and loss using, for example, an average exchange rate for the quarter. See “Setting Up Entities” on page 45.

Revaluation Methods and Rates

You define the revaluation methods and rates for a source GL account in the Currency tab of Account Create (25.3.13.1). The tab lets you define both methods and rates for the revaluation of transaction currencies against the base currency and the statutory currency.

Five options are available for the revaluation method:

None: No revaluation is performed.

Accounting Rate: The accounting exchange rate for that date is used; this is the most common option.

Revaluation Rate: You can use a separate rate. For example, in certain countries, the government sets the rate that must be used for revaluation, and this is separate from the accounting exchange rate.

Inventory Rate: This option is available for revaluation relative to the statutory currency for Inventory and WIP control accounts, and uses the inventory exchange rate.

You must revalue open balances in Inventory and WIP control accounts relative to the statutory currency to report closing valuations for the balance sheet.

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

User-Defined Rate: This option accommodates situations where different revaluation rules apply for particular types of assets.

When you select the Revaluation method in the TC Revaluation in BC field, ensure that a revaluation exchange rate type is defined for all currencies used in postings to the account. Similarly, when you select the Revaluation method in the TC Revaluation in SC field, ensure that a statutory exchange rate type is defined for all currencies used in postings to the account.

The default exchange rate type is the accounting exchange rate. When you use a currency for which no exchange rate has been configured, the system has the option to revert to using the accounting exchange rate, depending on a setting in Exchange Rate Type Create. If no accounting exchange rate is defined, the transaction cannot be posted. See “Exchange Rate Types” on page 63 for more information.

You can also use a user-defined exchange rate type for revaluation. This rate is active when you define the TC and SC revaluation methods as User-Defined, on the Currency tab of the target GL account. Typically, you use User-Defined as the revaluation method when you want to keep historical records of revaluation for different GAAP reporting purposes.

See “Currency Tab” on page 94 for more information on the revaluation fields for GL account setup.

Fig. 6.64
Revaluation Settings on a Supplier Control Account

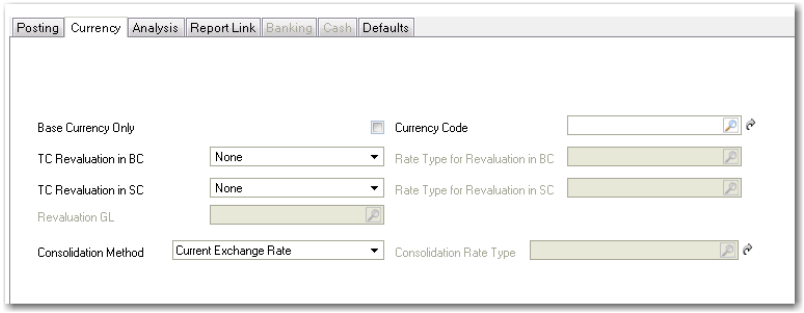


Table 6.2 describes the revaluation parameters and values for transaction currencies.

Table 6.2
Revaluation Parameters

TC Revaluation in BC/SC	Rate Type for Revaluation in BC/SC	Description
None	Revaluation is not applicable, and the Rate Type for Revaluation in BC/SC field is unavailable.	The account is not revalued.
Accounting Rate	Revaluation is applied, and the Rate Type for Revaluation in BC/SC field is unavailable.	The system uses the accounting exchange rates that are valid at month-end.

TC Revaluation in BC/SC	Rate Type for Revaluation in BC/SC	Description
Revaluation	Revaluation is applied, and the Rate Type for Revaluation in BC/SC field is unavailable.	The system uses the revaluation exchange rate type that is valid at month-end, but it can revert to using the accounting exchange rate, if the Fallback to Accounting field in Exchange Rate Type Create (26.3.1) is selected for the revaluation exchange rate. The system displays a warning during the revaluation if it is reverting to using the accounting exchange rate.
User-Defined	Any exchange rate with a user-defined exchange rate type.	The system uses the exchange rates of the user-defined type in the Rate Type for Revaluation in BC/SC field.
Statutory	Only available in the TC Revaluation in SC field. Statutory currency revaluation is applied, and the Rate Type for Revaluation in SC field is unavailable.	The system uses the statutory exchange rate type that is valid at month-end, but it can revert to using the accounting exchange rate, if the Fallback to Accounting field in Exchange Rate Type Create (26.3.1) is selected for the statutory exchange rate. The system displays a warning during the revaluation if it is reverting to using the accounting exchange rate.
Inventory	Only available in the TC Revaluation in SC field. Statutory currency revaluation is applied, and the Rate Type for Revaluation in SC field is unavailable.	Inventory and WIP balances in statutory currency must be revalued to use the latest inventory exchange rate when: • The inventory exchange rate type is used to calculate standard costs in statutory currency. • Standard costs in base currency are reviewed periodically and the inventory exchange rates are modified.

Revaluation Postings

You must define revaluation daybooks for each account type that is being revalued, and the daybook type must match the account type. Table 6.3 lists the revaluation daybook types and corresponding GL accounts.

Table 6.3
Revaluation Daybooks

Daybooks	GL Account Types
Revaluation Customer Payments	Customer Payment Account
Revaluation Customers	Customer Control Account
Revaluation GL	Bank, Cash, Standard GL, and Tax Accounts
Revaluation Intercompany	Cross-Company Control Accounts
Revaluation Suppliers	Supplier Control Account
Revaluation Supplier Payments	Supplier Payment Account

Use the Revaluation GL daybook type as the default daybook for account types for which no revaluation daybook type exists.

The revaluation posting is based on the system and revaluation accounts.

For GL accounts (non sub-ledger):

Debit	Credit
Revaluated GL Account	
	Unrealized

For AR accounts:

Debit	Credit
Revaluation	
	Unrealized

GL Periods

Multiple revaluation runs can be made during the same GL period.

When a revaluation posting has been created for a particular GL period, a subsequent revaluation posting for the same period reverses the existing posting.

You can also choose up to three source layers to be revaluated and the target layer to which the revaluation posting must be made. A subsequent revaluation that has the same target layer as a previous revaluation for the same GL period must also use the same source layers as the previous revaluation. Alternately, all the source layers must be different in the subsequent revaluation for the same GL period to prevent overlap.

If the target layer is the same and the source layers overlap, then an error message is displayed, and you cannot save the revaluation posting.

Example

A domain contains four accounting layers: Official, Mgt1, Mgt2, and Mgt3. You make subsequent revaluations for the GL period 2014/05.

Revaluation 1

Source Layers	Target Layer
Official, Mgt1	Mgt1

Revaluation 1 is posted. There are no limitations because it is the first revaluation for the GL period.

Revaluation 2

Source Layers	Target Layer
Official, Mgt2	Mgt2

Revaluation 2 is posted because the target layer is different from that of Revaluation 1. Revaluation 1 is preserved.

Revaluation 3

Source Layers	Target Layer
Official, Mgt1	Mgt1

Revaluation 3 is saved and posted. The system allows the revaluation because the source and target are the same as Revaluation 1. Revaluation 1 is reversed.

Revaluation 4

Source Layers	Target Layer
Mgt3	Mgt1

Revaluation 4 is saved and posted. The system allows the revaluation because the source is different from any previous revaluation in the GL period.

Revaluation 5

Source Layers	Target Layer
Mgt2	Mgt2

The system does not save Revaluation 5 because the target was already used in Revaluation 2 with source layers that are different, but overlapping (Mgt2).

Note When the system validates subsequent revaluation runs for the same layers, it considers whether you have chosen to revaluate relative to the base currency, statutory currency, or both. Revaluation 3 would only be allowed if the revaluation settings for base currency and statutory currency were the same as those for the previous revaluation run.

You cannot re-create revaluation postings that occur in correction periods, or create a reverse posting to occur in a correction period.

Example The last GL period of the calendar year is 2014/12, and the correction periods are 2014/13 and 2014/14. The revaluation is processed in the same period (2014/12), and reversal postings are processed in 2015/1.

You can modify or delete revaluations only when all revaluation areas have an initial status. In this case, you can modify only the revaluation header or scope, and can delete entire rows in the Simulation tab of the Revaluation screen, but not modify the row data.

Subsequent Revaluations for Different Revaluation Areas

If you post a revaluation for a particular GL period and layer and then post a second revaluation for the same GL period and layer, the system undoes all postings for the first revaluation, even if the new revaluation is for a different area selection.

Example

You create a revaluation simulation for customer open item accounts and balance sheet accounts for GL period 07 and layer Mgt2. You then post the revaluation for both account types and the system assigns a revaluation identifier number of 10.

Subsequently, you create a second revaluation simulation for customer open items and balance sheet accounts for GL period 07 and layer Mgt2. However, you only post the revaluation for the balance sheet accounts. The system assigns the second revaluation an identifier number of 11.

In Journal Entry View, you notice that the system has undone all postings for revaluation 10, even though the second revaluation posting did not include customer open item accounts.

Simulating Revaluation

The Revaluation Simulate activity (25.21.1.1) identifies the revaluations to be run for the GL periods and revaluation areas specified. You can also specify the source layers where the balances are calculated and the target layer where the revaluation is posted when you run Revaluation Post.

The Revaluation Scope settings let you identify specific types of accounts for which to run the revaluation process; for example, customer or supplier payment or control accounts, or balance sheet accounts. The account types you select are displayed in the Revaluation Area column of the simulation grid when you click Apply to begin the simulation. If the current entity is included in one or more entity groups, you can choose to run the simulation for the current entity or an entity group. For more information on entity groups, see “Setting Up Multi-Entity Processing” on page 53.

The simulation results are displayed in a hierarchical grid. You can drill down for more detail on individual items. The results are grouped by revaluation area, and by transaction currency or by transaction currency/sub-account combination if you defined sub-account analysis for the system accounts.

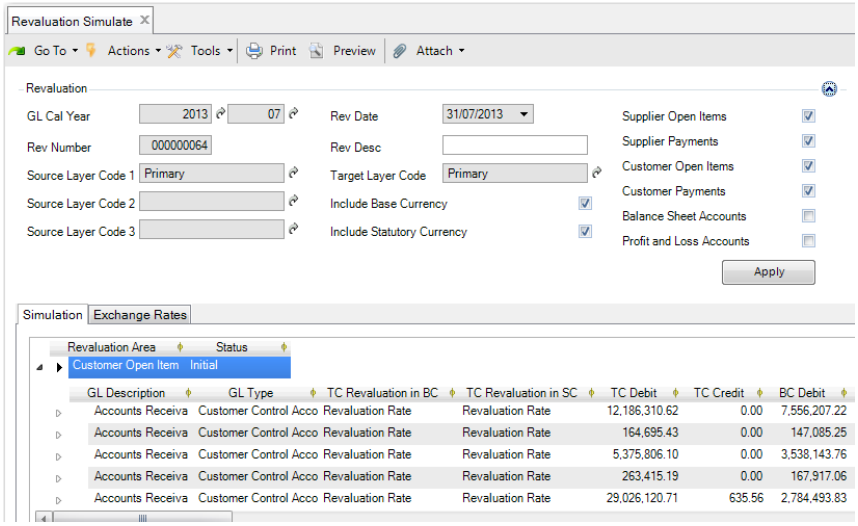
The results display the following information:

- The original debit and credit amounts in TC, BC, and SC
- The revaluated debit and credit amounts in TC, BC, and SC
- The revaluation differences to be posted
- Analytical information, if you defined analysis on the accounts

When you have completed the fields, click Save to save the revaluation.

Both Revaluation Simulate and the Revaluation report include all transactions in the revaluation scope. In addition, transactions that have no revaluation impact are included; that is, transactions where the revaluation difference is zero because the historical rate is the same as the revaluation rate. By including all transactions in Revaluation Simulate and the Revaluation report, the system provides a complete reconciliation between the transaction amounts from before and after revaluation.

Fig. 6.65
Revaluation Simulate



Field Descriptions

GL Calendar Year/GL Period. Specify the GL calendar year and period in which to revalue transactions.

Rev Number. This field displays a system-generated sequence number for the revaluation. If you create a simulation for an entity group, the system generates a separate rev number for each entity in the group, and displays the rev number for the current entity.

You can view the rev number for the other entities by changing to that entity and opening the simulation in Revaluation View.

Revaluation Date. This read-only field indicates the last day of the GL period.

Revaluation Description. Enter a brief description (maximum 24 characters) of the revaluation.

Source Layer Code 1, 2, 3. Specify up to three source layers from which to revalue transactions. You can select official or management layer types.

Target Layer Code. Specify the layer in which the result of the revaluation is saved. The layer code you specify in the first source layer you set automatically defaults to the Target Layer Code field if this field is blank. However, you can overwrite this value.

You can select official or management layer types only.

Revaluation Scope. Select the types of account to check for balances that are subject to revaluation.

Include Base Currency. Select this field to revaluate using the base currency.

Include Statutory Currency. Select this field to revaluate using the statutory currency. The statutory currency revaluation uses the statutory exchange rate, unless you have specified a different revaluation rate in the currency settings in GL Account Create (25.3.13.1). When using the statutory exchange rate, you have the option to revert to using the accounting exchange rate if the statutory rate is unavailable. The fallback option is set in Exchange Rate Type Create (26.3.1).

When you select this field and run simulation on an entity group, if some entities in the group do not have statutory currency enabled an error appears and Revaluation Simulate completes only for entities with statutory currency enabled.

The base currency revaluation and the statutory currency revaluation are not dependent. You can run the revaluations separately or together.

Simulate For. This drop-down menu contains the current entity, along with entity groups that contain the current entity, provided you have access to all of the entities within the entity group. Select the entity or group of entities that you want to apply the revaluation simulation to.

Important If you add the current entity to an entity group for the first time, you must log out and log in again before the Simulate For field displays.

Note The details that appear in the grid apply to the current entity only; if you want to see the details for each entity in the group, run the simulation entity by entity.

If you do not have role permission for Revaluation Simulate for all of the entities in the group, an error displays and Revaluation Simulate completes only for the entities for which you have the required role permission. Similarly, if the GL period is not open in all of the entities, an error displays for the relevant entity and Revaluation Simulate completes for the other entities.

If you are running Revaluation Simulate for an entity group, a progress bar appears at the bottom of the screen to show the entity that it is currently working on, and how many entities remain to be processed. If you click Stop, Revaluation Simulate stops processing after the entity currently processing completes.

Exchange Rate Tab

The Exchange Rate tab on the Simulate screen displays a read-only list of the exchange rates used in the revaluation.

Fig. 6.66
Revaluation Simulate, Exchange Rate Tab

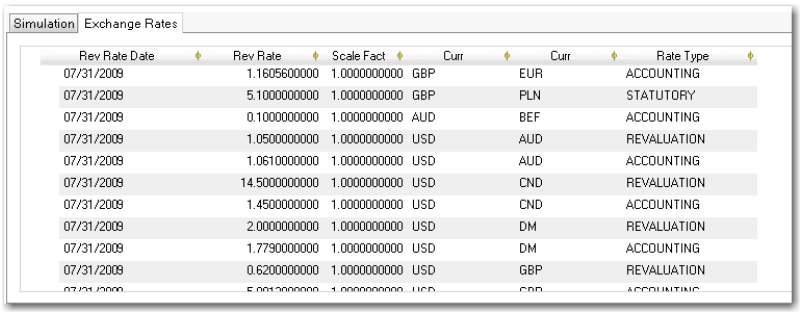
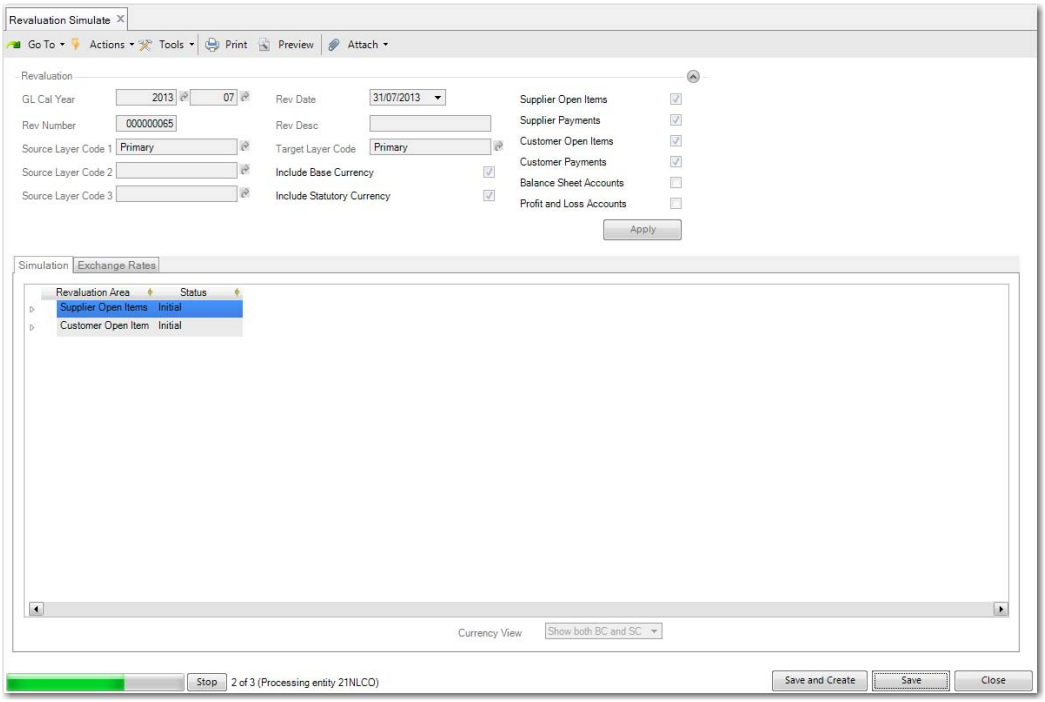


Fig. 6.67
Revaluation Simulate with Progress Bar



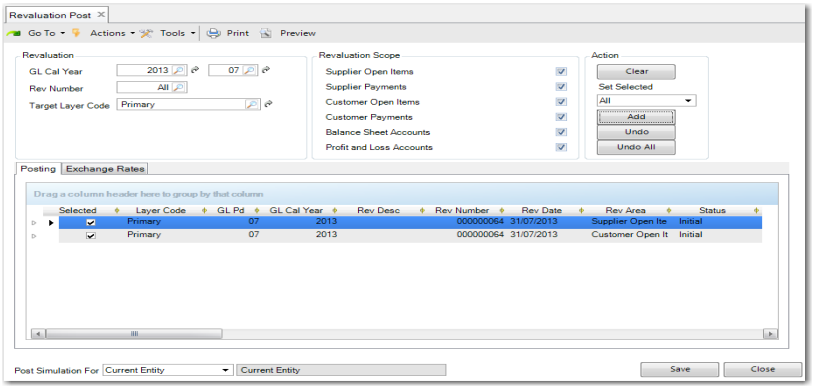
Posting Revaluations

Use the Revaluation Post activity (25.21.1.5) to post the revaluation differences to the relevant accounts.

You can only post a revaluation after you have saved it in Revaluation Simulate. Revaluation Post processes one or more revaluation simulations, and creates the GL postings for them.

Select revaluations created using Revaluation Simulate for posting using the GL calendar year and GL period, revaluation number, layer, and revaluation scope items as search criteria. Click Add to add revaluations that match the criteria to the Posting grid.

Fig. 6.68
Revaluation Post



Field Descriptions

GL Calendar Year/Period. Specify a GL calendar year and GL period in which to search for revaluation transactions.

Rev Number. Specify a revaluation object number that identifies a simulation. If you run Revaluation Simulate for an entity group, the system generates a separate rev number for each entity in the group, and displays the rev number for the current entity.

Target Layer Code. Specify a target layer to search for revaluation simulations.

Revaluation Scope. Select the types of account to include in the revaluation object search.

Set Selected. Use the drop-down list to include or exclude selected revaluations in the posting grid.

Use the Clear, Add, Undo, and Undo All buttons to clear the posting grid, and to add or remove revaluations from the grid.

Post Simulation For. This drop-down menu contains the current entity, along with entity groups that contain the current entity, provided you have access to all of the entities within the entity group. Select the entity or entity group that you want to post the revaluation to.

If you do not have role permission for Revaluation Post for all of the entities in the group, an error displays and Revaluation Post completes only for the entities for which you have the required role permission. If there are posting restrictions on either the current GL period or the next GL period for any of the entities in the entity group, an error displays when you run Revaluation Post. This is because the revaluation posting reverses in the next GL period.

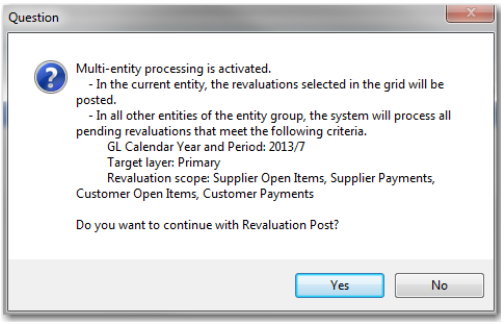
When Revaluation Post runs on multiple entities, a progress bar appears at the bottom of the screen to show which entity is processing currently, and how many entities remain to be processed. If you click Stop, Revaluation Simulate stops processing after the entity currently processing completes.

Important If you add the current entity to an entity group for the first time, you must log out and log in again before the Simulate For field displays.

To generate the revaluation and reversal postings, click Save.

Note When running Revaluation Post for an entity group, the system posts to the current entity based on the contents of the Posting grid. The system posts to other entities in the group based on the selection criteria specified in the search fields above the grid. If you search for revaluations and then clear the Selected field in one or more of the resulting rows in the grid, a message displays informing you of the difference in behavior when posting to the current entity and when posting to other entities in the group. If you want to continue with the postings, click Yes.

Fig. 6.69
Revaluation Post Question



Open Item Adjustment

Use Open Item Adjustment Create (25.13.5) to reconcile unpaid or incorrectly paid invoices and credit notes. In addition, you can record prepayments and adjustments, change the value of an existing open item, or create a new open item. All open item adjustments are recorded in the official layer.

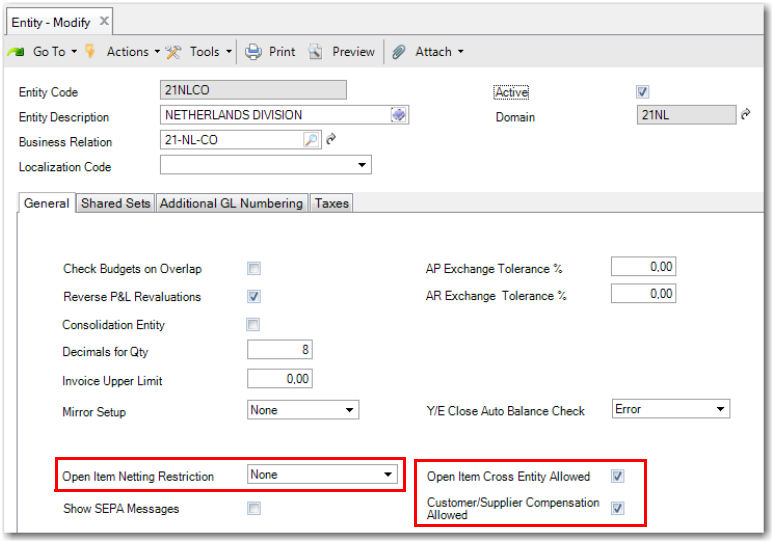
Before using open item adjustment, it is recommended that you configure settings for the netting of transactions across business relations and for customer and supplier compensation.

Setting Up Open Item Adjustment

Netting settings in the entity record let you control the level of flexibility provided in Open Item Adjustment Create (25.13.5) for the netting of transactions. In addition, customer and supplier compensation settings at entity and business relation level control whether you can net credits and debits for customers and suppliers that belong to the same business relation.

The entity record includes three fields that let you control open item adjustment.

Fig. 6.70
Entity Modify (36.1.1.2.2)



Open Item Netting Restriction. This field provides three options for the netting of open items across business relations.

- None. This option does not impose restrictions on the netting of open items across business relations. It is the least restrictive setting, and is the default.
- Single Business Relation. This option restricts the netting of open items to items that belong to the same business relation. It is the most restrictive setting.
- Related Business Relations. This option restricts the netting of open items to items from business relations that belong to the same corporate group.

Important A business relation with a blank corporate group is not considered to be related to a business relation that has a corporate group assigned. Similarly, two business relations, each with blank corporate groups, are not considered to be related.

Open Item Cross Entity Allowed. Select this field to enable open items to be adjusted across entities. This field is enabled by default.

When this option is enabled, you can use Open Item Adjustment Create (25.13.5) to display and net items from other entities.

When an open item adjustment includes cross-entity transactions, the entities involved must have compatible netting control settings. If the entities have different control settings, the most restrictive setting is applied.

For example, if one entity has a netting restriction of Single Business Relation, the whole open item adjustment must be for a single business relation. If there is a conflict with the most restrictive control setting, an error is displayed and the open item adjustment cannot be saved.

If this option is disabled, the All Entities field in Open Item Adjustment Create (25.13.5) is disabled for editing, and you cannot display and net items from other entities.

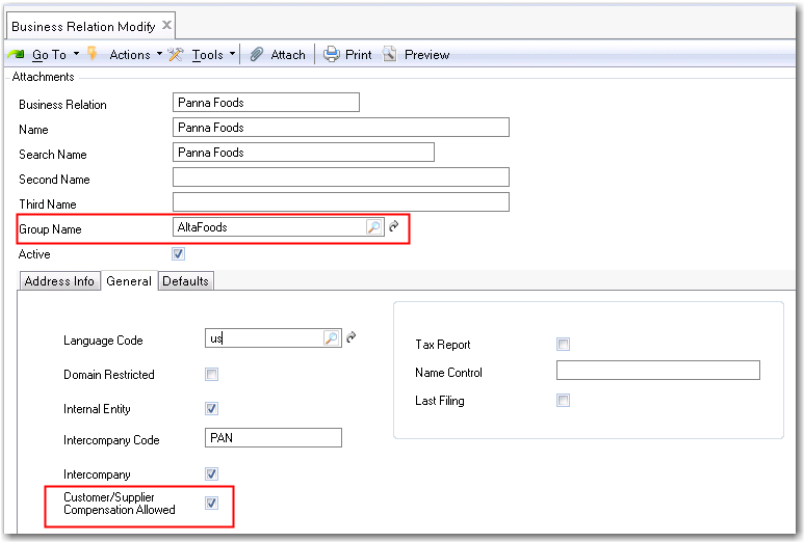
Customer/Supplier Compensation Allowed. Specify how the system treats open items during payment processing when a customer and supplier belong to the same business relation. This option is enabled by default.

When customer and supplier compensation is enabled at entity level and an open item adjustment involves transactions from two different entities, customer and supplier compensation must be enabled for both entities in order for the adjustment to be saved. In addition, the corresponding Customer/Supplier Compensation Allowed field must be enabled for the business relations involved in the adjustment. This restriction applies regardless of the entity's netting restriction or whether the customer and supplier compensation is cross-entity.

When customer and supplier compensation is disabled at entity level, you cannot net items from customers and suppliers with the same business relation. This setting overrides the Customer/Supplier Compensation Allowed setting at business relation level for customers and suppliers.

The values of two business relation fields affect open item adjustments: Group Name and Customer/Supplier Compensation Allowed.

Fig. 6.71
Business Relation Modify



Group Name. Specify the corporate group to which the business relation belongs. When the entity Open Item Netting Restriction field is set to Related Business Relations, you can only use Open Item Adjustment to net transactions from business relations that belong to the same corporate group.

Note A business relation with a blank corporate group is not considered to be related to a business relation that has a corporate group assigned. Similarly, two business relations, each with blank corporate groups, are not considered to be related.

Customer/Supplier Compensation Allowed. Select the field to allow open items for customers and suppliers that belong to that business relation to be netted against each other.

When customer and supplier compensation is enabled at entity level, the Customer/Supplier Compensation Allowed field must be enabled for the business relations involved for an adjustment to be saved.

When customer and supplier compensation is disabled for the entity, this overrides the customer and supplier compensation setting for the business relation if compensation is enabled here.

The following example illustrates how the netting controls at entity level and their possible values, and the customer and supplier compensation controls at entity and business relation level and their possible values interact to control open item adjustment.

Example

This example uses the following customers, suppliers, business relations, and corporate groups.

Suppliers and Customers	Business Relations	Customer/Supplier Compensation for Business Relation?	Corporate Group
Supplier 1	Business Relation 1	Yes	Group 1
Supplier 2	Business Relation 2	No	Group 2
Supplier 3	Business Relation 3	Yes	Group 1
Supplier 4	Business Relation 1	Yes	Group 1

Suppliers and Customers	Business Relations	Customer/Supplier Compensation for Business Relation?	Corporate Group
Customer 1	Business Relation 1	Yes	Group 1
Customer 2	Business Relation 2	No	Group 2
Customer 3	Business Relation 3	Yes	Group 1

Transactions are created for these customers and suppliers in four different entities: Entity 1000, Entity 2000, Entity 3000, and Entity 4000.

Entity 1000

Entity 1000 has the following netting and compensation settings:

Open Item Netting Restriction	Netting Across Entities Allowed?	Customer/Supplier Compensation Allowed?
None	No	Yes

You attempt to save the following open item adjustments in Entity 1000:

- An invoice from Supplier 1 is netted against a credit note for Supplier 2.

  The transaction is saved. The Supplier 1 and Supplier 2 belong to separate business relations. However, there are no restrictions on netting across business relations in Entity 1000.
- An invoice from Supplier 1 is netted against an invoice from Customer 1.

  The transaction is saved. Supplier 1 and Customer 1 belong to the same business relation, and Customer/Supplier Compensation is allowed for the business relation.
- An invoice from Supplier 2 is netted against an invoice from Customer 2.

  An error is displayed, and the adjustment cannot be saved. Supplier 2 and Customer 2 belong to the same business relation, and the Customer/Supplier Compensation Allowed field is disabled for the business relation.

Entity 2000

Entity 2000 has the following netting and compensation settings:

Open Item Netting Restriction	Netting Across Entities Allowed?	Customer/Supplier Compensation Allowed?
Related Business Relations	Yes	Yes

You attempt to save the following open item adjustments in Entity 2000:

- An invoice from Supplier 1 is netted against a credit note for Supplier 2.

  An error is displayed, and the adjustment cannot be saved. Supplier 1 and Supplier 2 belong to separate business relations and separate corporate groups. In Entity 2000, you can only net transactions from business relations that belong to the same corporate group.
- An invoice from Supplier 1 is netted against a credit note for Supplier 3.

  The adjustment is saved because the suppliers belong to the same corporate group.
- An invoice from Supplier 1 is netted against a credit note for Supplier 4.

  The adjustment is saved because the suppliers belong to the same business relation.

- An invoice from Supplier 1, created in Entity 1000, is netted against an invoice from Customer 2, created in Entity 2000.

  The adjustment is saved. Supplier 1 and Customer 1 have the same business relation, customer and supplier compensation is allowed for the business relation, and cross-entity netting is enabled.

Entity 3000

Entity 3000 has the following netting and compensation settings:

Open Item Netting Restriction	Netting Across Entities Allowed?	Customer/Supplier Compensation Allowed?
Single Business Relation	Yes	Yes

You attempt to save the following open item adjustments in Entity 3000:

- An invoice from Supplier 1 is netted against a credit note for Supplier 3.

  An error is displayed, and the adjustment cannot be saved. In Entity 3000, you can only net transactions from the same business relation. This restriction applies even though the suppliers have the same corporate group.

- An invoice from Supplier 1 is netted against a credit note for Supplier 4.

  The adjustment is saved. The suppliers belong to the same business relation.

- An invoice from Supplier 2 is netted against an invoice for Customer 2.

  An error is displayed, and the adjustment cannot be saved. Customer and supplier compensation is disabled for the business relation to which Supplier 2 and Customer 2 belong.

- An invoice from Supplier 1, created in Entity 2000, is netted against a credit note for Supplier 4, created in Entity 3000.

  The adjustment is saved. Netting across entities is enabled for Entity 3000, and Supplier 1 and Supplier 4 belong to the same business relation.

Entity 4000

Entity 4000 has the following netting and compensation settings:

Open Item Netting Restriction	Netting Across Entities Allowed?	Customer/Supplier Compensation Allowed?
None	Yes	No

You attempt to save the following open item adjustments in Entity 4000:

- An invoice from Supplier 1 is netted against an invoice for Customer 1.

  An error is displayed, and the adjustment cannot be saved. Customer and supplier compensation is disabled for the entity, and this setting overrides the compensation setting for the business relation to which Supplier 1 and Customer 1 belong.

- An invoice from Supplier 1, created in Entity 2000, is netted against an invoice for Customer 1, created in Entity 4000.

  An error is displayed, and the adjustment cannot be saved. Entity 4000 does not allow customer and supplier compensation. Both entities must allow compensation for the transaction to be saved.

Adjust Open Items

Use Open Item Adjustment Create (25.13.5) to adjust open items.

You can link invoices to credit notes using:

- Customer Invoice Create (27.1.1.1) and Supplier Invoice Create (28.1.1.1)
- Customer Payment Selection Create (27.6.4.6) and Supplier Payment Selection Create (28.9.4.1)

Use open item adjustment if you have not linked and reduced or netted invoices and credit notes using the above options.

Open item adjustment also lets you adjust supplier or customer balances without linking an outstanding payment; for example, to resolve unallocated cash payments. You can make customer and supplier adjustments in the same adjustment transaction. When the invoice or credit note is paid or when a prepayment is allocated, the open item is closed. If the Customer/Supplier Compensation Allowed field is selected for the entity and for the business relation, customer and supplier open items belonging to the same business relation can be adjusted directly against each other. See “Setting Up Open Item Adjustment” on page 383.

Often, organizations are billed for services they have not yet benefitted from; for example, rent is often paid in advance. You can use Open Item Adjustment to record prepayments for revenue received or expenses paid in advance. You can also create adjustments for prepayment open items created in the Banking Entry or in Supplier Payment Selection.

The Open Item Adjustment screen is composed of three parts:

- The header, which contains posting parameters: GL calendar year, GL period, daybook, voucher, and layer
- The search criteria for locating open items
- The Open Items grid listing open item transactions, for which you can specify new balances

Initially, the Open Item grid is empty and you must locate open items using the search criteria. After entering selection criteria, click Apply and the grid displays all open items that match the criteria.

You can make multiple adjustments for a single customer or supplier, or for multiple business relations. Each adjustment is displayed in the open item grid in sequence. The transaction is posted when you save the adjustments.

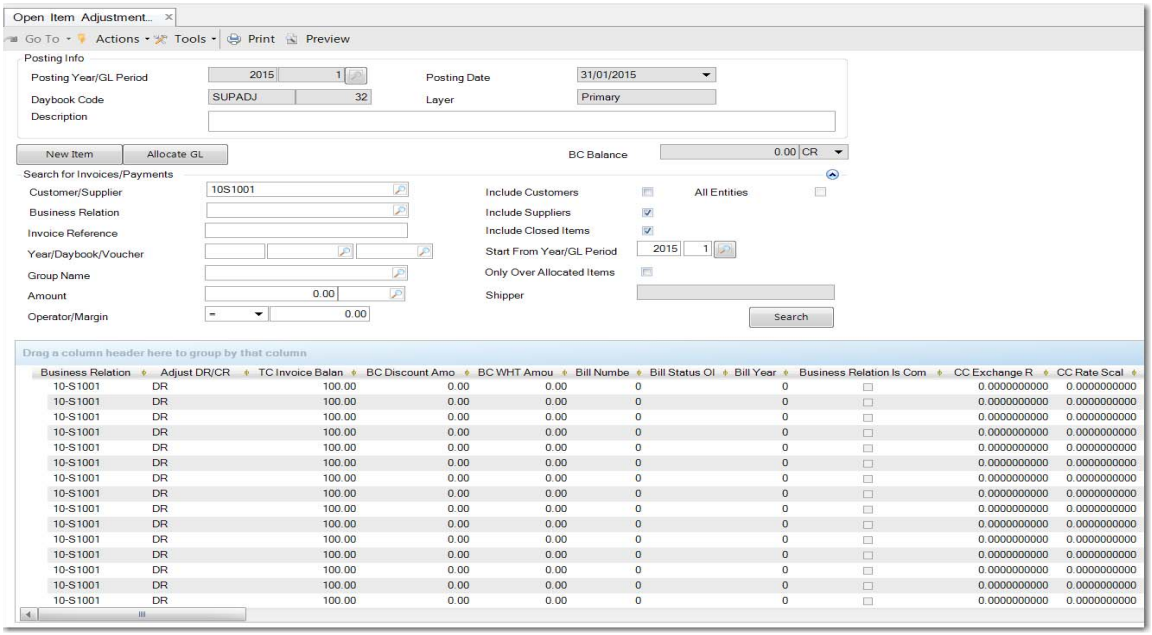
The sum of all debit and credit adjustments results in a balance. When that balance is zero, the adjustments can be saved. When the balance is less than or greater than zero, you must clear the balance using a new open item or by allocating it to a GL account.

The New Item option lets you reopen invoices that were incorrectly matched and allocate the differences to other invoices. In addition, if you cannot find an item to adjust, you can create a new open item for the customer or supplier. See “New Item” on page 392.

The Allocate GL option lets you create a journal entry in which completed adjustments are represented as read-only posting lines in control accounts. See “Adjusting Zero-Amount Invoices” on page 393.

You can use Open Item Adjustment Create to adjust open items subject to withholding tax. See *QAD Global Tax Management User Guide* for details.

Fig. 6.72
Open Item Adjustment Create



Field Descriptions

Posting Year/Period/Posting Date. Specify a GL calendar year, GL period, and posting date for the adjustment posting.

Daybook/Voucher. Specify a daybook. You must specify a type of either SA (Supplier Adjustment) or CA (Customer Adjustment).

The Voucher field is a read-only display of the system-generated voucher number.

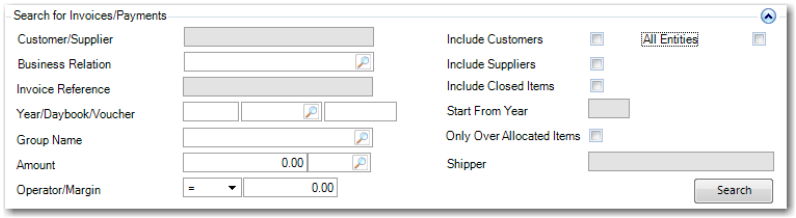
Layer. This read-only field indicates that the adjustment is to be posted to the official layer.

Description. Enter a maximum of 256 characters to describe the reason for the open item adjustment. For customer adjustments, the description displays in the Activity, Invoices, and Payment tabs of the Customer Activity Dashboard (27.18.1). For supplier adjustments, the description displays in the Activity, Invoices, and Payment tabs of the Supplier Activity Dashboard (28.18.1).

Search Criteria for Invoices

Use the search criteria to locate outstanding open items.

Fig. 6.73
Search Criteria for Invoices



Field Descriptions

Search for Invoices

Business Relation. Specify a business relation. Select one or both of the Include Customers and Include Suppliers fields to refine the search criteria.

Customer/Supplier. Specify a customer or supplier. Depending on whether you selected the Include Customers field or Include Suppliers field, the lookup results display customers or suppliers.

Invoice Reference. Specify an invoice reference. This applies to supplier invoices only.

Year/Daybook/Voucher. Specify a year, daybook, or voucher number for the open item to adjust.

Group Name. Specify a corporate group code to display the open items for all customers and suppliers belonging to that group.

Include Customers. Select to display open items of customers linked to the selected business relation. To display all open items for all customers, select this field without specifying a business relation.

When you specify a customer adjustment (CA) daybook type, this field is selected by default.

Include Suppliers. Select to display open items of suppliers linked to the selected business relation. To display all open items for all suppliers, select this field without specifying a business relation.

When you specify a supplier adjustment (SA) daybook type, this field is selected by default.

Include Closed Items. Select to include open items that have previously been closed. Use this field in combination with the Start from Year/GL Period field to limit the number of results.

If you have closed an item in error or if the item you want to adjust is not listed with the open items, use the Include Closed Items field to expand the search criteria.

Start from Year/GL Period. Specify a GL calendar year and GL period from which to search for closed items.

All Entities. Select to display open items from all entities in the database. This field is controlled by the Open Item Cross Entity field in the entity record.

When the Open Item Cross Entity field is enabled for the entity, you can use Open Item Adjustment to display and net items from other entities.

If the Open Item Cross Entity field is disabled for the entity, the All Entities field in Open Item Adjustment is disabled for editing, and you cannot display and net items from other entities.

When an open item adjustment includes cross-entity transactions, the entities involved must have compatible netting control settings. If the entities have different control settings, the most restrictive setting is applied. See “Setting Up Open Item Adjustment” on page 383 for more information on netting control settings and on the Open Item Cross Entity field.

When you adjust an open item from another entity, you create a cross-company posting. See “Intercompany and Cross-Company Transactions” on page 418 for more information.

Only Over Allocated Items. Select this field to display only open items that have been over-allocated in the results grid. The sign (positive or negative) on the invoice amount should be the inverse of the sign on the balance amount. An item is over-allocated if the invoice debit TC amount and balance TC amount are both less than zero, or if the invoice credit TC amount and balance TC amount are both greater than zero.

Amount. Specify an amount and a currency for the open item.

Operator/Margin. Specify a calculation operator and a margin for the amount. The amount and margin must be positive. The search returns both debit and credit matches.

When the operator is set to = and the margin is set to zero, the search returns open balances that equal the value in the Amount field.

When the operator is set to = and the margin is set to, for example, 10, the search returns open balances within a range of +10 or –10 of the value in the Amount field.

When the operator is set to <= or >=, the margin field is unavailable and the search returns amounts less than or greater than the value in the Amount field.

Customer Shipper. Specify a shipper.

Bill Year/Number. Enter the year and number of the bill that this amount belongs to. This field is added using Design Mode.

Click Search to display the results.

Adjusting Open Items

Adjust the open item by entering a new balance in the TC New Balance column for the item. You can adjust a number of items in the same transaction.

The new balance is always in the currency of the open item, and must net to zero. You clear the balance by creating a new open item, or by allocating it to a GL account. The new balance must also net the original balance.

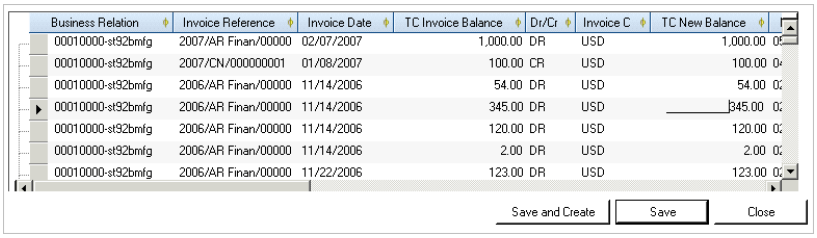
When the transaction currency is different than the base currency, the balance must still net to zero. If you allocate the new balance to a GL account, you must use the same transaction currency as is used in the invoice.

Example You adjust the balance of an invoice from $500 US dollars to $2000 US dollars. To net this balance to zero, you can allocate to a GL account. When you create the posting line in the Allocate GL screen, you allocate $1500 in US dollars, and not in the base currency (providing the base currency is not USD).

The exchange rate used for multi-currency adjustments is that of the original open item, and rounding differences are automatically applied.

Click Apply to apply the adjustment.

Fig. 6.74
Open Item Adjustment, Search Results Grid



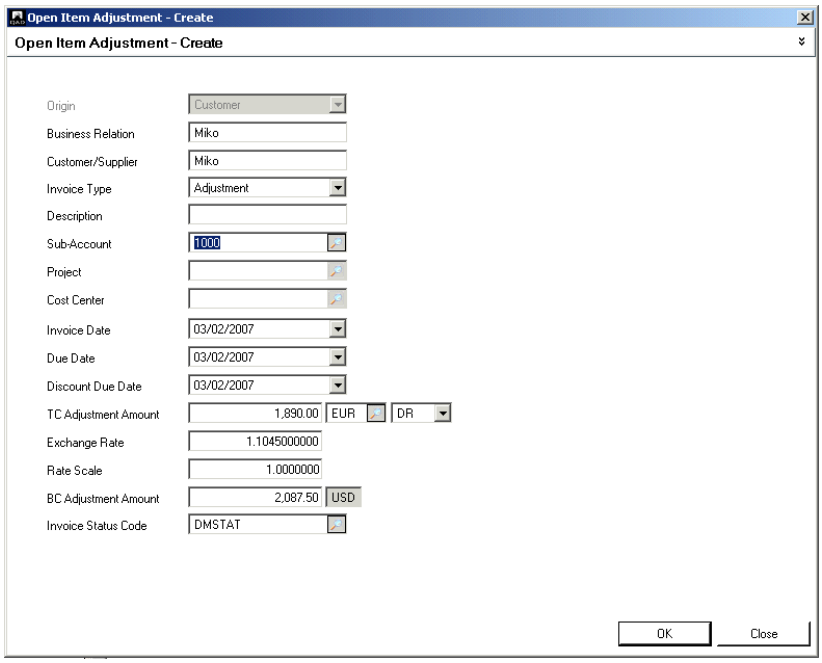
BC Balance. This field displays the new account balance when you apply the adjustments.

New Item

The New Item screen is available when the open item search has returned results. Depending on the type of search you conducted, the New Item screen defaults to new items for customers or suppliers.

You enter the open item date, due date, and the adjustment amount. The GL calendar year, GL period, daybook, and voucher of the invoice created are the same as the adjustment parameters you specified in the header of the main Open Item Adjustment screen.

Fig. 6.75
Open Item Adjustment, New Item



Field Descriptions

Origin. This read-only field indicates the type of new item—either Customer or Supplier.

Business Relation. Specify the business relation for which the open item applies.

Customer/Supplier. Specify the customer or supplier for which the open item applies.

Invoice Type. Select Adjustment or Prepayment to indicate the type of open item.

Description. Enter a brief description (maximum 24 characters) of the open item.

Sub-Account/Project/Cost Center. Specify an sub-account, cost center, or project to add analysis to the customer or supplier control account used for the adjustment posting.

Invoice Date. Specify an invoice date. This is normally prior to the posting date and within the same GL period.

Due Date. Specify a due date for the invoice.

Discount Due Date. Specify a discount due date for payments that are subject to discount.

TC Amount Adjustment. Enter the adjustment amount in the transaction currency.

Exchange Rate. This field displays the accounting exchange rate when the transaction currency is different from the base currency. You can modify this value.

Scale Factor. This field displays the scaling factor for the exchange rate.

BC Amount Adjustment. This field displays the adjustment amount in the base currency.

Invoice Status Code. Specify an invoice status code to associate with the invoice. The code indicates whether the invoice is contested, allowed to be paid, approved, or locked for payment.

Adjusting Zero-Amount Invoices

In some cases, a customer may have to make a prepayment before receiving goods. When the prepayment is recorded, no taxes are accounted for in QAD EE. However, if no invoice is sent to the customer within a reasonable time (by the next tax period), the tax included in the prepayment must be recognized.

To handle this situation, you can create a zero customer invoice (or tax invoice). The taxes for the zero-amount invoice are then included in your tax declarations, and the invoice does not impact your customer's AR balance.

Note Another approach is to create an internal invoice with taxes (also called a tax invoice) for the value of the prepayment.

When you create the customer's official invoice, you must also create a zero-amount credit note with the same taxes as the original zero-amount invoice. You must then adjust the zero-amount invoice with taxes and the zero-amount credit note with taxes against each other using Open Item Adjustment Create.

Allocate GL

Click Allocate GL to post the adjustment balance to a customer or supplier control account, or to a standard GL account. The Allocate GL option creates a journal entry in which completed adjustments are made in control accounts. You balance the accounts by creating additional posting lines on standard GL accounts. You can optionally apply sub-account, intercompany, cost center, project, and SAF analysis to the postings. You typically use the Allocate GL option to write off bad debts or short payments, or to reduce the outstanding balance on an account. Select the open item,

net it to zero, or reduce it, and click Allocate GL for the remainder of the balance.

Example

A customer has been invoiced for $1000 and the invoice remains open.

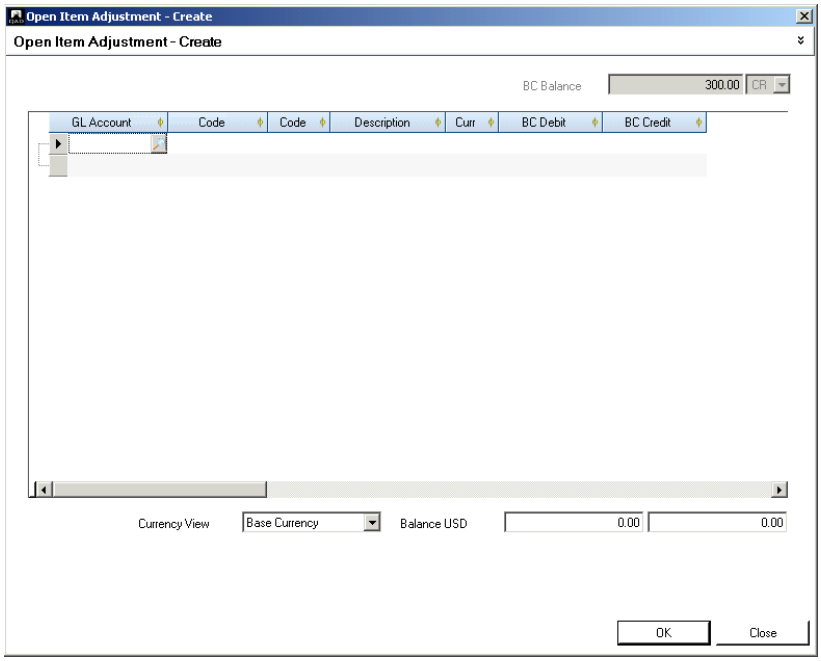
Fig. 6.76
Open Item Line

A payment of $700 from the customer is netted against the open balance, and the value is entered in the TC New Balance field.

Fig. 6.77
Adjusted Open Item

The user then clicks the Allocate GL button in the main Open Item Adjustment screen. The Allocate GL screen opens with the balance remaining on the invoice ($300) displayed in the top right. The user can then allocate this value to a control account.

Fig. 6.78
Allocate GL



Field Descriptions

GL Account. Specify the account to which you want to assign the adjustment balance

Description. This field displays the year, period, journal type, and adjustment type.

Curr. This field displays the transaction currency. Specify a different currency if required.

Debit TC/Credit TC. Net the adjustment to zero by entering the netting amount as a credit or debit to the account.

Currency View. Choose to view the transaction balance in the base or transaction currency.

Balance CUR. This field displays the account balance and the adjustment balance.

Realized Exchange Gains and Losses

Realized exchange gains and losses in open item adjustment typically occur in the following two situations:

- When handling prepayments in foreign currency, customers typically use the same exchange rate on invoices as on prepayments. Since this is a manual process, exchange gains or losses are likely to occur.
- When recording payments in advance before a customer has provided details of the invoices to be paid. When you match the prepayment to the invoices in Open Item Adjustment, exchange gains and losses can occur.

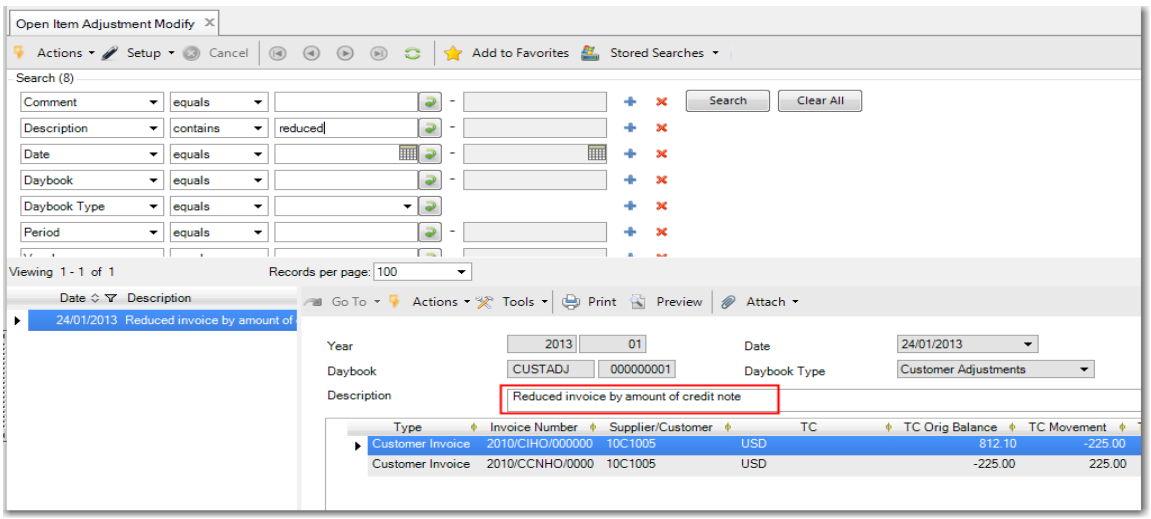
The Allocate GL option in Open Item Adjustment lets you post the difference to either an unrealized exchange gain account or an unrealized exchange loss account, depending on whether the difference is a debit or credit value.

Open Item Adjustment Create (25.13.5) does not automatically create postings for gains or losses in statutory currency. An error message displays when the amounts in statutory currency do not balance. To rectify this, you must manually create an additional line using the Allocate GL option, and manually post the statutory currency exchange rate gain or loss. You can enter the statutory currency amount in the posting grid on the sub-level detail line that opens when you click the line expander (+) on the main GL entry line. You can leave the base currency amount at zero, and then enter a statutory currency amount.

Modifying Open Item Adjustments

Open Item Adjustment Modify (25.13.3) lets you modify open item adjustment records. However, you can only modify one field—the Description field.

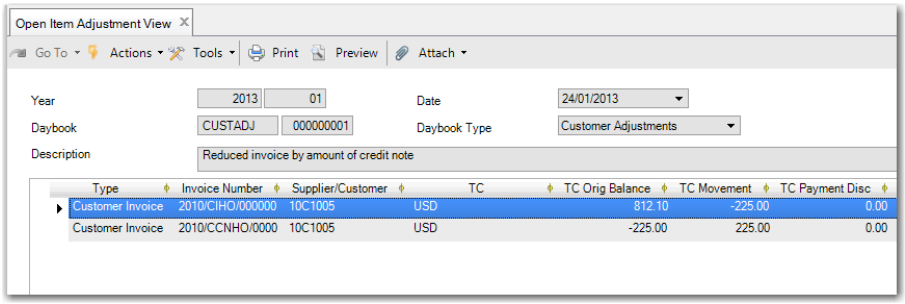
Fig. 6.79
Open Item Adjustment Modify



Viewing Open Item Adjustments

Use Open Item Adjustment View to browse existing open item adjustments. The view displays read-only details of the adjusted items and postings.

Fig. 6.80
Open Item Adjustment View



Posting Templates

If you plan to record the same journal entry on a regular basis, posting templates let you save the posting details for reuse. Templates are usually used with recurring entries, in which the template is posted at recurring intervals according to a predefined schedule. However, you can use templates for any type of repetitive posting.

Posting templates retain the following transaction details:

- GL account, including the associated sub-account, cost center, project, or SAF details
- Description
- Currency
- Debit amount
- Credit amount

The account details are loaded into the posting grid when you select the template. You need change only the monetary amount and the reference each time you reuse the template, or maintain and use the same values.

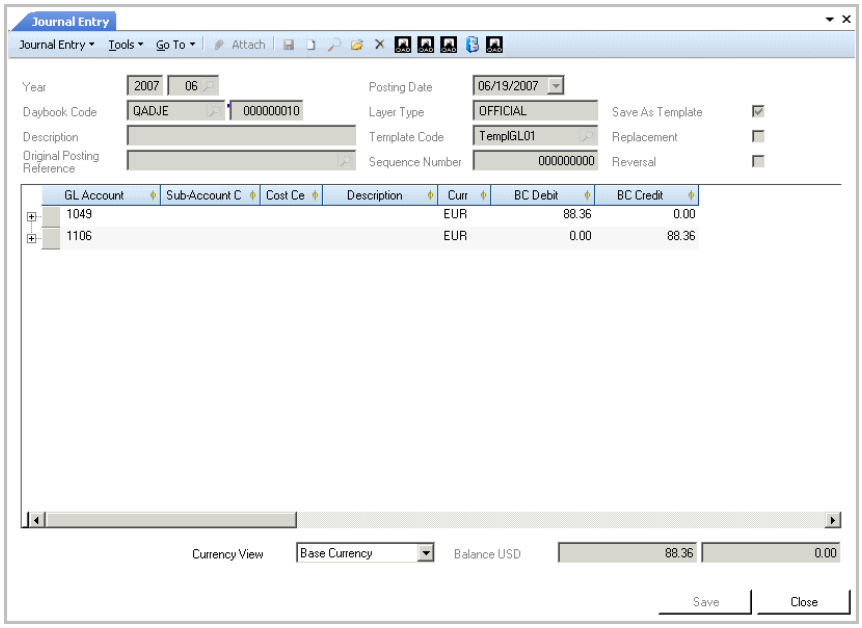
You can save the transaction or edit the details as required.

Creating a Posting Template

Create posting templates from existing journal entry posting lines by selecting the Save as Template option on the Journal Entry screen, entering a code that identifies the template, and clicking Save.

If you use a daybook linked to a transient layer, you can review the template details before posting the transactions to the official layer. When you have verified the template, you can then change the daybook type to official.

Fig. 6.81
Saving a Journal Entry as a Posting Template



Click the lookup in the Use Template field to select and load a template for use in a journal entry.

The system records the number of times each template has been used.

Note You cannot select a template with a daybook type different than that of the current posting. For this reason, the Daybook Type filter is read-only.

Using a Posting Template

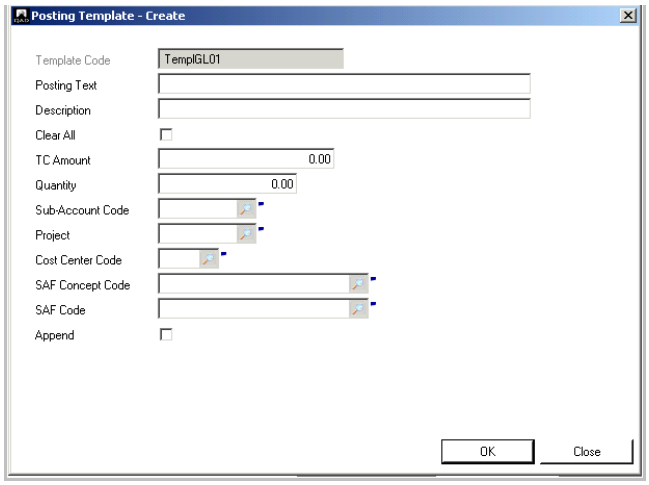
Use the following procedure to create a journal entry using a posting template:

1. Click the Template Code lookup and select a template.

   The Posting Template Apply screen is displayed.

2. Complete the fields as described below.

Fig. 6.82
Posting Template Apply



Field Descriptions

Template Code. This read-only field displays the template code.

Posting Text. Enter the journal entry description. Leave this field blank to load the description saved in the template.

Description. Enter the posting line description. You can also edit this text in the posting grid. Leave this field blank to load the description saved in the template.

Clear All. Select to delete all existing currency amounts. You can enter new currency amounts in the posting grid.

Note You can use the base currency and one other currency only when saving posting details in a template. When you save a posting that uses two non-base currencies, the Clear All field is automatically set, and the amount, quantity, and currency details are cleared from the template.

TC Amount. Specify the transaction currency amount. Leave this field blank to load the amounts saved in the template.

Quantity. Specify the quantity of units for this transaction, if the account is defined to accept units of measure. Quantities are not saved in posting templates, and this value defaults to zero.

See “GL Account Unit of Measure” on page 112 for details.

Sub-Account Code. This field displays a sub-account code if one is used in the template.

Project. This field displays a project code if one is used in the template.

Cost Center Code. This field displays a cost center code if one is used in the template.

SAF Concept Code. This field displays an SAF concept code if one is used in the template.

SAF Code. This field displays an SAF code if one is used in the template.

Append. Select to retain the original posting lines and append the template posting lines. If you do not select Append, the original posting lines are removed.

Journal Entry Template View

Journal Entry Template View (25.13.1.19) enables you to browse journal entry templates. This browse lets you search using various criteria, such as GL period, daybook code, posting date, and template code. When you select and right-click a template in the browse, you can view and modify the template, depending on your permissions in Role Permissions Maintain (36.3.6.5).

Recurring Entry

Use the Recurring Entry activities (25.13.4) to create, view, modify, and delete recurring entries, and to process recurring entry postings. Recurring entries are transactions that are repeated regularly, such as monthly rent payments.

You can also using Recurring Entry Transient Create (25.13.4.6) to create recurring entries directly in the transient layer.

You can run recurring entry transactions in several GL periods, eliminating some of the manual effort required. An expected end-of-year expense might be accrued month-by-month to distribute the effect on the balance sheet. Rather than making a manual entry each month, you can set up a recurring entry.

A recurring entry consists of a posting template linked to a posting calendar. If you have created a recurring entry recorded in the transient layer, you then post the entry to the official layer using Recurring Entry Post. If the template was recorded in the official layer, the postings step is not required.

Example An organization pays $12000 a year to rent an office, and the rental expense for the entire year is allocated to a rent prepayment account, and accounts payable is credited. The rent is recorded as a supplier invoice, and the initial $12000 to the rent prepayment account is entered on the Matching Posting tab of the Supplier Invoice screen. The daybook used must be of type Matching Daybook.

Matching Daybook

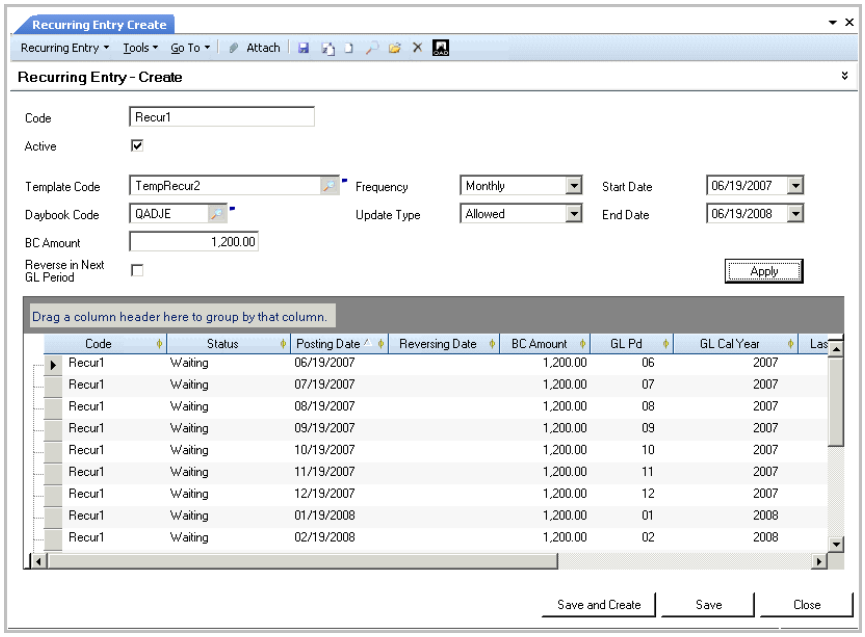
Rent Prepayment Acct		Accounts Payable	
12000			12000

Every month, in the standard Journal Entries daybook used for recurring entries, the rent expense account is debited by $1000, and the rent prepayment account is credited for the month’s office rental.

Journal Entries Daybook

Rent Expense Acct		Rent Prepayment Acct	
1000			1000

Fig. 6.83
Recurring Entry Create



Field Descriptions

Code. Enter a code (maximum 20 characters) to identify the recurring entry.

Active. Indicate if this is an active record.

Template Code. Specify a posting template to use as the basis of the recurring entry.

Daybook Code. Specify the daybook code to which the recurring entry is posted.

BC Amount. Enter the base currency amount of the recurring entry.

Frequency. Select a posting frequency from the following options:

Manually. You must run the posting manually at intervals. Use this option when the intervals required are irregular.

Monthly

GL Period

Quarterly

Weekly

Note The GL Period option is the same as Monthly if your GL periods correspond exactly to calendar months.

Update Type. Choose an option to indicate if details in the template can be updated when the postings are run.

Allowed: You can optionally update posting details marked as Allowed. Posting details with this status are displayed in green.

Forbidden: You cannot update posting details marked as Forbidden. Posting details with this status are displayed in black.

Mandatory: You must update posting details marked as Mandatory. Posting details with this status are displayed in blue.

Start Date. Specify a start date for the recurring entry.

End Date. Specify an optional end date for the recurring entry. If you do not specify an end date, the recurring entry is run at the predefined intervals for an indefinite timespan.

Reverse in Next GL Period. Select to reverse the recurring entry in the next period. Specify the reversing date for the entry in the Reversing Date column of the entry grid.

Click the Apply button to generate recurring entries based on the information you specified in the header.

If you do not specify an end date, the grid displays one instance of the entry only.

Entry Grid

You can modify the recurring entry details before posting the transactions. However, you cannot modify the status, which is assigned by the system.

Field Descriptions

Code. Edit the recurring entry code, if required.

Status. This field displays Waiting, Posted, or Deleted as the recurring entry status.

Posting Date. Edit the posting date, if required.

Reversing Date. This field displays the reversing date for the entry, which is the first day of the next GL period.

BC Amount. Edit the posting amount in the base currency.

GL Pd. Specify the GL period in which to post the transactions.

GL Cal Year. Specify the GL calendar year in which to post the transactions.

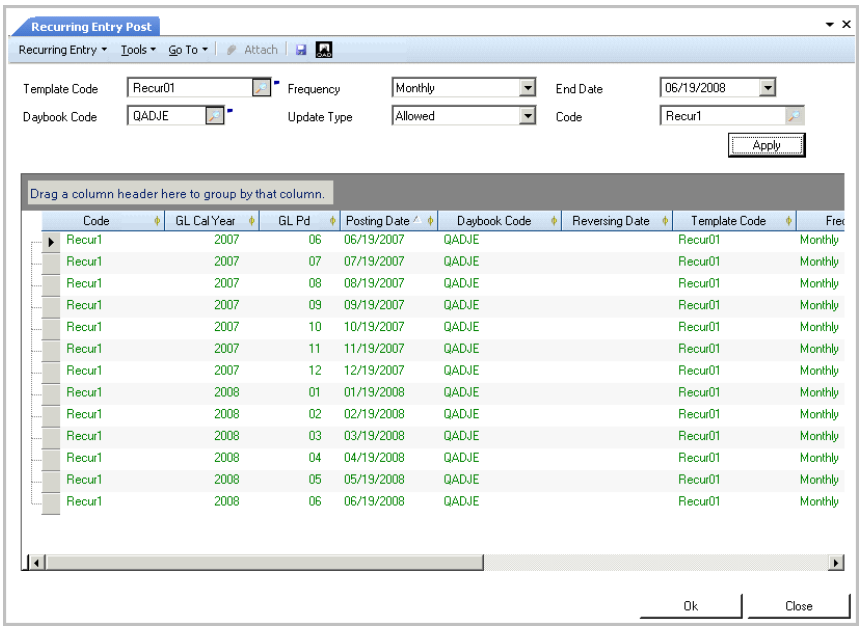
Last Modified Date/Time and User. These read-only fields are maintained by the system, and display the ID of the user who last updated this record and the date and time of update.

Posting Recurring Entries

Use Recurring Entry Post (25.13.4.5) to post recurring entries to the official layer, and update the posting amounts.

When selecting recurring entries to post, you must specify an end date as a search criterion. Refine the search further using the template, daybook, frequency, and update type criteria. Recurring entries without an end date are also included in searches, if they match the other search criteria.

Fig. 6.84
Recurring Entry Post



Field Descriptions

Template Code. Specify the template code for the recurring entry you want to post.

Daybook Code. Specify the daybook code of the recurring entry.

Frequency. Choose a type of frequency to filter the recurring entries in this period.

Update Type. Choose an option to indicate if details in the template can be updated when the postings are run.

Allowed: You can optionally update posting details marked as Allowed. Posting details with this status are displayed in green.

Forbidden: You cannot update posting details marked as Forbidden. Posting details with this status are displayed in black.

Mandatory: You must update posting details marked as Mandatory. Posting details with this status are displayed in blue.

End Date. Specify an end date for the recurring entries.

Code. Specify the code that identifies the recurring entries you want to post.

Click Apply to display all recurring entries that match the search criteria. Click OK to post the recurring entry transactions.

Reversing Transactions

Use the Reverse Transactions activity to reverse activity on existing journal entries. Reversing journal entries are made on the first day of a new GL period to reverse the effects of adjusting entries made on the last day of the previous GL period, without changing the period or amount.

Reversing entries are used for two purposes:

- Correcting errors. Correct a posted transaction by posting an opposing entry to net out the original amounts.
- Posting accruals, such as payroll earned, but not yet paid. Post an entry (typically, on the last day of a GL period) and immediately reverse the entry on the first day of the next GL period. This procedure lets you record subsequent payments without having to recognize the portions that were accrued at an earlier date.

Note It is recommended that you set up a standard Journal Entries daybook for accruals. Use the daybook code as a search filter, select all accruals, and reverse them simultaneously.

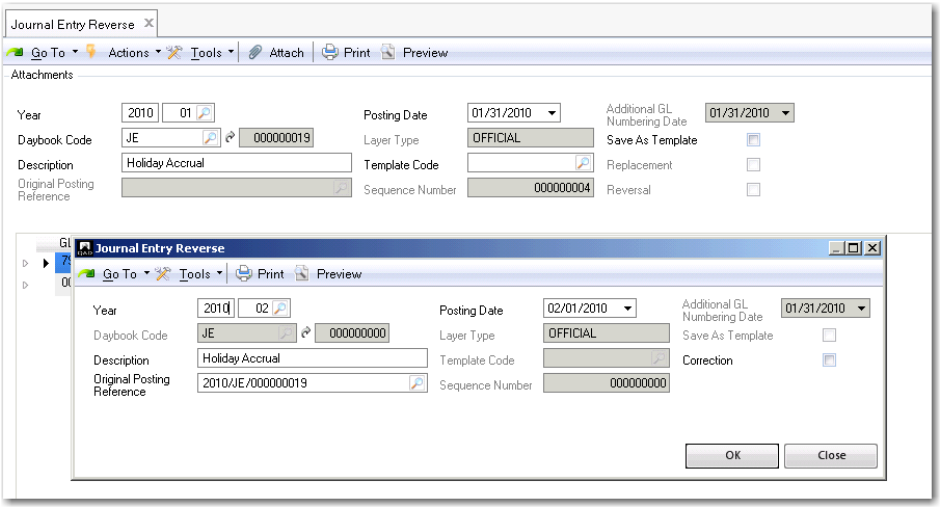
A reversing entry consists of two parts: the original adjusting entry, and the reversing, or opposite entry. The second entry reverses the position of all debits and credits.

You can reverse a journal entry in two ways: manually or automatically.

Manual Reversal

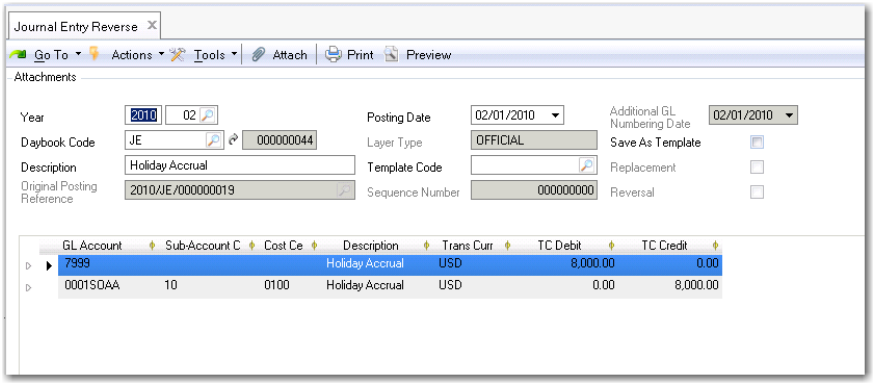
Use the Reverse option in Journal Entry (25.13.1.5) to manually select entries for reversal. The initial reversing screen displays a summary of the entry details. Reversals are usually processed on the first day of the GL period that follows the original posting period. The year, period, and posting date, therefore, default to these values.

Fig. 6.85
Journal Entry Reverse



Click OK to accept these settings and to display the main Journal Entry Reverse screen.

Fig. 6.86
Journal Entry Reverse



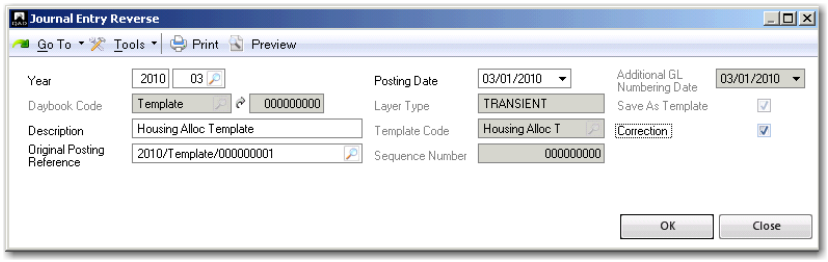
The Journal Entry Reverse screen displays the amended posting date, and reversed credit and debit amounts. Click Save to save the reversals.

Correction Journal Entry Reversal

In certain countries, particularly in Eastern Europe, you must post a reversing correction journal entry at the same side of the general ledger (debit/credit) as the original posting. This step is required because the total balance of the original and the correction reversal must equal zero in the general ledger.

To post a reversing correction, select the Correction field in the Journal Entry Reverse subscreen.

Fig. 6.87
Journal Entry Reverse Subscreen



When you reverse a journal entry as a correction, the postings are netted out and the balance is zero.

Fig. 6.88
Correction Reversal Postings

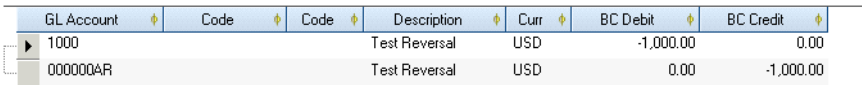


Table 6.4 shows the difference in the GL posting lines between a reversing posting and a reversing correction posting.

Table 6.4
Reversal and Correction Postings

GL Account	Debit	Credit
Original Posting		
GL1	100	
GL2		70
GL3		30
Reversing Posting		
GL1		100
GL2	70	
GL3	30	
Reversing Correction		
GL1	-100	
GL2		-70
GL3		-30

Excel Correction Journal Entry Reversal or Replace

You can create correction journal entry reversals using Journal Entry Cross Co Excel Integration (25.13.1.10) or Journal Entry Excel Integration (25.13.1.6).

Note It is recommended that you use Journal Entry Cross Co Excel Integration. For full details of the functionality available with Journal Entry Cross Co Excel Integration, see “Intercompany and Cross-Company Transactions” on page 418.

To generate correction reversal postings, you must enter the correct values in the relevant columns of the Excel file. Table 6.5 displays the Excel file settings for Journal Entry Cross Co Excel Integration.

Table 6.5
Journal Entry Cross Company Excel Integration Correction Reversal File Settings

Column Position	**Column Name**	**Field Name**	**Normal**	**As Correction**	**Replace**
AD	Original Posting Reference	tPostingMultiCy.Posting OriginatorReference	*Voucher number of journal to be reversed*	*Voucher number of journal to be reversed*	*Full original reference of journal to be reversed*
AE	Replacement	tPostingMultiCy.Posting IsReplacement			TRUE
AF	Reversal	tPostingMultiCy.Posting IsReversing	TRUE	TRUE	
AG	Correction	tPostingMultiCy.Posting IsReversingBySign		TRUE	
AV	Automatic Reversal	tPostingMultiCy.Posting IsAutoReversal	FALSE	FALSE	

Table 6.6 displays the Excel file settings for Journal Entry Excel Integration.

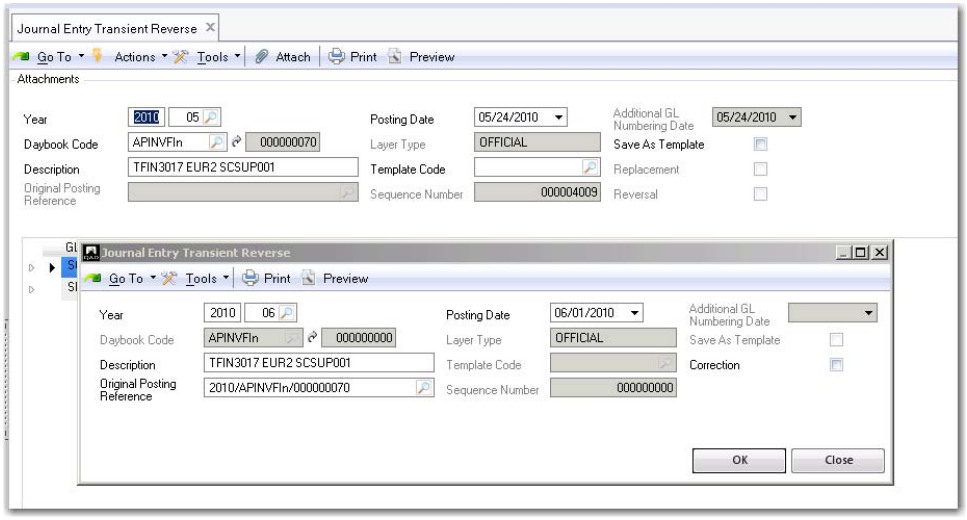
Table 6.6
Journal Entry Excel Integration Correction Reversal File Settings

Column Position	Column Name	Field Name	Normal	As Correction	Replace
W	Original Posting Reference	tPosting.Posting OriginatorReference	*Voucher number of journal to be reversed*	*Voucher number of journal to be reversed*	*Full original reference of journal to be reversed*
X	Is Replacement	tPosting.Posting IsReplacement			TRUE
Y	Is Reversal	tPosting.Posting IsReversing	TRUE	TRUE	
Z	Correction	tPosting.Posting IsReversingBySign			
AO	Automatic Reversal	tPosting.Posting IsAutoReversal	FALSE	FALSE	

Reverse Transient Journal Entries

Use Journal Entry Transient Reverse (25.13.1.17) to create reversal postings that you can only post to transient layers. Journal Entry Transient Reverse works in the same way as Journal Entry Reverse.

Fig. 6.89
Journal Entry Transient Reverse

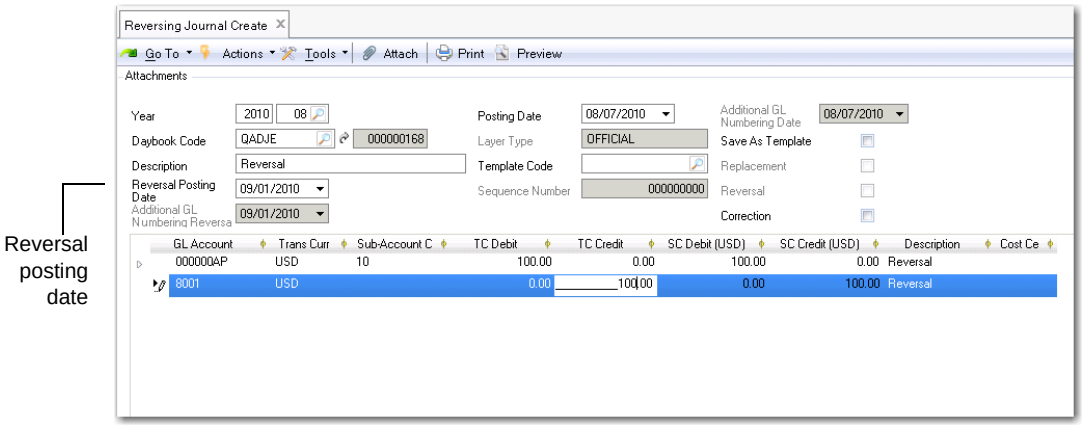


Automatic Reversal

Reversing Journal Create (25.13.1.14) lets you create a journal entry that reverses automatically in the next GL period; you do not have to manually reverse the transaction. You also have the option to use correction of accounting for the reversing journal entry.

When you create a posting in Reversing Journal Create (25.13.1.14), both the original and reversing journal entries are created.

Fig. 6.90
Reversing Journal Create



Reversing Journal Create is based on Journal Entry Create and contains many of the same fields. However, the following two fields are exclusive to reversing journal entries:

Reversal Posting Date. The reversal posting date defaults to the first day of the GL period following the original journal entry posting date. However, you can change the default date, and specify a new date.

Note The reversing posting must always be posted to a future period. The posting occurs even if the posting GL period is not yet open.

Correction. Select this field to reverse the journal entry as a correction. When you create a correction, the postings are netted out, and the balance becomes zero.

Example

A company uses temporary workers during December 2014, and the cost estimate is $18,000. The actual invoice will not be received until January 2015. In order to correctly reflect the costs for 2014, the cost for temporary staff must be included in the year 2014 books.

The company creates an automatically reversing journal entry on December 31 for the estimated cost of $18,000. On January 1, the posting is automatically reversed.

The financial statements for 2014 now correctly reflect the cost of temporary staff.

Automatic Reversal Using Excel

There are two ways of creating automatic reversal journal entries using Excel integration. You can use Journal Entry Cross Co Excel Integration (25.13.1.10) or Journal Entry Excel Integration (25.13.1.6).

Note It is recommended that you use Journal Entry Cross Co Integration. For full details of the functionality available with Journal Entry Cross Co Excel Integration, see “Intercompany and Cross-Company Transactions” on page 418.

To generate automatic reversal postings, you must enter the correct values in the relevant columns of the Excel file. Table 6.7 displays the auto reversal Excel file settings for Journal Entry Cross Co Excel Integration.

Table 6.7
Journal Entry Cross Company Excel Integration Auto Reversal Excel Settings

Column Position	Column Name	Field Name	Normal	As Correction
AV	Automatic Reversal	tPostingMultiCy.PostingIs AutoReversal	TRUE	TRUE
AW	Automatic Reversal Type	tPostingMultiCy.Posting AutoReversalType	ORIGINAL ENTRY	ORIGINAL ENTRY
AX	Reversal Posting Date	tPostingMultiCy.Posting AutoReversalDate	*reversal date*	*reversal date*
AZ	Correction	tPostingMultiCy.Posting IsCorrection	FALSE	TRUE

Table 6.8 displays the auto reversal Excel file settings for Journal Entry Excel Integration.

Table 6.8
Journal Entry Excel Integration Auto Reversal Excel Settings

Column Position	Column Name	Field Name	Normal	As Correction
AO	Automatic Reversal	tPosting.PostingIsAutoReversal	TRUE	TRUE
AP	Automatic Reversal Type	tPosting.PostingAutoReversalType	ORIGINAL ENTRY	ORIGINAL ENTRY
AQ	Reversal Posting Date	tPosting.PostingAutoReversalDate	*reversal date*	*reversal date*
AS	Correction	tPosting.PostingIsCorrection	FALSE	TRUE

Modifying Reversing Journal Entries

Use Journal Entry Modify (25.13.1.2) to change details in the automatic reversing journal entry. The system automatically copies any change you make to the original journal entry to the reversing journal entry.

Deleting Reversing Journal Entries

You cannot delete a reversing journal entry directly. You must delete the originating journal entry using Journal Entry Delete (25.13.1.4). Both the original and reversing journal entry are then deleted.

Running Allocations

Allocation is the process of distributing costs and revenues to the appropriate accounts, sub-accounts, cost centers, and projects. Use the Allocation function to identify types of cost and automatically distribute them to the correct cost targets.

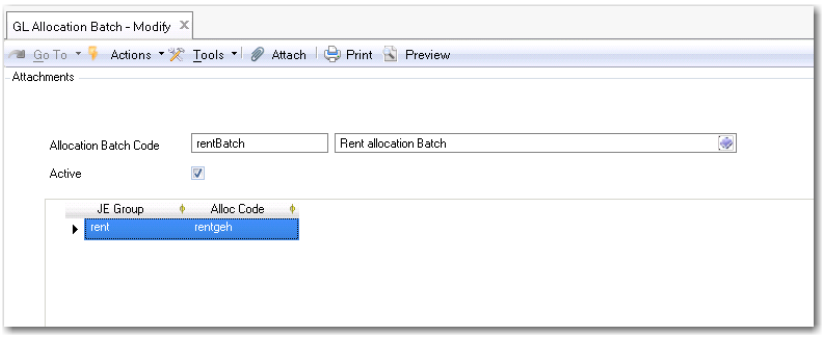
The GL Allocation Batch Create (25.3.22.6) and Allocation Batch Run Execute (25.13.9) activities let you create and run batches of allocations that you have previously defined. See “Financial Allocations” on page 216 for information on how to set up allocations.

The Budget daemon should be active when allocations are run because the allocation functionality uses the same tables. The Budget daemon ensures that the most current values are available for an allocation run. For information about daemons and their administration, see *QAD System Administration User Guide*.

Defining Allocation Batches

Use GL Allocation Batch Create to define batches of allocations that you can then run using GL Allocation Batch Run Execute (25.13.9) to run multiple allocations simultaneously. This activity also runs allocations in sequence, using the result of one allocation as the source of the next. An allocation batch can contain one or multiple allocation codes.

Fig. 6.91
GL Allocation Batch Modify



Field Descriptions

Allocation Batch Code. Enter a code (maximum 20 characters) that identifies the allocation batch.

Description. Enter a brief description (maximum 40 characters) of the allocation batch.

Active. Indicate if this is an active record.

JE Group. Enter a code to identify the journal entry (JE) group.

JE groups are transaction groups that contain allocations.

The system runs all of the allocations in the JE group. This ensures that when an allocation batch run is interrupted, the system does not stop the batch run until all allocations in the current group have been run.

You must assign the same daybook to all allocations in a JE group. The result of a JE group run is always a single journal entry.

Alloc Code. Specify an allocation code to include in the JE group.

See “Financial Allocations” on page 216 for information on how to set up allocations.

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

GL Allocation Batch Run

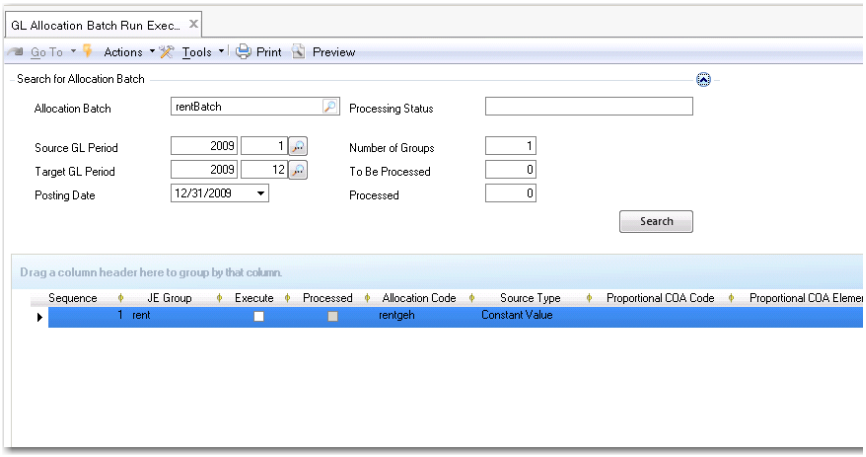
By default, the system runs all selected lines in the GL Allocation Batch Run Execute screen, except when a batch has already run for the same target period. The system also keeps a log file of previously run allocations.

An allocation batch is run correctly if the figures it uses from the Budget module are valid. These figures are calculated by the Budget daemon. The system checks for unprocessed daemon records before running each allocation in the batch, and displays a warning when unprocessed records exist.

When an allocation batch is interrupted, you can restart the batch for the same GL period. All allocations already run are deselected to ensure that they are not re-run. Allocation Batch Run Execute automatically ignores zero value allocations.

The result of an allocation is immediately posted. By using a transient layer daybook as target—the recommended approach—you can review the allocation postings, and correct or delete them as necessary. You then assign them to the official or management layer.

Fig. 6.92
Allocation Batch Run Execute



Field Descriptions

Allocation Batch. Specify the allocation batch to run.

Processing Status. This field displays the status the current allocation batch.

Source GL Period. Select the source data from this period only or cumulative data from the start of the GL calendar year up to the end of this period.

Target GL Period, Posting Date. Specify the target period and posting date.

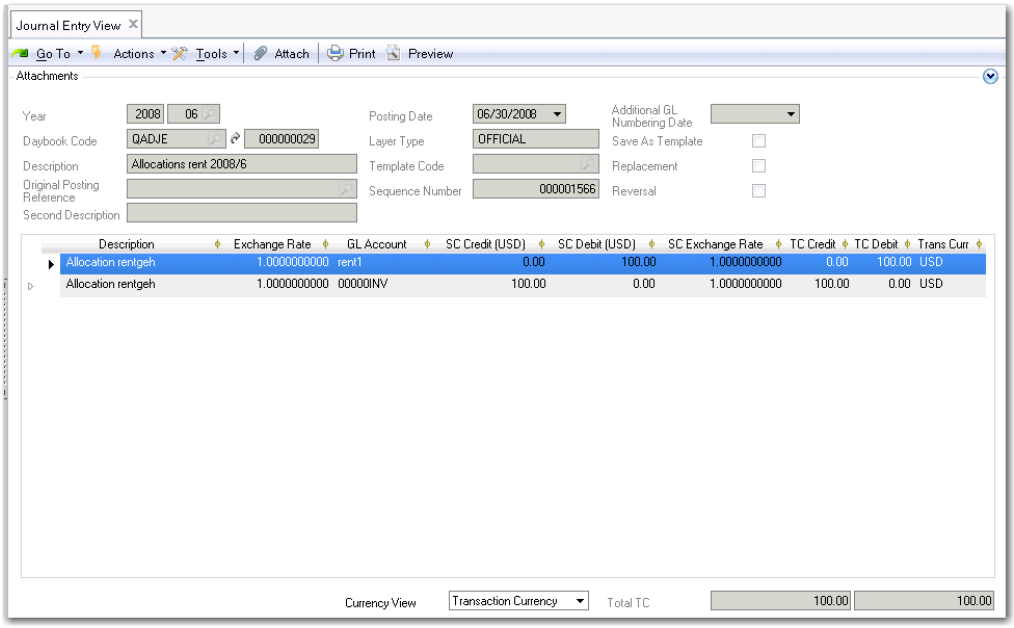
Number Of Groups. Specify the number of JE groups selected for execution.

To Be Processed. This field displays the number of JE groups still to process.

Processed. This field displays the number of JE groups already processed.

Click Search to display the allocation batch details in the grid. When you have executed the allocation batch run, use Journal Entry View to view the resulting posting.

Fig. 6.93
Allocation Batch Journal Entry



Proportional Fraction Allocation Example

In this example, machine hours are posted to the cost center to which the machines belong.

You define an allocation that distributes the costs to the relevant cost centers. The amounts are distributed based on the number of machine hours recorded against GL account 111666 for each of the cost centers A1, A2, and A3.

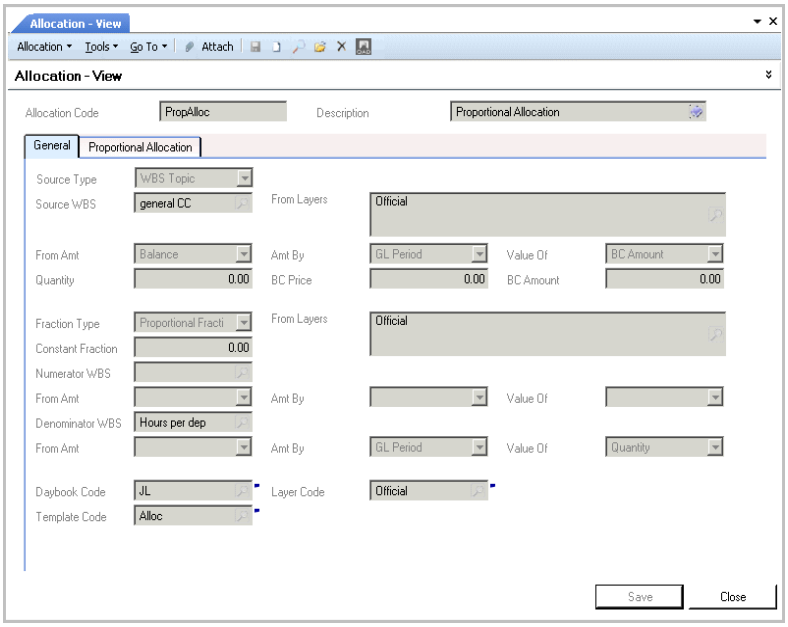
GL account 111666 is a standard GL account used to record quantities in the form of hours.

Allocation Definition

In this example, the source is taken from the budget structure where the machine hour costs are accumulated. The example uses a proportional fraction type. The fractions are calculated using the structure Hours per Department, which totals the machine hours per cost center.

The posting structure is defined by the template Alloc. The target posting is in a transient layer and can be reviewed before final posting.

Fig. 6.94
Allocation Definition

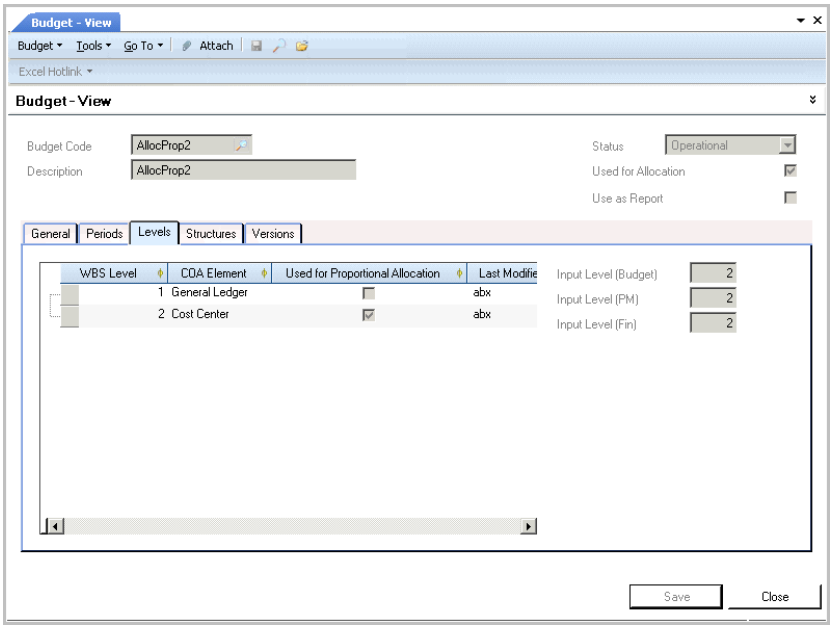


The Proportional Allocation tab displays the list of cost centers for which a proportional fraction must be calculated.

Fig. 6.95
Proportional Allocation Tab

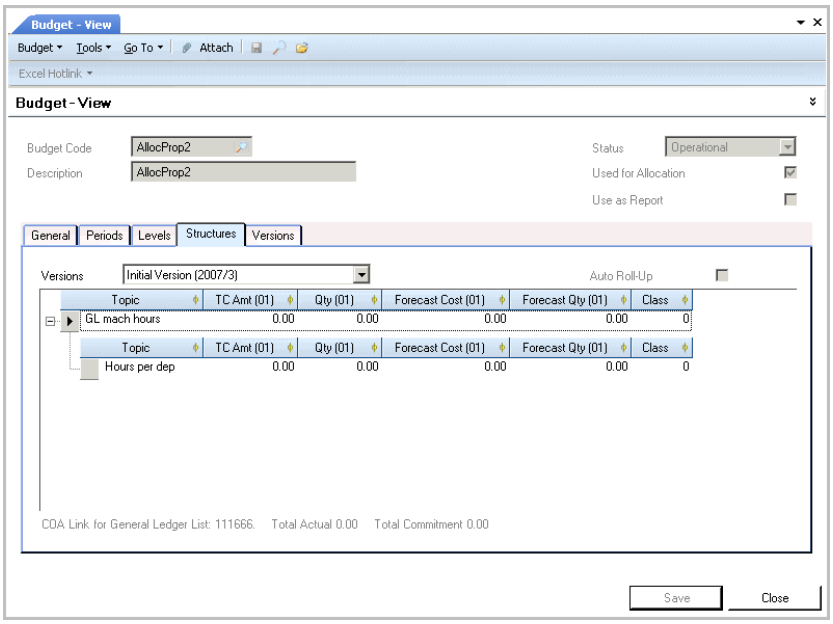
Within the Levels tab in the Budget function (25.5.1.3), the cost center level (level 2) is used for proportional allocation.

Fig. 6.96
Budget View



The budget structure on which the allocation is based is defined in the Structures tab in the Budget function. GL account 111666 is linked to the structure.

Fig. 6.97
Budget Modify, Topic Details



You can now run the allocation batch using Allocation Batch Run Execute (25.13.9).

As indicated by the posting template, GL account 666111 is debited with transaction postings for each cost center. A temporary account is credited. The cost center driving the allocation is referenced in each posting line.

Note The COA level marked as Used for Proportional Allocation in the budget Levels tab must be used within the posting template. The allocation does not run if the system does not find a matching level.

You can view the resulting allocation postings in Journal Entry View (25.13.1.3).

Mass Layer Transfer

Mass Layer Transfer Execute (25.13.11) lets you transfer batches of postings from the transient layer to the management or official layers. Unfinalized transactions are generally posted to a daybook in a transient layer for review or for simulation purposes. If these transactions are subsequently approved, you can transfer them in batch to the other layers using Mass Layer Transfer Execute. See “Accounting Layers” on page 161 for more information.

When transferring, the target daybook must have the same GL type as the original transient daybook. If you do not specify a source daybook, all postings in the source daybook that have the same GL type as the target daybook and meet the other selection criteria are selected for transfer.

When you click the Add button, the system populates the grid in the Mass Layer Transfer screen with postings that match the selection criteria. From this list, you can choose which postings to include in the transfer by selecting or clearing the Select field for that posting.

All selected postings are transferred to the same target daybook, which can be linked to the official layer, a management layer, or another transient layer. However, the target daybook must be different from any of the source daybooks. The postings are transferred from the source daybook in blocks to ensure that they appear sequentially in the target daybook.

The following types of postings cannot be transferred using Mass Layer Transfer:

- Journal entries for posting templates or recurring entries
- Journal entries that have a different GL type than the target daybook

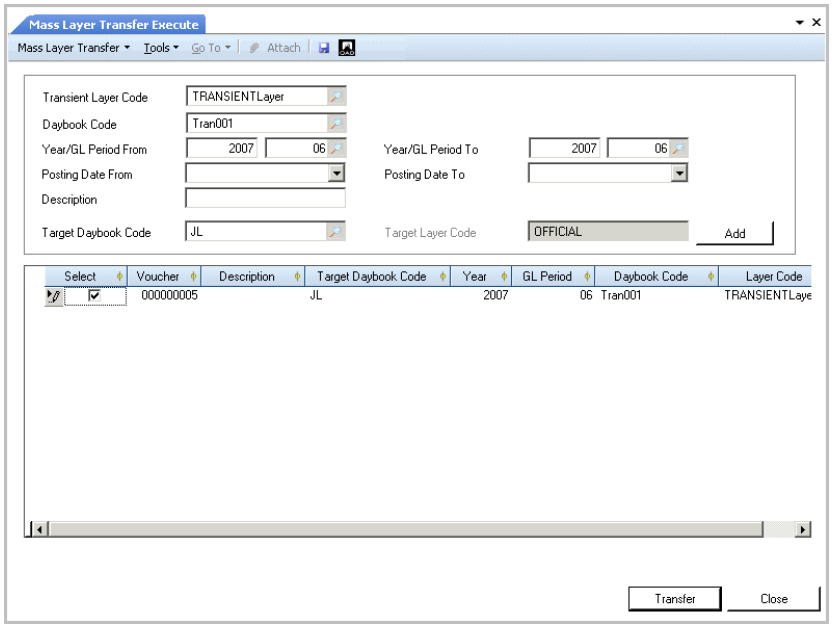
Example A US parent entity has a French subsidiary. In France, the accounts are compiled to conform with French GAAP standards. However, the French accounts must also conform to the GAAP standards of the parent entity, which is US GAAP.

The subsidiary creates a transient layer for French accounts. It then reviews the accounts for errors, removes invalid transactions, and posts correction or adjustment transactions to make the French accounts apply to US GAAP.

The subsidiary then uses Mass Layer Transfer to move the postings to a specific management layer for final consolidation.

Important You can only use Mass Layer Transfer Execute (25.13.11) to transfer regular, non-periodic costing postings. To transfer periodic costing postings, use Mass Layer PC-Transfer Execute (25.13.12).

Fig. 6.98
Mass Layer Transfer



Field Descriptions

Transient Layer Code. Specify the layer code that identifies the transient layer to transfer postings from.

Daybook Code. Specify the daybook in the transient layer from which to transfer postings.

If daybook security is implemented and you specify a Journal Entries daybook with Financial or External daybook control, you must be assigned the role associated with the daybook you select. Otherwise, an error is displayed and you cannot save the mass layer transfer transactions. See “Daybook Security” on page 174.

Year/GL Period From. Specify the GL calendar year and the first GL period from which postings are to be transferred. This field is mandatory.

Year/GL Period To. Specify the GL calendar year and the last GL period from which postings are to be transferred. This field is mandatory.

Posting Date From. Specify the first date in a range to search for postings to transfer.

Posting Date To. Specify the last posting date in the range to search for postings to transfer.

Description. Enter a brief description (maximum 40 characters) of the postings to be transferred.

Target Daybook Code. Select the daybook to which to transfer the postings. The target daybook must be of the same GL type as the source daybook.

If daybook security is implemented and you specify a Journal Entries daybook with Financial or External daybook control, you must be assigned the role associated with the daybook you select. Otherwise, an error is displayed and you cannot save the mass layer transfer transactions. See “Daybook Security” on page 174.

Target Layer Code. This field displays the layer associated with the daybook to which to transfer the postings.

Click Add to retrieve journal entries that match the criteria.

Grid Field Definitions

Select. Select the field to indicate the transactions you want to transfer.

Clear the field for transactions that you want to remain in the transient layer.

Voucher. This field displays the numeric identifier assigned to the posting. When the daybook of the journal entry is changed (after transfer), the voucher is cleared.

Description. This field displays a description of the posting line.

Daybook Code. This field displays a code that identifies the daybook in the transient layer to which the transaction is currently posted.

Target Daybook Code. This field displays the target daybook for the transaction transfer.

Layer Code. This field displays the target layer for the transaction transfer.

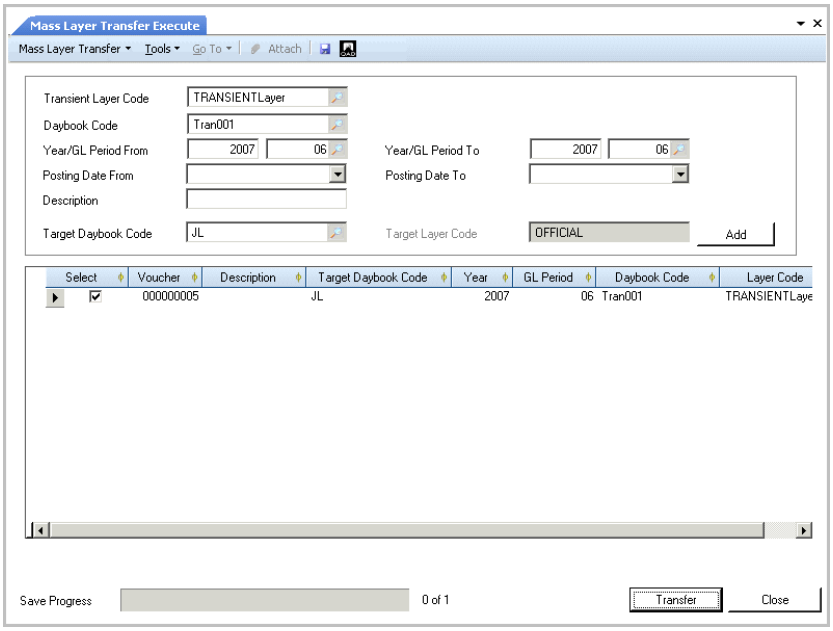
Year. This field displays the GL calendar year that the system associates with the transferred transactions.

GL Period. This field displays the GL period that the system associates with the transferred transactions.

Click Transfer to begin the transfer of your selected postings to the target layer.

Note A progress indicator shows the status of the transfer. Once started, you cannot cancel the transfer.

Fig. 6.99
Mass Layer Transfer Progress Indicator



Mass Layer Transfer for Periodic Costing

Use Mass Layer PC-Transfer Execute (25.13.12) to transfer batches of unfinalized periodic costing calculations from the transient layer to the management or official layers. You can only use this function to transfer postings in daybooks of type Periodic Costing. Mass Layer PC-Transfer Execute runs at domain level so that you can also use it to transfer periodic costing cross-company postings.

Important You can only use Mass Layer PC-Transfer Execute (25.13.12) to transfer periodic costing postings. To transfer regular, non-periodic costing postings, use Mass Layer Transfer Execute (25.13.11).

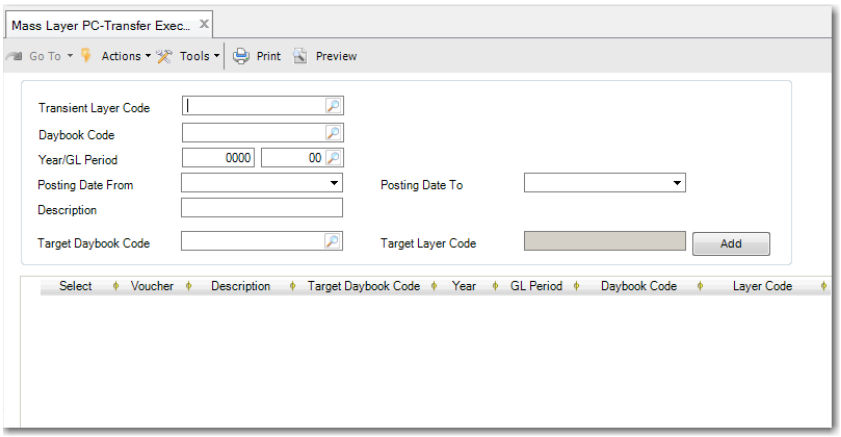
When you click the Add button, the system populates the grid in the Mass Layer Transfer screen with postings that match the selection criteria. From this list, you can choose which postings to include in the transfer by selecting or clearing the Select field for that posting.

The daybook to transfer from must be of type Periodic Costing and must be linked to the transient layer. The system displays a warning if any of the selected transactions are cross-company postings that still have corresponding postings in a transient layer. This provision helps to keep cross-company postings synchronized in both entities. Mass Layer PC-Transfer Execute only transfers one side of the cross-company posting. You must manually transfer the corresponding posting in the other entity to the management layer.

All selected postings are transferred to the same target daybook, which can be linked to the official layer, a management layer, or another transient layer. However, the target daybook must also have a daybook type of Periodic Costing.

Note Mass Layer PC-Transfer Execute displays a message if there are open pending invoices for the period.

Fig. 6.100
Mass Layer PC-Transfer Execute



Transient Layer Code. Specify the transient layer from which you want to transfer unfinalized periodic costing postings.

Daybook Code. Specify the transient layer daybook from which to transfer unfinalized periodic costing postings.

Year/GL Period. Specify the GL period from which postings are to be transferred. This field is mandatory.

Posting Date From. Specify the first date in a range to search for postings to transfer.

Posting Date To. Specify the last posting date in the range to search for postings to transfer.

Description. Enter a brief description (maximum 40 characters) of the postings to be transferred.

Target Daybook Code. Select the daybook to which to transfer the postings. The target daybook must be a Periodic Costing daybook.

Target Layer Code. This field displays the layer associated with the daybook to which to transfer the postings.

Click Add to retrieve journal entries that match the criteria.

The grid field explanations are the same as for Mass Layer Transfer Execute.

Click Transfer to begin the transfer of your selected postings to the target layer.

Note A progress indicator shows the status of the transfer. Once started, you cannot cancel the transfer.

Intercompany and Cross-Company Transactions

The system supports two types of transaction between entities within the same domain and across domains: intercompany transactions and cross-company transactions.

An intercompany transaction is a GL transaction or journal entry that affects only one entity, but contains an intercompany code within the GL transaction, as a reference to another entity. The GL transaction posts to one entity only. Use this feature to isolate internal transactions from those that relate to third parties. Intercompany transactions are identified using intercompany codes.

Cross-company transactions span more than one entity, and the associated GL transaction posts to both entities.

Intercompany codes identify organizations that are members of a group of entities that trade with each other. This activity forms the basis for consolidation reporting at period closing, when the financial results of multiple entities are consolidated, and intercompany transactions are eliminated before consolidation.

If an entity is to be used in intercompany and cross-company transactions, select the Intercompany field in its associated Business Relation and define the intercompany code in the field provided.

If required, select the Fixed Intercompany field in the Business Relation to ensure that the intercompany business relation cannot be overwritten when posting transactions to accounts for the entity. See “Creating Business Relations” on page 237 for more information on assigning intercompany codes to business relations.

To identify GL accounts used in intercompany transactions, select the Intercompany Account field in Account Create. This makes the Default Intercompany field available. Use this field to assign the intercompany code defined in the business relation of the intercompany entity. See “Posting Tab” on page 92 for information on defining intercompany accounts.

Note Cross-company transactions use cross-company control accounts. When you select Cross-Company Control Account as the GL type in Account Create, the Intercompany Account field in Account Create is automatically selected.

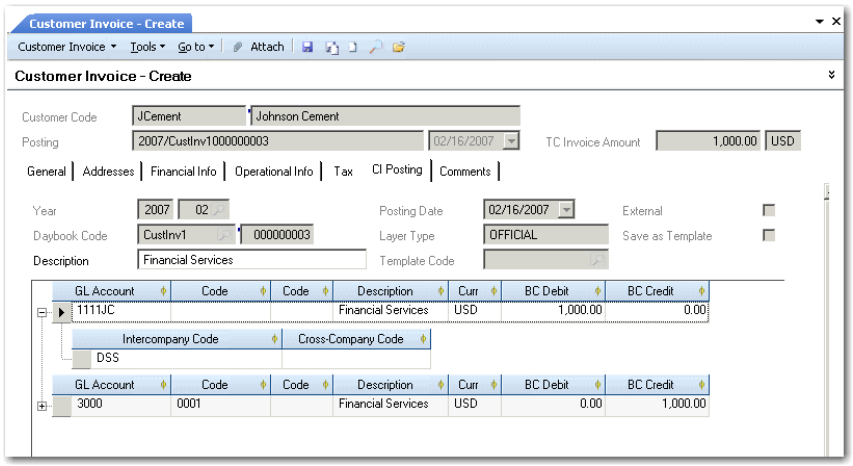
Intercompany Transactions

An intercompany transaction is a posting within an entity on an intercompany account. An entity is identified as intercompany based on its business relation.

Example An organization supplies goods to an affiliated company. When creating the invoice, the user assigns an intercompany code to indicate that the sale was to an associated entity. In this instance, the system generates only one GL transaction for the invoice.

When you generate a sales invoice and post to a customer account that uses an intercompany code, the resulting transaction identifies that the invoice was sent to the entity specified by the intercompany code.

Fig. 6.101
Customer Invoice Using Intercompany Code



Intercompany Reporting

The GL Transactions report includes Intercompany as a selection criterion, which you can use to identify intercompany transactions to be eliminated before consolidation. You can net intercompany transactions using open item adjustment. See “Open Item Adjustment” on page 383.

Cross-Company Transactions

Use cross-company accounting features to create balanced transactions between entities in a domain. When transactions or invoices are generated by another entity in the organization, these features let you process the transactions or invoices in your current working entity.

Cross-company transactions use cross-company control accounts to link across entities. Each domain must include a cross-company control account for AR, AP, fixed assets, inventory, and manual journal entry transactions. Cross-company account codes are specified in the Cross-Company tab in Domain Create (36.1.1.1.1). See “Setting Up Domains” on page 28 for more details.

The accounts specified in domain setup are used for every cross-company posting line for each entity in the domain. Each domain in the database uses a different set of cross-company control accounts.

Note You cannot create cross-company postings in the transient layer, unless the daybook type is Periodic Costing.

When you enter a cross-company control account on a journal entry posting line, the system recognizes that the transaction is cross-company, and opens a level two posting line, where you enter the code of the other entity in the Cross-Company Code field.

Cross-company posting are of two types: manual and automatic.

Manual Cross-Company Posting

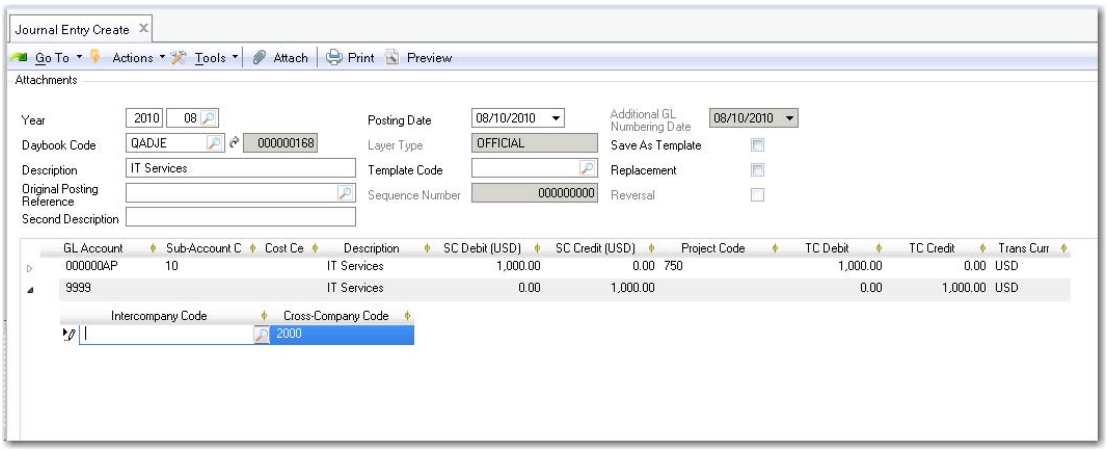
A manual cross-company posting is a two-part process, consisting of a parent and child transaction, each of which you complete separately. The parent and child transactions are posted from within different entities to different daybooks. You can create manual cross-company postings in only the management and the official layers.

The parent transaction is the initial posting that references a cross-company control account.

Example Entity 1000 and entity 2000 are both subsidiaries of a large organization. Human resource management and IT services for the entire organization are centralized in entity 1000. Cross-company transactions are generated when entity 2000 uses either centralized service.

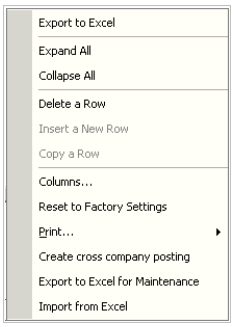
Entity 1000 uses a journal entries template to record the charges that entity 2000 and other entities in the organization have incurred.

Fig. 6.102
Journal Entry in Entity 1000



Right-click in the posting grid and select Create cross-company posting.

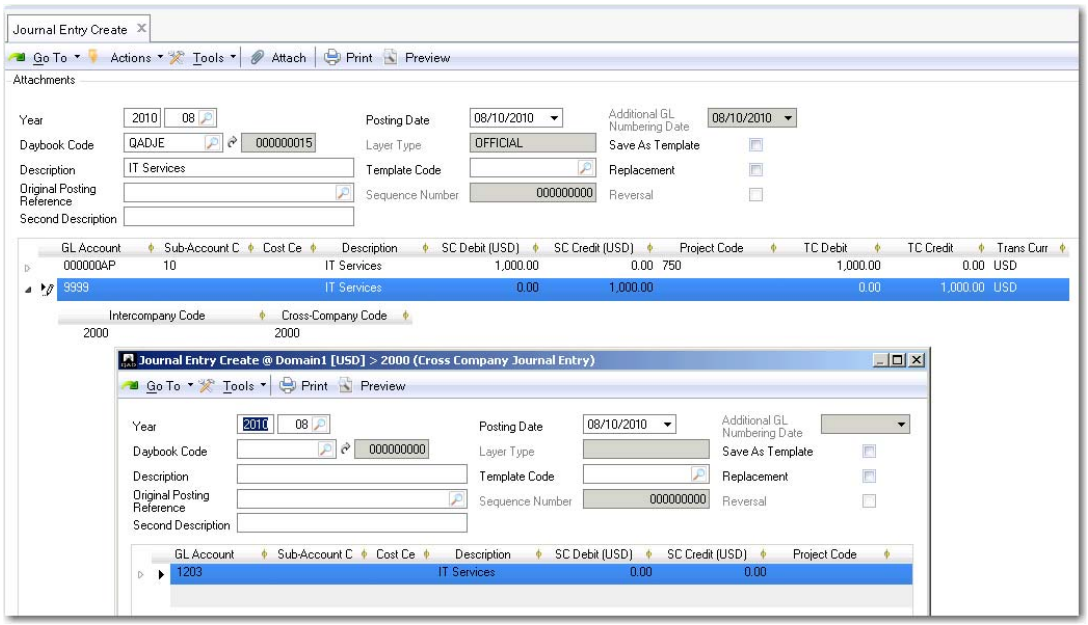
Fig. 6.103
Right-Click Menu for Cross-Company Posting



The Journal Entry screen in entity 2000 automatically opens with the corresponding posting for that entity. Complete the posting lines to balance the transaction and click OK to post the child transaction. This action returns you to the parent transaction screen.

The appropriate cross-company account in the target entity 2000 is populated using the definitions in the domain setup, and the intercompany code is stored in the record.

Fig. 6.104
Postings for Entities 1000 and 2000



You are now in the original entity and the transaction is balanced. Click Save to post the parent transaction.

Generate a GL Transactions by Intercompany Code Report (25.15.1.5) and select the parent entity in the criteria to view the posting details. To view details of the child transaction, rerun the report for that entity.

Note When viewing journal entries for which there are cross-company postings, you can view the cross-company posting by right-clicking the posting line and selecting the Cross Company Posting option.

You can create manual cross-company postings in the following functions:

- Supplier Invoice Create
- Customer Invoice Create
- Journal Entry Create
- Banking Entry Create
- Petty Cash Create
- Receiver Matching Create using the Manual Posting button.

Automatic Cross-Company Postings

For automatic cross-company transactions, the Cross-Company daemon creates the balancing transaction. You are not prompted to create the child transaction, and the processing occurs in the background.

Automatic postings are processed by the Cross-Company daemon. For more information on system daemons, see *QAD System Administration User Guide*.

There are two types of automatic cross-company postings: financial and operational.

Automatic Financial Postings

The automatic cross-company functionality supports activity on:

- Banking entries across multiple domains
- Customer and supplier payment selections across multiple domains
- Open item adjustments across multiple domains

Automatic cross-company postings are possible only for transactions in the official layer. Post the transaction in the source entity using the cross-company control account for the target entity that owns the open item. A request is created for the Cross-Company daemon. The daemon processes the request and creates the posting in the sub-ledger of the target entity.

Automatic Operational Cross-Company Transactions

The system separates cross-company transactions that originate in the operational modules into separate postings for the relevant entities. Each transaction posts entirely within the associated entity, but cross-references the corresponding transaction in the other entity.

All operational cross-company transactions are processed using the cross-company control accounts defined for the domain so that cross-company activity by entity can be tracked easily within the GL.

AR Cross-Company Postings

Cross-company postings are generated by Invoice Post and Print (7.13.4) when one or more lines on a sales order are shipped from a site with an entity other than the sales order header entity. In this case, the sales amount associated with the line is posted to the shipment entity, but the AR amounts are posted to the header entity.

Invoice Post and Print creates both a customer invoice and GL transactions. However, when a transaction spans more than one entity, it includes information on the appropriate cross-company AR accounts so that the correct GL transaction is created. This single transaction is split into two separate transactions when posted.

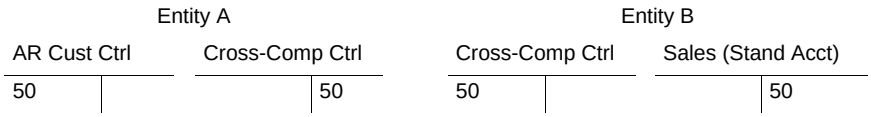
For cross-company invoices, the operational transaction is split as described in the following example.

A sales order is created for header site 1000, associated with entity A. It has one line item priced at $50, which is shipped from site 2000, associated with entity B.

When this invoice is posted, the system debits the customer control account for $50 using a Customer Invoice daybook and credits the cross-company AR account for entity A for $50 using entity B's intercompany code.

The system retrieves the cross-company AR account to use from the domain setup. It uses the intercompany daybook from the relevant daybook set for the posting.

A corresponding set of entries is made for entity B. The system debits cross-company AR $50 using entity A's intercompany code and credits the sales account $50 using a Journal Entries daybook.



AP Cross-Company Postings

Cross-company postings can be created during purchase order receipts when a line item on a purchase order is received at a different site than the one on the order header. These transactions are managed through operational transaction postings.

A different kind of cross-company posting can occur when one entity pays the invoices for goods received at another site. These postings are created during receiver matching and handled by the Cross-Company daemon. The value of the PO Expensed Item Receipts amount—for non-inventory items—or PO Receipts amount—for inventory items—associated with the line is transferred to the AP payment entity.

Inventory Cross-Company Postings

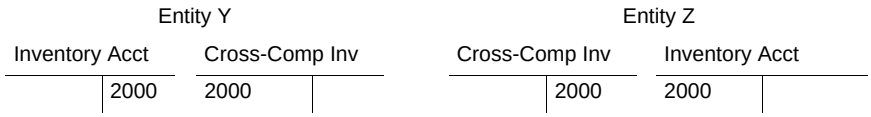
Cross-company postings occur when inventory is transferred from one site to another site associated with a different entity. The value of the inventory is transferred to the receiving entity, using Cross-Company Inventory and Transfer Variance accounts as clearing accounts.

Note The Transfer Variance account is used to record differences in the cost of items at different sites. The following example assumes the costs are the same at both sites, and the posting is not shown.

A user creates an inventory transfer for items valued at $2000 from site 10 in entity Y and site 20 in entity Z. The system:

- Credits the Inventory account for entity Y for $2000

- Debits the Cross-Company Inventory account of the current domain for $2000, referencing the intercompany code of entity Z
- Credits the cross-company inventory account of the current domain for $2000, referencing the intercompany code of entity Y
- Debits the Inventory account of entity Z $2000



Cross-Company Fixed Assets Transactions

Cross-company postings in Fixed Assets can occur when an asset is transferred between entities. The value of both the asset cost and the accumulated depreciation is transferred to the receiving entity with balancing entries made to the Cross-Company Fixed Asset account, using the intercompany codes of the two entities. See *QAD Fixed Assets User Guide* for details on Fixed Assets.

Daybook Security and Cross-Company Postings

When creating cross-company journal entries, you must be assigned to the role specified for the daybooks used in both the source and target entities in order to save the postings. Otherwise, the system displays an error and you cannot save the postings. See “Daybook Security” on page 174 for more information.

Daybooks of type Journal Entries are also used in cross-company postings created in the Customer Invoice, Supplier Invoice, Open Item Adjustment, and Banking Entry functions. In these cases, you must be assigned to the role specified for the daybook used in the target entity. Otherwise, the system displays an error message and you cannot save the transactions in either entity.

Journal Entry Excel Cross-Company Integration

Use Journal Entry Cross Co Excel Integration (25.13.1.10) to load multi-entity and cross-company journal entries defined in an Excel spreadsheet and post them to multiple entities. You can also use this function to create journal entry postings within the same entity.

To use the function, you must have access to all entities for which you want to create postings, and you must also be assigned role permissions that grant you access to Journal Entry Create in those entities.

Note It is recommended that you use Journal Entry Cross Co Excel Integration for all journal entry postings from Excel. This function offers transaction posting line by line, detailed error messages, and the ability to automatically create correction reversal and auto reversal journal entries.

Downloading the Template

To facilitate the creation of journal entries, you can download a template in the Journal Entry Cross Co Excel Integration function. The Excel templates contains column headings that correspond to the grid in Journal Entry Cross Co Excel Integration.

To download an Excel template, right-click in the grid and select Export to Excel for Maintenance. At the prompt, enter the name of the spreadsheet in which to save the data. Open the spreadsheet in Excel and create your journal entry data.

Fig. 6.105
Journal Entry Cross Co Excel Integration

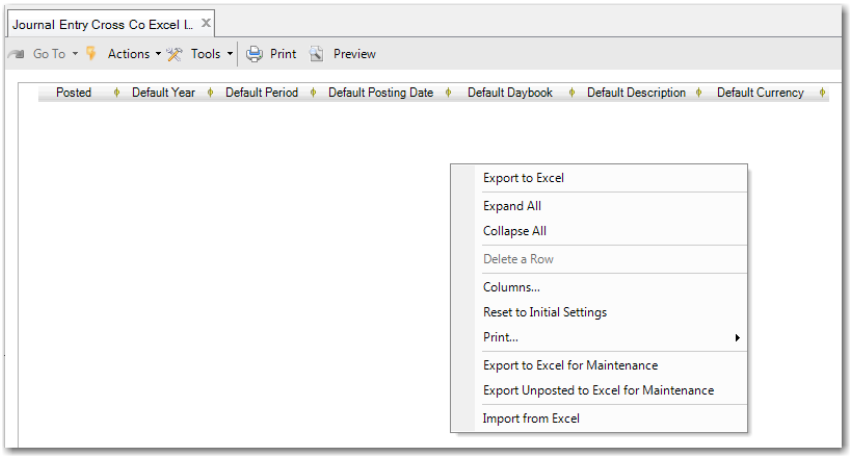
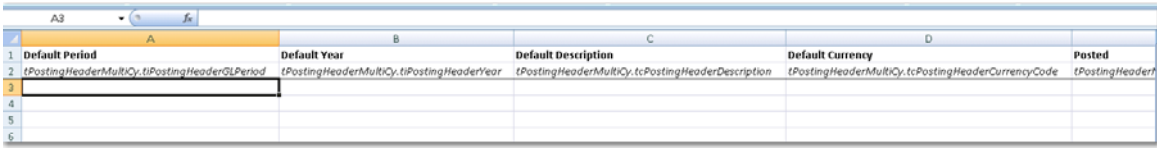


Fig. 6.106
Journal Entry Cross-Company Template



Journal Entry Levels

Journal entries defined in Excel must contain a minimum of three levels of data. However, a posting loaded through Excel can contain up to seven levels.

- Level 1 (parent)

  This level contains details that relate to the overall posting. Each level 1 entry maps to one cross-company transaction.

  An Excel file can contain many separate level 1 records. If a posting fails at level 1, all postings within that record remain unposted. However, all other valid level 1 records and their level 2 and level 3 lines are posted.

  When you are creating a cross-company posting, each level 1 record must have at least two level 2 records associated with it: one record for the source entity posting and one record for the target entity posting. For a standard single-entity posting, only one level 2 record is required.

- Level 2 (child)

This level contains details specific to the entity posting. For cross-company postings, the Excel spreadsheet must contain level 2 entries for each entity to which you want to post. For single entity postings, there is only one level 2 entry. An Excel spreadsheet containing both types is displayed in Figure 6.109.

The level 2 row structure matches that of level 1, and must also include a cross-company code and an entity code for cross-company postings.

If you leave certain fields blank at level 2, such as the daybook, posting date, and description, these values default from level 1 when you load the Excel file in Journal Entry Cross Co Excel Integration and click Save. See “Defaulting” on page 431. If you specify all required values, no defaulting occurs.

You must define a year and period at level 2.

- Level 3 (grandchild)

  This level contains details specific to a single posting line. Each level 2 entry must have at least two level 3 lines associated with it. The sum of these posting lines must be zero.

- Lower Levels

  A posting line can be composed of multiple sub-levels containing additional posting information, depending on how the GL accounts used in the transaction are defined. If you specify a tax account, GL open item account, an account with SAF analysis, or an account defined with quantities, you must enter details pertinent to these accounts at lower levels in the spreadsheet. See Figure 6.108, which shows a fourth level because the GL account is defined with SAF analysis.

Fig. 6.107
Cross-Company Journal Entry Integration Levels

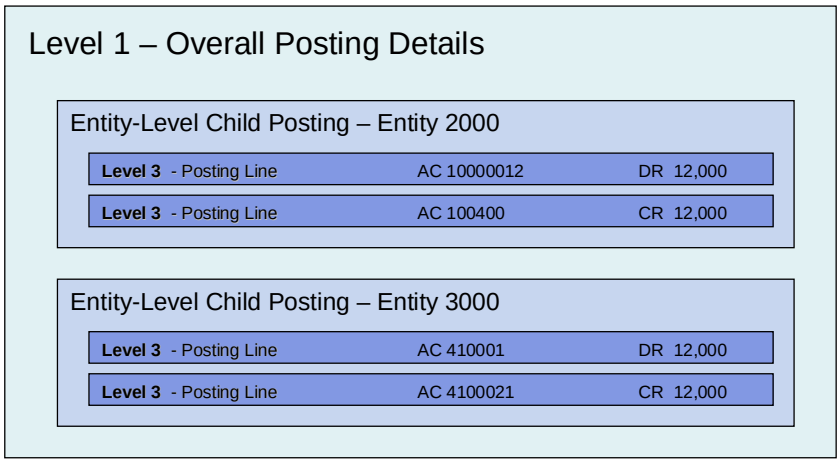


Fig. 6.108
Journal Entry Cross Co Excel Integration, Data Levels

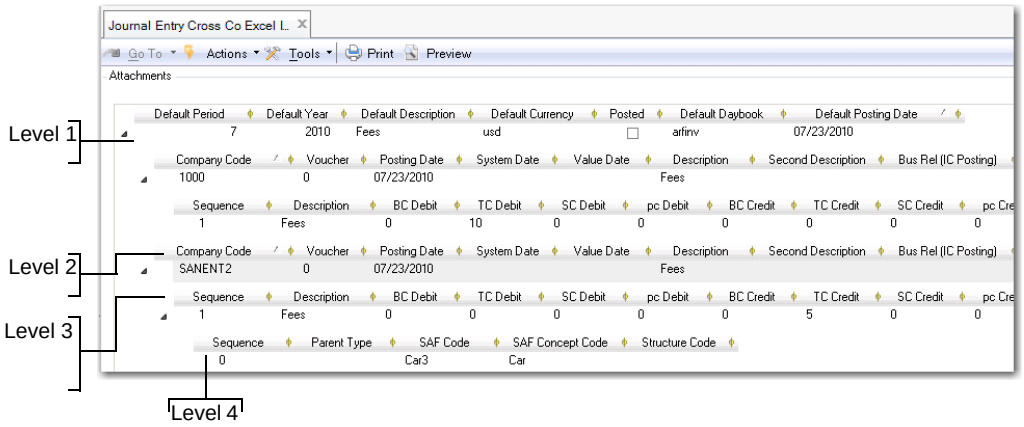
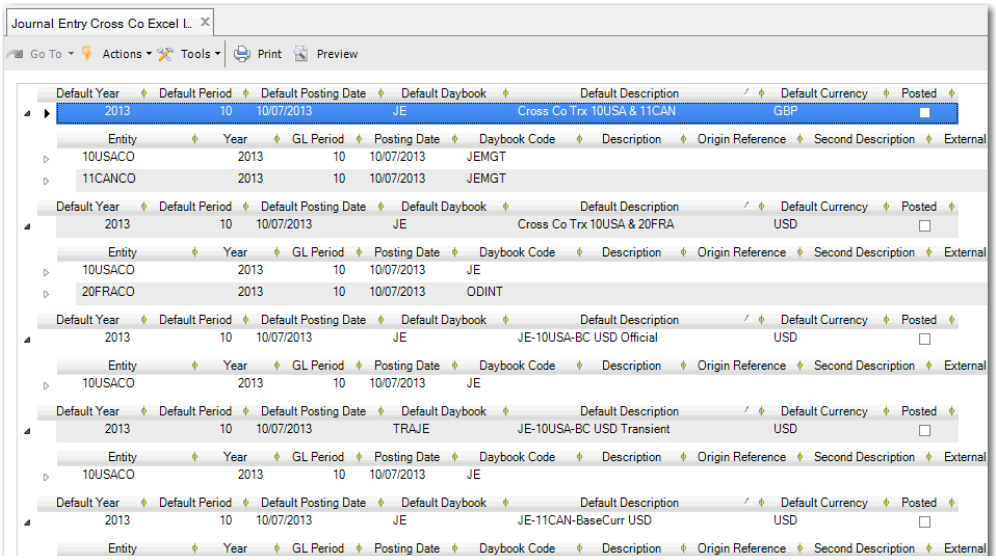


Fig. 6.109
Cross-Company Journal Entry Integration Single Entity and Cross-Company Postings



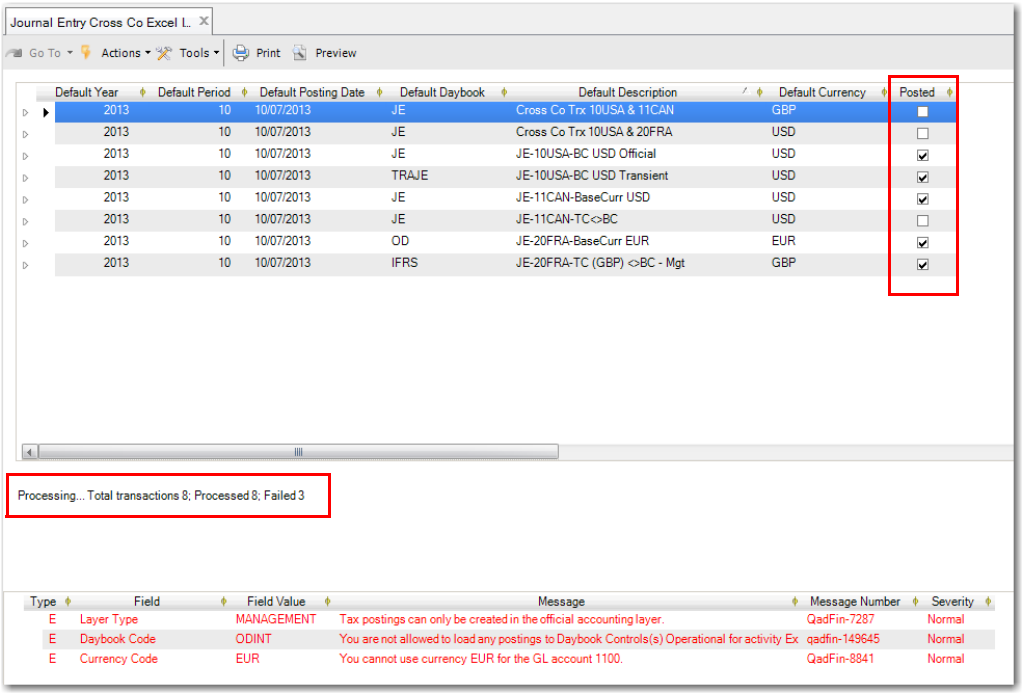
Importing from Excel

When you are finished editing your spreadsheet in Excel, open Journal Entry Cross Co Excel Integration, right-click in the grid, and select Import from Excel. The entries defined in your spreadsheet are loaded into the grid in Journal Entry Cross Co Excel Integration, as displayed in Figure 6.109.

When you click Save in Journal Entry Cross Co Excel Integration, the system creates journal entries for the source entity and for each of the corresponding postings for the target entities. It also performs all validation and defaults values if some key fields are blank. If you specify all required values, no defaulting occurs. See “Validation” on page 428 and “Defaulting” on page 431 for more information.

Two areas of the Journal Entry Cross Co Excel Integration screen indicate whether or not postings are processed successfully. The Posted field at Level 1 of the grid is automatically selected by the system as each transaction is processed and saved successfully. In addition, the processing status indicator at the bottom left of the screen indicates the status of records. The screen is locked during the saving process.

Fig. 6.110
Journal Entry Cross Co Excel Integration, Status Indicators



Validation

The system validates all values when you click Save in Journal Entry Cross Co Excel Integration. No validation occurs until this point.

When creating standard or cross-company posting entries, the accounts, daybooks, sub-accounts, cost centers, and projects you specify must be valid within their associated shared sets for the entity in which the posting is being created. If you specify an invalid value, an error message is displayed.

You can create standard and cross-company postings on the following types of account: Standard, GL Open Item, Bank, Year-End, Fixed Assets, Tax, and System.

The following fields must be entered in Excel for a cross-company posting to be valid. If these mandatory fields are blank, an error is displayed.

- Level 1
  - Posting Date
  - Daybook Code
  - Description
  - Default Period

    - Default Year
- Level 2 (non-source entity postings)
    - Entity
- Level 3
    - Account
    - Amount
    - Sequence Number

The system also ensures that the sum of the postings to the source entity equals the sum of the postings to the target entities.

You can use different currencies when posting to particular entities. The system then ensures that all postings balance. You can also post to entities that have different GL calendar years and GL periods to the source entity.

You can only post to daybooks from the official and management layers. However, daybook layers must be consistent across a posting; that is, postings can be to the official layer or the management layer, but a posting cannot contain a combination of both layers.

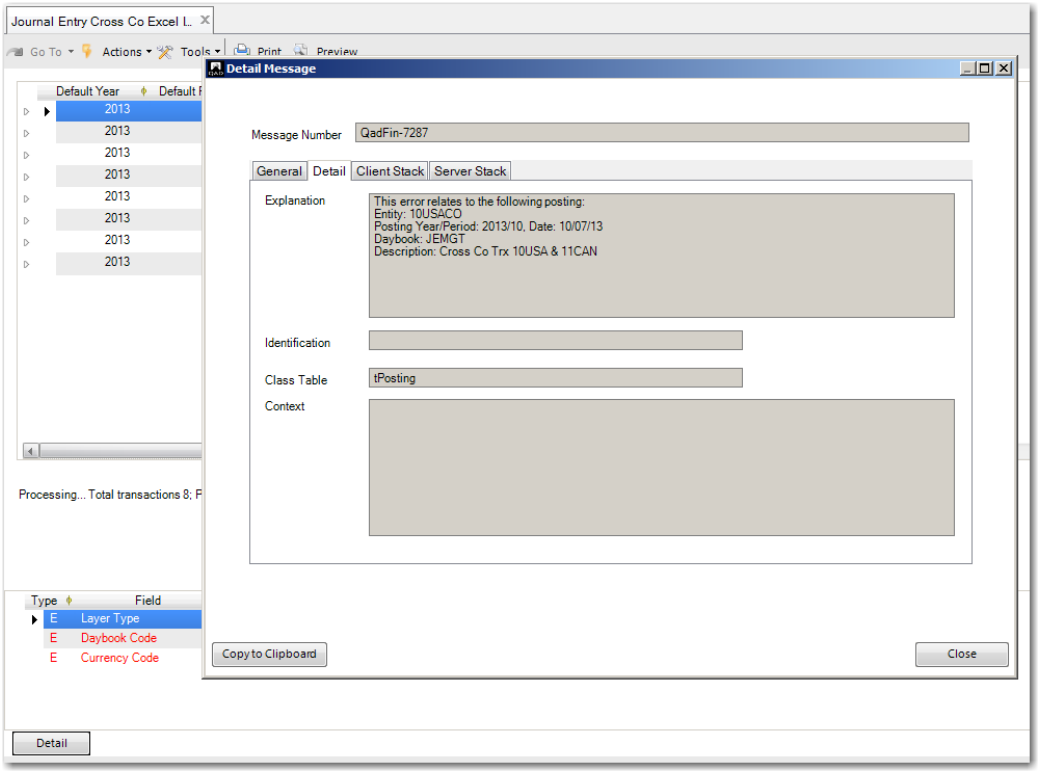
At level 3, the system ensures that the year and period entered are valid for the entity in which the cross-company posting occurs. In addition, the Sequence Number field must contain a non-zero value.

Error Messages

For each transaction posting that fails, an error message is displayed at the bottom of the screen. Each message contains a summary of the reason why the posting failed. To view more information on the posting, select the message and click the Detail button. In the Detail Message window, select the Detail tab. The details of the posting are shown, as displayed in Figure 6.111. This information helps you to identify the relevant line in the Excel spreadsheet. You can then fix the errors directly in the grid or you can export the unposted transactions to Excel for maintenance.

Note The error messages are displayed in the order in which the transactions are saved and validated by the system. However, if you choose to sort the grid by another column, the transactions and error messages no longer match. Therefore, make sure that when you load and process transactions from an Excel file, the default layout is applied to the grid or you select to sort by the Posted field.

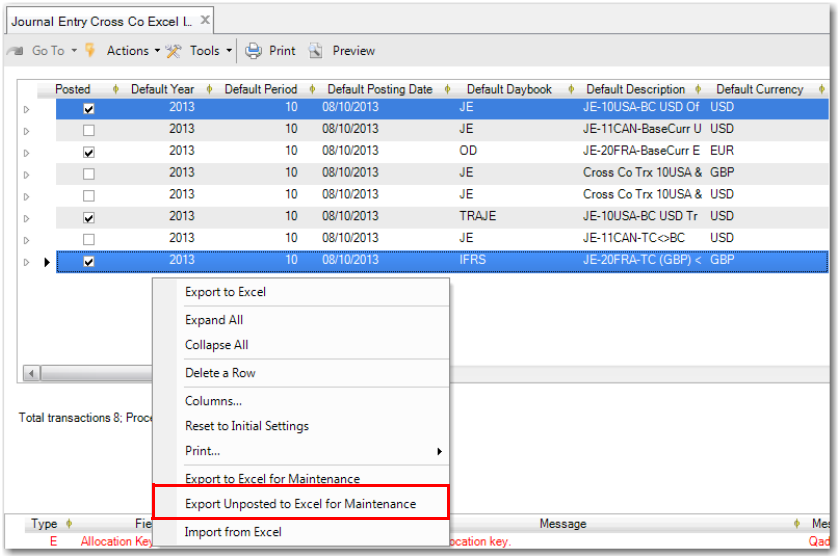
Fig. 6.111
Journal Entry Cross Co Excel Integration, Error Details



Exporting Unposted Transactions to Excel for Maintenance

When a transaction fails to post, the Posted field is not selected. You can export the unposted transaction back to Excel for maintenance. Right-click in the grid and select Export Unposted to Excel for Maintenance, as displayed in Figure 6.112. Correct any errors to the spreadsheet and open Journal Entry Cross Co Excel Integration again to load the corrected transactions.

Fig. 6.112
Journal Entry Cross Co Excel Integration, Export Unposted to Excel



Defaulting

The system defaults values if you do not specify data in all required fields in the imported Excel spreadsheet. If you specify all required values, no defaulting occurs.

If you leave certain fields blank at lower levels, such as the daybook, posting date, and description, these values default from level 1 when you load the Excel file in Journal Entry Cross Co Excel Integration and click Save.

All defaulting is done when you import the Excel spreadsheet to Journal Entry Cross Co Excel Integration and click Save. No defaulting occurs until this point.

- Currency

  If the Currency field is blank at level 1, the system defaults the base currency of the source entity. If the Currency field is blank at level 3, the system defaults the currency value from level 1.

- Exchange rates

  If the loaded spreadsheet contains a base currency amount and a transaction amount, but does not specify an exchange rate between the two, the system calculates the exchange rate and uses that value. However, if the spreadsheet does not contain a transaction amount or an exchange rate, the system retrieves the current accounting exchange rate for the base and transaction currencies from the exchange rate table and uses that to calculate the transaction amount.

  If you specify an exchange rate in the Excel file, the system uses this value instead.

- Year and period

  For source entity postings, if no GL calendar year and GL period are defined, the system calculates the year and period values from the posting date. For non-source entity postings, the system also uses the posting date to calculate the year and period in the target entity.

- Posting date and description

  If you do not define the posting date and description on a level 2 line, these values default from the level 1 line.

- Entity

  If you do not specify an entity at level 2, the system defaults the source entity when you import from Excel and click Save. The source entity defaults from the entity you are logged in to when you import from Excel.

- Daybook

  If no daybook is defined at level 2, the daybook defined at level 1 defaults to the level 2 line.

  The system validates that daybooks entered at level 2 are valid within the target entity they are specified for.

- Control account

  Cross-company postings to an entity must contain the cross-company control account for that entity. If you do not specify cross-company postings in the Excel file, the system generates these postings when you click Save. If you specify cross-company postings in the Excel file, the system uses these postings and does not generate its own.

  If an entity posting does not specify a cross-company control account, and the sum of the specified lines is zero, an error message is displayed.

The cross-company control account used is defined in the domain record of the domain to which the entity belongs.

Example

This example illustrates defaulting, and shows cross-company postings from the source entity Shared Service to two target entities Auto and Standby.

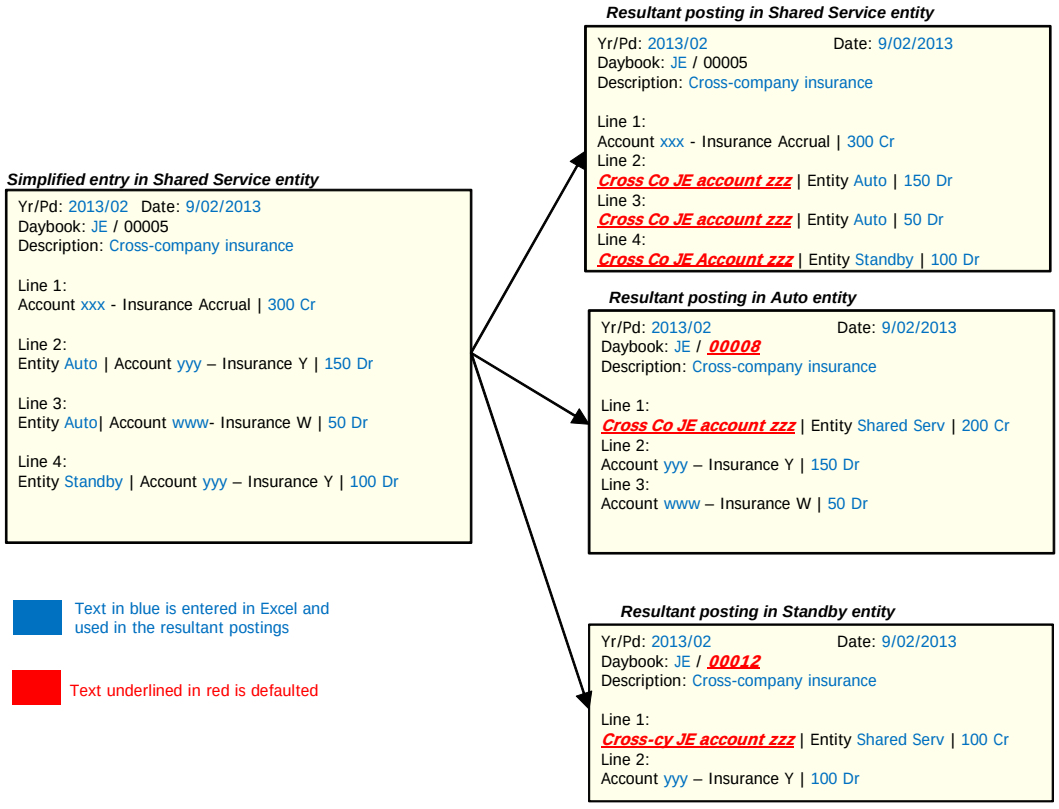
In Excel, you specify the Year/Period, Posting Date, Daybook, Voucher Number, and Description fields at level 1. In the first level 2 line, you specify the account, debit or credit indicator, and amount. For lines 2 and 3, you enter the entity, account, amount, and debit or credit indicator.

You save the Excel file and import it into Journal Entry Cross Co Excel Integration from within the Shared Services entity.

The values loaded from Excel are shown in the simplified entry to the left of Figure 6.113. Some of the required values are missing, and are defaulted by the system when you click Save.

The system defaults the values shown on the right of Figure 6.113. Values underlined in red are generated by the system. The right side of Figure 6.113 also shows the postings generated in the Shared Services, Auto, and Standby entities when the data is saved.

Fig. 6.113
Cross-Company Journal Entry Defaulting



Example

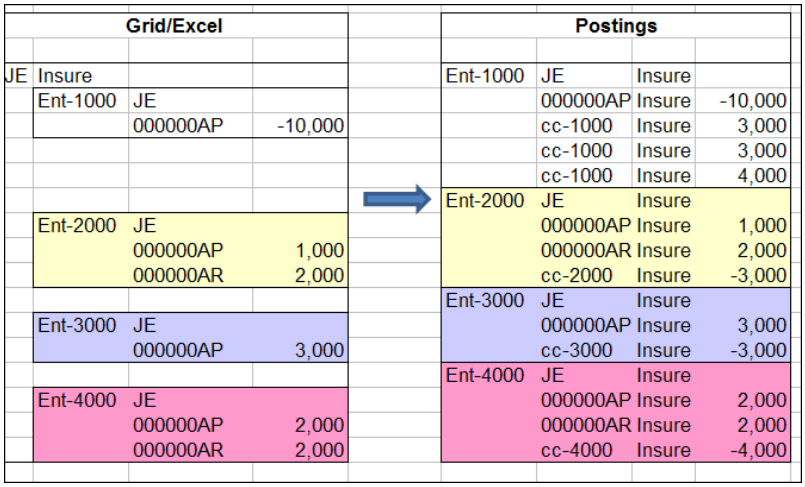
This example illustrates how control accounts are used and defaulted in the cross-company journal entries loaded from Excel.

You are posting from source entity Ent-1000 to target entities Ent-2000, Ent-3000, and Ent-4000.

As shown in Figure 6.114, the Excel spreadsheet entries for the target entities do not contain a cross-company control account so the system adds postings to the relevant cross-company control account for the target entity when you save.

Using the example of Ent-2000 in Figure 6.114, the cross-company journal entry posting created in Ent-2000 contains the two posting lines from the original Excel spreadsheet data, and a third posting to the cross-company control account for Ent-2000 with the reversed amount.

Fig. 6.114
Excel Spreadsheet Data and Resultant Postings



Grid/Excel			
JE	Insure		
	Ent-1000	JE	
		000000AP	-10,000
	Ent-2000	JE	
		000000AP	1,000
		000000AR	2,000
	Ent-3000	JE	
		000000AP	3,000
	Ent-4000	JE	
		000000AP	2,000
		000000AR	2,000

Postings			
Ent-1000	JE	Insure	
	000000AP	Insure	-10,000
	cc-1000	Insure	3,000
	cc-1000	Insure	3,000
	cc-1000	Insure	4,000
Ent-2000	JE	Insure	
	000000AP	Insure	1,000
	000000AR	Insure	2,000
	cc-2000	Insure	-3,000
Ent-3000	JE	Insure	
	000000AP	Insure	3,000
	cc-3000	Insure	-3,000
Ent-4000	JE	Insure	
	000000AP	Insure	2,000
	000000AR	Insure	2,000
	cc-4000	Insure	-4,000

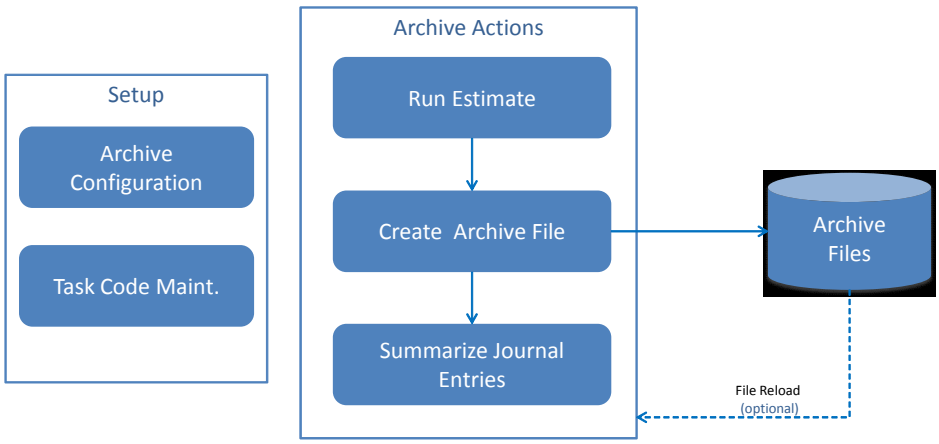
Journal Entry Archiving

With increased data volume and system performance issues, organizations face data management challenges. Keeping data in the database increases infrastructure and maintenance costs. A data archiving solution enables you to reduce database size, improve system performance, reduce costs, and meet compliance requirements.

Data Archive Workflow

The workflow in Figure 6.115 displays the main steps involved in the journal entry archiving process:

Fig. 6.115
Journal Entry Data Archiving Workflow



1. Complete data archive configuration.
2. Create an archive task code where you can specify an entity group.
3. Run an estimate report to view a simulated result such as the number of records to be archived and the space to be freed up.
4. Run the archive action to create an archive file in a predefined file location.
5. After the archive file is generated, run the summarize action to summarize the archived journal entries. The system removes the original journal entries from the database and creates new summarized journal entries to keep the account balances.
6. When needed, restore the archive file to the system. The system removes the summarized journal entries and reloads the original journal entries.

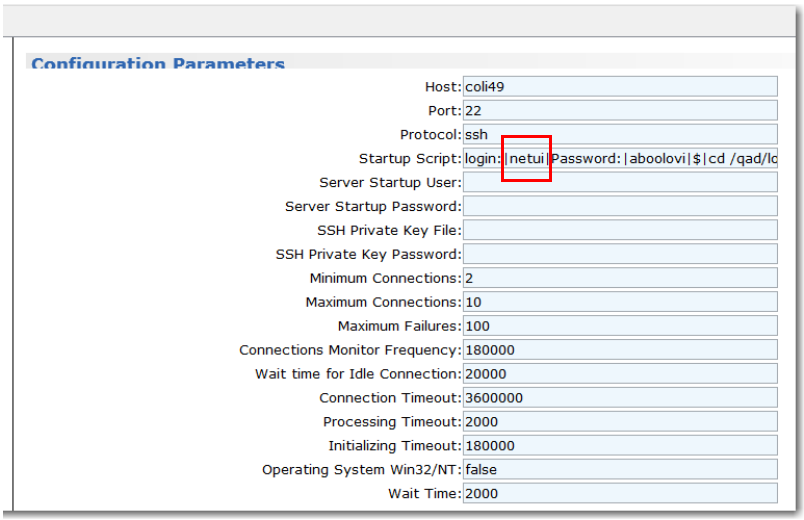
Prerequisites

- Three XML files are created when you run the data archive function
  - `ArchiveConfig.xml`
  - `ArchiveTask.xml`
  - `ArchiveAuditTrail.xml`

These XML files are stored in the same folder as `cbsever.xml`. Before you run any financial archive menu, open the Connection Manager and add at least Read, Write, and Execute access (`-w`, `-r`, `-x`) to that folder for the user ID shown under Update configuration settings. In Figure 6.116, the user ID is `netui`.

For data security, it is recommended that you archive these three XML files periodically. You can copy the XML files to another storage media along with the normal archive files.

Fig. 6.116
Connection Manager

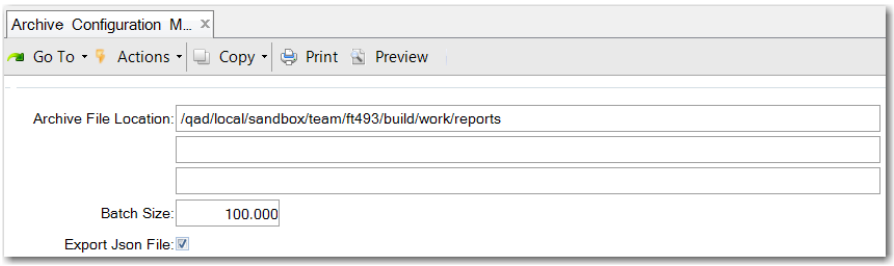


- It is recommended that you run related data archive menus using the .NET client. If you use a terminal client, such as Putty, the system may require access to the XML folder for the individual user.
- Define enough disc space for the user because, when there is a large volume of data in the database, the archive file may be large.

Archive Configuration Maintenance

Archive Configuration Maintenance (36.23.4.2) lets you define general journal entry archive settings for the whole database. You can specify a general archive file location, a batch size, and whether to also create JSON archive files.

Fig. 6.117
Archive Configuration



Archive File Location. Specify the default file location for financial archive files. You can update this file path in Archive Task Maintenance (36.23.4.3).

Batch Size. Enter a batch size. The system uses this batch size to create archive files and to summarize journal entries to improve performance and avoid time-out issues. The batch size determines the number of postings that are processed in a single technical transaction.

Note Two other batch sizes are defined in `ArchiveConfig.xml`. One batch size is for Financial Archive File Reload. The default batch size for archive file reload is set to 20,000. If you have a powerful server, file reload may be faster when you increase the file reload batch size. You can manually update the batch size in the XML file.

The other batch size is for JSON archive file generation, which is set to 40,000 by default. You can increase the JSON archive file batch size in `ArchiveConfig.xml` when the following tables contain little or no data:

- Posting
- PostingLine
- PostingSaf
- PostingVat
- PostingVatDelay
- PostingWHT

Where you have a large data volume to archive in one GL period, the system may create multiple JSON archive files. One JSON file should not be more than two GB due to the Windows JSON file size limitation.

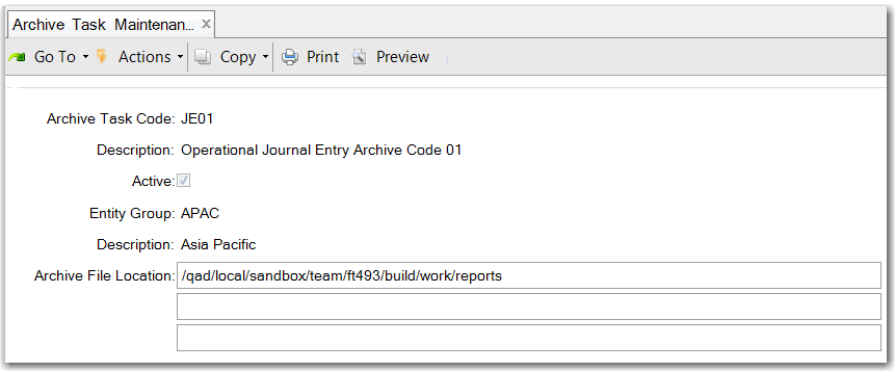
Export Json File. The standard output file format of archiving is a special CSV type file, comparable to Progress .d files. Select this field to additionally archive in JSON format. JSON is an industry standard that allows reporting with external tools.

Archive Task Maintenance

Before you perform any archive action, create an archive task code. The code can be used to archive journal entries by entity or by entity group. If you are running a large corporate group with many entities in the database, you can reduce work by running archive by entity group across domains.

Note Archive Task Maintenance is only for operational journal entries.

Fig. 6.118
Archive Task Maintenance



Archive Task Code. Enter a unique archive task code.

Description. Enter a brief description of the archive task code.

Active. Select this field to activate the archive task code.

Note When an archive task code has been used, you can deactivate the task code. However, you cannot delete it, because if you need to restore the archive files, the system needs to reuse the original archive file location and task code.

Entity Group. Specify a code that identifies the entity group. To reduce work, you can archive for multiple entities across domains. This field is mandatory.

Archive File Location. By default, this field contains the file location specified in Archive Configuration Maintenance. However, you can define a different archive file location, depending on the definition of the archive task.

Journal Entry Archive

Operational Journal Entry

The main volume of journal entries are generally from operational transactions such as inventory control (IC), work order (WO), and sales order (SO). You can archive and summarize operational journal entries of type of IC, WO, and SO with the daybook type Journal Entry.

Table 6.9
Journal Entry Archiving Scope

Daybook Control	Daybook Type	Transaction Type
Operational	Journal Entry	IC, WO, SO

Note Transactions generated by Invoice Post and Print (7.13.4) are not included.

Official and Management Layers

The system archives journal entries from the official and management layers automatically. The system creates one archive file containing both layers. The transient layers are not archived.

Archive Closed Years

The system archives only for closed years. Closed-year data is generally no longer needed in daily business activities.

Audit Trail

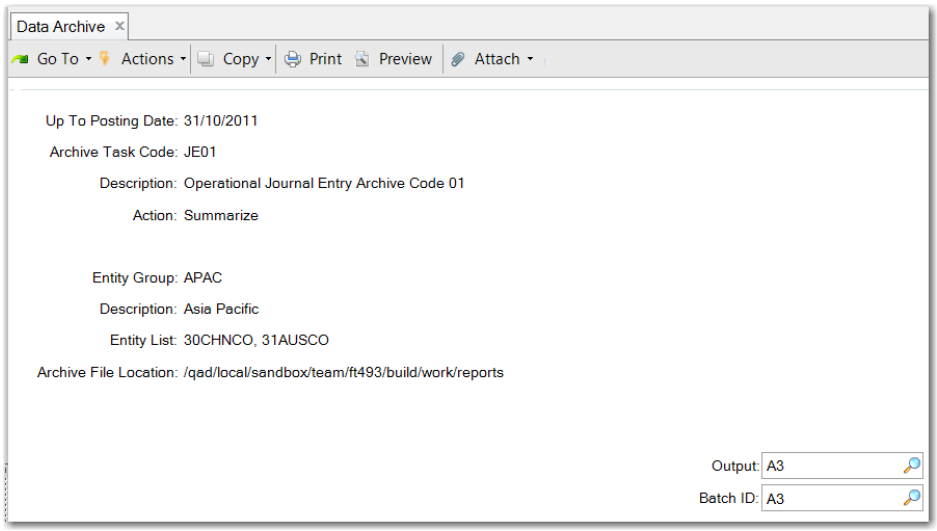
The system records audit trail information during execution. To view archiving status and detail information, run Archive Audit Trail Report (36.23.4.6).

Data Archive

In Data Archive (36.23.4.1), you can perform the Estimate, Archive, or Summarize actions. Enter an Up To Posting Date, an Archive Task Code, and choose an action. The associated entity group and file information are read only.

For the Estimate action, you can output to page. For the Archive and Summarize actions, you must schedule a batch, because these actions can take a long time given the large number of journal entries in your database.

Fig. 6.119
Data Archive



Up to Posting Date. Specify a cut-off posting date for archiving journal entries. The system uses the posting date to find the corresponding GL period for the entity with an end date before or on the specified date. The system archives data from the earliest period that has not been archived up to and including the specified period. This method ensures that there are never gaps in the archived periods.

Archive Task Code. Enter the code you created in Archive Task Maintenance. Only active task codes can be used during the execution.

Action. There are three actions in Data Archive: Estimate, Archive, and Summarize. The Estimate action produces a report with a brief overview of the following information:

- Archive file information
- Number of periods
- Number of postings and posting lines to be archived
- Number of postings and posting lines to be summarized
- Archive file size
- Database space to free up

It is recommended that you run the Estimate report before you archive or summarize periods.

The Archive action creates the data archive files. After an archive file is created, the system generates a report to display archive results, including summary information and entity details. In the summary section, the report displays the totals for the entities you selected. The entity section displays the details for each entity separately, including details per year and period. You can see how many postings and posting lines have been archived, as well as file name, file size, and file location information.

The Summarize action enables you to remove journal entries from the database and to create a summarized journal entry to keep the account balances. The system generates a report to display the results.

Action. When you run an action in batch mode, you can enter a value in the Output field. A `.prn` report file with the same name is then generated in the QAD standard report folder.

It is recommended to first run the Estimate action and check the simulation report for an overview of the expected result. Next, run the Archive action to create the archive files. Finally, run the Summarize action to remove the journal entries from the database and to create new summarized journal entries to keep the account balances.

Note When journal entry records are deleted, the database size is not immediately reduced. The size of the database is governed by the High Water Mark (HWM) of each storage area. `PROBKUP`, for example, backs up every database storage area block up to its HWM. Deleting records does not lower the HWM. There are two ways to lower the HWM of a storage area:

- Dump the data in the storage area, remove and recreate the storage area, and then reload the definitions and data.
- Move the data into a new storage area using the command `PROUTIL -C TABLEMOVE.` Then, remove the existing storage area using the command `PROSTRCT REMOVE`.

Batch ID. Specify an operational batch ID to process the menu. For the Estimate action, you can output to page. However, for other actions, Batch ID is a mandatory field.

Archive File

Two file formats are supported when you archive journal entries:

- QAD standard archive format `.hst` (composite `.d` file)
- JSON

When you archive journal entries, the system always creates an archive file in QAD standard archive file format. If you select Export JSON File, a JSON archive file is also created.

For audit purposes, you may want to make the archive file more readable. For example, external auditors may want to check a detailed journal entry in an archive file. The JSON format allows you to provide a report on archive files. JSON is a universal file format that can be read by many third-party tools.

Creating Archive Files

The system creates archive files by period for each entity and year in a predefined file location. You can move the archive files from your database to a low-cost storage media.

Archiving COA Master Data

In addition to generating a standard archive file, the system also archives COA master data such as GL account, sub-account, cost center, project, SAF, inter-company, daybook, business relation, customer, and supplier. This COA master file enables you to keep a record of the COA master data. The system creates a separate COA master data archive file for each archived year to preserve its historical data.

If you select Export JSON File, the system creates a JSON file for COA master data. You can use this JSON master data file to map to the archived journal entries.

Journal Entry Archive Tables

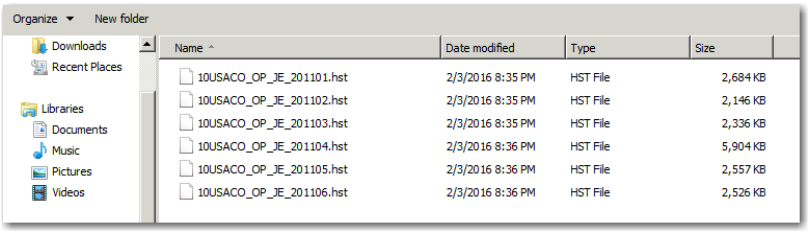
The system dumps data from these six tables and generates archive files:

- Posting
- PostingLine
- PostingSaf
- PostingVat
- PostingVatDelay
- PostingWHT

Archive File Folder Hierarchy

Under the predefined file path, the system creates a subfolder for each entity and year. In the example in Figure 6.120, six files are generated under the 2011 sub folder of 10USACO.

Fig. 6.120
Folder Hierarchy



Summarizing Journal Entries

After generating an archive file, run the Summarize action to remove the archived journal entries from the database and to create a summarized journal entry to keep the account balances. Only an archived period can be summarized, which ensures that all summarized periods already have a generated archive file.

The system summarizes journal entries by period for each entity and year. The summary posting is always on the last day of the GL period. The summarized journal entry description displays the data summarization execution date.

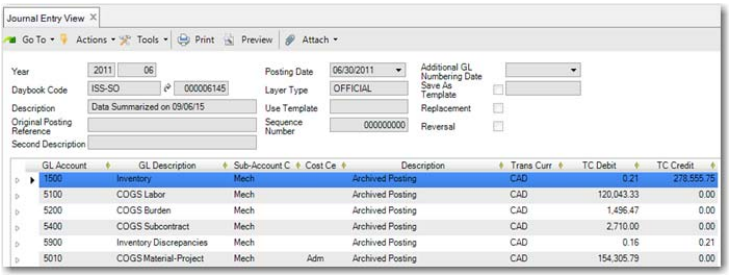
Journal entries are summarized using the original daybook and by COA key such as account, sub-account, cost center, project, SAF, intercompany code, currency, and daybook.

Period 00 and the last period are for year-end closing and are not summarized, but they are still archived.

During archiving and summarizing, the system keeps the audit trail information. To see archiving status and detail information, run Archive Audit Trail Report.

Figure 6.121 displays an example of a newly created summarized journal entry. The posting date is always the last day of the period. To keep the original account debit and credit activity amount, the system sums the debit and credit amounts, without netting them. Therefore, the total of the account activity remains the same.

Fig. 6.121
Journal Entry View



Before and after you run the Summarize action, it is recommended that you run GL Balance versus Transactions (25.21.2.2). This report can help you to verify whether the sum of all detailed transactions equals the balance. This step ensures that you have a consistent set of data before you start archiving.

Financial Archive File Reload

To recover archived data, use Financial Archive File Reload (36.23.4.4). This program enables you to:

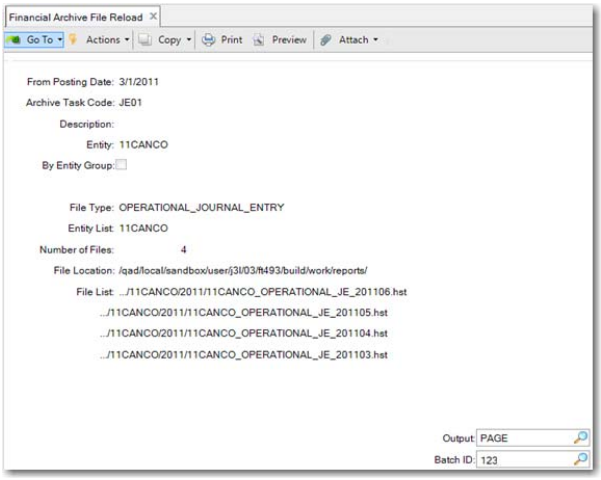
- Remove the summarized journal entries
- Reload the original journal entries
- Reload from the latest summarized period

When you reload archive files, the system first removes the summarized journal entry and puts the data from the archive file back into the database exactly as it was before you deleted it. The COA balance does not change.

Note To reload archive files that have been moved from their original file path, you must move the files back to their original location before loading. You can find the original file path by running the Archive Audit Trail Report or by browsing the archive file folder hierarchy.

Important You can only reload a file with the same schema. For example, an archive file created in QAD 2016 EE can only reloaded in 2016 EE. After you upgrade your QAD version, archive files created with previous versions can no longer be loaded. Generally, however, you only need to restore a file in case of error, and these errors should be recognized shortly after you summarize journal entries.

Fig. 6.122
Financial Archive File Reload



From Posting Date. Specify a posting date that the system uses to find the GL period for each entity.

Note An archive file is generated in chronological order. The file is reloaded in reverse order, beginning with the latest summarized period. For example, you summarized journal entries up to December 2015 and you want to reload the file from October 1, 2015. This means that you restore three periods; October, November, and December. The system first reloads December, then November, and, finally, October.

Archive Task Code. You must reuse the archive task code that you used when you ran Data Archive. The system looks in the original archive file location to reload files.

Entity, By Entity Group. You can restore files by entity or by entity group. The fields are mutually exclusive.

Batch ID. As with the Archive and Summarize actions, you must schedule a batch to process the reload.

After you complete these fields, the entity and archive file information are displayed as read only.

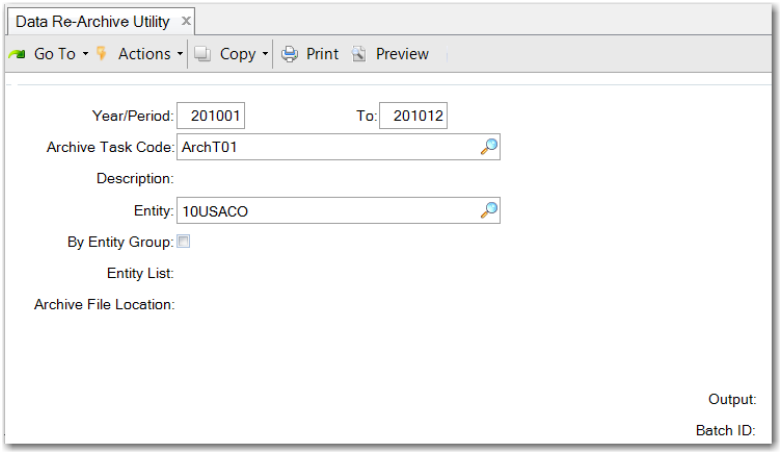
After archive files are reloaded, the system creates a `.prn` report file containing the reload status and detailed results. The report structure is the same as the data archive report.

Data Re-Archive Utility

You can only archive a period using the Data Archive menu one time. The next time you run Data Archive, the period is skipped automatically. To rearchive a period, use the utility program Data Re-Archive Utility (36.23.4.5).

As displayed in Figure 6.123, you can regenerate archive files by period range. You can rearchive by entity or by entity group.

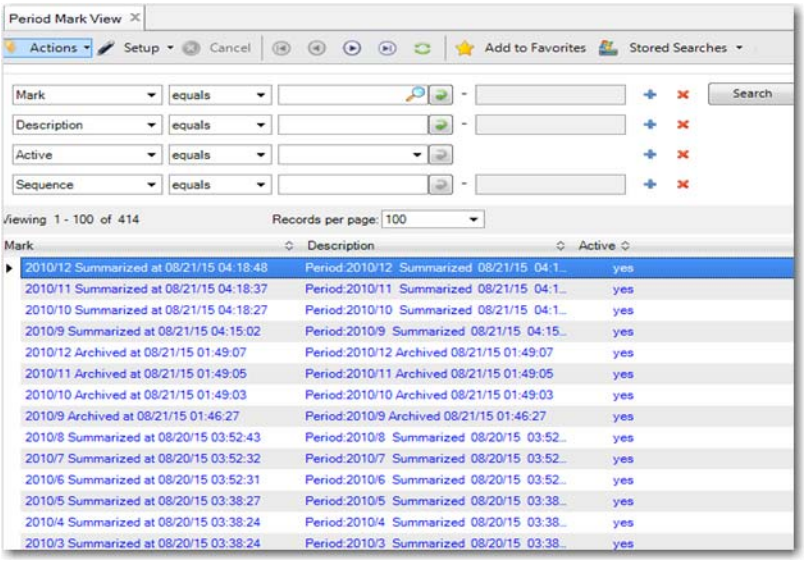
Fig. 6.123
Data Re-Archive Utility



Period Mark View

Period Mark View (25.4.2.7) displays the related archive status, including the status for Archive and Summarize actions, File Reload, and Data Re-archive. For example, after a period has been archived, the period mark status displays the archived status and the date and time of execution.

Fig. 6.124
Period Mark View



For example, for period 2010/12, the period mark displays the status for different actions as follows:

- The status for the Archive action includes Archiving and Archived:
  - 2010/12 Archiving at 08/21/15 01:42:00
  - 2010/12 Archived at 08/21/15 01:49:00

  If the period has been archived successfully, the period mark in Figure 6.124 displays the final status as Archived.

- Assuming that you are running Data Re-Archive to regenerate an archive file, the status of the period mark for the Re-Archive action is set to ReArchiving:
  - 2010/12 ReArchiving at 08/21/15 02:30:00

  If the period has been rearchived, the period mark displays as Archived.
- The status for the Summarize action includes Summarizing and Summarized:
  - 2010/12 Summarizing at 08/21/15 04:12:00
  - 2014/12 Summarized at 08/21/15 04:18:48

  If the period has been summarized successfully, the period mark displays the final status as Summarized.
- The status for Archive File Reload includes Removing, Removed, Reloading, and Reloaded. First, the system removes the summarized journal entry that the system created when you ran the Summarize action. Next, the system begins to reload the original journal entry using the original posting ID.
  - 2010/12 Removing at 08/21/15 10:01:00
  - 2010/12 Removed at 08/21/15 10:05:00
  - 2010/12 Reloading at 08/21/15 10:05:00
  - 2010/12 Reloaded at 08/21/15 10:09:00

  If the period has been removed successfully, the period mark displays the status as Removed. The period mark displays the final status as Reloaded when the original posting has been reloaded successfully.

Archive Audit Trail Report

When you archive, rearchive, summarize, or reload a file; the system stores audit trail information in an XML file. After execution, you can run Archive Audit Trail Report to check archive status and detailed result information. This report contains three sections:

- Header summary
- Entity detail
- Message

The header summary section displays summary information such as posting date, file type, action, entity group, total number of postings and posting lines, execution data, and time.

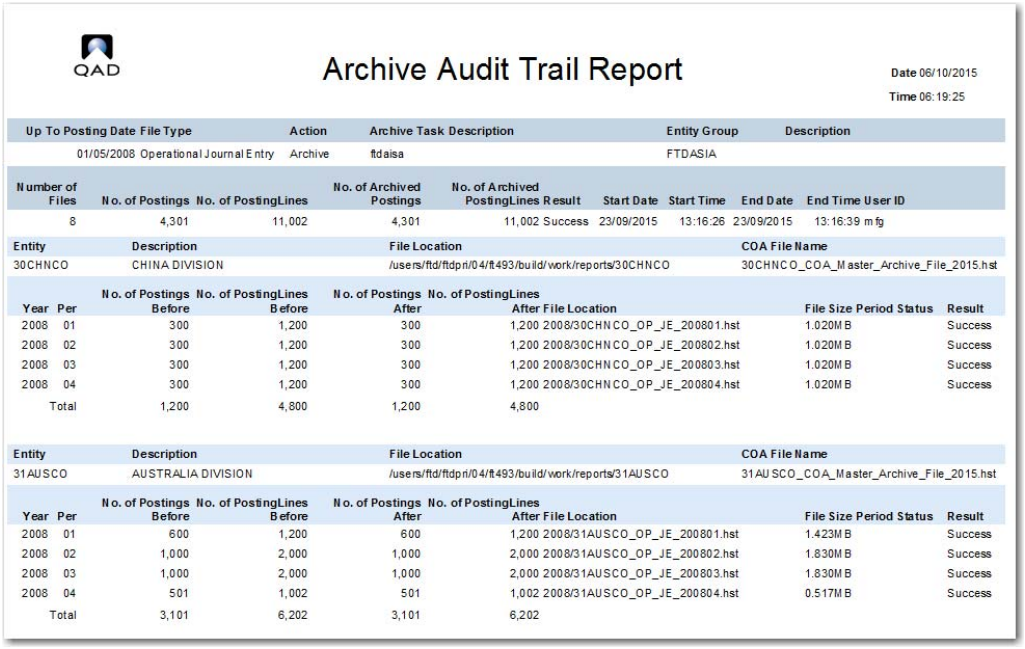
The entity detail section displays detailed information for each year and period. It also displays any errors encountered.

The dataset contains other fields that you can add to the report layout in Design Mode.

Note For data security, it is recommended that you also archive the XML files for task configuration, archive task, and audit trail. You can copy the XML files to another storage media along with the normal archive files.

The three XML files created when you run the data archive function—`ArchveConfig.xml`, `ArchiveTask.xml`, and `ArchiveAuditTrail.xml`—are stored in the same folder as `cbsever.xml`. The file path depends on the client installation location.

Fig. 6.125
Archive Audit Trail Report



Archive Audit Trail Report

Date 06/10/2015
Time 06:19:25

Up To Posting Date	File Type	Action	Archive Task Description	Entity Group	Description
01/05/2008	Operational Journal Entry	Archive	ftdaisa	FTDASIA	

Number of Files	No. of Postings	No. of PostingLines	No. of Archived Postings	No. of Archived PostingLines	Result	Start Date	Start Time	End Date	End Time	User ID
8	4,301	11,002	4,301	11,002	Success	23/09/2015	13:16:26	23/09/2015	13:16:39	mfg

Entity	Description	File Location	COA File Name
30CHNCO	CHINA DIVISION	/users/ftd/ftdpri/04/ft493/build/work/reports/30CHNCO	30CHNCO_COA_Master_Archive_File_2015.hst

Year	Per	No. of Postings Before	No. of PostingLines Before	No. of Postings After	No. of PostingLines After	File Location	File Size	Period Status	Result
2008	01	300	1,200	300	1,200	2008/30CHNCO_OP_JE_200801.hst	1.020MB		Success
2008	02	300	1,200	300	1,200	2008/30CHNCO_OP_JE_200802.hst	1.020MB		Success
2008	03	300	1,200	300	1,200	2008/30CHNCO_OP_JE_200803.hst	1.020MB		Success
2008	04	300	1,200	300	1,200	2008/30CHNCO_OP_JE_200804.hst	1.020MB		Success
Total		1,200	4,800	1,200	4,800				

Entity	Description	File Location	COA File Name
31AUSCO	AUSTRALIA DIVISION	/users/ftd/ftdpri/04/ft493/build/work/reports/31AUSCO	31AUSCO_COA_Master_Archive_File_2015.hst

Year	Per	No. of Postings Before	No. of PostingLines Before	No. of Postings After	No. of PostingLines After	File Location	File Size	Period Status	Result
2008	01	600	1,200	600	1,200	2008/31AUSCO_OP_JE_200801.hst	1.423MB		Success
2008	02	1,000	2,000	1,000	2,000	2008/31AUSCO_OP_JE_200802.hst	1.830MB		Success
2008	03	1,000	2,000	1,000	2,000	2008/31AUSCO_OP_JE_200803.hst	1.830MB		Success
2008	04	501	1,002	501	1,002	2008/31AUSCO_OP_JE_200804.hst	0.517MB		Success
Total		3,101	6,202	3,101	6,202				

Mirror Accounting

Mirror accounting is used in several European accounting systems to ensure that inventory transactions are reflected immediately in the income statement, as well as in the balance sheet. This lets you analyze purchases and inventory movement in the GL in internal management reports.

You can apply mirror accounting to inventory control transactions only, such as PO Receipts, WO receipts, inventory movements, and SO shipments.

Mirror accounting links a set of source (balance sheet) accounts to a set of mirror (income statement) accounts. When an inventory transaction is posted that updates the source accounts, the system generates a mirror posting that updates the mirror accounts simultaneously:

Account	Debit	Credit
Source 1 - GL1	100	
Mirror 1 - GL 3		100
Source 2 - GL2		100
Mirror 2 - GL4	100	

Mirroring adds two posting lines to the original transaction, which update the mirror accounts you defined.

You can select the following types of source account:

- Standard account
- Cross Company Control account
- Inventory Control account

- WIP Control account
- System accounts of type Purchase Order Receipts and Unmatched Invoices.

All mirror accounts must be standard GL accounts.

When your source account is a cross-company account, the cross-company mirror transactions are posted as usual across the entities.

Inventory transactions normally use operational daybooks in the official layer only. When mirror accounting is enabled, you can choose to post both source and mirror transactions to daybooks in either the official or management layer, and can also select either journal entry or matching as the daybook type. This lets you generate mirror transactions in different layers for reporting purposes.

A mirror transaction can optionally be split into two sub-transactions, which can be posted to either the source or mirror daybooks. See “Splitting Mirror Transactions” on page 448.

You typically select balance accounts as source accounts and P&L accounts as mirror accounts, and define daybooks and split transactions as required.

Mirror accounting is also affected by two other options:

- When Summarized Journal is set to Yes in Inventory Accounting Control (36.9.2), operational transactions are summarized before they are posted. In this case, the mirroring information on individual transactions is executed but the split transactions are summarized, and the individual split transactions are not displayed in subsequent reports.

  Note When Summarized Journal is selected and transactions contain legal document numbers, not all legal document numbers are tracked in the summarized inventory transactions. Therefore, when legal documents are used to track inventory transactions, it is recommended not to select the Summarized Journal field.
- When Create GL Transactions is set to No in Inventory Accounting Control, the system does not generate IC transactions, and mirror accounting is disabled.

Triggering Mirror Accounting Using Analysis

When your source accounts have sub-account, cost center, or project analysis defined, you can decide to apply some or all of the analysis as conditions to trigger the mirror transactions.

For example, when you specify a sub-account on a source account, mirroring is triggered for only those transactions that contain that sub-account. If the sub-account field is not specified for the source account, then mirroring is triggered for all transactions that update the source account.

Note SAF analysis cannot be used to trigger mirror accounting.

Setting up Mirror Accounting

Configure mirror accounting using the following steps.

1. Define mirror accounting for the entity or domain. Mirror accounting is defined as an attribute of the entity and can be enabled per entity or per domain. See “Setting Up Entities” on page 45. When you enable mirror accounting for the domain, it is activated for each entity by default.
2. Define your source and mirror daybooks. See “Defining Source and Mirror Daybooks” on page 447.
3. Define your source and mirror accounts, and define the settings for split transactions, if required. See “Defining Source and Mirror Accounts” on page 448.

Mirror accounting is then enabled in the current entity when:

- It is activated for this entity.
- A daybook for inventory control transactions has been defined for the entity.
- Each source daybook has a mirror daybook

Defining Source and Mirror Daybooks

Use Mirroring Daybook Create (3.20.6.1) to create, modify, delete, and view source and mirror daybooks. You create the source and mirror daybooks as a linked pair.

You can select the same daybook for both source and mirror, and the mirror daybook can be any daybook of type Journal Entry in either the official or management layer. You can also use source and mirror daybooks of type Periodic Costing with both belonging to the transient layer.

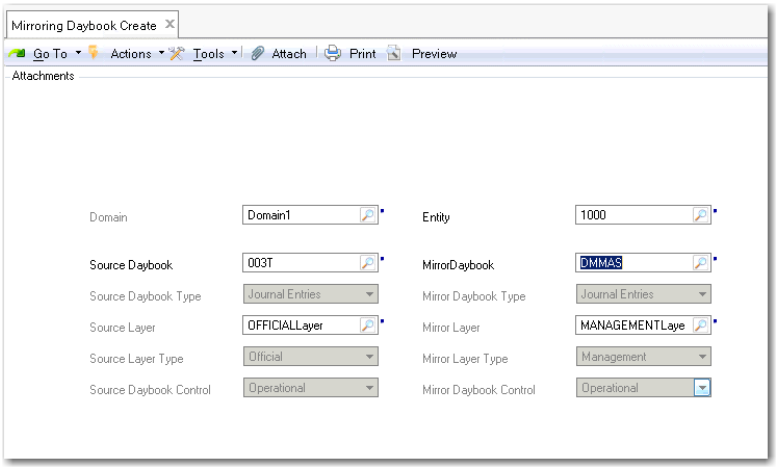
You can, for example, define management layer daybooks for your mirror transactions, and generate management reports for this layer only. Each source daybook must have a mirror daybook to enable mirroring, and at least one transaction must be posted in the source daybook.

The following restrictions apply when defining source and mirror daybooks:

- The daybooks can be in either official or management layer, but at least one must be in the official layer.
- The source and mirror daybook type must be of type Journal Entry or of type Periodic Costing.
- The source and mirror daybook control (operational only) must be the same.

When a mirror transaction is split, and a sub-transaction is posted to a mirror daybook, the system retrieves the mirror daybook by checking the source daybook and identifying the other half of the pair.

Fig. 6.126
Mirroring Daybook Create



Field Descriptions

Domain. This read-only field displays the current domain.

Entity. Specify the entity in which the mirror transactions are generated. You can only select entities in the current domain.

Source Daybook. Specify a daybook for the source transactions.

Mirror Daybook. Specify a daybook for the mirror transactions.

Note You can select journal entry or matching daybook types only.

Source/Mirror Daybook Type. These read-only fields display the daybook type for the source and mirror daybooks.

Source/Mirror Layer. These read-only fields display the source and mirror daybook layers.

Source/Mirror Layer Type. These read-only fields display the source and mirror daybook layer types. You can select daybooks in the official and management layers only.

Source/Mirror Daybook Control. These read-only fields display the source and mirror daybook control types.

Defining Source and Mirror Accounts

Use Mirroring GL Account (3.20.7.1) to create, modify, delete, and view mirror account configurations. Use this function also to define mirroring analysis and transaction splitting options.

Note When you define two mirror accounts with differing consolidation methods, the system displays a warning, but does not prevent the mirroring from taking place.

Splitting Mirror Transactions

When you split mirror transactions, you define the daybooks into which the transactions are to be posted. You can split mirror transactions into sub-transactions in two ways:

- Mixed. The sub-transactions use the source accounts with their paired mirror accounts:

Split Transaction	Debit	Credit
Transaction 1	Source Account 1	Mirror Account 1
Transaction 2	Source Account 2	Mirror Account 2

- Separate. The sub-transactions use a mix of source and mirror accounts:

Split Transaction	Debit	Credit
Transaction 1	Source Account 1	Source Account 2
Transaction 2	Mirror Account 1	Mirror Account 2

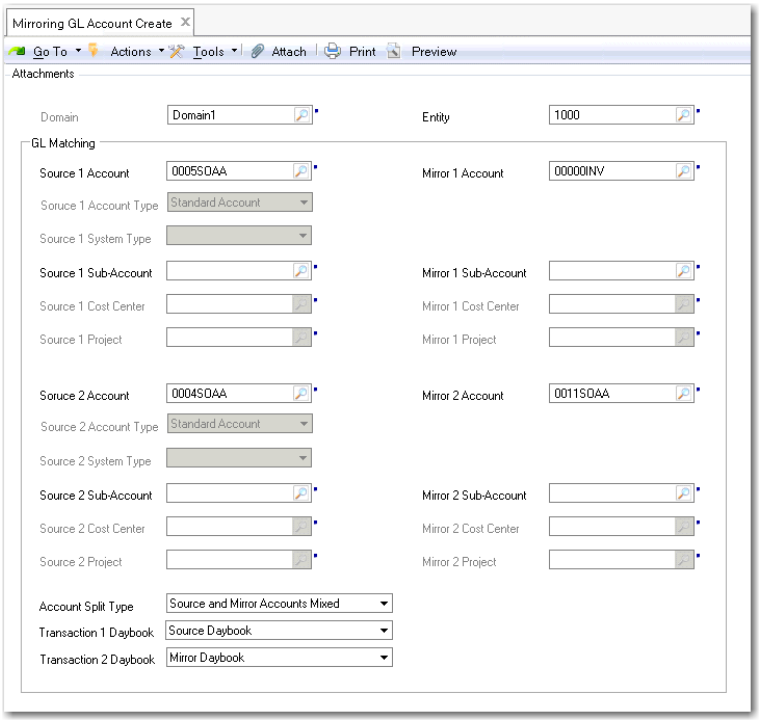
When splitting transactions, you must specify the daybook in which each split transaction is to be posted. You must post at least one transaction in the source daybook.

Mirror Account Analysis

Mirror accounting handles account analysis in the following way:

- When both the source and mirror accounts have the same type of analysis (sub-account, cost center, or project), but no values are defined for the mirror account, the system uses the source account value in the transaction.
- If a value is defined for the mirror account, the system uses that value in the transaction.
- If analysis is defined for the mirror account but not for the source account, the system retrieves a default value for the analysis from the mirror account definition.

Fig. 6.127
Mirroring GL Account Create



Field Descriptions

Source 1 Account. Specify the first source account.

Source 1 Account Type. This field displays the source account type.

Source 1 System Type. When the source account is a system account, this field displays the system type.

Source 1 Sub-Account. Specify a sub-account for account analysis.

Source 1 Cost Center. Specify a cost center for account analysis.

Source 1 Project. Specify a project for account analysis.

Mirror 1 Account. Specify a mirror account for the source account.

Mirror 1 Sub-Account. Specify a sub-account for mirror account analysis.

Mirror 1 Cost Center. Specify a cost center for mirror account analysis.

Mirror 1 Project. Specify a project for mirror account analysis.

Source 2 Account/Mirror 2 Account. Specify the second source and mirror accounts for the transaction.

Account Split Types. Choose a method for splitting transactions:

None. Mirror transactions are not split.

Separated. The mirror transaction is split, and the sub-transactions use separate source and mirror accounts.

Mixed. The mirror transaction is split, and the sub-transactions use a mix of source and mirror accounts.

Transaction 1 Daybook. Specify the daybook for the first split transaction.

Transaction 2 Daybook. Specify the daybook for the second split transaction.

Example In this example, mirror accounting is applied to a work order transaction to reflect inventory movement in the income statement as well as the balance sheet. By applying a split to the mirror transaction, you ensure that the inventory transaction is posted to the management layer for analysis, while the mirror transaction is posted to the official layer.

A quantity of 10 items with a standard cost of $10 per item is issued to WIP from Inventory as a work order. This generates the following posting:

Account	Debit	Credit
WIP	100	
Inventory		100

Use the following steps to create a mirrored transaction with a separated split:

1. Define a source daybook in the management layer and a mirror daybook in the official layer.
2. Define the following mirroring accounts:

Account	Debit	Credit
Source 1 - WIP	100	
Mirror 1 - Cost of Production		100
Source 2 - Inventory		100
Mirror 2 - Raw Material Expense	100	

3 Define a split of type Source and Mirror Accounts Separated.

4 Select the source daybook (management layer) for Transaction 1, and the mirror layer (official layer) for Transaction 2.

5 Post the transaction.

The posting generates the following split transactions:

- Transaction 1 to the management layer:

Account	Debit	Credit
WIP	100	
Inventory		100

- Transaction 2 to the official layer:

Account	Debit	Credit
Cost of Production		100
Raw Material Expense	100	

Mirror Accounting Report

The Mirror Accounting Report (25.15.1.16) displays the source and mirror postings for a selection of source accounts and source daybooks. The report identifies the source and mirror posting lines and daybooks both for split and non-split transactions.

Year-End Transactions

The Year-End Closing activities (25.21.4) let you run a process to automatically create closing postings, and to close the GL calendar year to new transactions. You can run year-end closing on the official layer and also on management layers. You can close management layers before or after closing the official layer.

The year-end closing process comprises three steps:

- A setup step to create all accounts and daybooks required.
- A verification step that includes a number of checks on the GL calendar year to close.
- A registration step where the process creates correction periods (if required), postings, and closes all GL periods in the GL calendar year.

The year-end closing postings include:

- A P&L transfer to balance sheet posting

- A P&L closing posting
- A balance sheet closing posting
- A balance sheet opening posting

You can transfer the P&L to the balance sheet manually before the year-end closing is run or it can be included as the first step in closing postings. You can create the other three postings automatically using the year-end closing process.

Year-end postings are created in the base and statutory currencies, and for a single entity at a time. The postings can optionally include sub-accounts, but no other account analysis.

Set Up Year-End Closing

Before running year-end closing, you must set up the GL accounts and daybooks used by the process.

Table 6.10 lists the accounts required by the year-end closing process.

Table 6.10
Accounts for Year-End Closing

Accounts Required	Restrictions
P&L Closing Account (without sub-account analysis)	The account must be: • A P&L account of GL type Year-End Closing • Defined without sub-account or other analysis • A non-intercompany account • Defined to accept postings in the base currency only
P&L Closing Account (with sub-account analysis)	Restrictions as above, except that the account must be defined with sub-account analysis
Balance Sheet Account (without sub-account analysis)	The account must be: • A balance sheet account of GL type Year-End Closing • Defined without sub-account or other analysis • A non-intercompany account • Defined to accept postings in the base currency only
Balance Sheet Account (with sub-account analysis)	Restrictions as above, except that the account must be defined with sub-account analysis

Table 6.11 lists the daybooks required by the year-end closing process.

Table 6.11
Daybooks for Year-End Closing

Daybooks Required	Restrictions
P&L to retained earnings daybook	• Daybook of type Year-End Closing • Official or management layer
P&L closing daybook	
Balance sheet closing and opening daybook	

Note You must also create a record for the subsequent GL calendar year, with at least one GL period.

Year-End Closing Checks

When you run the year-end closing process for a layer, the system performs a number of checks.

You can create year-end closing postings only when the following conditions are met:

- Each GL period for the specified GL calendar year and entity has been closed to transactions from modules other than GL.
- For a management layer being closed before the official layer is closed, the periods must be set to at least Reported status for the entire year. When you close the management layer, the periods remain Reported.
- For a management layer being closed after the official layer has been closed, all periods must have a Frozen status.

  Note GL Periods are frozen when the official layer is closed.
- The GL calendar year has not been closed.
- The system history tables are up to date, and the History daemon has no records to process.
- The trial balance sums to zero. See “Financial Statements” on page 933.
- The profit and loss balance has already been set to zero, in cases where you choose to close the GL calendar year manually.
- There is no outstanding balance on the Auto Balance system account for that year. This check is performed on the official and management layers only. Postings to the transient layer for the Auto Balance account do not affect the Year End Closing. See “Journal Entry Auto Balancing” on page 331.
- You have the appropriate role access to create postings against the year-end closing daybooks.

  Note You can set up permissions for Year-End Closing daybooks in Daybook Create so that only certain roles can close specific layers. In this scenario, the system verifies that the current user has the role required to make postings to a Year-End Closing daybook.

If any of the checks fail when closing the layer, the system displays an error message and stops the year-end closing process. If all the checks are passed with a warning, the system displays a warning message but allows the year to be closed. If all checks pass, the system displays a message indicating you can register the year-end closing.

Closing periods are created when the first layer is closed. Therefore, when a second layer—management or official—is created, the periods already exist and are not duplicated.

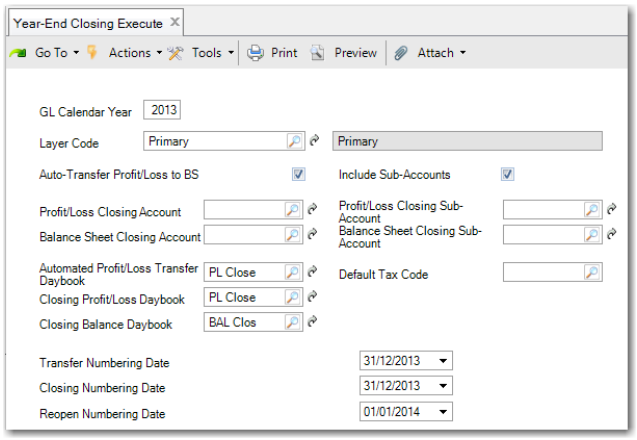
To close a management layer manually, journal entries must be made using Year-End Closing daybooks and must be posted to Correction Periods and Year-End Closing periods. It is only possible to make a Year-End Closing posting to a normal accounting period when there is no correction period and the period concerned is the last normal accounting period for the year.

Running Year-End Closing

When you have completed the setup, run Year-End Closing Execute (25.21.4.1).

When Additional GL Numbering is enabled, you can specify numbering dates for year-end closing postings. See “Additional GL Numbering” on page 334 for more information.

Fig. 6.128
Year-End Closing Execute



Field Descriptions

GL Calendar Year. Specify the GL calendar year for which you want to run the year-end closing process.

Layer Code. Specify the layer code of the layer you want to close. Only the official and management layers are available for selection. By default, the field displays the official layer code. Changing this field also changes the values in the daybook fields.

Auto-Transfer Profit/Loss to BS. Select the field to automatically transfer the profit and loss to the balance sheet during the year-end closing process.

If you clear the field, the year-end closing process assumes that you have transferred the profit and loss manually.

Note If you do not transfer the profit and loss to the balance sheet either manually or automatically, the sum of the profit and loss accounts will not be zero and you cannot register the year-end closing.

Include Sub-Accounts. Select the field to close sub-accounts during year-end closing.

If you clear the field, the year-end closing process does not include sub-accounts in the postings.

Profit/Loss Closing Account. Specify the profit and loss GL account to which the year-end closing procedure posts the total balance of the profit and loss accounts. The account must be a profit and loss GL account defined without sub-accounts and analysis.

The year-end closing process uses this account only when you select the Auto-Transfer Profit/Loss to BS field.

Balance Sheet Closing Account. Specify the balance sheet GL account to which the total balance of the profit and loss accounts will be transferred. The account must not include sub-accounts.

The year-end closing process uses this account only when you select the Auto-Transfer Profit/Loss to BS field.

Automated Profit/Loss Transfer Daybook. Specify the daybook to use for the posting that transfers the total balance on the profit and loss accounts to the balance sheet. When you change the layer to close, the daybook in this field automatically changes. When only one daybook exists, it defaults to that daybook. When multiple daybooks exist, it defaults to the daybook used to close a year previously. Otherwise, the field is blank.

The daybook must be of type Year-End Closing.

This daybook is required only if you have selected the Auto-Transfer Profit/Loss to BS field.

Note You can manually transfer the profit and loss to the balance sheet using Journal Entry Create. In Journal Entry Create, you can use daybooks of type Journal Entries or Year End Closing.

Closing Profit/Loss Daybook. Specify the daybook to use for the posting in which the individual profit and loss accounts are set to zero. When you change the layer to close, the daybook in this field automatically changes. When only one daybook exists, it defaults to that daybook. When multiple daybooks exist, it defaults to the daybook used to close a year previously. Otherwise, the field is blank.

The daybook must be of type Year-End Closing.

Closing Balance Daybook. Specify the daybook to use for the postings in which the individual balance sheet postings are closed and re-opened. When you change the layer to close, the daybook in this field automatically changes. When only one daybook exists, it defaults to that daybook. When multiple daybooks exist, it defaults to the daybook used to close a year previously. Otherwise, the field is blank.

The daybook must be of type Year-End Closing.

Profit/Loss Closing Sub-Account. Specify the profit and loss GL account to which the year-end closing process posts the total balance of profit and loss accounts that include sub-accounts.

The year-end closing process uses this account only when you select the Auto-Transfer Profit/Loss to BS field.

This field is unavailable if the Include Sub-Accounts field is cleared.

Balance Sheet Closing Sub-Account. Specify the balance sheet GL account to which the year-end closing process transfers the total balance of the profit and loss accounts with sub-accounts.

This account is required only when the Auto-Transfer Profit/Loss to BS field is selected.

This field is unavailable if the Include Sub-Accounts field is cleared.

Default Tax Code. Specify the default tax code to associate with the year-end closing transactions. This rate is required to make the closing postings for tax accounts. While the amount of the posting is zero, the rate is required to create a valid record.

Transfer Numbering Date. When using additional GL numbering, you can specify a numbering date for the system-generated posting that transfers the profit and loss to the balance sheet. This numbering date is optional, and the Transfer Numbering Date field is only available when you select the Auto Transfer Profit/Loss to BS field.

Closing Numbering Date. When using additional GL numbering, you must specify a numbering date for the profit and loss and balance sheet closing posting. This field is mandatory, and its default value is the system date.

Reopen Numbering Date. When using additional GL numbering, you must specify a numbering date for the balance sheet reopening posting. This field is mandatory, and its default value is the system date.

Records and Postings

The process creates a number of records and postings:

- A closing period.
- An opening period (00). The system reopens the balance sheet for this GL period.
- Four postings.

Transfer Profit and Loss to Balance Sheet

The system creates a posting that transfers the profit and loss to the balance sheet. The posting is made in the last correction or normal period (if there are no correction periods) of the GL calendar year. The posting date is the last day of the GL period.

Profit and Loss Closing

The system creates a profit-and-loss closing posting that nets off each income and expense account. If the Include Sub-Accounts field is selected, the posting contains a line for each combination of profit and loss account and sub-account, or for each profit and loss account if the field is cleared. The posting date is the last day of the closing period created by the year-end closing process.

The amounts used in the posting are:

- The reverse of the open balance for the closing profit and loss account without sub-accounts
- The reverse of the open balance for the closing profit and loss account that includes sub-accounts (if Include Sub-Accounts is selected).

Balance Sheet Closing

The balance sheet closing posting sets the balance of each balance sheet account to zero. If the Include Sub-Accounts field is selected, the posting contains a line for each combination of balance sheet account and sub-account, or a line for each balance sheet account if not.

The posting date is the last day of the GL period created by the year-end closing.

The amounts in the posting are:

- The reverse of the open balance on the closing balance sheet account without sub-accounts
- The reverse of the open balance on the closing balance sheet account that includes sub-accounts (if Include Sub-Accounts is selected)

Balance Sheet Reopening

The balance sheet opening posting sets the balance of each balance sheet account to a value. It is similar to the balance sheet closing posting, with the following differences:

- Every credit amount in the closing posting becomes a debit amount in the balance sheet opening posting.
- Every debit amount in the closing posting becomes a credit amount in the balance sheet opening posting.
- The system creates the posting in GL period 00 of the new calendar year. The posting date is the first day of the GL period.

GL Periods Frozen

When you close the official layer, the year-end closing process sets the status of all GL periods for the year to Frozen, and marks the periods as reported.

Note Period 00 of the new GL calendar year is set to Locked and not Frozen.

Additional GL Numbering Posting Example

See “Numbering Examples” on page 343 for an example that illustrates additional GL numbering and year-end closing.

Viewing Results

Year-End Closing View (25.21.4.2) displays layers that have been closed. You can filter the results based on various criteria. You can check the closing execution in Multi-Entity Closing View.

Validation Reports

Validate the year-end closing by manually running closing reports on every period. Table 6.12 lists the reports to be generated.

Table 6.12
Mandatory Year-End Closing Reports

Report	Reference
Numbering Completeness	See “Numbering Completeness (25.21.2.1)” on page 923.
Posting Balance Check	See “Posting Balance Validation (25.21.2.3)” on page 924.
AR vs Control GL Check	See “AR vs Control GL Check (25.21.2.5)” on page 924.
AP vs Control GL Check	See “AP vs Control GL Check (25.21.2.6)” on page 924.

The following table lists optional year-end reports.

Table 6.13
Optional Year-End Closing Reports

Report	Reference
Pending Transient Layer Postings	See “Pending Transient Layer Postings (25.21.2.10)” on page 924.
Open Item GL Validation	See “Open Item GL Validation (25.21.2.4)” on page 924.
Pending Allocations	See “Pending Allocations (25.21.2.11)” on page 924.
Pending Recurring Entries	See “Pending Recurring Entries (25.21.2.12)” on page 925.

Exporting Accounting Data

Use Accounting Data Export (25.13.23.1) to export files of accounting data in standard format and file types that are required by financial authorities in countries such as China.

Note The financial authorities in China have published a standard on the data interface for accounting software. According to the standard, a company doing business in China must export files that include all accounting data from the accounting software it uses.

Each export file corresponds to one type of accounting data, and the data elements and file formats are strictly defined. The export files can be in plain text, and include the types listed in Table 6.14.

Table 6.14
Accounting Data

Accounting Data Type	Description
Electronic Accounting Book	This file includes basic company information such as company name, industry, and organization code.
Chart of Accounts	This file lists the chart of accounts (COA) of a company.
Subsidiary Accounting – Department	This file lists the departments of a company.
Subsidiary Accounting – Supplier/Customer	This file lists the suppliers and customers of a company.
Subsidiary Accounting – Project	This file lists the projects of a company.
Account Balance and Movement	This file includes the monthly account balances and movements for the GL accounts of a company.
GL Voucher	This file details GL transactions that occur within a specified date period.
Balance Sheet	This file includes the balance sheet of a company.
Income Statement	This file includes the income statement of a company.
Format File	This file includes non-accounting data. It stores the file names and data structures for all the other accounting data files that are exported.

Specifying Export Destination

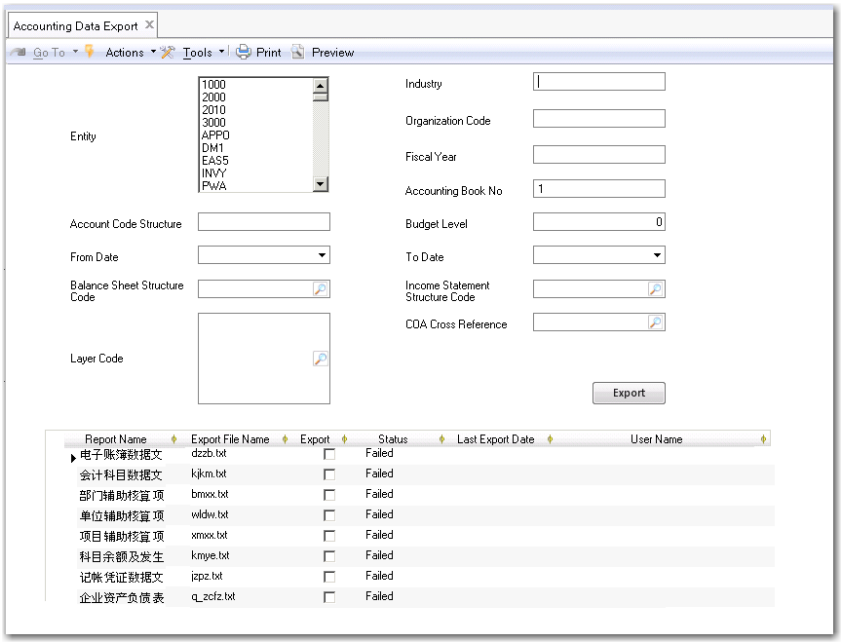
Accounting data is properly formatted for the report files using EDI eCommerce transformation maps to map between financial data and the final output files. The required EDI maps are obtained from the QAD Support Web site and must be loaded using Complete TP Document Load (35.17.19). After this data has been loaded, the only installation-specific parameter that needs to be configured is the location on the file system where the system places the accounting data files.

You specify this in Transmission Group Maintenance (35.13.13). Find a system transmission named `accintf` and set its Destination field to the path where you want to save the exported accounting data files.

Accounting Data Export

Use Accounting Data Export (25.13.23.1) to export accounting data in standard files and formats as required by financial authorities in certain countries.

Fig. 6.129
Accounting Data Export



Field Descriptions

Entity. Select the entity with the accounting data you want to export. By using the Ctrl key, you can select multiple entities; the accounting data is then combined in data files.

Measure 1 From Date, Measure 1 To Date, Measure 2 From Date, Measure 2 To Date.

Specify various dates to set the date ranges for the export files in the following table.

Note Other export files do not require date ranges.

Table 6.15
Date Ranges for Accounting Data Export

For Export File...	Specify...	To...
GL Voucher	Measure 1 From Date Measure 1 To Date	Indicate the date range for selecting transactions to export.
Account Balance and Movement	Measure 1 From Date	Indicate the month the specified date is in.
Balance Sheet	Measure 1 To Date Measure 2 To Date	Indicate the date range for exporting the balance sheet.
Income Statement	Measure 1 From Date Measure 1 To Date Measure 2 From Date Measure 2 To Date	Indicate two date ranges for the income statement. Typically, you define two ranges to export monthly and yearly income in the statement.

Account Code Structure. For exporting the Chart of Accounts (COA) file, specify the COA structure in the format of `x,x,x,....,` where the first `x` indicates the number of characters for the first level COA element, and the second `x` indicates the number of characters for the second level COA element, and so on.

Example You use a combination of GL account, sub-account, and cost center to implement the chart of accounts following local GAAP. If GL accounts are 4 characters in length and sub-accounts and cost centers are both 2 characters, you should specify `4,2,2` as the COA structure.

Balance Sheet and Income Statement Structure Code. Specify the budget codes for exporting the balance sheet and income statement.

Budget codes identify the budgets that you define in Budget Create (25.5.1.1). The budgets are created in advance for reporting on the income statement and balance sheet.

For more information about using budgets for financial reporting, see “GL Closing Reports” on page 923.

Layer Code. The transactions associated with the accounting layers you specify in this field are exported into the GL Voucher file.

Industry/Organization Code/Fiscal Year/Accounting Book No. Values you enter in these fields are directly exported into the Electronic Accounting Book file.

Budget Level. This parameter is used in conjunction with the budget codes to export income statement and balance sheet, and indicates the reporting level in these two reports.

Example The budgets for reporting the income statement and balance sheet include three levels:

1. GL account
2. Sub-account
3. Cost center

If you enter `2` in the field, the exported reports are detailed to the sub-account level.

COA Cross Reference. Specify the COA cross reference code. This value is relevant when exporting a balance sheet or income statement.

Click the Export button to create the selected report files.

Grid Information

Report Name. This read-only column displays the names of reports.

Export File Name. Default file names for each report are listed, which you can modify.

Export. Select the check boxes for the reports that you want to export.

Note To export Chart of Accounts, you must also export Income Statement or Balance Sheet.

Status. This field displays the results for the reports that you last exported.

Last Export Date. This field displays the last date when reports were exported.

User Name. This field displays the ID of the user who executed the last export.

Reviewing Posted Transactions

The general ledger transactions are supported by a range of reports and views that let you analyze a wide range of activity on posted GL transactions.

GL reporting can be detailed or summarized, and includes information on one or a range of entities. In addition, you can define supplementary analysis fields (SAFs) to fine-tune transaction reporting. These provide the basis for powerful and flexible financial reporting and analysis.

Refer to the sections listed in Table 6.16 for more information on GL reports and views.

Table 6.16
General Ledger Reports and Views

Report	Reference
GL Transactions Reports	See “GL Transaction Activity Reports” on page 919.
GL Transactions Views	See “GL Transaction Activity Views” on page 921.
Analytical Transactions Reports	See “Analytical Transaction Reports” on page 922.
Analytical Transactions Views	See “Analytical Transaction Views” on page 923.
Closing Reports	See “GL Closing Reports” on page 923.
Structured Reports, such as Balance Sheets and Income Statements	See “Executing Structured Reports” on page 949.

Note Zero Postings Report (25.21.2.13) enables you to check posting lines with a zero amount. This report is included in “GL Closing Reports” on page 923.

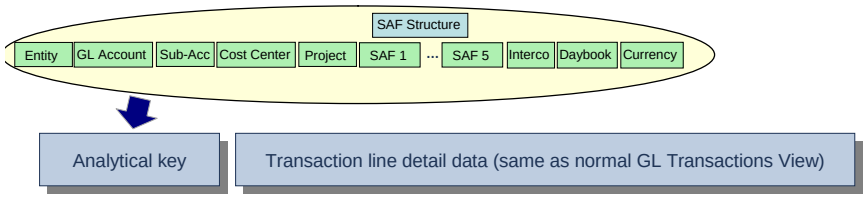
Two useful and detailed views, GL Transactions View Extended and Trial Balance View, are described in the following sections.

GL Transactions View Extended

The GL Transactions View Extended (25.15.2.10) lets you view GL transactions across all analytical levels (sub-accounts, cost centers, projects, and SAFs, in addition to intercompany, daybook, and currency).

Use the filter options to display the data you require, and the view sums all GL transactions that meet the search criteria. Table 6.17 lists the filters and columns for the GL Transactions View Extended.

Fig. 6.130
Filtering



In the grid containing the view search results, you can right-click to display related views. See “GL Transactions View Extended Right-Click Options” on page 463.

Fig. 6.131
GL Transactions View Extended (25.15.2.10)

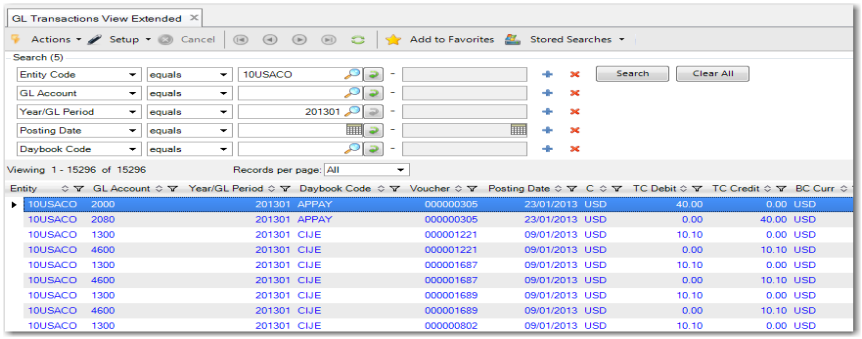


Table 6.17 lists the GL Transactions View Extended columns and filters:

Table 6.17
Filters and Columns for GL Transactions View Extended

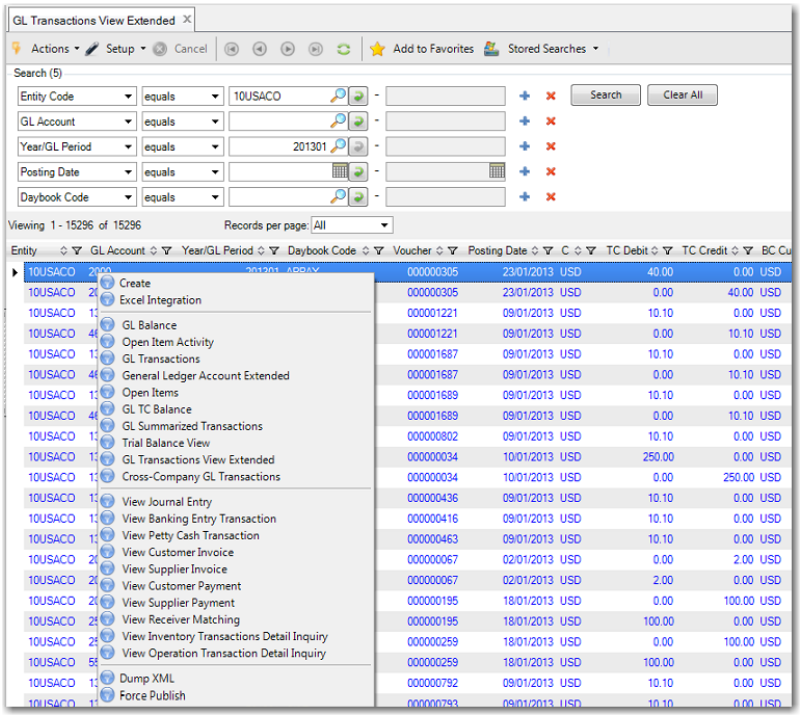
Columns	Filters
Entity	Active GL Account
GL Account	Allocated
Year/GL Period	Allocation Key
Voucher	Balance Sheet Account
Posting Date	Batch Number
Curr	Cost Center
Daybook Code	Currency
Daybook Type	Daybook Code
External Invoice Maintenance	Daybook Type
Third Party	Description
GL Type	Entity Code
GL Description	GL Account
Creator	GL Category
Sub-Account Code	GL Type
Cost Center	Intercompany Code
Cost Center Description	Layer Code
Sub-Account Description	Layer Type
Project	Only Transactions With SAFs
Daybook Description	Posting Date
Layer Code	Posting Description
Type	Project
Description	SAF Concepts 1-5
Origin Daybook Code	SAFs 1-5
Origin Daybook Number	SAF Structure

Columns	Filters
Origin Doc	Sub-Account Code
Origin Pay Type	System Date
Origin Ref	TC Credit
Origin Trans Type	TC Debit
Posting Description	Voucher
Project Description	Year/GL Period
Origin Line No	Automatic Reversal
BC/SC/TC Debit	Automatic Reversal Type
BC/SC/TC Credit	
BC/SC Curr	
Is Reversal	
External Origin	
SAFs 1-5	
SAF Structure Code	
Intercompany Code	
Daybook Type	
Batch Number	
BC/SC/TC Amount	
Exchange Rate	
Scale Factor	
BC/SC Exchange Rate	
BC/SC Scale Factor	
Allocation Key	
Allocated	
Sys Date	
Business Relation Name	
Legal Document	

GL Transactions View Extended Right-Click Options

Figure 6.132 shows the related views that are available as right-click options from GL Transactions View Extended.

Fig. 6.132
Right-Click Options



The following right-click options are available:

- Create

  Opens GL Account Create (25.3.13.1).
- Excel Integration

  Opens GL Account Excel Integration (25.3.13.5).
- GL Balance

  Opens the GL Account Browse for GL Balance.
- Open Item Activity

  Displays detailed information on activities for GL open item accounts.
- General Ledger Account Extended

  Displays extended details of GL accounts, including the posting sign (debit/credit), posting type, analysis, revaluation settings, shared sets, and budget groups.
- Open Items

  Displays and sums all transactions on GL open item accounts that meet the search criteria.
- GL Transactions

  Opens the GL Account Browse for GL Transactions.
- GL TC Balance

  Displays the actual balance in transaction currency for all GL accounts that meet the selection criteria.
- GL Summarized Transactions

  Displays summarized posting history for the accounts specified in the selection criteria.

- Trial Balance View

  See “Trial Balance View” on page 466.
- GL Transactions View Extended
- Cross-Company GL Transactions

  Opens the GL Account Browse for Cross-Company GL Transactions.
- View Journal Entry

  Opens Journal Entry View in a separate window and displays the postings for the transaction.
- View Banking Entry Transaction

  When you select a GL transaction for a banking entry, the system opens a separate Banking Entry View window that displays the specific banking entry you selected. The option to view the source detail is also available for customer and supplier invoices, customer and supplier payments, receiver matchings, petty cash, and banking entry transactions.
- View Petty Cash Transaction
- View Customer Invoice
- View Supplier Invoice
- View Customer Payment
- View Supplier Payment
- View Receiver Matching
- View Inventory Transactions Detail Inquiry

  When you select a GL transaction for an associated operational inventory control transaction, the system opens the Inventory Transactions Detail Inquiry, which displays details on the original inventory transaction.
- View Operational Transactions Detail Inquiry

  When you select a GL transaction for an associated operational work order transaction, the system opens the Operational Transactions Detail Inquiry, which display details on the original work order transaction.
- Dump XML

  Lets you dump the selected rows in XML format.
- Force Publish

  Publishes a business event for the selected GL transaction. A business event in this case is any modification to a Financials business object; for example, create, modify, or delete. By publishing the event, the system ensures that the update is passed to the QXtend Outbound database and replicated to other instances of Financials or third-party applications. This facility eliminates the need for the other applications to extract the data directly from the Financials database.

  In order to publish an event for journal entries, for example, you must first define an event for the Journal Entry component using Event Configuration Create (36.14.16.15.1). In Event Configuration Create, you select the Publish Any Update field to ensure that all data updates for the business object for which you defined the event are published to QXtend.

  For more information., see *QAD System Administration User Guide*.

Figure 6.133 shows the GL Account Browse for GL Balance.

Fig. 6.133
GL Account Browse for GL Balance

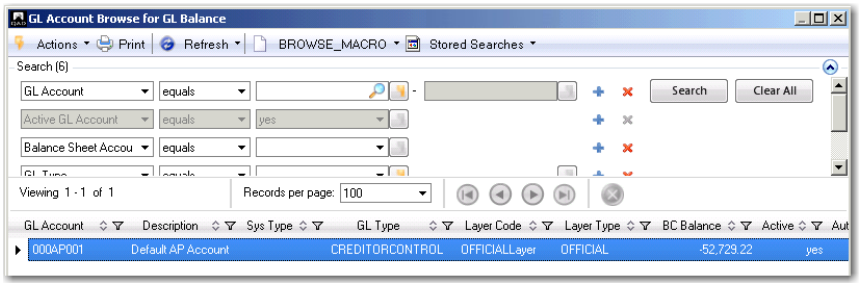
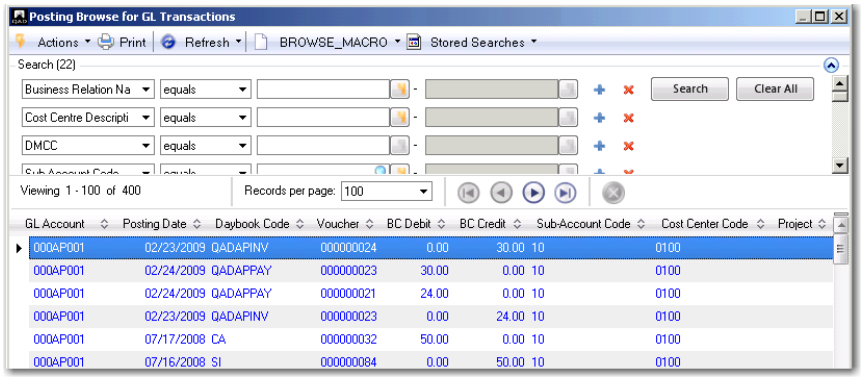


Figure 6.134 shows the Posting Browse for GL Transactions.

Fig. 6.134
Posting Browse for GL Transactions

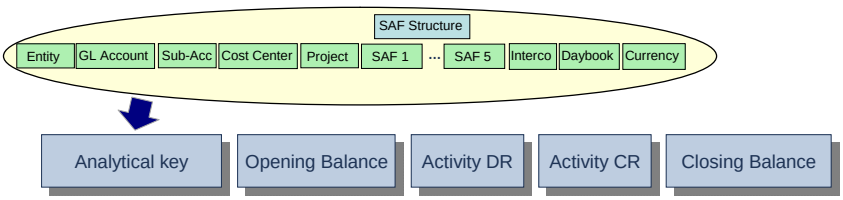


Trial Balance View

The Trial Balance View (25.15.2.9) lets you view balance details for combinations of analytical elements that meet the selection criteria. You can use the view to ensure that the total of the debit balances equals the total of the credit balances for the selected GL periods.

As shown in Figure 6.135, the Trial Balance View contains some additional filtering options relative to GL Transactions View Extended.

Fig. 6.135
Filtering



The Opening Balance BC column can have two values, depending on the GL account. If the GL account is a Balance Sheet account, the Opening Balance BC column contains the Life To Date (LTD) balance. The LTD balance is the sum of all transactions for all years and months prior to the selected GL period.

If the GL account is a P&L account (also called an Income Statement account), the Opening Balance BC column contains the Year To Date (YTD) balance. The YTD balance is the sum of all transactions in the selected year for the months prior to the selected GL period. For example, if the selected GL period is 2014/11, the YTD balance includes all transactions from January 2014 until the end of October 2014.

If the selection criteria includes the last GL period of the previous year and contains all accounts, and if the year-end closing is not finalized, the view displays the Result of Previous Year value.

The Period Debit BC and Period Credit BC columns contain the sum of all transactions in the selected period. In addition, the Balance BC column contains the closing balance at the end of the selected period. This value is calculated as:

(Opening Balance BC + Period Debit BC) – Period Credit BC

Fig. 6.136
Trial Balance View (25.15.2.9)

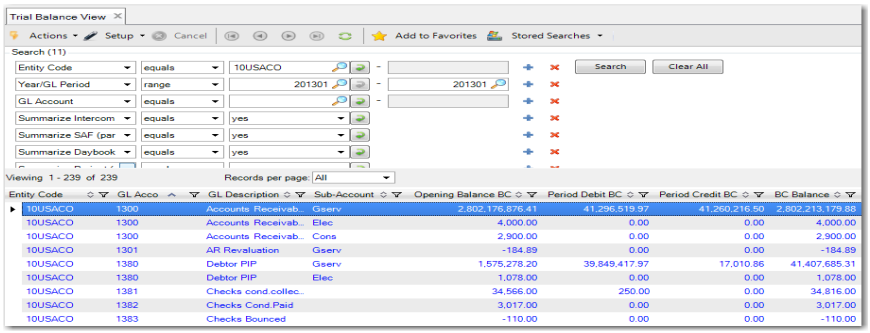


Table 6.18 lists the columns and filters in the Trial Balance View.

Table 6.18
Trial Balance View Filters and Columns

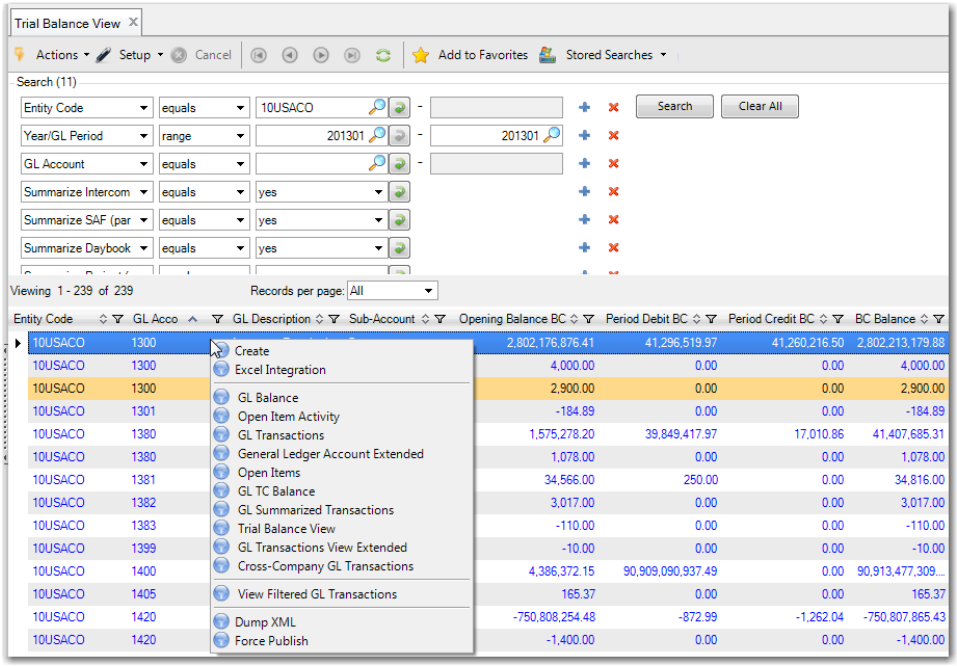
Columns	Filters
Entity Code	Balance Sheet Account
GL Account	Active GL Account
GL Description	Cost Center
Sub-Account	Currency
Cost Center Account	Daybook Code
Project	Daybook Type
Cost Center Code	Entity Code
Daybook Code	GL Account
Intercompany Code	GL Category
Currency	GL Type
GL Category	Include Results of Previous Year
Layer Code	Intercompany Code
Layer Type	Layer Code
GL Type	Layer Type
Daybook Type	Only Balances with SAFs
Active GL Account	Project

Columns	Filters
Balance Sheet Account	SAFs 1-5
Sub-Account Analysis	SAF Concepts 1-5
Fixed IC	SAF Structure
Base Currency Account	Sub-Account Code
SAF Structure	Summarize Cost Center
Project Analysis	Summarize Currency
SAF Analysis	Summarize Daybook
SAF Concepts 1 - 5	Summarize Entity
Cost Center Description	Summarize Intercompany Code
Sub-Account Description	Summarize Project
Project Description	Summarize SAF
SAFs 1 - 5	Summarize Sub-Account
BC/SC Curr	Year/GL Period
BC/TC/SC Balance	
BC/TC/SC Opening Balance	
BC/TC/SC Period Debit	
BC/TC/SC Period Credit	
BC/TC/SC Period Activity	

Trial Balance View Right-Click Options

Figure 6.137 shows the related views that are available as right-click options from the Trial Balance View.

Fig. 6.137
Right-Click Options

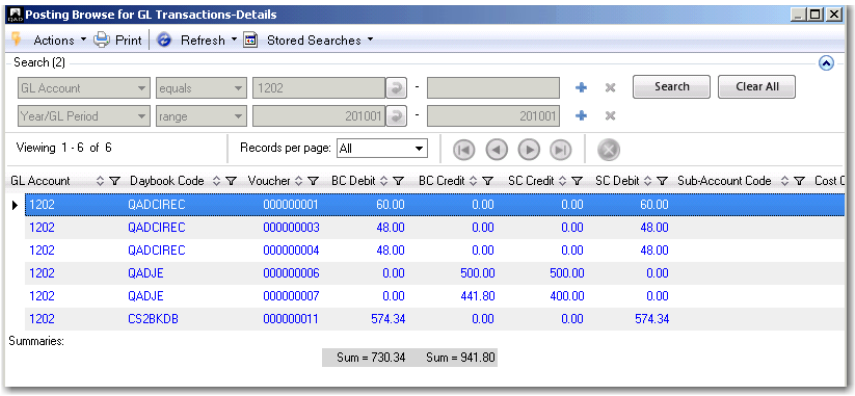


The Trial Balance View contains many of the same right-click options as the GL Transactions View Extended. See “GL Transactions View Extended Right-Click Options” on page 463 for information on these options. The following option is unique to the Trial Balance View:

- GL Transactions-Details

  Opens the Posting Browse for GL Transaction details, shown in Figure 6.138.

Fig. 6.138
Posting Browse for GL Transaction Details

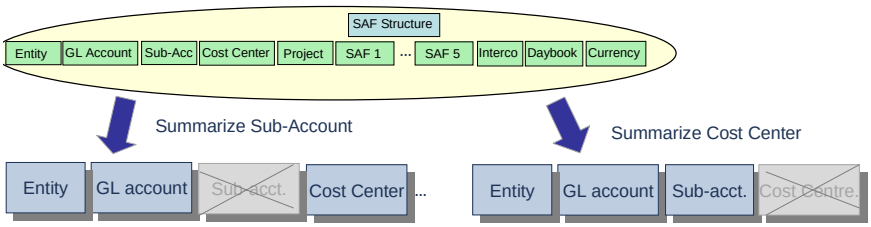


Trial Balance View Summarize Filters

The Trial Balance View contains a number of summarization filters, such as Summarize Sub-Account, Summarize Cost Center, Summarize Project, Summarize SAFs, and Summarize Daybook.

The summarization filters determine the level of analytical information that the search results display. The results are summarized to exclude the level of analytical detail that you have selected to summarize on. Using the example in Figure 6.139, if you select Summarize Sub-Account, the detail lines display data for entities, GL accounts, and cost centers only.

Fig. 6.139
Summarize Filters



Example

A company has two cost centers (CC1 and CC2) and three projects (Prj1, Prj2, and Prj3). At the end of last month, the following cost data is returned:

Cost Center	Project	Cost
CC1	Prj1	10000
CC2	Prj1	20000
CC1	Prj2	25000
CC2	Prj3	4300
CC2	Prj3	2100

To view the cost-control performance of each cost center, and to ignore project information, select Summarize Projects. The results are as follows:

Cost Center	Project	Cost
CC1		35000
CC2		26400

Similarly, you can see the performance by project by choosing Summarize Cost Centers. The results are as follows:

Cost Center	Project	Cost
	Prj1	30000
	Prj2	25000
	Prj3	6400

If you want to see the total performance on cost control, select Summarize Cost Centers and Summarize Projects. The results are as follows:

Cost Center	Project	Cost
		61400

SAFs

When filtering on SAF codes, all positions of a SAF structure (GL SAF, cost center SAF, and project SAF) are searched. The system searches using the SAF codes provided, and their corresponding SAF concepts; for example, SAF 1 and SAF Concept 1.

Chapter 7

Accounts Receivable

The following topics describe the Accounts Receivable (AR) module. AR covers all accounting processes related to customer invoices and payments. This module also manages customer definitions, credit terms, credit limit, aging analysis, reminder letters, and finance charges.

Overview 475
Introduces Accounts Receivable concepts.

Customer Invoice Functions 477
Describes the main customer invoice functions.

Creating Customer Invoices 478
Create an invoice directly in Customer Invoice Create.

Reversing Customer Invoices 494
Describes how to reverse Financials invoices.

Invoice Certification 496
Mark customer invoices by assigning a unique, encrypted digital signature.

Processing Receivables 503
Summarizes activities for processing receivables.

Creating Customer Payments 516
Use the Customer Payment Create activities to create customer payments.

AR Prepayment Tax Reconciliation 526
Add reconciliation keys to link prepayments, tax invoices, and final invoices, and perform reconciliations for audit purposes.

Creating Customer Payment Selections 533
Pay multiple invoices using customer payment selections.

Processing Deductions 539
Record deductions, which occur when the customer pays less than the expected amount.

Collecting Receivables 566
Summarizes activities for collecting receivables.

Managing Customer Credit 567
Define credit checking to let you monitor overdue payments.

Customer Activity Dashboard 569
View all activity related to a single customer.

Realized Gain and Loss 576
Describes gain and loss postings for multi-currency transactions.

Reminding Customers of Outstanding Balances 577
Create customer reminder letters.

Finance Charges on Overdue Payments 580
Create charges to apply to customer open item amounts.

Customer Aging Reports 585
Describes the aging reports, which list outstanding open items, such as invoices, credit notes, and prepayments.

Overview

Businesses can agree to trade on cash or credit terms. With a credit sale, the seller delivers and then invoices the goods and services before payment is made by the customer. The credit terms are agreed to by the buyer and seller before sale, and are typically included on the invoice addressed to the customer, together with the value of the goods and services supplied. The buyer has an obligation to pay for the goods or services supplied on the terms agreed. Securing payment is, however, just one of the purposes of an invoice. The primary purpose of the invoice is to document and confirm the sales agreement, the terms and conditions of the sale, and the taxes that apply.

The sales invoices and payments received against these invoices are recorded in the Accounts Receivable ledger. The total balance on the Accounts Receivable ledger is the total monies outstanding for credit sales and is itemized by individual customer within the ledger. The purpose of the Accounts Receivable ledger is to monitor the amount of credit extended to customers and to help secure payment.

The Accounts Receivable flow begins with the sales order. When the sales order is confirmed, the process of shipping goods or delivering services is started. When the shipment or delivery is confirmed, the system creates an invoice in Invoice Post and Print (7.13.4). You then process the invoice using the AR functions described in the following sections. You collect receivables by tracking customer activity, and identifying and resolving overdue invoices.

You can also process customer-initiated payments using the Self-Billing function. Use self-billing functions to match customer remittances against original invoices. The program creates an open item for the amounts, which you can then process using standard Financials payment functions. The program also creates prepayments for over- and under payments in the remittances, and can be configured to create automatic payments with predefined statuses. See “Self-Billing” on page 591.

These stages are represented by the following processes:

- Invoice Customers
- Process Receivables
- Collect Receivables
- Customer Self-Billing

Note Many of the values that control AR processing are associated with the customer record. Setting up customers is described in “Setting Up Customer Data” on page 267.

You complete these processes using the following AR functions:

- Process invoices created in customer management.
- Create miscellaneous invoices directly in AR.
- Process payments using payment instruments.
- Adjust the open balance of a customer invoice or credit note.
- Track and report customer AR activity.
- Send statements and reminder letters for overdue payments.
- Calculate finance charges.
- Report on all customer invoice-related transactions and statuses.
- Match customer remittances against shipping invoices using Self-Billing.

Customer Invoices

Most customer invoices are generated from sales transactions in the Sales Orders/Invoices (7) module. The process of creating and modifying sales orders, shipping goods, and posting and printing invoices is described in detail in *QAD Sales User Guide.*

Shipping a sales order creates a pending invoice, which can be printed using Preview Invoice Print (7.13.3), reviewed, and corrected using Pending Invoice Maintenance (7.13.1). Additionally, a credit controller can review credit-related information using Sales Order Credit Maintenance (7.1.13) and indicate that the order has been reviewed. A field in Sales Order Acct Control (36.9.6) determines if an order can be updated after it has been marked as reviewed. Once the pending invoice is reviewed, you can post and print the final invoice.

Posting the invoice creates the customer invoice in the AR module. Only a limited number of fields can be modified on customer invoices generated from sales orders; most corrections need to be made through the sales order functions.

Example A sales order indicates that four items shipped when only three items were received by the customer. You must correct this by completing a sales order return, which creates a negative invoice (credit note).

Note In addition to orders created in Sales Order Maintenance, several other types of orders can go through invoice post, such as return material authorizations and call activity created in the Service/Support Management module. For more details on SSM orders, see *QAD Service/Support Management User Guide*.

Each invoice record is posted individually; there is no summarization. This supports full drill-down into individual posting details. However, the posting function assigns a batch number, which can then be referenced in AR functions for grouping and reporting.

Disputes on a payment can be due to a mistake in the quantity ordered or on the price charged. In cases where incorrect invoices have been posted, use the correction invoice feature—enabled in Sales Order Accounting Control (36.9.6)—to create a correct sales order in Sales Order Maintenance. Follow standard shipping and invoice post processes to create a correction invoice. For more information on this feature, see *QAD Sales User Guide*.

Note When selected, the Allow Closed Inv Corr field in Sales Order Accounting Control (36.9.6) lets you correct closed invoices using Sales Order Maintenance (7.1.1). The Allow Closed Inv Corr field becomes available when you select the Use Correction Invoices field in Sales Order Accounting Control.

If the customer has been under- or over-charged, you can also create a manual invoice or credit note for the outstanding amount using the Customer Invoice function described in the following sections.

Deductions

You can process deductions in Accounts Receivable. Deductions occur when a customer pays less than the amount owed. You can record two types of deductions in Financials: standard deductions and promotional deductions. Standard deductions are processed entirely in the Financials module.

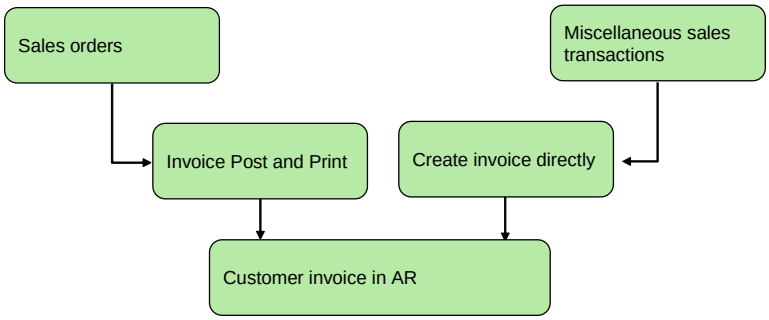
You can record deductions using Customer Payment Create, Banking Entry Create, or Petty Cash Create. See “Processing Deductions” on page 539.

Customer Invoice Functions

The Customer Invoice function is used for two purposes:

- You can view and modify invoices and credit notes created by Invoice Post and Print (7.13.4). Most of the information on these sales-related invoices defaults from the associated sales order and is set during invoice post; you can modify only a small subset of fields.
- You can directly create invoices for miscellaneous customer charges or credit notes. For this type of manual invoice, you must specify most of the fields that are automatically populated during invoice post.

Fig. 7.1
Sources of Customer Invoice



Sales-Related Invoices

Most fields in an invoice generated by invoice post cannot be changed. The financial information, such as the total invoice amount, the accounts that are updated when the transaction is posted, and the tax rates and amounts, is defined when you create, ship, and post the original sales order. You can view the resulting customer invoice in Customer Invoice View, and in most cases, can process the invoice immediately using customer payments.

You can optionally modify the following fields on the specified tabs of a sales-related invoice.

Table 7.1
Modifiable Fields for a Sales-Related Invoice

Tab	Field
General	Description
	Tax Excluded
	Invoice Status Code
	Contact
Addresses	Sold-To Customer Code
Financial Info	All fields
Operational Info	Sales Amount
Tax	No fields can be modified
CI Posting	Currency View
Comments	Comment

Draft Customer Invoices

Customer invoices can be saved in draft format when Draft Instances is selected in System/User Settings, Change System Setting. When you save a record in draft format, none of the system validations are executed. You can then return later to complete the record by choosing the Customer Invoice Browse Drafts activity and selecting the record you want to finish from the list. For more information on drafts, see *Introduction to QAD Enterprise Applications User Guide*.

Creating Customer Invoices

This section describes creating an invoice directly in Customer Invoice Create (27.1.1.1). In this case, all of the data that normally is derived from an associated sales order must be specified manually.

You must complete the mandatory fields in the General tab to make the other tabs available. However, none of the fields in the Operational Info tab apply to a manually created invoice, since these are supplied by posting a sales order.

When you return to the General tab during invoice created, you can change any field. However, this can sometimes re-initialize the other tabs. For example, if you change the invoice amount, the system recalculates the data on the CI Posting and Financial Info tabs. See “Navigating Customer Invoice Create” on page 478.

When you have completed the relevant information, click Save to validate the invoice or credit note.

After saving the invoice, only a subset of fields can be modified.

Table 7.2
Modifiable Fields for a Manual Invoice

Tab	Field
General	Description
	Allow Zero Values
	Sub-Account Code
	Invoice Status Code
	Project Code
	Contact
	Link to Invoice (credit notes)
	Adjustment (credit notes)
Addresses	Sold-To Customer Code
CI Posting	Currency View

Navigating Customer Invoice Create

You must complete the following key fields in the General and Addresses tabs of Customer Invoice Create to enable the Financial Info, Tax, and CI Posting tabs.

Table 7.3
Key Fields for a Customer Invoice

Tab	Field
General	Customer Code
	Invoice Type (defaults to Invoice)
	Invoice Date (defaults to today's date)
	Description
	TC Invoice Amount
	Posting Date (defaults to today's date)
	Tax Point Date (defaults to today's date, when taxes have been defined)
	Taxable (defaults from the customer definition)
	Sub-Account (if sub-account analysis is required)
	Invoice Status Code (defaults from the customer definition)
	Year/Period (defaults to the current GL calendar year and period
	Daybook
	Cost Center (if cost center analysis is required)
Addresses	Ship-From Business Relation
	Ship-To Code

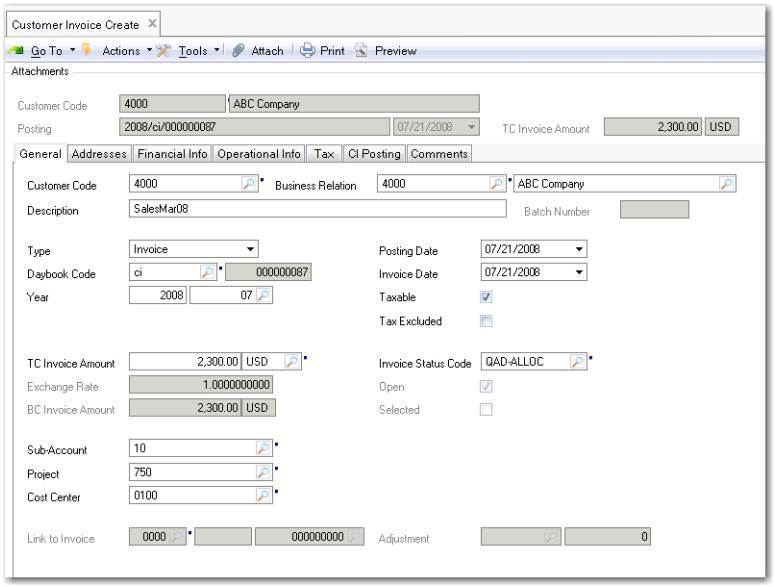
You must enter values for Customer Code, Description, TC Invoice Amount, and Daybook Code on the General tab, and for Ship-From Business Relation and Ship-To Code on the Addresses tab. The system loads defaults for all of the other key fields. The Sub-Account, Project, Cost Center, Link To Invoice, and Adjustment fields are blank by default.

When you have completed these fields, all tabs are available. Once you click another tab (for example, Financial Info), the system generates the tax, financial, and posting data for this invoice. If you then navigate back to the General or Addresses tab to change a key field (such as the invoice amount), the system warns you that tax, financial, and posting data has changed and will be recalculated. If you click No, the update you made to the key field is discarded.

General Tab

Use the General tab to complete the customer details, invoice or credit note amount and exchange rate, posting date, year and period, and analytical details.

Fig. 7.2
Customer Invoice Create, General Tab



The top frame displays summary information for the invoice, in read-only format.

All fields in this tab display read-only information for sales-related invoices, except for Description, Tax Excluded, Invoice Status Code, and Contact, which can be modified.

Field Descriptions, General Tab

Customer Code. Specify the code that identifies the customer address that pays the invoice. The business relation code associated with the bill-to automatically displays next to it.

When you create a new invoice, you can specify a business relation before selecting the customer. In this case, the customer code is loaded. When more than one customer is linked to the business relation, you must select from the available customer codes.

The bill-to address can represent a corporate parent or simply a different location for billing. Credit information defaults from the bill-to address, including credit limit, terms, and currency.

For sales-related invoices, the customer code displays the customer bill-to address specified on the associated order.

You can retrieve customers by selecting their business relation codes or business relation names.

Business Relation. The system displays the business relation code linked to the customer.

Business Relation Name. This field displays the business relation name, when one has been defined. You can select customers by their business relation name. When the name is selected, the system automatically retrieves the business relation and customer codes.

Description. Enter a brief description (maximum 40 characters) of the invoice. This field is mandatory.

Batch Number. If this is a sales-related invoice, the batch number specified during invoice post displays. For manually created invoices, you cannot enter a value in this field.

Type. This field displays the invoice type. When creating an invoice, choose the invoice type from the drop-down list:

- Invoice
- Credit Note
- Finance Charge
- Invoice Correction
- Credit Note Correction

Invoice Correction and Credit Note Correction display as choices only when the appropriate daybook types have already been defined.

Daybook Code. This field displays the daybook specified on the associated order of a sales-related invoice. The system selects the appropriate daybook based on the invoice type: invoice, invoice correction, credit note, credit note correction, or finance charge. The system-generated invoice number is based on the daybook. When creating an invoice, you must specify an internal daybook with a type that matches the invoice type.

Year/Period. This field displays the GL calendar year and GL period for sales-related invoices. When creating an invoice manually, you must specify a valid GL calendar year and GL period.

Posting Date. This field displays the date the sales-related invoice was generated by Invoice Post and Print.

When creating an invoice, specify a date on which the invoice is to be posted. This date defaults from the invoice creation date, if that belongs to an open GL period. If you select another GL calendar year or GL period, the end date of that GL period is used as the default value for the posting date. The date must be within the start date and end date limits for that GL period.

Important When chronological invoice numbering is active, the system displays an error or warning when you run Invoice Post and Print for a GL effective date that is earlier than a posting date on an existing invoice for the same entity and daybook. See “Chronological and Consecutive Invoice Numbering” on page 483 for more information on invoice numbering.

Invoice Date. Specify an invoice creation date; the default is the system date. A warning displays if this date is not prior to the posting date.

The system uses the invoice date with the credit terms to calculate due date and discount date.

Invoice Number. You cannot edit this field. It contains the invoice number, which is automatically generated on invoice creation.

Taxable. Select if this invoice is subject to taxes. For a new invoice, this defaults from the customer. For sales-related invoices, this field is based on the taxable status of the associated order.

Tax Excluded. When selected, this field indicates that the amount specified for Invoice Amount excludes tax. This means that the system uses the total amount as the basis for tax calculation. When tax is included (that is, the Tax Excluded field is cleared), it is assumed that the value you specify in the Invoice Amount field includes the tax.

This field defaults from the Customer Invoice Total Excludes Tax field in Global Tax Management Control (29.24).

TC Invoice Amount. Enter the total invoice amount and specify a transaction currency. For a new invoice, currency defaults from the customer bill-to.

For sales-related invoices, this field displays the total invoice amount, including tax, in the transaction currency.

For manually created invoices, the value of Tax Excluded determines whether this amount includes tax.

You can save zero-value invoices, which have no TC invoice amount. However, the system displays a warning to prevent you from doing so by mistake.

Exchange Rate. If the transaction currency is not the same as the domain base currency, the applicable accounting exchange rate displays and can be edited; otherwise, the system displays 1 and the field cannot be changed. The BC Invoice Amount is calculated based on the exchange rate.

If you modify the BC Invoice Amount, the exchange rate is automatically adjusted.

Example The base currency is Euro, the transaction currency is GBP, and the default exchange rate for these currencies is 0.5 (2 euro to 1 GBP). The transaction amount is 1000 euro, and the base currency amount is 500 GBP. By increasing the base currency amount to 750 GBP, you change the exchange rate for this transaction from 0.5 to 0.75.

BC Invoice Amount. When the transaction and base currencies are the same, this field is read-only and displays the same amount as TC Invoice Amount. Otherwise, it is TC amount adjusted based on the exchange rate.

If you modify the base currency amount when creating an invoice, the system automatically recalculates the exchange rate to ensure that the transaction currency amount remains the same.

Invoice Status Code. This field displays the default invoice status code associated with the customer. Invoice status codes can be used on customer invoices to indicate whether the invoice is contested and—if so—why it is contested. See “Invoice Status Codes” on page 246.

Note Invoice status codes have a different usage for supplier invoices where they are used to control the invoice approval process.

Open. When selected, this read-only field indicates the invoice has not been completely paid. It is updated automatically when complete payment is registered.

Sub-Account. Specify a sub-account if the customer control account is defined with sub-account analysis. Otherwise, the field cannot be updated. The system also uses the specified sub-account for all invoice posting GL transactions to GL accounts with sub-account analysis.

For customer invoices, the system refers to the sub-account profile and uses the default sub-account specified in that profile for the sub-account shared set of the current domain.

Project. The system uses the specified project for all invoice posting GL transactions to GL accounts with project analysis.

Cost Center. The system uses the specified cost center for all invoice posting GL transactions to GL accounts with cost center analysis.

Link to Invoice. Specify an invoice or credit note to which you want to link the current document. A credit note can have a one-to-one link to an invoice. You can select invoices for this customer that have opening balances greater than or equal to the amount of the credit note. When you create the link, the system creates an automatic open item adjustment (customer adjustment) of linked documents with a posting date equal to that of the credit note, using a Customer Adjustment daybook.

The following links are possible.

Current Document	Link To
Credit Note	Invoice
Correction Invoice	Invoice
Correction Credit Note	Credit Note

Adjustment. If an invoice is linked to a credit note, specify a daybook for the credit note and invoice adjustment. The internal daybook must be of type Customer Adjustment (CA), and the voucher number is system-generated.

Chronological and Consecutive Invoice Numbering

The system includes three options for numbering customer invoices, invoice corrections, credit notes, credit note corrections, and finance charges.

- Standard invoice numbering without numbering checks. This option is the default, and applies if consecutive and chronological numbering are not enabled.
- Consecutive invoice numbering

  If consecutive invoice numbering is enabled, the system ensures that invoice, credit note, correction, and finance charge numbers are consecutive without gaps.
- Chronological invoice numbering—an extension of consecutive invoice numbering.

  If chronological invoice numbering is enabled, the system ensures that invoice, credit note, correction, and finance charge numbers are sequential, in the correct date order, and without gaps. Chronological invoice numbering can only be enabled if consecutive invoice numbering is also enabled.

  You can configure whether the system displays a warning or an error when users attempt to save transactions with past or future posting dates, thereby disrupting the chronological numbering sequences.

For standard, consecutive, and chronological invoice numbering; invoices, credit notes, invoice and credit note corrections, and finance charges are numbered by entity, year, GL period, and daybook.

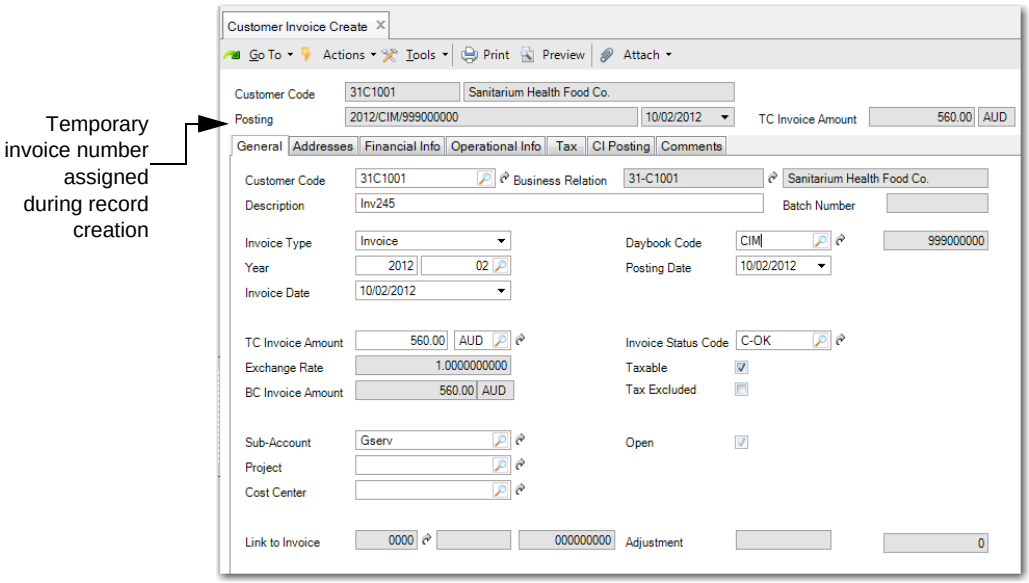
You enable consecutive and chronological invoice numbering, and select a warning or error option at domain level. See “Invoice Numbering Tab” on page 39.

When consecutive and chronological numbering is enabled, the numbering restrictions described in this section apply in Customer Invoice Create and Invoice Post and Print, and in all supplier invoice functions, Customer Opening Balance Create, and Supplier Opening Balance Create.

Important If Golden Tax is enabled, the system does not apply consecutive and chronological numbering to invoices posted from the operational sales module. In this situation, you can still use consecutive and chronological numbering for AR invoices, credit notes, corrections, and finance charges created in Financials, as well as for all AP invoices, credit notes, and invoice and credit note corrections. See *QAD Global Tax Management User Guide* for more information on Golden Tax.

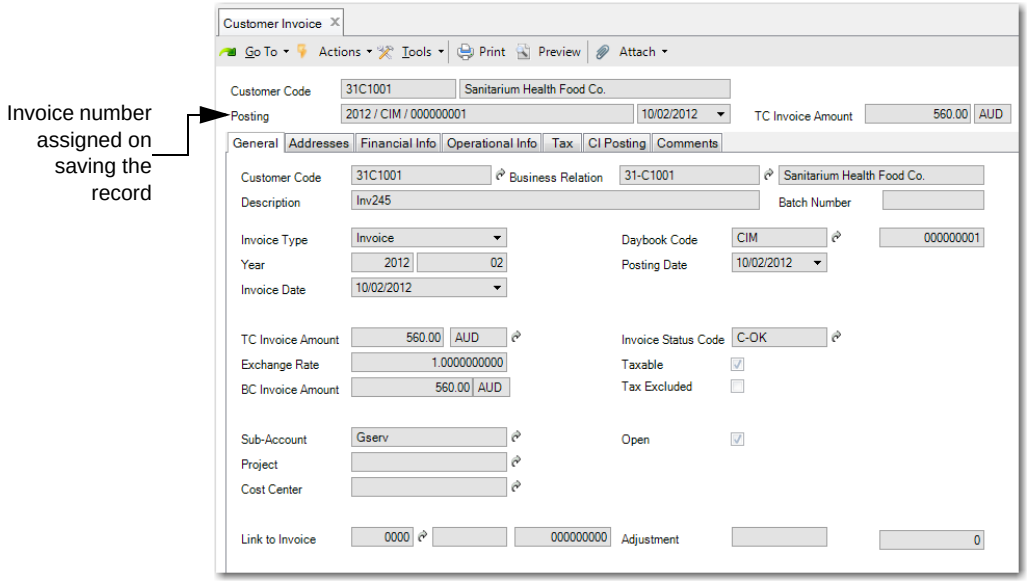
When consecutive and chronological invoice numbering is enabled, the system displays a temporary invoice number in the Posting field until you save the invoice, credit note, invoice or credit note correction, or finance charge record.

Fig. 7.3
Customer Invoice Create, Temporary Invoice Number



When you save the posting, the system assigns the invoice number.

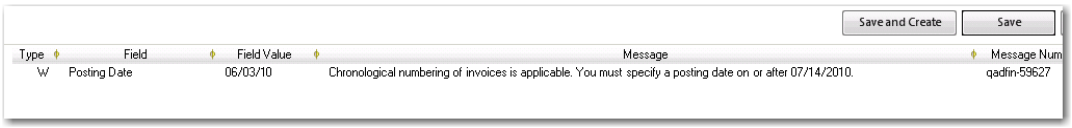
Fig. 7.4
Customer Invoice Create, Invoice Number Assigned



When chronological invoice numbering is enabled, the numbering controls described in this section apply in Customer Invoice Create:

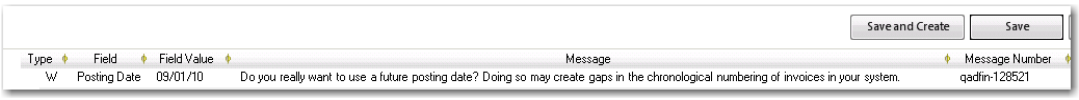
- If you attempt to save an invoice document with a posting date that is earlier than the posting date of a saved invoice document with the same entity and daybook combination, the system displays an error or warning message, depending on the option selected in the domain Invoice Numbering tab.

Fig. 7.5
Past Invoice Date Warning



- If you attempt to save an invoice document with a future posting date, the system displays an error or a warning, depending on the option selected in the domain Invoice Numbering tab.

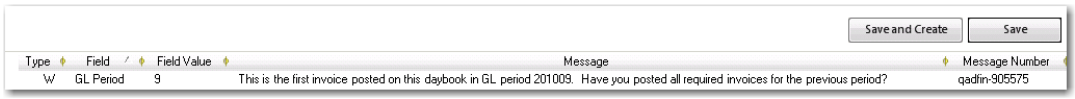
Fig. 7.6
Future Posting Date Warning



- When you attempt to save the first invoice document in a new GL period for a daybook and entity combination, the system displays a warning.

  Note This message is always a warning.

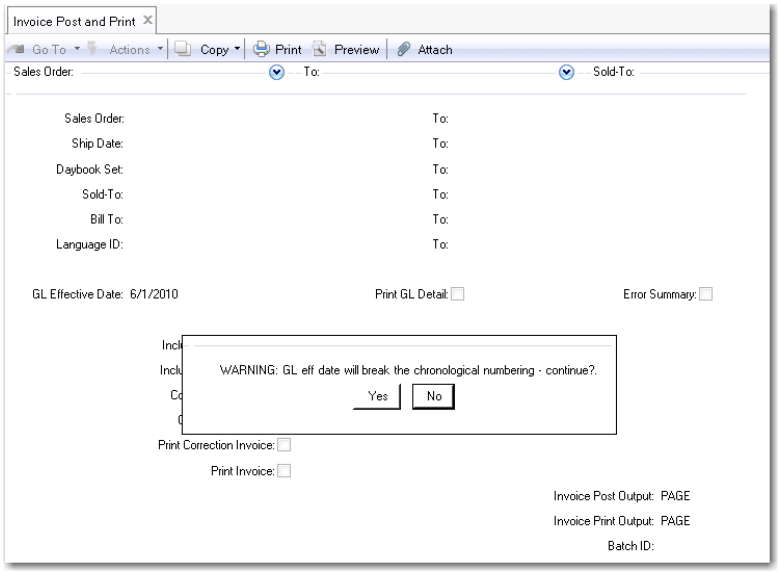
Fig. 7.7
First Invoice in GL Period Warning



When chronological invoice numbering is enabled, the system displays an error or warning when you run Invoice Post and Print for a GL effective date that is earlier than a posting date on an existing invoice document for the same entity and daybook.

Note Consecutive and chronological invoice numbering also applies where Invoice Post and Print is accessed from the Customer Consignment and SSM modules.

Fig. 7.8
Invoice Post Warning

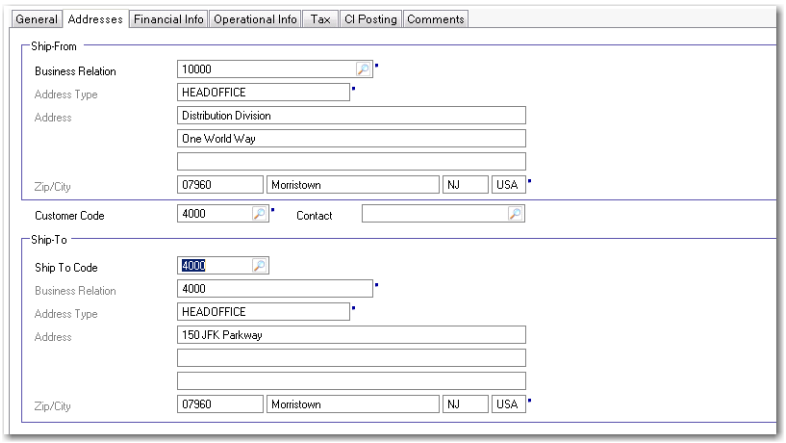


Addresses Tab

Use the Addresses tab to specify the ship-from address—the address that identifies one of your inventory sites—and the customer ship-to address. The address on the General tab is the bill-to address for the invoice.

All fields in this tab display read-only information for sales-related invoices, except for Sold-To Customer Code.

Fig. 7.9
Customer Invoice Create, Addresses Tab



Ship-From Business Relation. Enter the code that identifies the business relation associated with the site where items being invoiced are shipped from. If this is a miscellaneous invoice or credit note, the ship-from site is still required.

The default for a new invoice is the business relation associated with company address defined for the bill-to customer site. This site is specified in Customer Data Maintenance (2.1.1).

Customer Code. Enter the code identifying the sold-to customer who received the items being invoiced. On a new manually created invoice, the code entered for the Customer on the General tab displays by default. The sold-to address displays on the printed invoice.

Contact. Specify a contact name for the customer. The lookup displays the contact details defined for the customer's business relation.

Ship-To Code. Enter the code that identifies the address receiving the items being invoiced.

This field defaults from the sold-to address; you can change it to another valid ship-to defined for the business relation in Customer Ship-To Create.

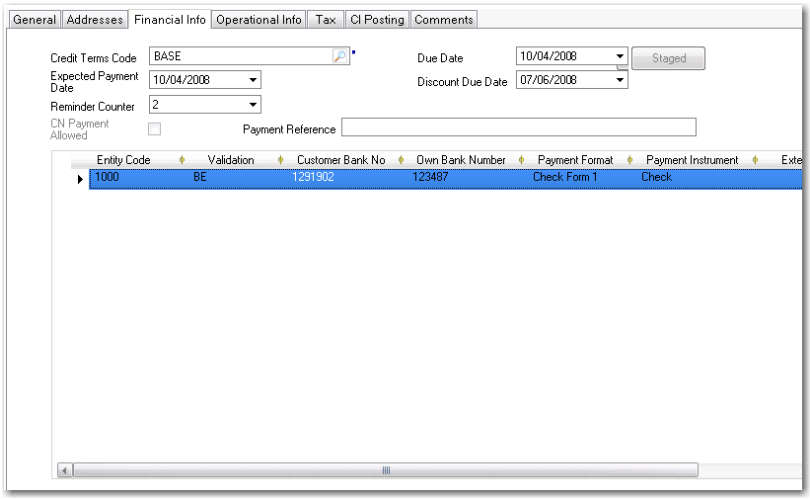
The system uses the tax detail for the ship-from and ship-to addresses to select the correct tax environment for tax calculation.

- For the ship-from, this is the headoffice address of the business relation.
- For the ship-to, the tax details defined for the customer record are used.

Financial Info Tab

Use the Financial Info tab to define credit terms and to view the banking and payment details for this customer. All of the fields for this tab display predefined information for sales-related invoices and can be modified.

Fig. 7.10
Customer Invoice Create, Financial Info Tab



Field Descriptions

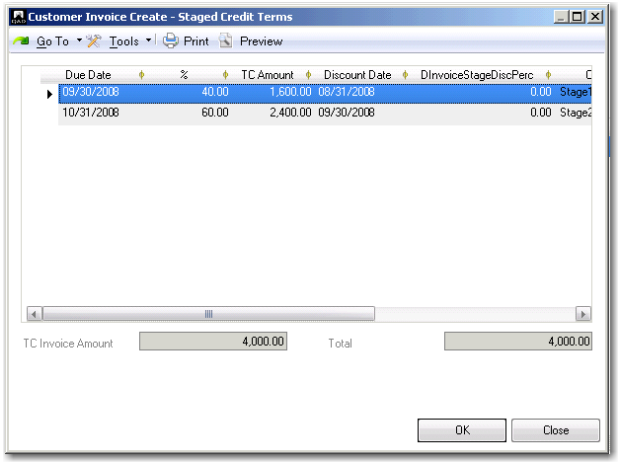
Credit Terms Code. Specify the credit terms that apply to this invoice. Credit terms determine invoice due dates and any settlement discounts on early payments. Credit terms also determine if multiple payments are made in stages based on invoice percentages.

When the credit terms code is changed, the invoice due date is recalculated.

Credit terms default from the customer record. Credit terms for sales-related invoices default from the associated sales order.

When you specify a credit terms code that has been defined with stages, you can view and update the staged terms by clicking Staged. You can modify the percentage allocation of the terms or make other changes as needed.

Fig. 7.11
Customer Invoice Create, Staged Credit Terms



Due Date and Discount Due Date. These fields display the date when payment is due and the last date a discount applies, calculated by the system based on the credit terms and the invoice date. You can modify the due dates without affecting the credit terms.

Note If the credit terms have a base date specified, this is used in the due date calculations rather than the invoice creation date.

Expected Payment Date. Specify the date when payment is expected to be received. The expected payment date is used in cash flow reporting.

Reminder Counter. This field displays the reminder level that applies to this invoice.

Payment Reference. Optionally specify a reference number to identify a customer payment for this invoice. If the payment format is of type Single Euro Payments Area (SEPA), leave this field blank. When you click Save, the field is then automatically populated with a valid system-generated SEPA payment reference number. However, if you enter a reference and then click Save, no SEPA payment reference number is generated and assigned to this invoice. When SEPA messages are turned on at entity level, a warning message is displayed before you are allowed to continue the Save operation.

For any entity outside SEPA, you can enter a reference such as a Transfer with Structured Message (TSM) number. The TSM is a standard reference numbering system for electronic transfers, used by many banks.

The grid displays the default banking and payment details configured for this customer. The default customer bank account details are displayed in the first line of the grid.

Note If a customer pays directly with cash or transfer, a customer bank is not required. You can create invoices for the customer without defining banks and recording payments for the invoices in Banking Entry Create (31.1.1). However, if your customer uses other payment instruments and you want to use any customer payment features, such as recording customer checks, a customer bank must be specified.

If you have configured multiple bank accounts for this customer, you can add these account details by inserting a new row for each account. This lets you split the invoice amount over several accounts.

Validation. This field displays the bank format validation code for the customer bank account. Account number validation ensures that the account number is formatted according to the regulations of the national banking system. See “Define Bank Account Formats” on page 791.

Customer Bank Number. Select the customer bank account number from the accounts specified for the customer record. If you have defined a default bank for the customer, it is displayed here. If other accounts are defined for the customer, you can insert a new account as a new line in the grid.

Own Bank Number. This field displays the own company bank account number where payments from this customer are received. This number is defined on the customer record, and is normally the default bank account number for the entity you are currently working in.

Payment Format. Each bank account defined for the customer has an associated payment format. Additionally, for some payment formats, you can define multiple attributes for each format, and can modify attribute values of the format. See “Payment Formats” on page 256 for a description of payment formats.

Payment Instrument. This field displays the payment instrument defined as part of the payment format for payments from this customer bank to your company bank account.

Extension. This optional field displays the bank number extension. The extension defines the currency when an account has amounts in multiple currencies.

For example, if you have a single bank account with separate accounts defined for US dollars, euro, and yen, define a bank extension for each currency.

TC Payment Amount. This field displays the payment amount in the transaction currency.

The sum of the TC payment amounts for all bank accounts specified on the invoice must equal the invoice total.

Business Relation Code. This field displays the business relation for the customer’s bank, and contains bank addressing information.

SWIFT Code. This field displays the SWIFT code of the bank, if any. SWIFT (the Society for Worldwide Interbank Financial Telecommunication) is a banking network for world-wide payments between banks. Also known as the BIC or Bank Identifier Code.

Formatted Bank Number. This field displays the customer bank account number, formatted according to the validation logic you applied. See “Define Bank Account Formats” on page 791.

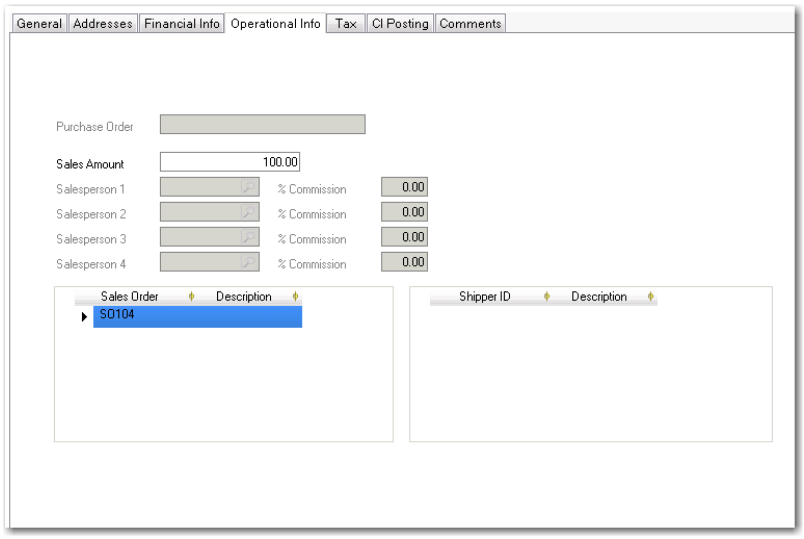
Bank GL Account. This field displays the account code of the bank account linked to the own bank account and payment format combination.

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

Operational Info Tab

The Operational Info tab displays data for sales-related invoices only. In this case, details about the originating sales order are displayed for reference. For a sales-related invoice, only the Sales Amount—used for calculating commission—can be modified. For a manually created invoice, you can specify a PO number, sales amount, and salespersons.

Fig. 7.12
Customer Invoice Create, Operational Info Tab



Field Descriptions

Purchase Order. If a purchase order number was recorded on the original sales order, it displays in this field. This number indicates the original number of the document that initiated the sale, and can be useful when communicating with the customer.

Sales Amount. Specify the amount for which the salespersons should receive commission credit. This is normally the invoice total minus any non-commissioned charges such as freight or tax. This defaults from the order and is the only field that can be modified in this tab.

Salesperson 1–4. This field displays the salespersons specified on the order to receive commission and quota credit for the order. The commission percentage defaults from the salesperson record.

Salesperson Commission. This field displays the commission percentage each salesperson receives. For invoices posted from sales orders, this amount defaults from the associated sales order. For manually created invoices, commission defaults from Salesperson Commission Detail, if rates have been defined for the customer; otherwise, from the salesperson record.

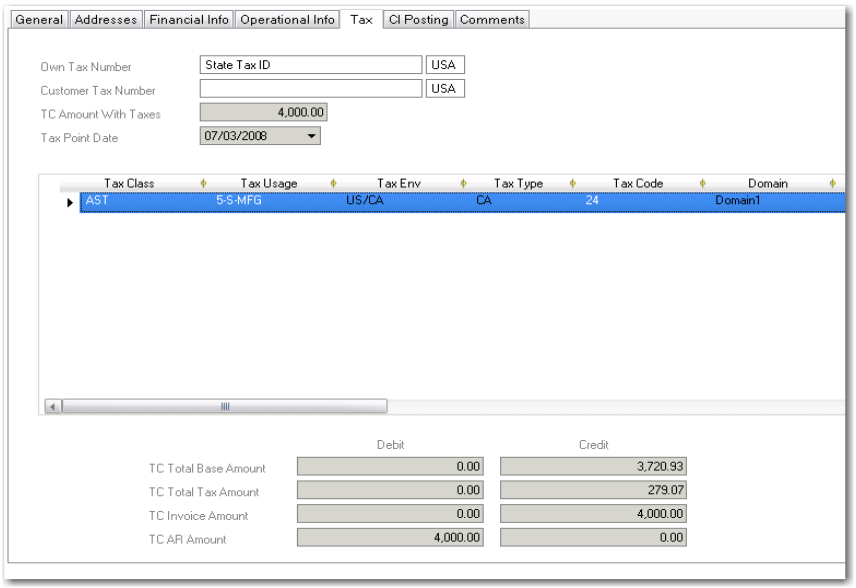
Sales Order Grid. This field displays the sales orders that are associated with this invoice. If consolidated invoicing was used during Invoice Post and Print, more than one order can display. The Description field displays any text entered in the Remarks field on the sales order header.

Shipper ID Grid. This field displays the IDs of any shippers associated with the invoice.

Tax Tab

When the invoice is taxable, the system calculates tax information and displays it on the Tax tab. This information is read-only for sales-related invoices, and reflects the tax amounts generated based on the order tax details.

Fig. 7.13
Customer Invoice Create, Tax Tab



Field Descriptions

Own Tax Number. This field displays the state tax ID of the Ship-From business relation, which is associated with the current entity and displayed on the Addresses tab.

TC Amount with Taxes. When the Taxable field is selected, the invoice is subject to tax. This field displays the total of the invoice amount in transaction currency plus the applied tax.

Customer Tax Number. This field displays the state tax ID of the Bill-To customer, which is displayed on the General tab. If no customer bill-to is defined, the state tax ID of the ship-to customer is displayed.

Tax Point Date. This field displays the date to be used in tax calculations, which by default is the same as the posting date. For sales-related invoices, this field displays the tax calculation date on the associated order.

Tax Grid

Tax Class, Tax Usage, Tax Environment, Tax Code, Tax Type. For a new invoice, these fields default from the tax definitions for the bill-to customer and determine the tax calculation amounts. For an invoice posted from a sales order, tax details default from the order.

The default tax environment is calculated using the tax zone of the ship-to site, the tax zone of the supplier's address, and the tax class of the supplier or PO, if linked.

You can overwrite the default tax environment, tax class, tax usage, and tax codes to select new values. If you modify any of these fields, the system resets the TC Base Amount (Cr) field to zero, and a new tax rate can be applied.

Instead of modifying the default tax details, you can also insert a new tax row, enter the new tax details, and delete the original default tax row.

To recalculate the tax amounts after modifying default details or after entering tax details in a new tax row, re-enter the invoice amount before tax in the TC Base Amount (Cr) field.

Domain. This field displays the current domain.

TC Base Amount DR. This field displays the debit base amount in the transaction currency. This is calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

TC Base Amount CR. This field displays the credit base amount in the transaction currency. This is calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

TC Tax Amount DR. This field displays the debit tax amount (TC) calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

If the Update Tax Allowed field is selected in Tax Rate Maintenance (29.4.1) for the tax rate used, you can modify this field.

TC Tax Amount CR. This field displays the credit tax amount (TC) calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

If the Update Tax Allowed field is selected in Tax Rate Maintenance for the tax rate used, you can modify this field.

Recalc. When you change the tax class, tax usage, tax environment, or the Taxable fields, or modify one of the base amounts, this field is automatically selected, and the system recalculates the amounts when you have completed the line in the grid. You can also manually select or deselect this field

Update Tax Allowed. When this field is selected, you can modify the base and tax credit and debit amounts during transaction entry. The changes you make are displayed in the CI Posting tab. This field is set in the tax rate. This feature is useful for overriding the system if there is a need to match amounts on manually issued documents. In some environments, tax authorities require that you cannot modify the calculated tax amounts.

Suspended Tax. When selected, this field indicates that the taxes on this invoice are suspended. Suspended taxes are enabled for invoices through the customer tax setup. See “Suspended Tax on Customer Invoices” on page 495.

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

Summary Information

TC Total Base Amount. This field displays the sum of the base amounts—debit or credit—of all the tax detail lines in transaction currency.

TC Total Tax Amount. This field displays the sum of the tax amounts—debit or credit—of all the tax detail lines in transaction currency.

TC Total Amount. This field displays the sum of the total base amount and the total tax amount—debit or credit—in transaction currency.

TC Invoice Amount. This field displays the total invoice amount—debit or credit—as entered on the General tab in transaction currency.

CI Posting Tab

The CI Posting tab displays the account and posting information for the invoice or credit note. Invoice postings update the following accounts:

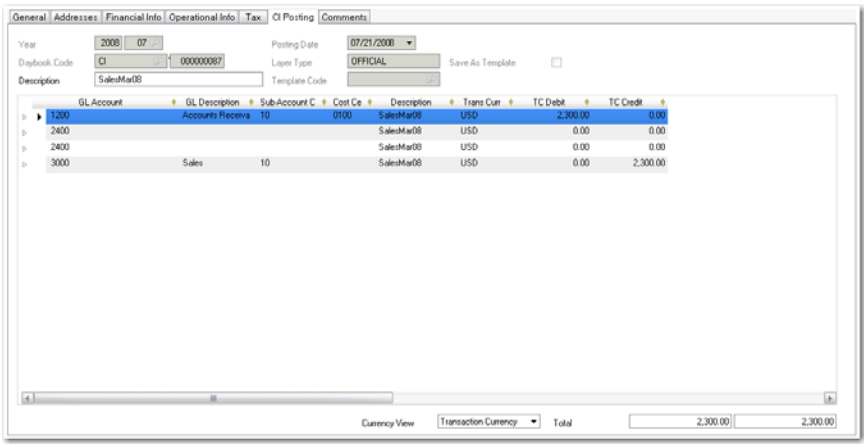
- Invoices debit Customer Control and credit Tax and Sales.
- Credit notes debit Tax and Sales and credit Customer Control.

The Customer Control and Sales accounts default from the profiles you define for the customer in the Customer Accounting tab. The Tax account defaults from details for the tax code defined in Tax Rate Maintenance (29.4.1).

Note You cannot select a different Customer Control account or Tax account in the CI Posting tab.

For more information on sales account GL profiles and Sales accounts, see page 273.

Fig. 7.14
Customer Invoice Create, CI Postings Tab



Field Descriptions

Accounting Year/Period, Posting Date, Daybook Code, Number, Layer Type. These read-only details are copied from the General tab.

Description. The invoice description is copied from the General tab, and can be modified.

Template Code, Save as Template. These fields are unavailable on customer invoices.

The CI posting grid includes the following fields:

GL Account, Sub-Account, Cost Center, Description, Curr, BC Debit, BC Credit. The system loads these posting details, including the Customer Control account and Sales account, from the General tab. When creating an invoice, you can modify these posting lines before saving the invoice.

You can expand some lines to see additional detail, such as the tax information, project codes, and SAF codes.

The system determines the default accounts to use in customer invoices postings as follows:

- For the Sales account, the system refers to the customer's Sales account profile and uses the default account specified in that profile for the GL shared set of the current domain.
- For the AR control account, the system refers to the customer's AR control account profile and uses the default account specified in that profile for the GL shared set of the current domain.
- For sales tax, the system uses the default account in the Sales Inv Tax field in Domain/Account Control.

Currency View. Choose to view the transaction balance in the base or transaction currency.

Total. This field displays the sum of the debit and credit amounts of all posting lines.

Comments Tab

The Comments tab lets you enter comments related to this invoice.

Reversing Customer Invoices

Use Customer Invoice Reverse (27.1.1.6) to reverse Financials invoices; you cannot reverse operational invoices. You can only reverse invoices that are unpaid or that have not been included in payments.

You must first choose the invoice to reverse and enter the daybook, year and period, posting date, and description information required for the reversal. You then click Reverse.

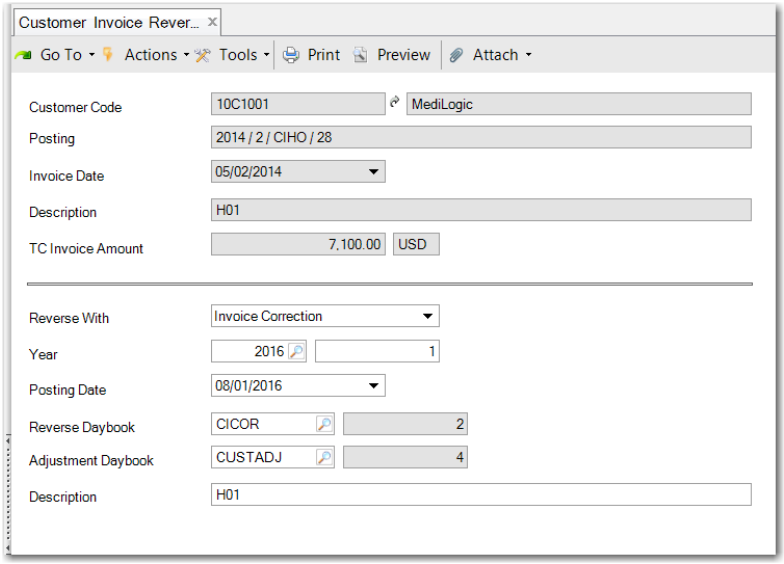
You can reverse an invoice using a credit note or an invoice correction, if invoice corrections are enabled.

Note You must ensure that a daybook of the correct reversing type is available in the shared set.

The amounts and postings on the new invoice are the reverse of the original.

When you save the reversal, the system creates a credit note or invoice correction for the same amount as the original invoice and performs an open item adjustment for the two invoices. The original invoice and the reserving invoice are then closed.

Fig. 7.15
Customer Invoice Reverse



Customer Code. This field displays the customer name and description.

Posting. This field displays the invoice voucher number.

Invoice Date. This field displays the invoice creation date.

Description. This field displays the invoice description.

TC Invoice Amount. This field displays the invoice amount in transaction currency.

Reversing Area

Reverse With. Choose the reversing option. You can reverse an invoice using a credit note or an invoice correction, if invoice corrections are enabled.

Year and Period. Specify a GL calendar year and period to assign to the reversal. The current year and period are displayed by default.

Posting Date. Specify a posting date for the reversal.

Reverse Daybook. This field displays the default reversal daybook code. You must define a separate reversal daybook for credit notes and for corrections. The default value for this field changes, depending on the option you choose in the Reverse With field.

Adjustment Daybook. This field displays the default daybook for customer adjustments.

Description. Enter a brief description for the reversal.

Suspended Tax on Customer Invoices

Taxes on sales orders and customer invoices or credit notes are generally due at the same time as the invoice date. In some countries, however, the payment of taxes is deferred until the invoice has been fully or partially paid. Use the Suspended Tax option to defer the payment of taxes on a customer invoice until the invoice has been paid.

Note You suspend taxes on AR payments only. Use the Delayed Taxes option to defer recoverable taxes on AP payments. See *QAD Global Tax Management User Guide* for more information on delayed tax.

Suspended taxes are normally applied to all sales orders and invoices for designated customers. You enable suspended taxes per entity. You then define a dedicated suspended tax rate and apply a tax environment that retrieves this rate for the customer. This ensures that sales orders and invoices for this customer are automatically subjected to suspended tax. You can also apply normal taxes when creating individual sales orders and customer invoices by selecting a tax environment that retrieves a normal tax rate.

See *QAD Global Tax Management User Guide* for detailed information on suspended tax and on GTM in general.

Invoice Certification

Invoice certification lets you mark customer invoices by assigning a unique, encrypted digital signature. Adding a signature uniquely identifies the origin and the main properties of an invoice. QAD Financials 2011.1 and higher have been certified by the Portuguese government according the Decree 363/2010 requirements. Invoice certification is a legal requirement in Portugal.

The signature is based on the main properties of the invoice (such as the amount, creation date, and number) and on the signature of the previous customer invoice to ensure that there are no gaps. The invoice certification number assigned to QAD by the local government and the signature are printed on each invoice.

The signature is generated using OpenSSL and a private key. The private key is generated using the RSA algorithm, and remains secret at QAD. Using the private key and OpenSSL, QAD generates a public key. The private key and public key have a strict one-to-one relationship.

The public key is communicated to the local government where it is used to verify whether the digital signatures on invoices created using QAD Financials are valid. A digital signature will only pass the validation if it was generated using the private key linked to the public key.

To create invoices marked by digital signatures, you must enable invoice certification at domain level, and the signatures are created by daybook and domain. There must be no gaps in the sequence.

You generate the signatures by running Invoice Post and Print for invoices that originate in the operational modules, or by using Customer Invoice Create to create manual invoices in Financials.

The SAFT format is a commonly accepted file format to export accounting data for audit purposes. In Financials, the SAFT export for Portugal has been implemented (SAFT-PT). The digital signatures are included in the audit file and enable the government to validate if the reported amounts and the invoice numbers in the audit file comply with the information in the encrypted signatures.

The invoice signature includes the data linked in the following order, separated by semicolons:

- The invoice issue date
- The date and time of the last update to the invoice
- The invoice number

- The invoice amount
- The signature generated for the previous invoice of the same series (daybook)

The signature printed on the invoice is actually a subset of the complete signature, corresponding to the 1st, 11th, 21st, and 31st positions.

When the signature has been generated, you cannot change the invoice and the signature. Otherwise, the signature will become corrupt or the signature chain will break. Due to the fact that each signature is created using encryption and a private key, you cannot correct invoice signatures if the invoice amount changes.

Note You can also create digital signatures for supplier invoices generated using ERS. For details, see “ERS Invoice Certification” on page 785.

Shipment Certification

Shipment certification lets you mark shippers by assigning a unique, encrypted digital signature. Shipment certification is an extension of invoice certification. For more information, see *QAD Sales User Guide*.

Setting Up Invoice Certification

Installing OpenSSL

As a prerequisite to installing OpenSSL, you must install Microsoft Visual C++ 2008 redistributable on the machine on which you want to install OpenSSL. You can download Microsoft Visual C++ 2008 from the Microsoft Web site.

To install OpenSSL:

1. Download file Win32_OpenSsL_v1.0.0<latest> from http://www.slproweb.com/products/Win32OpenSSL.html

   where <latest> is the version letter for the latest version.

2. Run the install file and choose to install the DLL files in the local `bin` directory instead of the Windows directory.

3. Ensure that you:

   - Reboot your machine after the installation.

     or

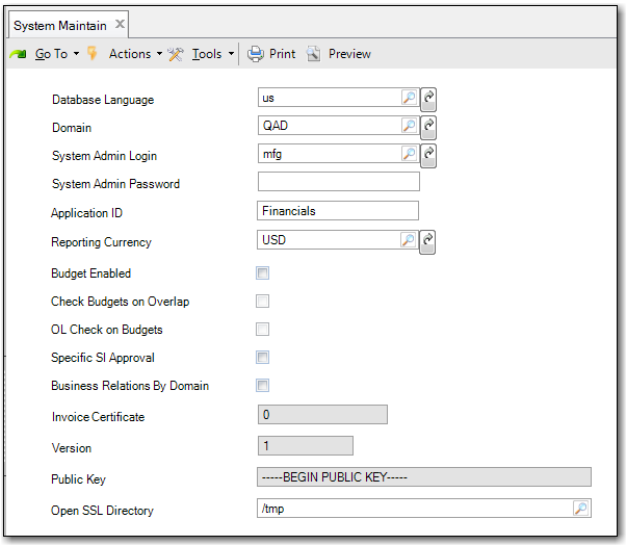
   - Restart the Progress admin service.

   As a result, the newly created environment variables on system level become known throughout the system.

Configuring System Maintain

Configure invoice certification using four fields in System Maintain.

Fig. 7.16
System Maintain



Invoice Certificate. This field displays QAD's certification number, assigned by the local government. This field is updated using System Synchronize. QAD's certification number for Portugal is 1352.

Version. This field displays the version number of the public and private keys. This field is updated using System Synchronize.

Public Key. This field displays the invoice certification public key created by QAD. This field is updated using System Synchronize.

Open SSL Directory. Specify the OpenSSL `bin` directory. OpenSSL is used to generate the private and public keys.

This field is mandatory. You cannot enable invoice certification if you have not specified the OpenSSL `bin` directory.

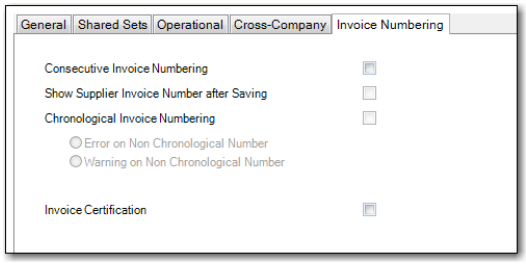
Enabling Invoice Certification

You enable invoice certification at domain level.

The following prerequisites must be met before you can enable invoice certification:

- The domain base currency or statutory currency must be Euros.
- The domain must use consecutive invoice numbering.
- The domain must use chronological invoice numbering with error generation.
- Daybook set by site must be enabled for the domain.
- You must specify the OpenSSL `bin` directory in System Maintain.

Fig. 7.17
Domain Modify, Invoice Numbering Tab



Consecutive Invoice Numbering. Select this field to enable consecutive invoice numbering for the domain. Consecutive numbering ensures that AR and AP invoice and credit note numbers are consecutive, and without gaps.

You cannot clear the Consecutive Invoice Numbering field when Invoice Certification is enabled.

Chronological Invoice Numbering. Select the field to enable chronological invoice numbering for the domain. Chronological invoice numbering ensures that AR and AP invoices and credit notes are sequentially numbered in the correct date order.

Select Error on Non Chronological Number to prevent the generation of invalid invoice numbers.

You cannot clear the Chronological Invoice Numbering field when Invoice Certification is enabled.

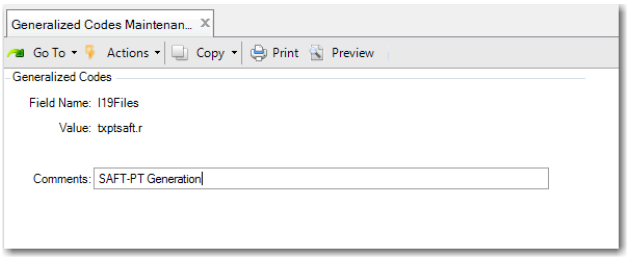
Invoice Certification. Select this field to activate invoice certification for the domain.

Important You cannot disable invoice certification if it has been enabled for a domain. The system displays a warning to draw attention to this when you enable invoice certification and subsequently save the domain record. The warning enables you to cancel the save.

Defining the Audit File Name

Use Generalized Codes Maintenance to define the name of the XML audit file to be exported.

Fig. 7.18
Generalized Codes Maintenance



Specify the following values:

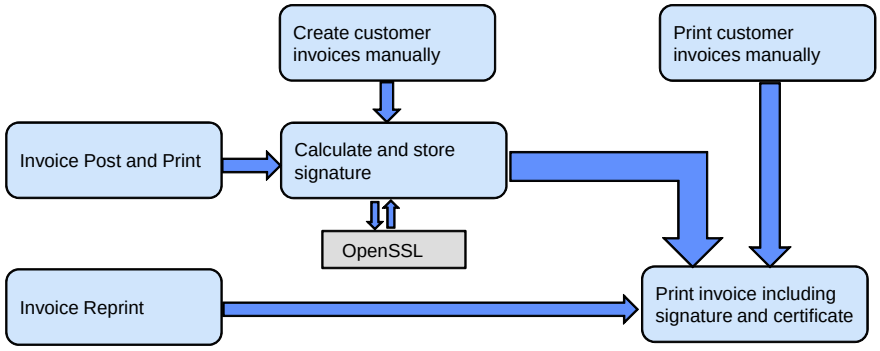
Field Name:	I19Files
Value:	txptsaft.r
Comments:	SAFT-PT Generation

Generating the Signatures

If you post shipped sales orders using Invoice Post and Print and invoice certification is enabled and all prerequisites are met, the system generates invoice signatures, which are stored in the database.

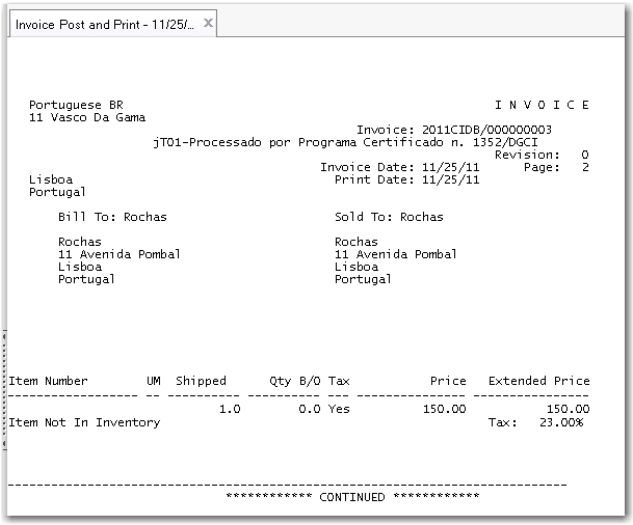
If you manually create customer invoices or credit notes using Customer Invoice Create, the system also generates invoice signatures.

Fig. 7.19
Invoice Certification Flow



All QAD EE standard invoice print functions include the short signature and QAD's certificate number in their report output.

Fig. 7.20
Invoice Post and Print, Printed Invoice with QAD Invoice Certification Number


Invoice Post and Print - 11/25/...

Portuguese BR
11 Vasco Da Gama
Lisboa
Portugal

I N V O I C E

Invoice: 2011CIDB/000000003
jT01-Processado por Programa Certificado n. 1352/DGCI
Revision: 0
Invoice Date: 11/25/11 Page: 2
Print Date: 11/25/11

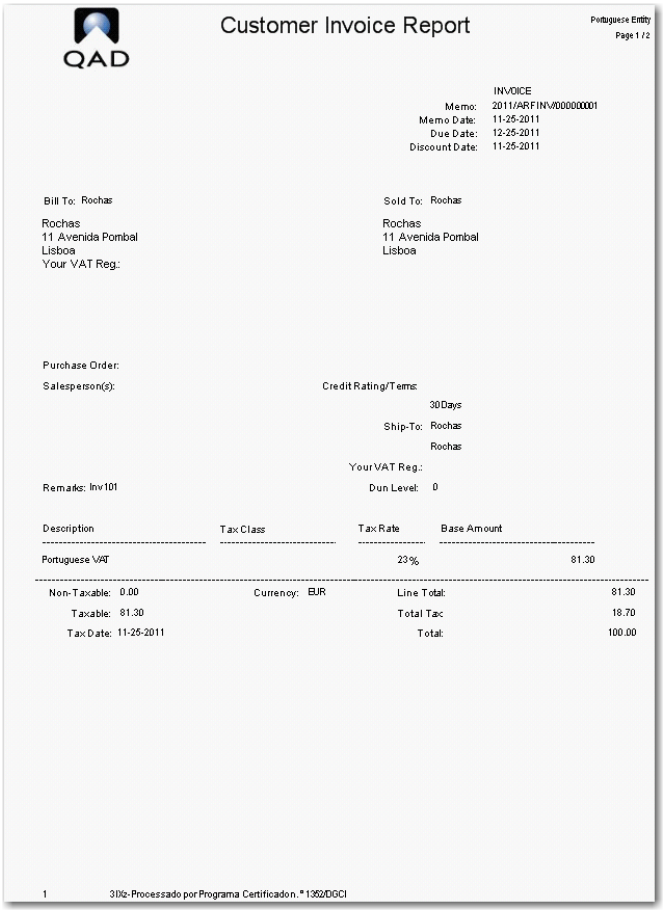
Bill To: Rochas
Rochas
11 Avenida Pombal
Lisboa
Portugal

Sold To: Rochas
Rochas
11 Avenida Pombal
Lisboa
Portugal

Item Number	UM	Shipped	Qty B/O	Tax	Price	Extended Price
		1.0	0.0	Yes	150.00	150.00
Item Not In Inventory					Tax:	23.00%

********** CONTINUED **********

Fig. 7.21
Customer Invoice Report, Printed Invoice with QAD Invoice Certification Number



Customer Invoice Report

Portuguese Entity
Page 1 / 2

INVOICE
Memo: 2011/ARFINV/000000001
Memo Date: 11-25-2011
Due Date: 12-25-2011
Discount Date: 11-25-2011

Bill To: Rochas
Rochas
11 Avenida Pombal
Lisboa
Your VAT Reg.:

Sold To: Rochas
Rochas
11 Avenida Pombal
Lisboa

Purchase Order:
Salesperson(s):
Credit Rating/Terms: 30Days
Ship-To: Rochas
Rochas
Your VAT Reg.:
Remarks: Inv101
Dun Level: 0

Description	Tax Class	Tax Rate	Base Amount
Portuguese VAT		23%	81.30

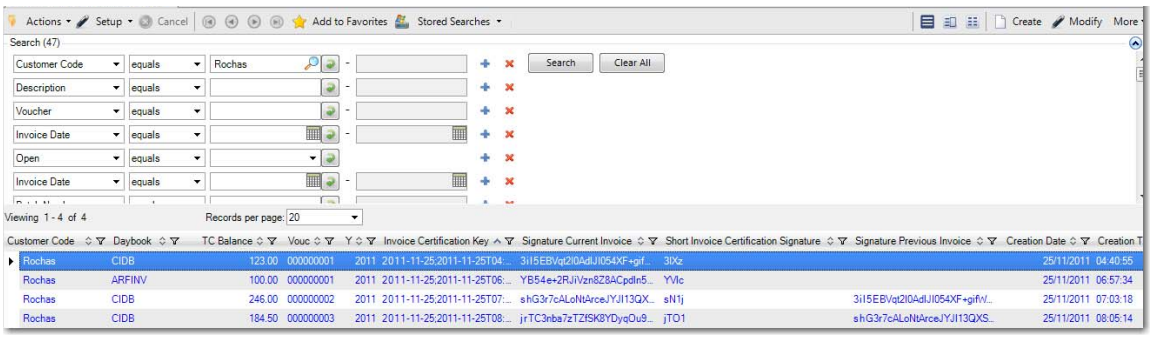
Non-Taxable: 0.00
Taxable: 81.30
Tax Date: 11-25-2011
Currency: EUR
Line Total: 81.30
Total Tax: 18.70
Total: 100.00

1 3IXz-Processado por Programa Certificado n.º 1362/DGCI

Viewing the Signatures

You can view the invoice signatures when you browse for invoices in Customer Invoice Modify or Customer Invoice View. Several fields relate to invoice certification.

Fig. 7.22
Customer Modify, Browse



Invoice Certification Key. This field displays the key invoice data that was used to generate the signature in a readable format. The data includes the invoice date, creation date and time, full invoice number, and amount.

Invoice Certificate. This field displays QAD's certification number, as issued by the local government.

Signature Current Invoice. This field displays the signature for the invoice, which is a string containing 172 characters.

Signature Previous Invoice. This field displays the signature of the previous invoice created using the same daybook.

Creation Date. This field displays the date on which the invoice signature was created.

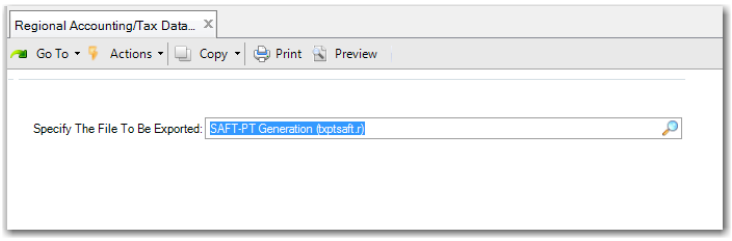
Creation Time. This field displays the time at which the invoice signature was created.

Short Invoice Certification Signature. This field displays the short signature for the invoice, which consists of four characters from the signature corresponding to the 1st, 11th, 21st, and 31st positions.

Exporting the Signatures

Use Regional Accounting/Tax Data Export (36.5.3) to export the audit file.

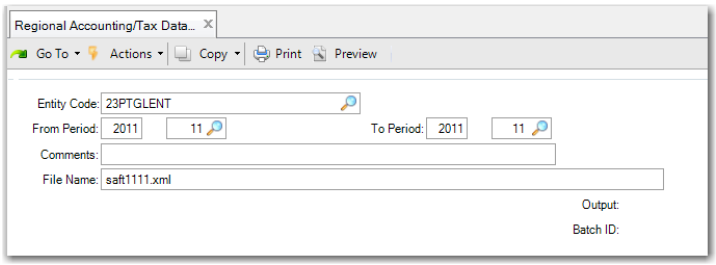
Fig. 7.23
Regional Accounting/Tax Data Export



Specify the File to be Exported. Select the file name you defined in Generalized Codes Maintenance.

When you specify the file name, click Next. The second frame is displayed.

Fig. 7.24
Regional Accounting/Tax Data Export, Second Frame



Entity Code. Specify the entity from which you want to export invoice certification data. The default is the current entity.

From Period. Specify the first GL calendar year and period for which you want to export data. The default is the current GL calendar year.

To Period. Specify the last GL calendar year and period for which you want to export data. The default is the current GL calendar year. The time frame must be within a single calendar year.

Comments. Specify up to 40 alphanumeric characters to record a comment on the data export.

File Name. This field displays the name of the XML file to export. The name is defaulted by the system. However, you can overwrite the default and specify a different file name.

Click Next to extract the XML file.

Processing Receivables

When processing customer transfer payments, you can use Banking functions to record the payments directly in your bank account while allocating the payment directly to invoices. For other payment instruments, such as check payments, draft payments, and direct debit payments, you typically use Customer Payment and Customer Payment Selection functions to complete the payment process. These functions let you process a payment through a series of statuses, with postings to payment accounts for each status change. In this way, the payment is fully recorded in the AR sub-ledger, from allocation of the payment to an invoice to acknowledgement from the bank that the payment amount has been transferred to your bank account. Once the amount is paid, you use Banking functions to update your account statement. The Payment functions handle all types of payment instrument (including checks, drafts, credit card, and direct debits), and both paper and electronic payment formats.

Customer Payments

Use customer payments to resolve customer open items. The payment system lets you process the following:

- Customer-initiated drafts
- Supplier-initiated drafts, for processing collections or bills of exchange
- Checks
- Credit card payments
- Summary statements, for processing third-party summary payments
- Promissory notes

For each of the payment instruments listed, the payment can be directly allocated to open invoices or can be recorded as a prepayment. See “Creating a Prepayment” on page 520.

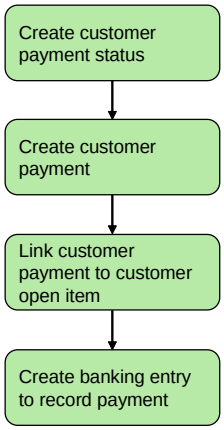
The instruments you use to complete these processes are described in “Customer Payment Instruments” on page 505.

Note The system uses a similar process for both customer and supplier payment instruments and for both paper and electronic payments.

Payments are associated with status codes, which are used to manage the payment process through final collection and updating of accounts. You process the payment by changing the payment status from one status to the next in the sequence that meets your business requirements. See “Customer Payment Statuses” on page 505.

To complete the process, create a banking entry to record the payment, as shown in the following figure.

Fig. 7.25
Customer Payment Instruments Flow



Note You can also generate customer payments in the system from the transaction messages contained in imported bank files. See “Processing Incoming Bank Files” on page 820.

Setting Up Customer Payments

To set up a customer payment instrument, you must do the following:

1. Ensure that you have defined the own bank account you will use in the process. This bank account is defined on the Banking tab of a GL account of type Bank and is referred to in the customer record in Customer Create. The system retrieves your bank account details and the formats required for payments from the account information you define on the Banking tab of the customer record. See “Banking Tab” on page 277.

2. You must link payment formats to your bank accounts.

   Payment formats include information on the type of payment (AR or AP), the direction (inbound, foreign, or both), the currency, and the instrument, such as check or draft. For electronic customer collection (direct debit and electronic draft), the payment format is also linked to an imported Bank File Format driver.

   You must define as many payment formats as you have different types of customer payments.

   See “Linking Payment Formats to Bank Accounts” on page 817 for a description of how to set up payment formats and how to link them to bank accounts.

3. Define Customer Payment accounts to be associated with payment statuses. The account balance then reflects the total value of payments in each status.

   For more information on defining GL accounts, see “Creating GL Accounts” on page 90.

4. Define a Customer Payments daybook to contain the postings generated by the status transitions.

   For more information on daybooks, see “Using Daybooks” on page 164.

5. Create a set of payment statuses to match the stages through which you want to process the payment. This is described in “Customer Payment Statuses” on page 505.

Customer Payment Instruments

Use the following payment instruments for customer payments.

Table 7.4
Types of Customer Payment Instruments

Payment Instrument	Description
Check	Checks are unconditional orders to pay an open item, and are effective when presented to the customer's bank.
Direct Debit	Direct debit is an agreement between you, the customer, and the customer's bank that regular amounts are to be debited from the customer's account to settle open items. Direct debits can be in paper or electronic form. Direct debits are automatic payments, and use the electronic payment formats (bank file).
Draft	The draft or bill of exchange is a negotiable security signed and dated by its issuer (the bank). It contains an unconditional order or instruction for the customer, who draws upon it to pay a fixed amount on the agreed due date. The customer accepts the draft by signing it. Once signed, the draft is considered a collection instrument. Its form, content, and legal consequences are governed by law.
Promissory Note	The promissory note is a promise of payment made by the customer, instead of an unconditional payment order. The promissory note carries more risk for the beneficiary and has fewer legal consequences for the issuer if payment is defaulted.
Summary Statement	The summary statement is sent to the customer by a third party, and used when the third party is responsible for the collection of amounts. For example, factoring companies and banks that provide credit card services use summary statements.
Credit Card	A credit card payment is a customer payment by credit card that has been validated by QAD Customer Self-Service (CSS). See "Credit Card Payments" on page 514.

Customer Payment Statuses

Payment processing is controlled by payment status codes. Different payment instruments follow different status sequences.The number of statuses you need depends on your particular implementation. At a minimum, you must have two statuses: Paid and Bounced. Typically, you also use a For Collection status for payments sent to the bank. The Initial status is used if you want to do an initial payment registration.

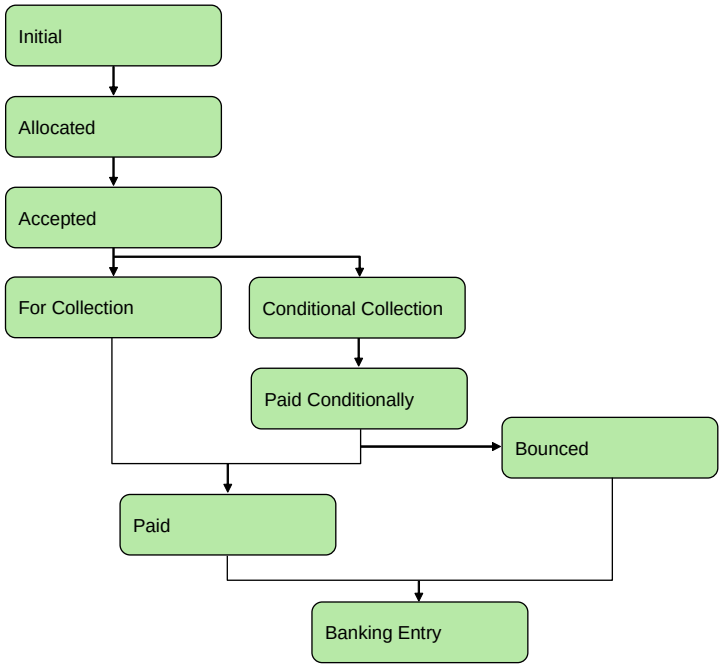
You can define an account for each status through which the payment is processed, or use one GL account to record the transitions. For example, if you are processing a draft through the Initial, Allocated, Accepted, For Collection, and Paid statuses, you can define a GL account of type Customer Payment for each status. This approach supports detailed reporting requirements.

Each status transition usually generates a posting, which updates the account associated with the status and bank or payment accounts. The posting information, including account and daybook details, is contained in the payment status definition.

While you can move a payment directly to the Paid status on creating it, this is not a typical approach. Note also that you cannot undo a Paid document. You must reopen the invoice manually with Open Item Adjustment.

Figure 7.26 illustrates the status flows through which you can process the payment.

Fig. 7.26
Customer Payments Status Flow



It is not mandatory to process a payment through all of the statuses described. Some European and South American companies use the interim statuses and customer and supplier payment accounts to log the progress of the payment. In this process, the last step constitutes creating a banking entry based on a bank statement. This step sets the payment to Paid and debits the bank account.

US organizations, however, generally do not require interim statuses, and sometimes use Initial, For Collection, and Paid statuses only. You can use Customer Payment Mass Change (27.6.4.5) to select payments with a For Collection status and change their status directly to Paid. This status change immediately updates your bank account, without the need to create a banking entry. See “Customer Payment Mass Change” on page 523.

You can also use Customer Payment Mass Change (27.6.4.5) to change any payment at any stage in the flow to Bounced or back to Initial. This is useful for payments that are sent directly to the bank once they are accepted, and are then refused by the bank.

You can also change a customer payment status to Paid automatically by importing a bank file using EDI Document Import and using Process Incoming Bank File. See Chapter 12, “Banking and Cash Management,” on page 789.

Table 7.5 describes each payment status, and lists the postings created by status transitions.

Table 7.5
Customer Payment Statuses and Account Activity

Status	Description	Account Activity	
		Debit	**Credit**
Initial	Initial payment status. The payment is in your system but does not generate any postings.	Not applicable	Not applicable
Allocated	The payment is received and is linked to open items. The transition to Allocated generates postings and sub-ledger updates.	Allocated Customer Payment account	Customer Control account
Accepted	The payment is signed by the relevant parties. When a draft is signed by a customer, you change the status of the associated customer payment to Accepted.	Accepted Customer Payment account	Customer Control account, if this is the first posting for the payment Otherwise, the account associated with the previous payment status
For Collection	The payment is presented to the bank for immediate payment. Some examples of payments for collection include a check, a payment selection that is transferred directly to the bank, and paper transfers to the bank. A selection is automatically created when a payment status is changed to For Collection.	For Collection Customer Payment account	Customer Control account, if this is the first posting for the payment Otherwise, the account associated with the previous payment status
Conditional Collection	The payment is presented to the bank conditionally, the condition being that a draft is honored by the bank before the draft due date. This status is followed by the Paid Conditionally status in banking entry. The Conditional Collection status is also referred to as Discounted Draft.	Conditional Collection Customer Payment account	Customer Control account, if this is the first posting for the payment Otherwise, the account associated with the previous payment status

Status	Description	Account Activity	
		Debit	**Credit**
Paid Conditionally	When a draft is discounted to the bank and the payment is conditionally received, change the payment status to Paid Conditionally. Payments are automatically be assigned this status when they are marked as Paid during banking entry and when their previous status was Conditional Collection. Unlike other statuses, the Paid Conditionally posting does not transfer the amount from the control account linked to the previous status to the control account of the current status. Instead, it credits a liability account, which is backed out again when the status of the payment is changed from Paid Conditionally to Paid (final).	Bank account	Liability account associated with Paid Conditionally status
Paid For payments coming from any status, except Paid Conditionally	The incoming payment amount has been paid. Individual Payments are either fully paid or not paid at all. The payments cannot be partially paid. A Payment Selection can be said to be partially paid if individual payments within it are bounced.	Bank account	Customer Control account, if this is the first posting for the payment Otherwise, the account associated with the previous payment status
Paid For payments coming from Paid Conditionally	The incoming payment was already posted on the bank account with the previous status Paid Conditionally and is now confirmed as final.	Liability account associated with the Paid Conditionally status	Conditional Collection Customer Payment account
Bounced For payments coming from any status, except Paid Conditionally	The incoming payment, which was sent to the bank for collection, has been refused by the bank. The linked open items are re-opened and the invoice payment links are deleted.	Customer Control account	For Collection Customer Payment account
Bounced For payments coming from Paid Conditionally	The incoming payment, which was sent to the bank for collection, has been refused by the bank. The linked open items are re-opened and the invoice payment links are deleted.	Liability account and Customer Control account	Conditional Collection Customer Payment account and Bounced Customer Payment account

For each of the different payment statuses, a specific GL account representing the status can be defined.

Payment Processing Examples

This section illustrates how you can combine payment statuses to create different kinds of payment processing scenarios.

Direct Payment by Check

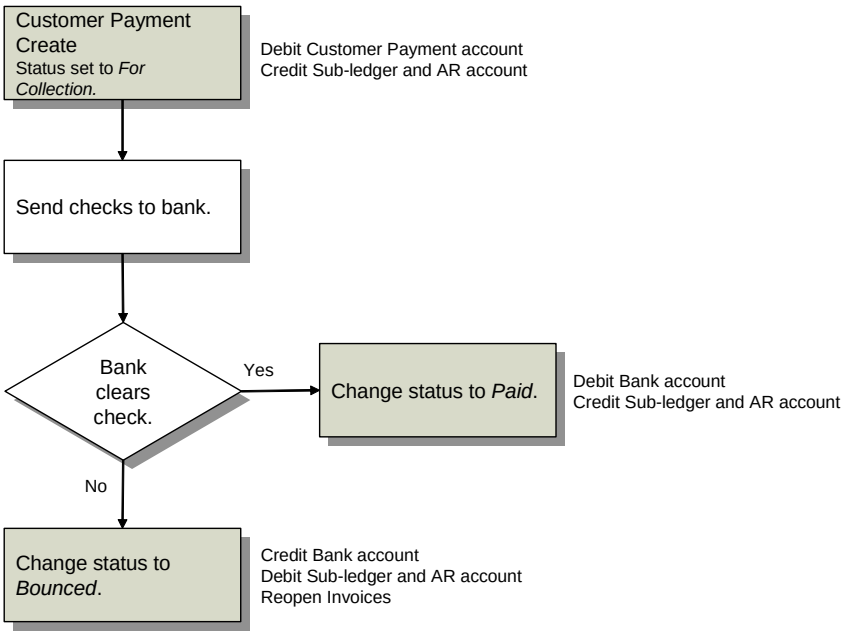
In a very simple scenario, you can receive payments by check and record payments that directly update the GL. Then, if the payment fails, an additional step to back out the update is required.

Note While it is possible to set the initial status to Paid, this approach is not recommended since reversing the payment requires extra work.

The recommended approach is to have at least one customer control account for the For Collection status.

The following diagram illustrates that scenario.

Fig. 7.27
Simple Customer Payment by Check



This payment flow uses three status codes:

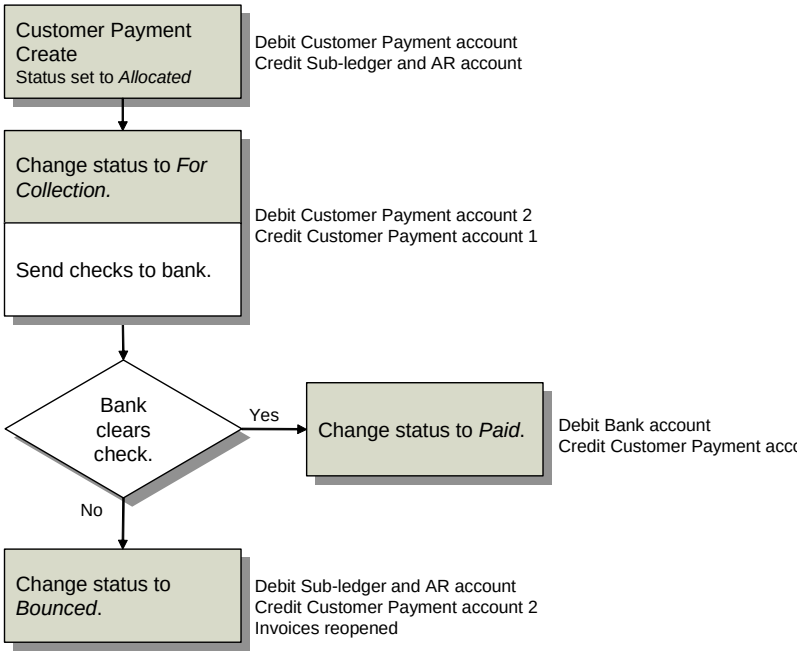
- When the payment is created, the For Collection status debits the Customer Payment account and credits the customer's AR account.
- When notification is received that the bank has cleared the check, the status is changed to Paid. The bank account is debited and the For Collection Customer Payment account is credited.
- If the check fails to clear, changing the status to Bounced reverses the effects of the For Collection status.

Staged Payment by Check

To avoid fluctuation in your bank account balance when receipt of payment is more uncertain, you can use one or more customer payment accounts to manage the payment. This process provides more control, but also generates more GL transactions within the system.

The following diagram illustrates using two additional statuses and corresponding customer payment accounts.

Fig. 7.28
Staged Customer Payment by Check



This payment flow uses four status codes:

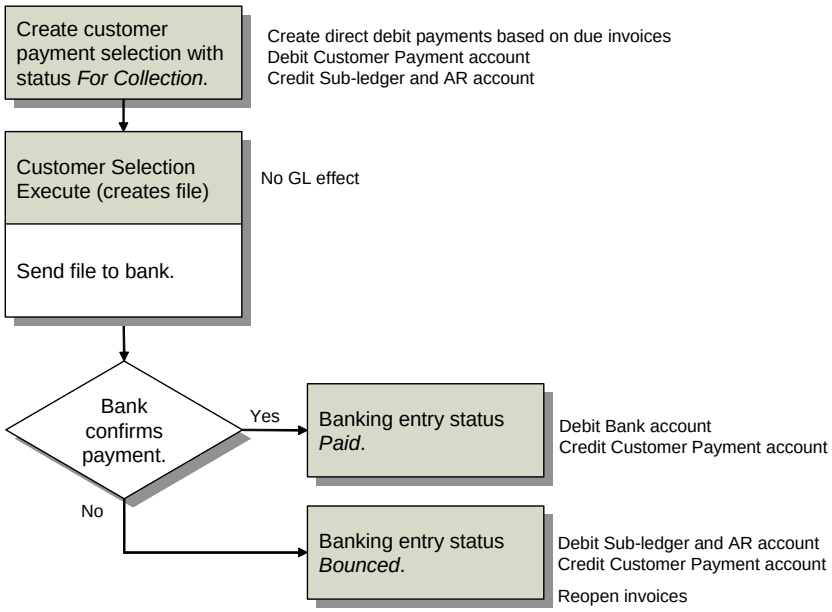
- When the payment is created, the status Allocated debits a customer payment account and credits the customer's AR account.
- If you change the status to For Collection when the payment documents are sent to the bank, the system debits the second customer payments account, and credits the first one.
- When notification is received that the bank has cleared the check, the status is changed to Paid. This debits your bank account and clears the second customer payment account.
- If the check fails to clear, changing the status to Bounced reverses the effects of the Allocated status.

Customer Direct Debit

Direct debit is managed by using the Create Payment Selection activity, which groups payments based on due date and generates an electronic file to be sent to the customer bank.

The following diagram illustrates this process.

Fig. 7.29
Customer Direct Debit



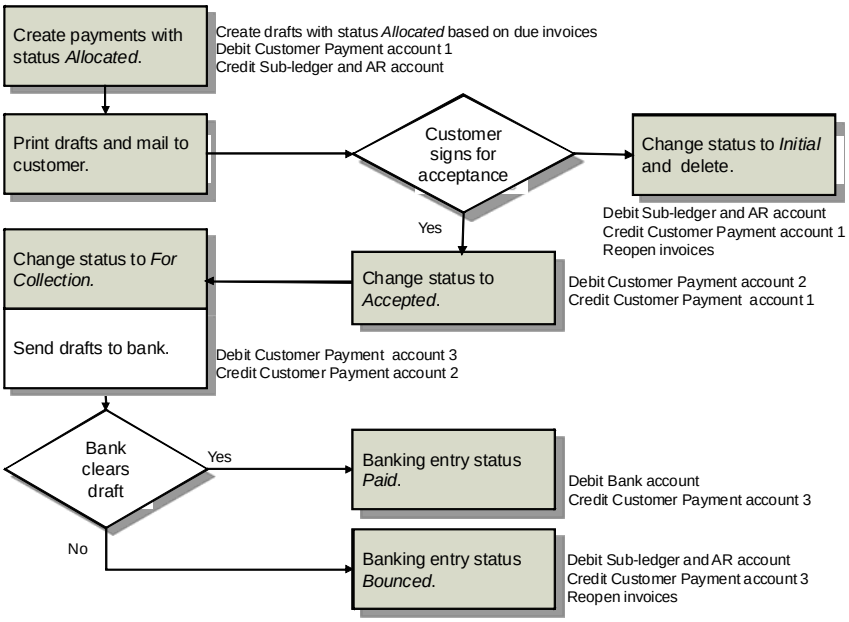
This payment flow uses four status codes:

1. Create payments with the status For Collection, which debits a customer payment account and credits the customer's AR account.
2. Generate an electronic file to be sent to the bank. This has no GL effect.
3. When the bank confirms that payment has cleared, the payment status is changed to Paid, debiting your bank account and clearing the customer payment account.
4. If the payment fails to clear at the bank, changing the status to Bounced reverses the effects of the For Collection status.

Payment with Company-Initiated Drafts

Managing payment with drafts requires more statuses, since the draft is subject to approval by the customer. The following diagram illustrates the process for drafts that you initiate and send to the customer.

Fig. 7.30
Customer Payment with Drafts

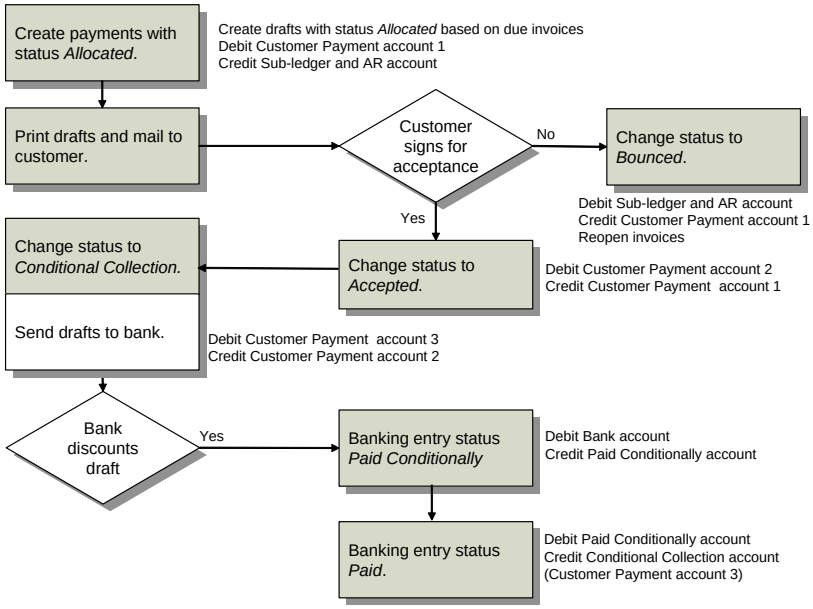


1. When the payment is created, the Allocated status debits a customer payment account and credits the customer's AR account.
2. The draft is printed and sent to the customer. What happens next depends on whether the customer approves the draft:
   a. If the draft is not accepted, the status is changed to Initial and the GL effects of the first step reversed.
   b. If the draft is accepted, the status is changed to Accepted. This moves the amount from one customer payment account to another.
3. The draft is then sent to the bank. Changing the status to For Collection debits a third customer payment account.
4. The action of the bank determines the next status transition:
   a. If the bank clears the draft, the status is changed to Paid. This debits your bank account and clears the customer payment account.
   b. If the draft fails to clear, changing the status to Bounced reverses the AR credit and clears the customer payment 3 account.

Conditional Payment of Discounted Drafts

When you present a draft to the bank for collection, you may request payment of the draft before the draft due date has elapsed. The following figure illustrates the discounting flow.

Fig. 7.31
Payment of Discounted Drafts



The first two steps are the same as the flow for payment of drafts.

1. When the payment is created, the Allocated status debits a customer payment account and credits the customer's AR account.
2. The draft is printed and sent to the customer. What happens next depends on whether the customer approves the draft:
   a. If the draft is not accepted, the status is changed to Bounced and the GL effects of the first step reversed.
   b. If the draft is accepted, the status is changed to Accepted. This moves the amount from one customer payment account to another.
3. The bank honors the draft and charges a fee for early payment, based on a percentage of the draft value. In this case, the payment is considered conditional since you are still liable for the full amount and is posted as a liability on your accounts. Instead of changing the payment status to For Collection when you are ready to present the payment to the bank, you use the Conditional Collection status when you request early payment from the bank. This process is also called discounting a draft.
4. When you create a banking entry to confirm the payment, the system sets the payment status to Paid Conditionally. This debits the Bank account and credits a Liability account that you define for the Paid Conditionally status.

This posting reflects the fact that you received the money (DR on bank account), that the amount is still liable (CR on liability account), and that this liability is balanced (DR on customer payment account). Generally, the bank gives a smaller amount (DR) than the nominal value of the payment document (CR). Therefore, in the banking entry, there is a debit amount remaining that you must post to a GL account for discounting drafts.

5 Finally, you use Customer Payment Status Change to change the payment status from Paid Conditionally to Paid, which backs the payment amount out from the customer payment and liability accounts into a discounted account (which you define when creating the Paid status). This leaves a Debit balance on your Bank account.

Credit Card Payments

Customer payments by credit card are validated and authorized using QAD Customer Self-Service (CSS). See *QAD Customer Service Implementation Guide* for information on the credit card authorization process.

When an order is placed from a QAD CSS Web site, QAD CSS communicates with the credit card issuing company to approve or decline the payment, and generates a sales order in the QAD Sales module for approved payments. The sales order is processed using standard shipment functions and Invoice Post and Print. During invoice post, the system creates the corresponding customer invoice, captures the payment amount through the credit card authorization, and creates a new customer payment with a For Collection status. Receiving the banking information from the bank sets the payment status to Paid.

Important Bank payment formats are defined per entity. Customer sites are also defined per entity. When the customer site and the customer bank payment format are defined for different entities, the system generates errors during Invoice Print and Post, which prevent the sales order from being posted, and so also prevent the automatic customer payment. Therefore, you must verify that bank payment formats and sites are defined for the same entity when setting up credit card payments.

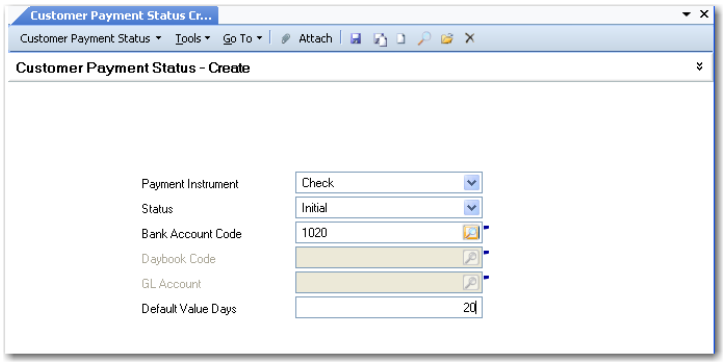
Creating Customer Payment Status Codes

Use the Customer Payment Status activities (27.6.2) to create, modify, view, and delete payment statuses.

The payment status is the transition state through which you process the customer payment, and contains the posting details for the transitions.

Note Once a payment status has been used in a transaction, it cannot be modified.

Fig. 7.32
Customer Payment Status Create



Field Descriptions

Payment Instrument. Select a payment instrument from the drop-down list. See Table 7.4 on page 505 for details about each instrument.

Check

Draft

Direct Debit

Promissory Note

Summary Statement

Credit Card

Status. Select a status to associate with the payment instrument from the drop-down list. See Table 7.5 on page 507 for status descriptions.

Initial

Accepted

Allocated

Bounced

Conditional Collection

For Collection

Paid

Paid Conditionally

Bank Account Code. Specify the GL account code for your bank that is used to process the payment. The account must be of type Bank.

Daybook Code. Specify a code for the daybook to contain the status transition postings. The daybook must be of type Customer Payments. Daybook cannot be specified for the Initial status.

GL Account. Specify the code of the account used for status transition postings.

- For all statuses except Initial and Bounced, you must specify an account type of Customer Payment.
- For the Initial status, this field does not apply.

- For the Bounced status, this must be an account of type Open Items.

  This account is only used for Paid Conditionally payments that are bounced. Instead of crediting the bank account, the open item account is credited so that a special follow-up process can be started for requesting a new payment from the customer.

Accounts are updated automatically when you change the payment status. The account balance reflects the value of all payments that have this status.

Default Value Days. Specify the number of value days it takes to change from one payment status to another.

This value defaults to zero. When a status transition requires some activity on the part of the bank, you can increase the number of days, in line with banking practice. This information is added to the current date when determining the due date for cash reporting.

Creating Customer Payments

Use the Customer Payment Create activities (27.6.4) to create, modify, view, and delete customer payments.

You cannot modify customer payments with a status of Bounced or Paid. Customer payments with a status of For Collection or Conditional Collection can only have the status field modified. You can delete only Initial customer payments. To delete a customer payment with a status other than Initial, you must first change the status to Initial.

Link the customer payment to an existing open item through allocation or create a prepayment. You can allocate items to a customer payment immediately by clicking Allocate or modify an initial payment to enable allocation at a later stage.

The following rules apply to customer payments:

- When you create a payment with a status other than Initial and do not link it to an open item, the system automatically creates a prepayment open item (CR) for the customer.
- You can adjust the prepayment and the invoice paid later using Open Item Adjustment Create.
- When you change a customer payment status to Bounced or Initial, open items are unlinked and reopened.

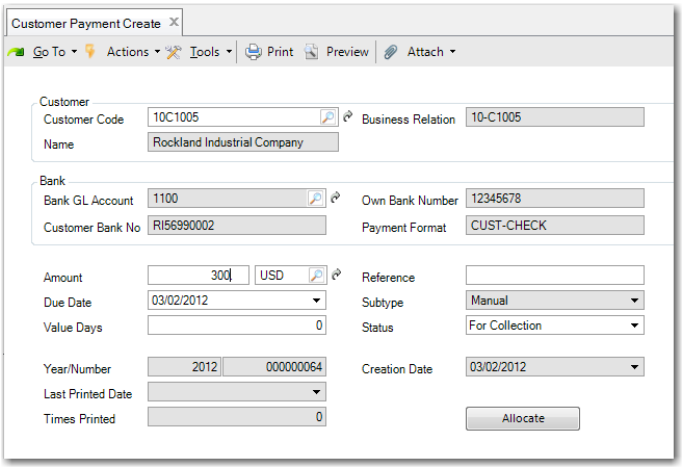
The Create Customer Payment To (Status) and Modify Customer Payment To (Status) activities let you control user access to the payment cycle.

For example, when you assign the Create Customer Payment To Accepted activity to a particular role, users assigned to that role can create payments with a status of Allocated or of Accepted only. The Status drop-down list is restricted to display the To Status and previous statuses in the flow. Subsequent statuses, such as For Collection or Paid Conditionally, are not available.

Note For more information on controlling user access to activities using role permissions, see *QAD Security and Controls User Guide*.

The Create Customer Payment To (Status) screen looks just like Customer Payment Create, but displays only those statuses for which your role has permission.

Fig. 7.33
Customer Payment Create



Field Descriptions

Customer Code. Specify the code that identifies the customer making a payment. The system loads the customer's default bank information defined in the Banking tab of Customer Create. Most bank details default from the bank and cannot be modified.

Business Relation, Name. This field displays the business relation and name associated with the customer.

Bank GL Account. Specify the GL account of type bank receiving the payment. If you specify a customer first, the banking details default from the customer. If you leave customer blank, the lookup retrieves all the bank account numbers and formats defined for all customers on the Customer Banking tab. Selecting a bank account fills in all of the other relevant fields, most in read-only mode.

Customer Bank No. This field displays the customer bank associated with the specified bank account.

Own Bank Number. This field displays the number of your own bank account, which is defined on the Banking tab of the customer record.

Payment Format. This field displays the payment format associated with the selected customer bank account number.

Amount/Currency. Specify the value of the payment in the transaction currency. The amount must be positive and can be entered manually or automatically by linking the payment to open items in the Allocation sub-screen. See "Allocating a Customer Payment" on page 518.

Note The payment currency must be the same as that of the open items against which you allocate the payment. If an invoice for this customer is in US dollars, your customer payment must be in the same currency.

Reference. Enter reference text (maximum 40 characters) for the payment. When the payment instrument is check, this is typically the check number.

A warning displays if a duplicate reference is specified for a customer.

Due Date. Specify the date on which the payment is receivable.

Value Days. Enter a value for the number of days required by the bank to process the transaction. The default number of days is retrieved from the payment status definition.

Subtype. This read-only field indicates that the payment is manual or automatic. You create manual customer payments through the Customer Payment activities, and automatic payments through the Customer Payment Selections.

Status. Choose a payment status from the drop-down list. The default for a new record is Initial (if you have created a payment status Initial for the type of payment). Table 7.5 on page 507 lists payment statuses.

Year/Number. This field displays the accounting year and payment sequence number, which is automatically generated by the accounting year.

Creation Date/Last Printed Date/Times Printed. These read-only fields indicate the payment creation date, most recent printing date, and number of times the payment has been printed.

Difference Amount. This field displays the difference between the payment amount and the allocated amount. The field is available in Design Mode.

Difference Type. This field indicates whether the payment was a short payment or an overpayment. The field is available in Design Mode.

Click Allocate to allocate the payment to an open item.

Allocating a Customer Payment

This screen displays when you click Allocate to retrieve open items for this customer to which you can allocate the customer payment.

Search For Invoices

Use the search criteria fields to select open items for allocation to the customer payment. You can simply search for all open items for this customer, or specific invoices or invoice amounts.

You can also allocate to open items for any customer in the system. The system retrieves the customer name and business relation details into the Allocation screen from the payment screen as defaults.

The Difference Allowed field indicates whether a payment difference has been allowed. For example, if payment tolerances are enabled for the customer or for the own bank number, but the difference for a payment is outside the range allowed by the tolerance settings, the Difference Allowed field will be cleared (blank).

Delete these details and click Apply to search for all open items for all customers.

Customer/Business Relation Code/Invoice Reference/Payment Reference. Specify the customer code, business relation code, invoice reference text, or payment reference to search for open items.

Shipper. Specify a shipper number to select invoices related to a specific shipment. This field applies to automatically created sales-related invoices.

Year/Daybook/Voucher. Specify a GL calendar year, daybook, or voucher number.

Amount. Specify an amount and a currency for the open item.

Operators/Margin. Specify a calculation operator and a margin for the amount. The amount and margin must be positive. The search returns both debit and credit matches.

When the operator is set to = and the margin is set to zero, the search returns open balances that equal the value in the Amount field.

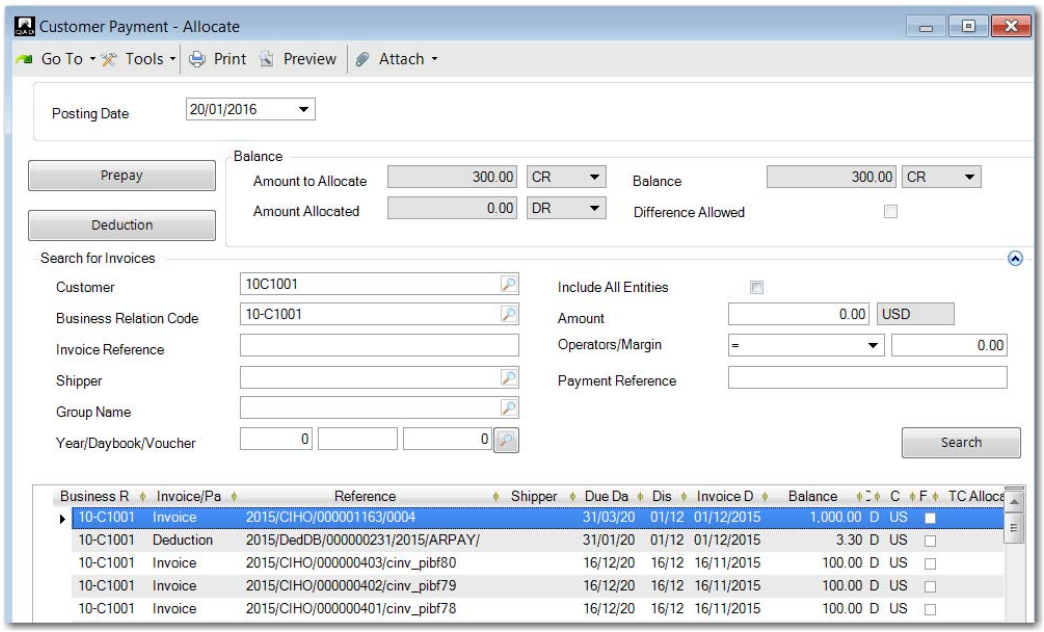
When the operator is set to = and the margin is set to, for example, 10, the search returns open balances within a range of +10 or –10 of the value in the Amount field.

Include All Entities. Select this field to retrieve open items from other domains. The domains do not need to have the same shared set as the current domain.

Bill Year/Number. Enter the year and number of the bill that this amount belongs to. This field is added using Design Mode.

Click Search to display a list of open items that match the search criteria in the grid. Select Full in the row in the grid to allocate the full amount for the item. You can accept or modify the amount to be allocated.

Fig. 7.34
Customer Payment Create, Payment Allocations



Field Descriptions

Posting Date. Specify a posting date for the payment.

Amount to Allocate/Allocated Amount/Balance. These read-only fields are updated by the allocation process.

Grid

TC Allocated. Enter the amount to allocate to the invoice. If you are not allocating the full amount, enter the partial amount here.

The system automatically splits the allocated amount into a TC Paid Amount and a TC Discount Amount, based on the credit terms and the payment date.

*TC Discount = TC Allocated * Discount% / 100*

TC Paid = TC Allocated – TC Discount

The relevant rounding method is then applied to the result.

Note For invoices with tax, the payment amount also contains a tax component. If the tax setting Discount Tax at Invoice is set to Yes, the discount amount at the time of payment only applies to the tax base amount.

TC Discount. This field displays the discount that applies for early payment, based on the credit terms.

You can always overwrite the discount amount proposed by the system by entering the amount yourself. Then, the TC Allocated amount is recalculated as TC Paid + TC Discount.

TC Paid. Enter the amount paid, excluding the discount. The system recalculates the TC Allocated amounts automatically as TC Paid + TC Discount.

Creating a Deduction

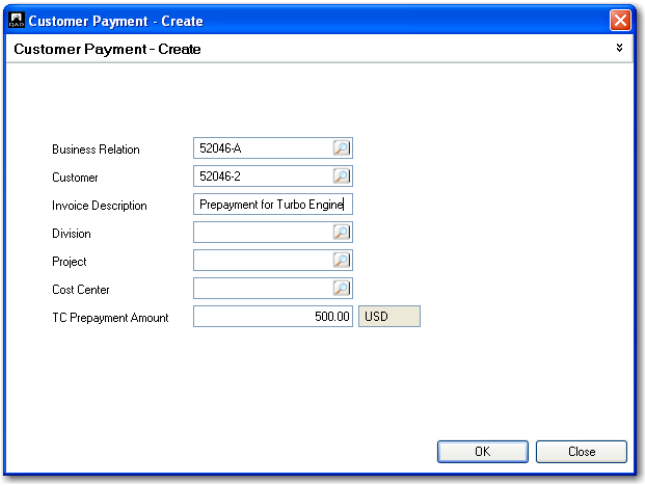
You can record a deduction if a customer pays less than the amount owed. The process for entering deductions is similar to that for creating prepayments.

Deductions and how to record them are described in detail in “Processing Deductions” on page 539.

Creating a Prepayment

At this stage of the payment process, you can create a new prepayment instead of allocating the payment amount by clicking Prepay. Do this when you have received a payment and do not know which invoice it is related to or receive payments before invoices are sent.

Fig. 7.35
Customer Payment Create, Prepayment



Field Descriptions

Business Relation/Customer. These values display from the Payment Create screen.

Invoice Description. Enter an optional description of the prepayment.

Sub-Account, Cost Center, Project. Specify analysis values if they are required by the prepayment account.

TC Prepayment Amount. Specify the amount of the prepayment in transaction currency. This defaults from the invoice amount.

Customer Payments and Open Items

You can allocate invoices, invoice corrections, credit notes, credit note corrections, and prepayments to a payment. You can also select open items created for other customers and created in other entities. In this case, the allocation creates a cross-company posting.

The system marks and numbers linked items to avoid double payment.

When you modify a payment instrument, the allocated amounts of invoices that were already linked can be changed. In this case, the invoice balance is changed and, if necessary, the invoice is reopened.

Note For more information on Open Item Adjustment, see “Open Item Adjustment” on page 383.

Allocation Discounts

Allocating the payment fully to an invoice for the full amount is equivalent to paying the invoice. This means that general rules for financial discounting apply.

For invoices with credit terms that define discounts for early payment that are registered and paid before the discount due date, the discount percentage is applied.

In some countries, a tax correction posting for the discount is registered upon saving the allocation.

Allocation and Currencies

All allocated open items must have the same currency as the payment currency. In the exceptional case that a customer pays an invoice with a different currency, the payment can be allocated to a prepayment, which can afterward be adjusted to the invoice using Open Item Adjustment.

Once invoices are linked, the base currency value of the payment is calculated as the sum of the base currency values of the linked invoices; the payment inherits the average exchange rate of the invoices.

Note For detailed information on revaluation, see “Revaluation” on page 370.

Modifying Customer Payments

Use Customer Payment Modify to modify customer payments.

When a customer payment is in the Initial status, you can modify all aspects of the payment, including the customer and the amount. When the payment status changes to a status other than Initial, you can only modify the status and the description. However, you can reset the payment status to Initial, provided that the payment has not been paid, bounced, or voided.

When a payment is set to the Paid, Bounced, or Void status, you can no longer modify the payment. At this point, the only way to correct the payment is to manually re-open all customer invoices linked to the payment using Open Item Adjustment Create, and then create a new payment with the correct details.

Modifying Bank Details on a Customer Payment

When using a customer payment to process invoices, the system loads the default account number, own bank account, and payment format defined for this customer into the payment fields. These banking details are then used for all open items contained in the payment.

Because businesses can need to change the default own bank account and payment format during the payment cycle, you can change the payment banking details for a customer payment in any status other than Paid. This means that you can create and allocate a payment to open items for one or multiple customers, each with different banking details. Once the allocation is complete, you can then select a different own bank number and payment format in the payment header.

Example You create a customer payment for Customer A, for whom the customer bank account number is 13336789, the default payment format is AR check, and the own bank number is 77778888 (linked to GL account 1012). You set the payment amount and click the Allocate button to allocate to open items.

You allocate to items for open items with differing payment details. Click OK to return to the payment screen.

To change the banking details, click the Bank GL Account lookup to select a different own bank account for this customer. You select the customer bank account number 22234376, the default payment format is AR draft, and the own bank number is 88889999 (linked to GL account 2012). All the open items included in the payment inherit these payment details.

Note You can also change the bank accounts and payment format of the payment before allocating to invoices.

You can even specify that you want to pay invoices from customers with a payment from a different customer. To do this, clear the Customer Code field in the Allocation Search criteria, and replace it with another customer code.

If the own bank number and payment format is not defined for any of the customers for whom open items are included in the payment, the system automatically adds this combination as a new line on the banking tab of the customer record.

When the open item is fully paid, the payment details on the Financials Info tab of the invoice are replaced by the new combination. When the item is partially paid, the system adds a new line to the Financial Info tab of the invoice for the open balance, and retains the open item format and attributes for this amount.

The original and new payment formats used in this process may contain payment attributes, and the attributes of a new payment format must be consistent with the attributes applied to the original open item. The following restrictions apply:

Table 7.6
Payment Format Attribute Restrictions

Payment Format on Open Item	Payment Format on Customer Payment	Result
Different type of format from Payment; no attributes	Different type of format from Open Item; no attributes	The format can be changed.
Same type of format as Payment; has attributes.	Same type of format as Open Item; has attributes	The format can be changed. The system checks that the payment does not contain two open items with the same format but different attributes.
Different type of format from Payment; has attributes	Different type of format from Open Item; no attributes	The system displays a warning that the open item attributes will be removed. The format can be changed.
Different type of format from Payment; has or does not have attributes	Different type of format from Open Item; has attributes.	The format cannot be changed. When the format selected for the payment is different from the open item format and has attributes, the system prevents you from allocating to open items. This is because the new format attributes may conflict with those of the open items.

Customer Payment Mass Change

Use Customer Payment Mass Change (27.6.4.5) to register the status transitions of one or more payments, and if required, to change the bank details or payment selection for selected payments.

To change the status of single payments, use Customer Payment Modify; for changing the status of multiple payments at one time, use Customer Payment Mass Change. The mass change activity also lets you select external payments in different formats for status transition.

Using Customer Payment Mass Change helps streamline the process of completing a payment processing flow. For example, when the bank lets you know that a set of checks has cleared, you can update the status of all of them at one time. You can also clear a batch of checks by loading a bank file using Document Import (35.1) and using Process Incoming Bank Files (31.1.6). See Chapter 12, “Banking and Cash Management,” on page 789.

Use one or a combination of payment detail fields to search for existing customer payments.

Changing Own Bank Number for Payments

When completing customer payments, you can decide for cash flow or other reasons to change the bank account or account number into which the payment is made. The Change Own Bank Number option lets you specify a different bank account and account number for selected payments.

You can specify a different account number for the same bank, or a different account number and bank account. The new account number, account, and payment instrument combination must be already defined in Bank Payment Format Link and must be defined for the same entity as the original combination.

You must also have defined a payment status that uses the new bank account, payment account, and payment instrument.

Example You create a check payment using bank account 1040 and GL payment account 1048. In order to change the bank account to 1041:

- There must be an existing customer payment status of Allocated with the payment instrument Check and bank account 1041.
- Bank account 1041 must be linked to an AR check payment format in Bank Payment Format Link.

If the Allocated payment status using the new bank account uses a different GL payment account—for example, 1049—the system generates a posting to compensate for the difference.

Example The Allocated payment status for bank account 1041 uses GL account 1049. When you change the bank account from 1040 to 1041, the system generates a GL posting that credits 1048 and debits 1049 for the payment amount. This posting uses the daybook defined for the new payment status.

When you select a new account number and bank account for a payment, this combination is then automatically added to the Banking tab of the customer record as a new default own bank account combination. Alternatively, if you change to another own bank number that is already recorded in the Banking tab of the customer record, this own bank number becomes the new default for payments from that customer. When the payment is already allocated to an invoice, the banking details are also automatically updated in the banking grid of the invoice Financial Info tab.

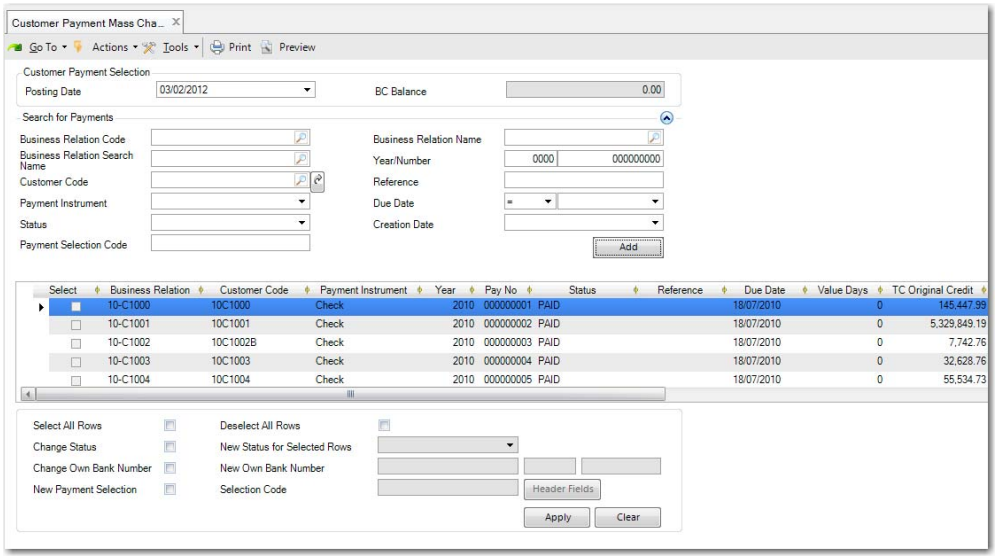
Note You can only change the bank details for payments with a status of Accepted or Allocated.

Assigning Payments to a New Payment Selection

You can use Customer Payment Mass Change to group payments created using Customer Payment Create and Customer Payment Selection Create together in a single payment selection. The ability to combine payments and selections in a single selection facilitates the transfer of payments to your bank.

In the grid, select the payments to which you want to assign a new payment selection code. Select the New Payment Selection field under the grid, and specify the new payment selection code in the Selection Code field. When you click Apply, the Payment Selection Code field in the grid is updated to display the new payment selection code. When you click Save, the lines you selected in the grid are moved to the new payment selection.

Fig. 7.36
Customer Payment Mass Change



Field Descriptions

Customer Payment Selection

Posting Date. Specify the date that the status change should be effective.

BC Balance. This field displays the value of the payments selected in the grid in base currency, and is read-only.

The value is updated each time a payment is selected or deselected in the grid.

Search for Payments

Business Relation Code. Specify a business relation to search for payments associated with that business relation.

Business Relation Search Name. Specify a business relation search name to retrieve payments associated with that business relation.

Customer Code. Specify a customer code to search for payments from that customer.

Payment Instrument. Select a payment instrument to display payments for that instrument only.

Status. Select a payment status to display payments with that status.

Payment Selection Code. Specify a payment selection code to display payments in that payment selection. When you update the selection code, this field is automatically updated with the new selection code.

Business Relation Name. Specify a business relation name to search for payments associated with that business relation.

Year and Number. Specify a year and payment number to display matching payments.

Reference. Specify a payment reference to display matching payments.

Operator/Due Date. Specify an operator and due date for the payment. The operator combined with the due date determines which records are retrieved.

>= Due Date: The system retrieves all payments with a due date later than or equal to the due date specified.

= Due Date: The system retrieves all payments with the due date specified.

<= Due Date: The system retrieves all payments with a due date earlier than or equal to the due date specified.

Creation Date. Specify a payment creation date to display payments created on that date.

Click Add to retrieve all payments that meet the search criteria.

To change the status of multiple rows in the grid, use these fields:

Select All Rows. Select all payments in the grid.

Deselect All Rows. Deselect all payments in the grid.

Change Status. Select this field to enable the New Status for Selected Rows.

New Status for Selected Rows. Choose a new status for the payment from the drop-down list and click Apply to apply the status to the selected rows.

Note You can also edit the status in the grid for individual rows as needed.

Change Own Bank Number. Select this field to enable the New Own Bank Number fields.

New Own Bank Number. Specify a new own bank number for the selected payments. The lookup displays the numbers of bank accounts that have been linked to payment formats only.

New Payment Selection. Select this field to assign a new payment selection code to one or more lines selected in the grid. Selecting this field enables the Selection Code field.

Selection Code. This field is enabled if you select the New Payment Selection field. Specify the new payment selection code to assign to the selected payment lines.

Click the appropriate button:

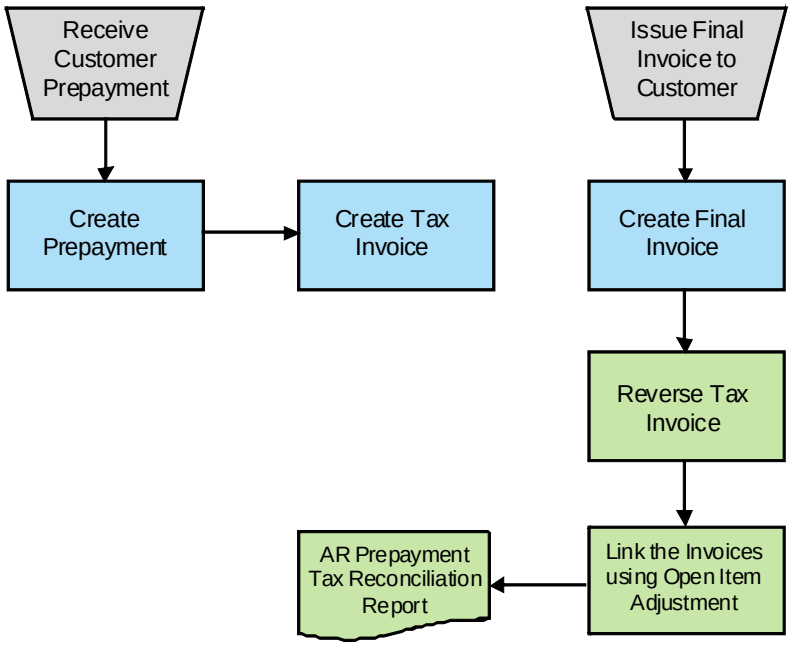
- Click Header Fields to change attributes associated with the payment file header of the new payment selection. This button is enabled only when the payment format specified supports this feature. See “Payment Format Maintenance” on page 259.
- Click Apply to apply the new status and bank accounts to the payments.
- Click Clear to clear the contents of the grid.
- Click Save to save the payments with the new statuses and bank accounts, and to register the status transition postings.

AR Prepayment Tax Reconciliation

In some countries, you must declare tax on a prepayment. This practice is common in Eastern European countries. For example, if you receive a prepayment from a customer and do not ship goods or provide services within a certain time period, you must issue a tax invoice.

The AR Prepayment Tax Reconciliation process lets you add reconciliation key identifiers to link prepayments, tax invoices, and final invoices, and then perform reconciliations for audit purposes.

Fig. 7.37
AR Process for Prepayment Tax Reconciliation



In the AR Prepayment Tax Reconciliation process, you receive customer prepayments and record them in the system using reconciliation keys to identify them. If the tax on the prepayments must be declared, you create a tax invoice for the prepayment tax amount and assign the same reconciliation key. Before you issue the final invoice to the customer, you can record multiple prepayments and multiple corresponding tax invoices.

When your company ships goods or provides services, you send the final invoice to the customer. At this time, you create the final invoice in QAD EE with an identifying reconciliation key. You must then reverse the tax invoice that you created previously, run Open Item Adjustment Create to link the prepayment, final invoice, tax invoice, and tax invoice reversal so that QAD EE can track the whole process using one adjustment record.

Recording Prepayments with Reconciliation Keys

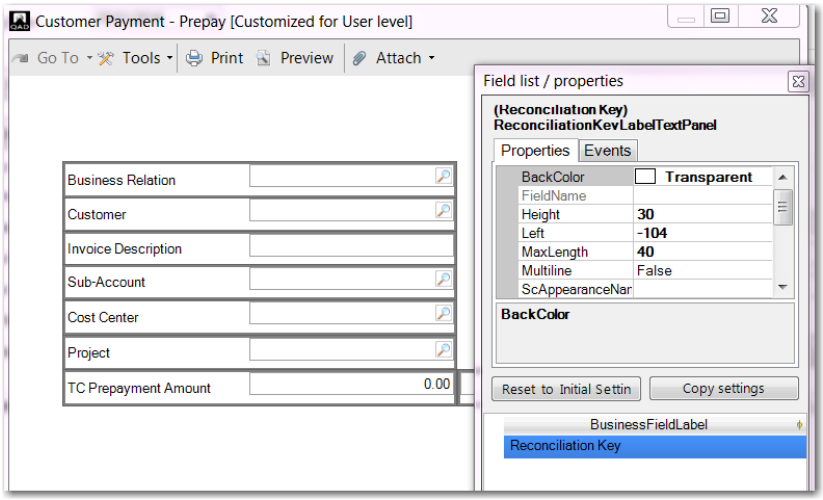
In functions that allow you to enter prepayments and process them, you can record a reconciliation key, which helps you to search and find tax invoices and prepayments for manual reconciliation.

The Reconciliation Key field is hidden by default and you must add it using Design Mode. You can add the Reconciliation Key field in Design Mode in the following AR-related programs:

- Customer Payment Create/Modify/View
- Banking Entry Create/Modify/View
- Customer Invoice Create/Modify/View

Note For invoices originating from the operational side, such as invoices generated using Invoice Post & Print, the system automatically populates the Reconciliation Key field with a default value.

Fig. 7.38
Prepay Frame of Customer Payment Create, Design Mode

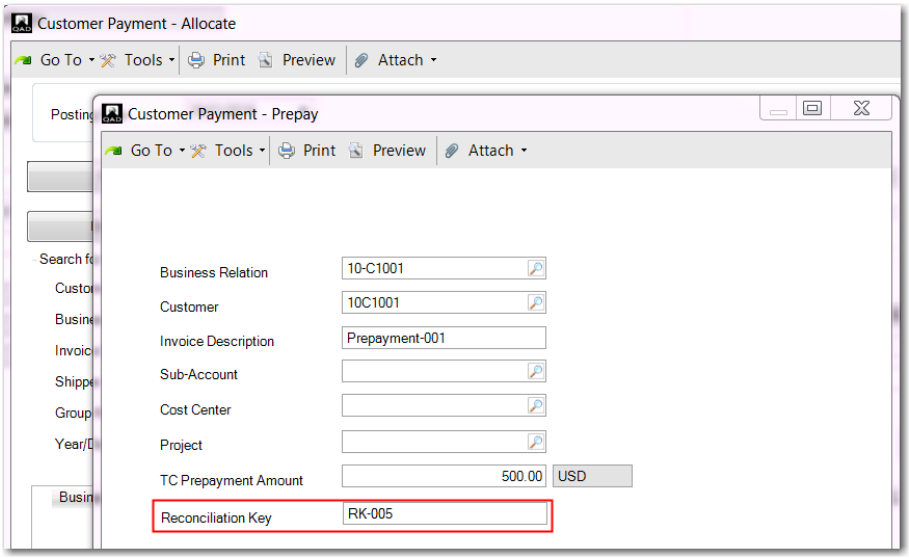


In the following programs, Reconciliation Key is a grid column that you can make visible by right-clicking on the grid headers and choosing Columns:

- Open Item Adjustment Create/Modify/View
- Customer Opening Balance Create/Modify/View

Before you issue a final invoice to the customer, you can record multiple prepayments.

Fig. 7.39
Customer Payment Create, Prepayment with Reconciliation Key



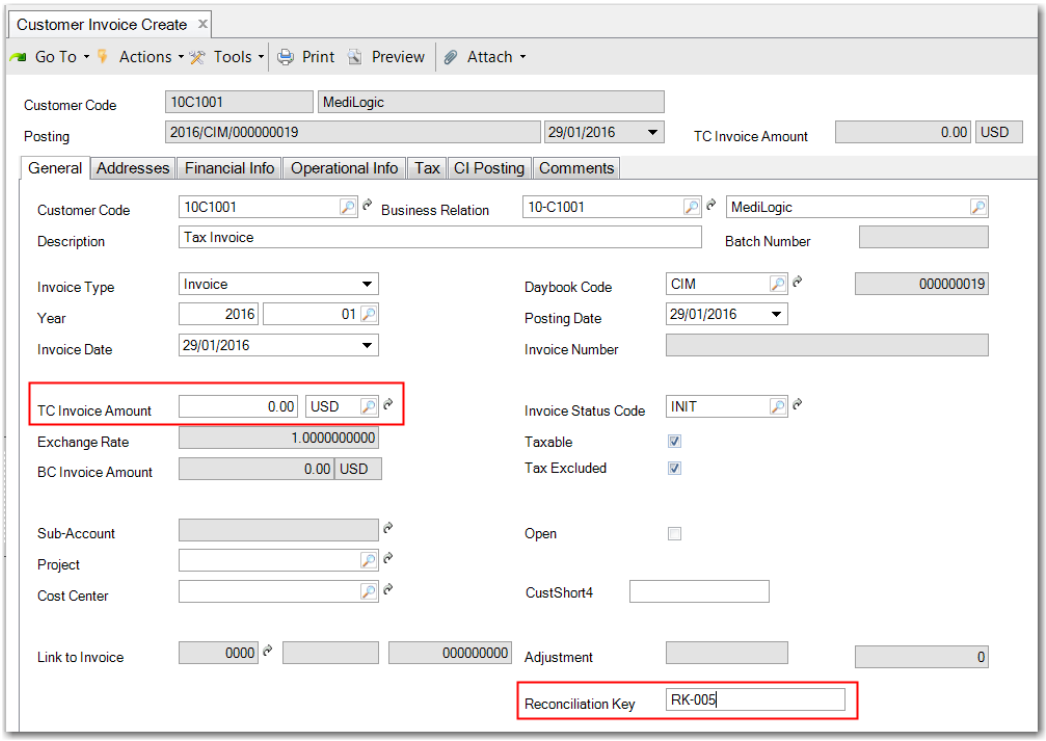
Creating a Tax Invoice

If the tax on the prepayment needs to be declared, create a zero-amount customer invoice for the prepayment and only include the applicable taxes. The taxes for the zero-amount invoice are then included in your tax declarations, and the invoice does not impact your customer's AR balance.

Add the Reconciliation Key field to the Customer Invoice functions using Design Mode and record a reconciliation key for the tax invoice so that you can easily find and reconcile it later.

Before you issue a final invoice to the customer, you can record multiple prepayments and multiple corresponding tax invoices.

Fig. 7.40
Customer Invoice Create, Tax Invoice with Reconciliation Key

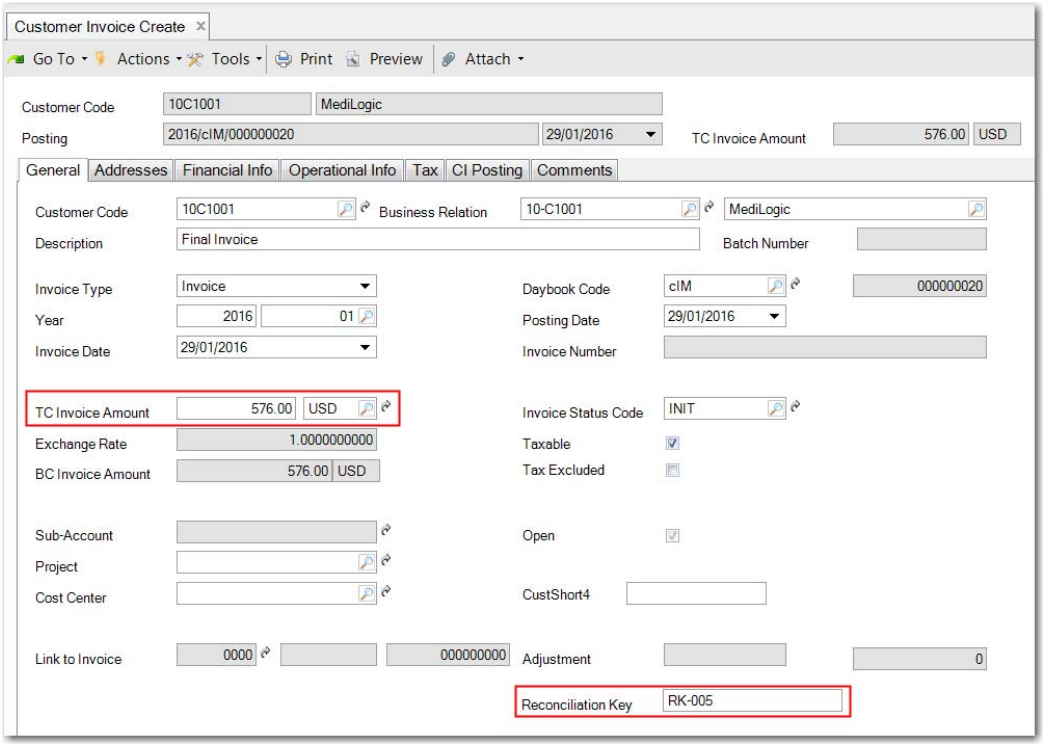


Creating the Final Invoice

When your company ships goods or provides services, you send the final invoice to the customer and record the invoice using Customer Invoice Create. As with the tax invoice and prepayment, assign the same reconciliation key so that you can easily find the invoice later.

Since this invoice is for the whole tax amount, you must reverse the original tax invoice created for the prepayment.

Fig. 7.41
Customer Invoice Create, Final Invoice with Reconciliation Key

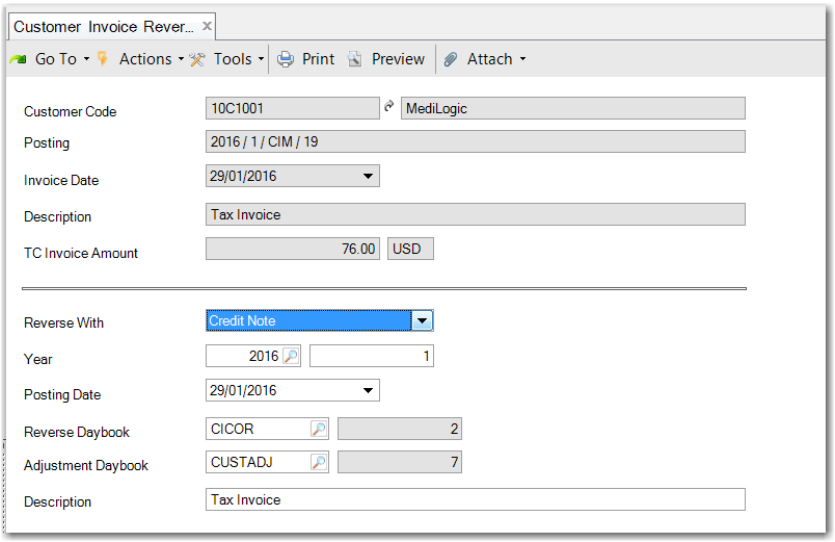


Reversing Customer Invoices

When you have recorded the final invoice for the customer in Customer Invoice Create, you then reverse the tax invoice that you created previously.

See “Reversing Customer Invoices” on page 494.

Fig. 7.42
Customer Invoice Reverse, Reversing the Tax Invoice



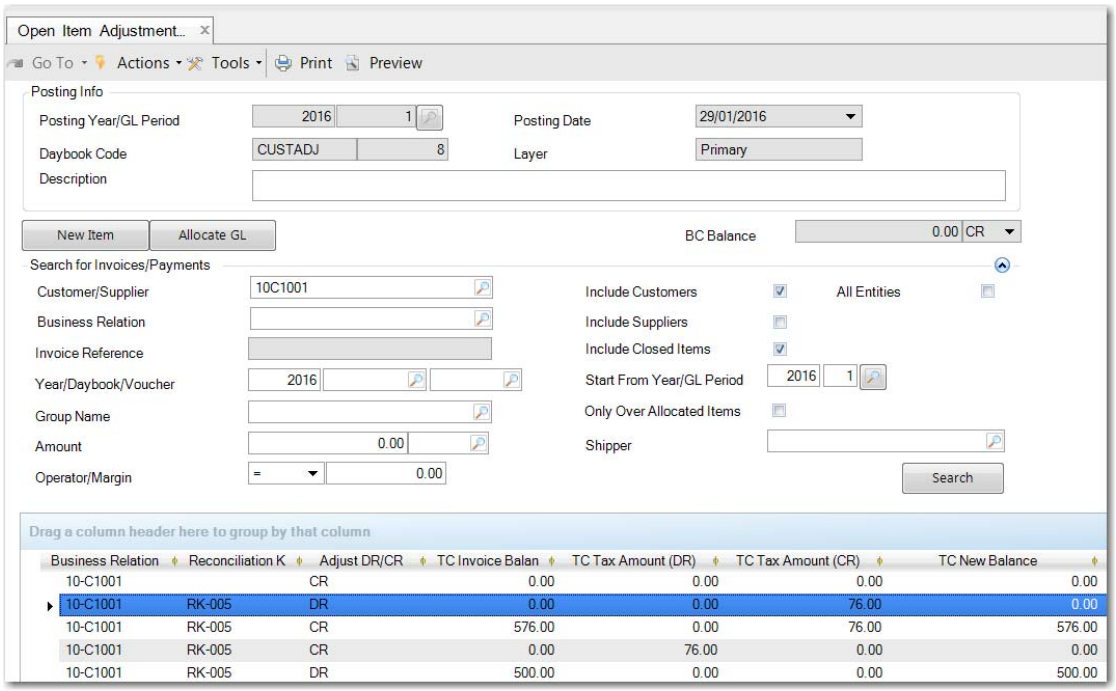
Linking the Invoices Using Open Item Adjustment

Use Open Item Adjustment Create to adjust the final invoice with the prepayments. To maintain the relationship between all documents involved in the reconciliation process, you must also add the closed tax invoice and the reversal invoice to the open item adjustment. Using Open Item Adjustment, you can use the Reconciliation Key field to search for all documents in the work flow. To track the corresponding taxes, you also need to include the closed tax invoices based on prepayments and the reversal invoices as well.

For closed items, use the Starting from Year and Period filter to narrow the search results. You need to include closed items to retrieve the reversed invoice.

The adjustment must include the prepayments, the tax invoices based on the prepayments, the reversed tax invoices, and the final invoice.

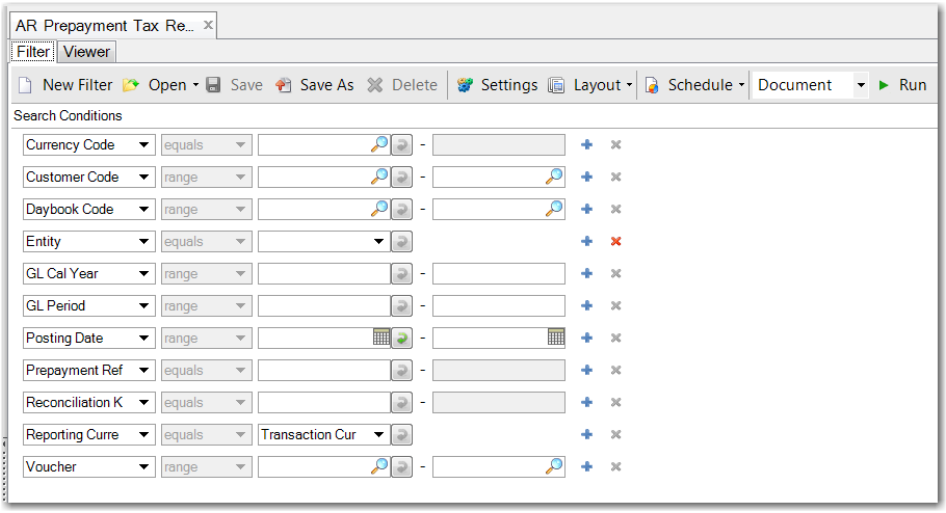
Fig. 7.43
Open Item Adjustment Create, Items with Reconciliation Key



Running the AR Prepayment Tax Reconciliation Report

The AR Prepayment Tax Reconciliation report contains output on which you can base your prepayment tax reconciliations. The report lists all transactions that meet the other search criteria. The data is grouped by daybook for each open item adjustment.

Fig. 7.44
AR Prepayment Tax Reconciliation Report, Criteria



The search criteria are:

Currency Code. Specify the currency code for which you want to run the report.

Customer Code. Specify the customer code or range of customer codes for which you want to run the report.

Daybook Code. Specify the daybook code or range of daybook codes for which you want to run the report.

Entity. Choose the entity for which you want to run the report. The Entity field is mandatory.

GL Cal Year. Specify the GL calendar year or range of years for which you want to run the report. The GL Cal Year field is mandatory.

GL Period. Specify the GL period or range of GL periods for which you want to run the report. The GL Period field is mandatory.

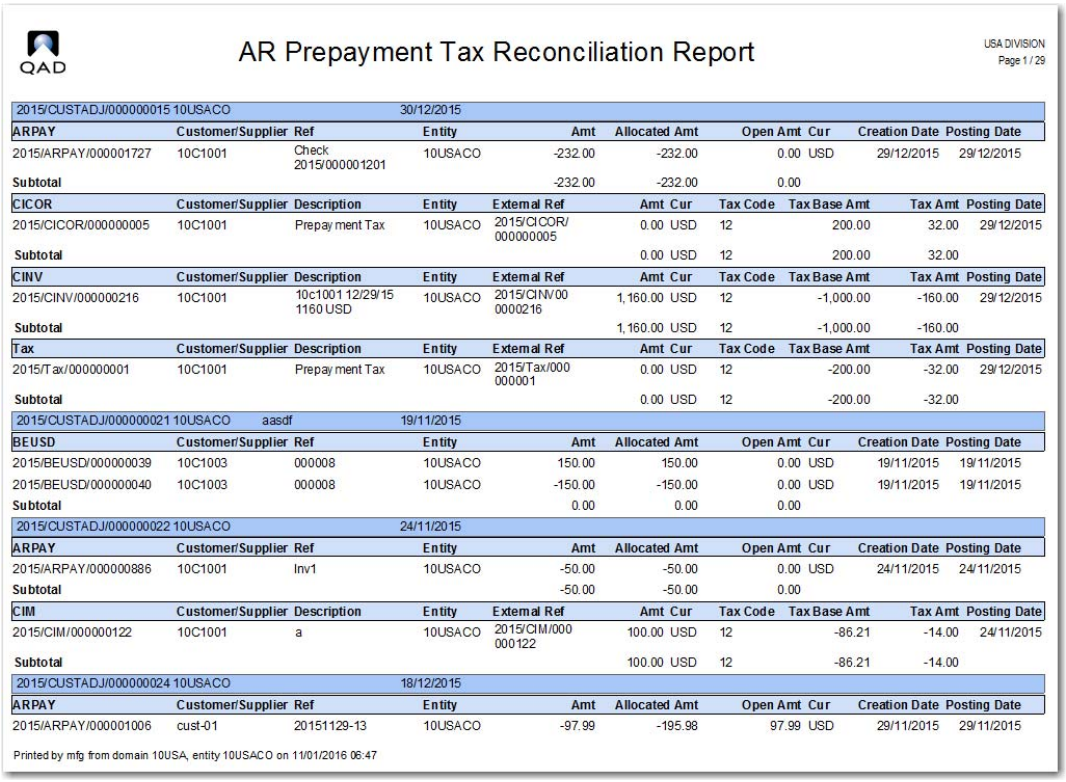
Prepayment Ref. Specify the prepayment reference for which you want to run the report.

Reconciliation Key. Specify the reconciliation key for which you want to run the report.

Reporting Currency. Choose the currency in which to print the report output. The options are Base Currency, Statutory Currency, and Transaction Currency.

Voucher. Specify the invoice voucher number or range of voucher numbers for which you want to run the report.

Fig. 7.45
AR Prepayment Tax Reconciliation Report



AR Prepayment Tax Reconciliation Report

USA DIVISION
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2015/CUSTADJ/000000015 10USACO			30/12/2015						
ARPAY	Customer/Supplier	Ref	Entity	Amt	Allocated Amt	Open Amt	Cur	Creation Date	Posting Date
2015/ARPAY/000001727	10C1001	Check 2015/000001201	10USACO	-232.00	-232.00	0.00	USD	29/12/2015	29/12/2015
Subtotal				-232.00	-232.00	0.00			
CICOR	Customer/Supplier	Description	Entity	External Ref	Amt	Cur	Tax Code	Tax Base Amt	Tax Amt	Posting Date
2015/CICOR/000000005	10C1001	Prepayment Tax	10USACO	2015/CICOR/000000005	0.00	USD	12	200.00	32.00	29/12/2015
Subtotal					0.00	USD	12	200.00	32.00	
CINV	Customer/Supplier	Description	Entity	External Ref	Amt	Cur	Tax Code	Tax Base Amt	Tax Amt	Posting Date
2015/CINV/000000216	10C1001	10c1001 12/29/15 1160 USD	10USACO	2015/CINV/00 0000216	1,160.00	USD	12	-1,000.00	-160.00	29/12/2015
Subtotal					1,160.00	USD	12	-1,000.00	-160.00	
Tax	Customer/Supplier	Description	Entity	External Ref	Amt	Cur	Tax Code	Tax Base Amt	Tax Amt	Posting Date
2015/Tax/000000001	10C1001	Prepayment Tax	10USACO	2015/Tax/000 000001	0.00	USD	12	-200.00	-32.00	29/12/2015
Subtotal					0.00	USD	12	-200.00	-32.00	
2015/CUSTADJ/000000021 10USACO		aasdf	19/11/2015						
BEUSD	Customer/Supplier	Ref	Entity	Amt	Allocated Amt	Open Amt	Cur	Creation Date	Posting Date
2015/BEUSD/000000039	10C1003	000008	10USACO	150.00	150.00	0.00	USD	19/11/2015	19/11/2015
2015/BEUSD/000000040	10C1003	000008	10USACO	-150.00	-150.00	0.00	USD	19/11/2015	19/11/2015
Subtotal				0.00	0.00	0.00			
2015/CUSTADJ/000000022 10USACO			24/11/2015						
ARPAY	Customer/Supplier	Ref	Entity	Amt	Allocated Amt	Open Amt	Cur	Creation Date	Posting Date
2015/ARPAY/000000886	10C1001	Inv1	10USACO	-50.00	-50.00	0.00	USD	24/11/2015	24/11/2015
Subtotal				-50.00	-50.00	0.00			
CIM	Customer/Supplier	Description	Entity	External Ref	Amt	Cur	Tax Code	Tax Base Amt	Tax Amt	Posting Date
2015/CIM/000000122	10C1001	a	10USACO	2015/CIM/000 000122	100.00	USD	12	-86.21	-14.00	24/11/2015
Subtotal					100.00	USD	12	-86.21	-14.00	
2015/CUSTADJ/000000024 10USACO			18/12/2015						
ARPAY	Customer/Supplier	Ref	Entity	Amt	Allocated Amt	Open Amt	Cur	Creation Date	Posting Date
2015/ARPAY/000001006	cust-01	20151129-13	10USACO	-97.99	-195.98	97.99	USD	29/11/2015	29/11/2015

Printed by mfg from domain 10USA, entity 10USACO on 11/01/2016 06:47

Creating Customer Payment Selections

Use the Customer Payment Selection Create (26.6.4.6) activity to select multiple invoices by due date and create payments for groups of invoices.

Note You can create customer payment selections for invoices, credit notes, and invoice and credit note correction documents.

This results in a payment selection containing multiple invoice details for a payment from your customer to your bank account. You then generate a payment file. The payment file is formatted according to the payment format required by your bank for payments from this customer. For example, for a customer who normally pays by check, you link an AR check format to your bank account and specify this format for payments from this customer.

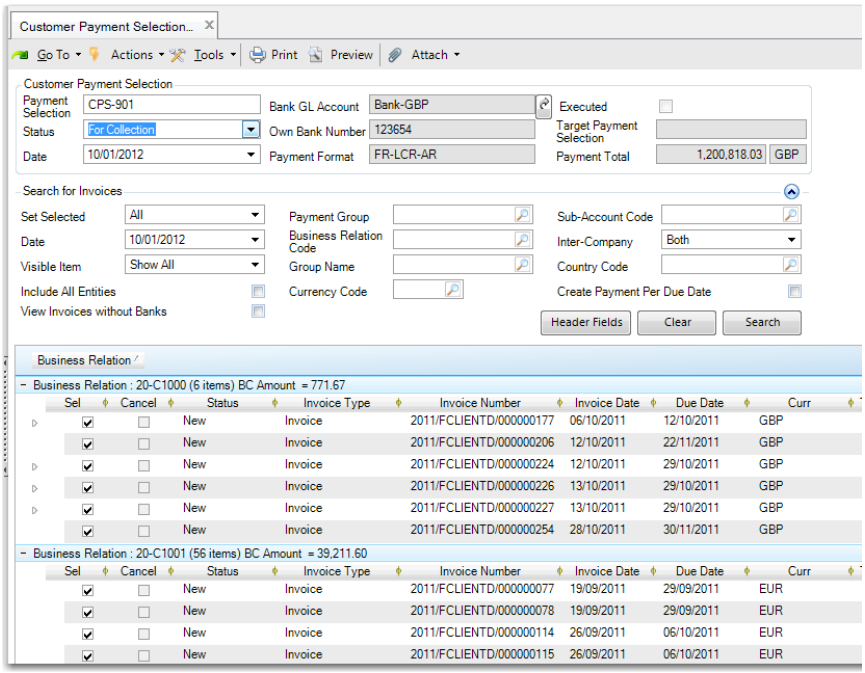
You can create the payment selection with one of three statuses:

- Initial. The Initial status is used in EDI Advanced Banking only. Initial payments do not create GL entries or update AR open balances. You cannot move a payment selection from the Initial status to another payment status. See “EDI Advanced Banking for Accounts Receivable” on page 843.
- Allocated. The Allocated payment can be sent in draft form to customers for approval.
- For Collection. The For Collection payment does not require customer approval and can be exported immediately as a payment file.

The Customer Payment Selection Create screen has three areas:

- Customer Payment Selection. Specify the details of the payment.
- Filter information. Use a combination of criteria to retrieve the invoices to be combined in the selection.
- Grid. Display the results of the selection in the grid.

Fig. 7.46
Customer Payment Selection Create



Field Descriptions

Customer Payment Selection

Payment Selection. Enter a unique code (maximum 20 characters) to identify the payment selection. This field is required.

Date. Specify the due date to be assigned to the payment selection. This date applies to all the individual invoices in the selection, regardless of their individual due dates.

This field is ignored when Create Payments per Due Date is enabled.

Payment Total. This field displays the total of the individual invoices included in this payment selection, and includes expected discounts, even if the customer might never use the discounts.

The payment total is always positive. The value is updated based on the invoices that are selected in the grid.

Status. Select Initial, Allocated, or For Collection as the payment status. The value you select determines the status in which payments are created.

Important For the Initial, Allocated, and For Collection statuses to be available in the drop-down list, you must first have defined these statuses in Customer Payment Status Create for the selected bank GL account and payment format.

Initial: The Initial status is used in EDI Advanced Banking only. Initial payments do not create GL entries or update AR open balances. You cannot move a payment selection from the Initial status to another payment status. See “EDI Advanced Banking for Accounts Receivable” on page 843.

Allocated: The Allocated payment can be sent in draft form to customers for approval.

For Collection: The For Collection status ensures that only draft amounts that have been changed from Allocated to Accepted following customer approval are included in the final payment file. Unapproved drafts are excluded.

Bank GL Account. Specify your GL bank account. You can select only bank accounts that are linked to payment formats.

Own Bank Number. This field displays the default account number for the bank GL account defined in Account Create. You can select a different account if multiple account numbers are associated with the GL account. The payment format displayed is determined by the bank account number you select.

Payment Format. This field displays the format for the payment. This format is retrieved from the payment format and attributes linked to the GL bank account selected. See “Payment Formats” on page 256 for details. Depending on the payment format, you may be able to modify some header attributes for the payment. The selected invoices must match this payment format.

Executed. This field is read only and is selected for payment selections that have been executed. The field is always blank in Customer Payment Selection Create.

Target Payment Selection. This field is read only in Customer Payment Selection Create. It is used in Customer Payment Selection Modify where, if you cancel an invoice line or modify the due date or interest rate on an executed Initial payment selection, you must move the affected lines to an unexecuted Initial payment selection. See “Customer Payment Selection Modify” on page 537.

Field Descriptions

Search for Invoices

Set Selected. Specify how you want the system to set the Selected field on the invoices that are displayed in the grid after you click Apply:

All: Enable the Selected field for all invoices, regardless of the due date.

Due Only: Enable the Selected field only for invoices with a due date on or before the Ref Due Date specified.

Due and Discounted: Enable the Selected field only for invoices that are either due on or before the Ref Due Day or are discounted within this period.

None: Do not enable the Selected field for any of the invoices.

Date. Specify the date the system must use for finding invoices to be included in this payment selection. The system selects invoices due on or before this date that meet the other selection criteria.

Visible Item. Choose to display all search results or only those results that match the Set Selected filter criteria. If you display All, you can manually modify the Selected field to include additional invoices if necessary.

View Invoices Without Banks. Select this field to display only invoices that are not already associated with a bank account. Invoices without banks do not appear on payment selections, so may inadvertently be skipped during processing. This is especially important for supplier invoices.

Payment Group/Business Relation/Currency/Sub-Account Code/Intercompany/Country Code. Specify one or a combination of search criteria for invoices.

Create Payment per Due Date. Indicate how many payment selections you want to create.

If you select this field, the system groups the open invoices by customer and by invoice due date. For each group, the system creates a payment record with the same due date as the invoices in that group.

If the field is cleared, then all the invoices for the same customer are grouped in a single payment that has the selection due date as the payment date.

Clear: All selected invoices are grouped in one payment selection and assigned the due date specified in Payment Due Date.

Select: A separate payment selection is created for each group of invoices with the same due date. In this case, the Payment Due Date on the header is ignored, and the dates of the individual invoices apply. For staged invoices, if you are using a payment type of draft, the system creates separate payment records for each stage payment due date.

Example You enter selection criteria that result in 10 invoices displaying in the grid. Of these, five are due on May 1 and five on May 10. When Create Selections per Due Date is selected, two payment selections are created with five invoices each, and assigned the due dates May 1 and May 10.

All Entities. Select this field to retrieve invoices from other domains that have the same shared set as the current domain.

You can create a payment selection within one entity that includes invoices created in other entities within the same domain.

The system creates a record for the Cross-Company daemon to process, and the payments for the invoices in the other entity are posted as cross-company transactions. See “Cross-Company Transactions” on page 419.

Use one of the following methods to update data in the grid:

- Click Search to retrieve invoices that match the search criteria. You can modify the criteria and click to append subsequent results to the grid.
- Click Clear to clear the results grid. When you have appended a number of searches to the grid, click to clear the most recent set of results.
- Click Header Fields to change attributes associated with the payment file header. This button is enabled only when the payment format specified supports this feature. See “Payment Format Maintenance” on page 259.

Only open invoices that have the own bank number and payment format specified in the header of the selection are retrieved.

Field Descriptions: Payment Grid

You can only modify the Selected, TC Payment Amount, and Discount Amount fields in the results grid.

Click Save to save the payment selection.

Customer Payment Selection Modify

Use Customer Payment Selection Modify to modify both executed and unexecuted customer payment selections with the Initial status.

Important The Initial status is used in EDI Advanced Banking only. See “EDI Advanced Banking for Accounts Receivable” on page 843.

In the browse for Customer Payment Selection Modify, you can search for Initial payment selections using a variety of criteria, such as the invoice number, shipper, internal reference number, and bank title number.

On both executed and unexecuted payment selections, you can modify payment interest rates and due dates. When you modify the due date, the invoice is also updated.

On unexecuted payment selections, you can remove payment lines, and on executed payment selections, you can cancel lines.

When you cancel an invoice line or modify the due date or interest rate for a line on an executed Initial payment selection, you must transfer the modified lines to an unexecuted payment selection with Initial status for the same bank account and payment method. You can also transfer the lines to a new payment selection by specifying a new code as the target payment selection. When you save the payment selection, the modified or canceled lines are moved to the new or existing target payment selection. If you try to save a modified payment selection and have not specified a target payment selection, an error is displayed.

Note When you modify an unexecuted Initial payment selection, the Target Payment Selection field is not editable because you do not need to specify a target payment selection.

Customer Payment Selection View

Use Customer Payment Selection View to view both executed and unexecuted customer payment selections for all statuses.

Important The Initial status is used in EDI Advanced Banking only. See “EDI Advanced Banking for Accounts Receivable” on page 843.

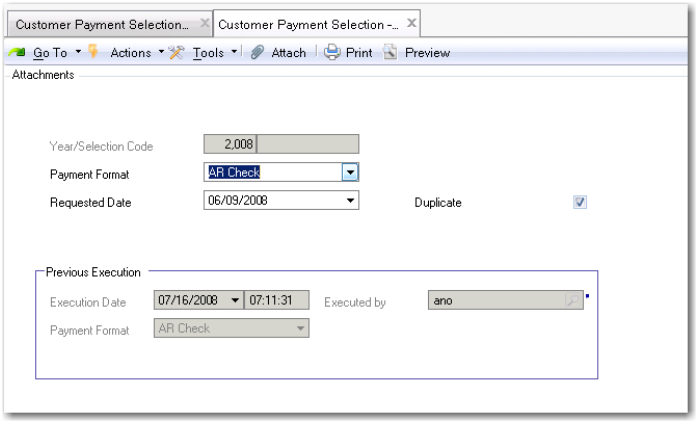
Customer Payment Selection Execute

Use the Customer Payment Selection Execute (27.6.6.1) and Re-execute (27.6.6.2) activities to generate a payment file from the payment selection you created.

The Execute activity dates and numbers the payment file. This payment file is then available for a banking entry. Use the search criteria to retrieve existing payment selections.

The system uses data loaded into EDI eCommerce to create the file to be sent to the bank. Details about the payment file such as its location on the file system are specified when the electronic data interchange (EDI) data is loaded. The EDI processing is controlled by the payment format and attribute values. In this way, electronic files for export are correctly formatted for the receiving bank. This process is described in detail in “Payment Formats” on page 256.

Fig. 7.47
Customer Payment Selection Execute



Field Descriptions

Year/Selection Code. This read-only field displays the year and the customer payment selection code.

Payment Format. This field displays the payment format used when creating the payment selection.

Requested Date. Specify a payment date for the payments included in the file.

Duplicate. Select to indicate that this file is a duplicate of a previously generated payment file.

If the current file is a duplicate, the fields in the Previous Export area display details of the previously generated file.

Payments and Banking Entries

Use the Payment Selection Allocation option in Banking Entry Create to complete the processing of payment selections.

For more details on banking entries, see “Banking Entry” on page 796.

Printing Customer Payments

The reports on the Customer Payment Print (27.6.8) menu can be used to generate overview information, as well as produce payment records for approval. Drafts, promissory notes, and summary statements are payment instruments that are printed and sent to the customer to request payment. The other options on this menu produce internal reports for your review.

Table 7.7
Customer Payment Print Menu

Report	Description
Customer Check Print (27.6.8.1)	Prints review information about customer checks entered in the system. If you want to modify the layout of the customer check, refer to *QAD Reporting Framework User Guide*, which describes the customization of Component 1 reports. In addition, the *Best Practices for Customization* training guide describes how to customize the business logic for reports.
Customer Draft Print (27.6.8.2)	Lets you print drafts to be sent to the customer for approval. Once the customer signs and returns the draft, it is a valid payment instrument. Drafts are similar to regular checks but, unlike checks, include a due date. A check is payable immediately, but a draft is payable only on or after the due date.
Customer Direct Debit Print (27.6.8.4)	Provides a status overview of direct debits received from customers along with invoice details.

When you print payment instruments, you can select documents to print by payment selection ID, payment status, customer, and creation date, as well as other criteria.

You can use the following fields to manage the print process.

Increase Counter. Select Yes to increase the counter for the number of times a payment instrument has printed. Use this in conjunction with the Only New Documents field to ensure you do not reprint instruments accidentally.

Only New Documents. Include only documents that have not been processed before, such as unprinted checks in the check run.

Processing Deductions

Deductions, sometimes referred to as short pays, occur when a customer pays less than the amount owed. Reasons for deductions include rounding differences, reductions due to quality issues, perceived entitlements based on commercial agreements, damaged goods, spoilage, improper packaging or labeling, or any other reason for which a customer pays less.

You can record two types of deductions in Financials: standard deductions and promotional deductions. Standard deductions are processed entirely in the Financials module. However, it is recommended that you do not process deductions relating to promotions and claims in Financials, but in a dedicated trade promotion management module. Promotions are agreements with customers to provide discounts for a specified period, and to allocate funds for promotional activities or to offer free goods and services.

Deductions are processed at several different points in QAD Enterprise Applications. You can:

- Record deductions using Customer Payment Create (27.6.4.1), Banking Entry Create (31.1.1), or Petty Cash Create (31.2.1).
- Review deductions using Deduction Review (27.6.16.6), where you can approve or reject deductions. Finding and rejecting invalid or unearned deductions can result in significant savings.
- Manually create credit notes for deductions with the status Approved for Credit.

- Adjust credit notes against approved deductions using Open Item Adjustment Create.

When you record deductions using Customer Payment Create, Banking Entry Create, or Petty Cash Create, you assign characteristics to a deduction using a deduction category. The category designates the type of deduction, the account to which the deduction is posted when approved, and whether you can write off low value amounts without review and approval.

See “Setting Up Deductions” on page 540 for information on how to create deduction categories and see “Creating and Modifying Deductions” on page 546 for information on how to create a deduction.

During the deduction review process, you can approve or reject a pending deduction. You can perform two types of approvals on pending deductions. You can approve a deduction for expense, where the system writes off the deduction to the account associated with the deduction category. You can also approve a deduction by making it available for adjustment against a credit note. If you reject a deduction, the deduction becomes a due open item on the customer’s account. See “Reviewing Deductions” on page 553.

Setting Up Deductions

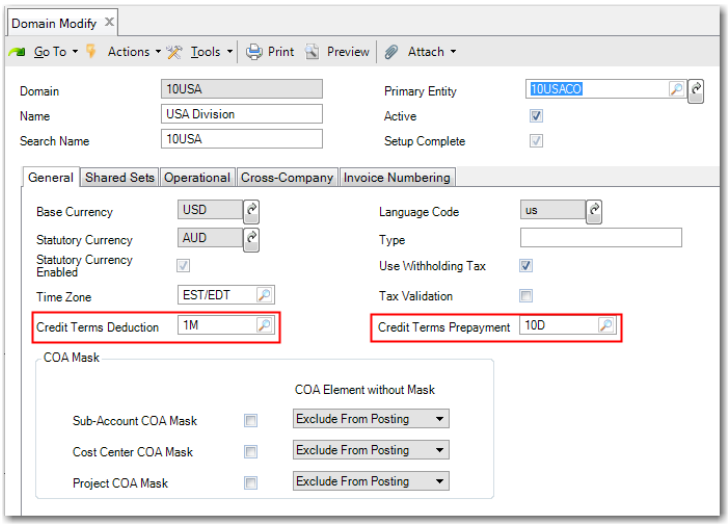
Deduction and Prepayment Credit Terms

Set up deduction credit terms by domain using the Credit Terms Deduction field in the Domain record. When deductions are created, the domain-level deduction credit terms are used instead of the customer’s default credit terms. The due date of the deduction is then calculated using the domain credit terms. The credit term you specify for the domain cannot be a staged credit term and cannot include discounts.

If you have not defined deduction credit terms for the domain and then try to save a deduction in, for example, Customer Payment Create, the system displays an error message.

See “Credit Terms and Due Dates” on page 560 for information on how the system calculates due dates for rejected deductions that become due items on the customer’s account.

Fig. 7.48
Domain Modify



Defining Daybooks

When setting up deductions, define one or more Customer Deduction type daybooks that are used for two purposes:

- A daybook of type Customer Deduction, where the system posts deductions you create in Customer Payment Create, Banking Entry Create, and Petty Cash Create.

  A customer invoice of type Deduction is created after you save a payment that has a deduction. The invoice uses the daybook linked to the customer daybook deduction profile associated with the bank GL account used for the payment. This daybook is also used where automatic write-offs are allowed and occur in the same transaction as the deduction.

- A daybook of type Customer Deduction, associated with the deduction category where the system posts reviewed, approved, and written-off standard deductions.

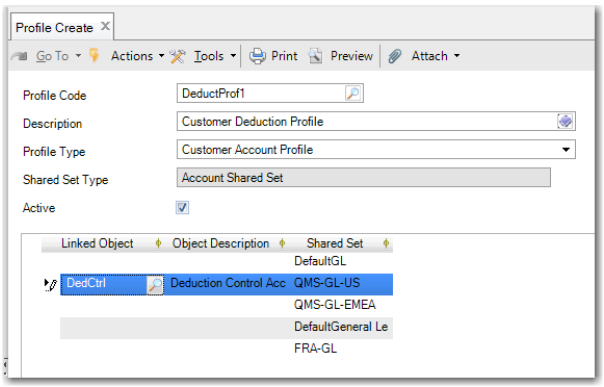
If you want to differentiate between the deduction creation and approved write-off deduction transactions, you can use different Customer Deduction type daybooks. However, you can also use the same daybook for both types of transaction.

Creating Profiles

In order to set up deductions, define two types of profile: a customer account profile for deductions and a customer deduction daybook profile.

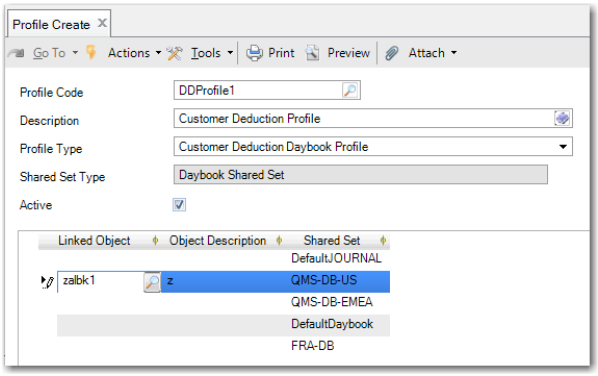
Specify the customer account profile for deductions in the customer record in Customer Create (27.20.1.1) or Customer Modify (27.20.1.2). If the customer shared set is shared across domains with different GL account shared sets, the profile indicates the customer control account to use for deduction postings in each domain.

Fig. 7.49
Profile Create, Showing a Customer Account Deduction Profile



You associate the customer deduction daybook profile with the entity bank account used for deductions. The system posts deductions you create in Customer Payment Create, Banking Entry Create, and Petty Cash Create to the daybook indicated by the profile. If the GL shared set is shared across domains that use different daybook shared sets, the customer deduction daybook profile indicates the daybook to use for deduction postings in each domain.

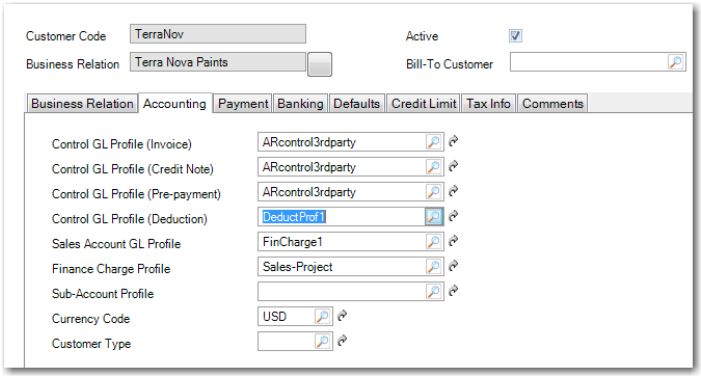
Fig. 7.50
Profile Create, Showing a Customer Deduction Daybook Profile



Associating Deduction Profiles with Customer Records

Use the Control GL Profile (Deduction) field in Customer Create or Customer Modify to assign customer account deduction profiles to customers.

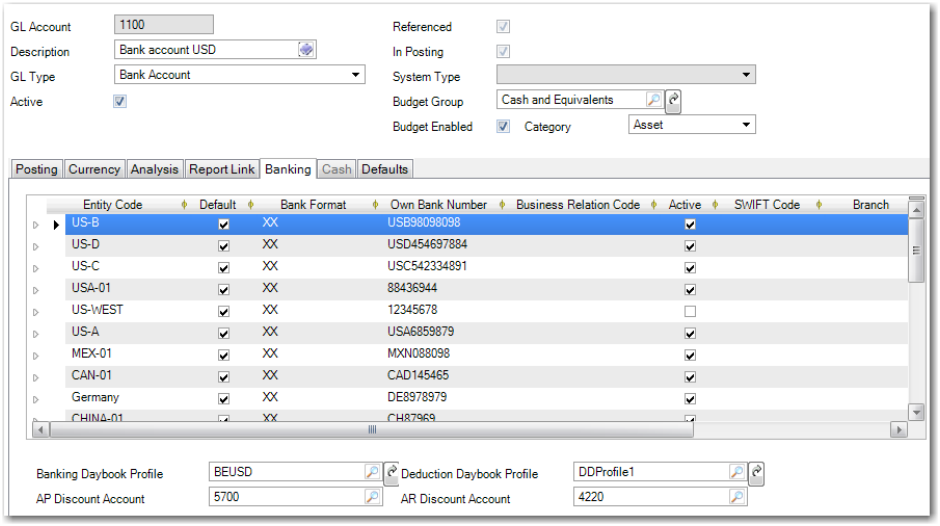
Fig. 7.51
Customer Modify



Associating a Deduction Daybook Profile with a Bank Account

Use GL Account Create (25.3.13.1) or GL Account Modify (25.3.13.2) to associate a deduction daybook profile with the entity bank account used for deductions.

Fig. 7.52
GL Account Modify, Customer Daybook Deduction Profile

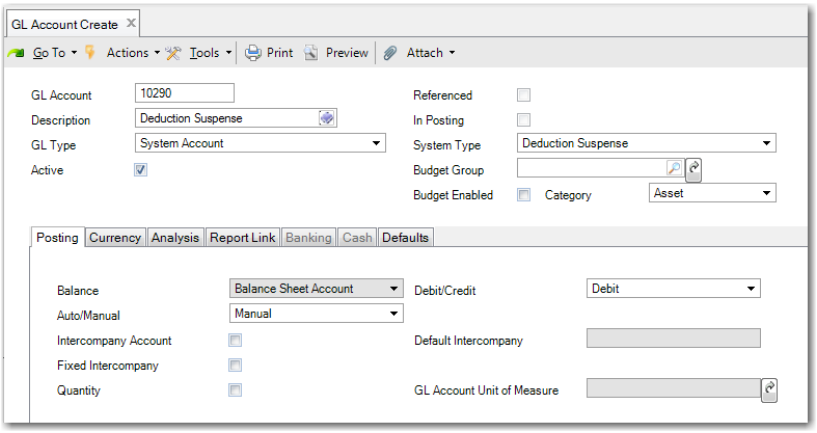


Defining Accounts

Define one Deduction Suspense system account and one or more accounts to which approved standard deductions are posted.

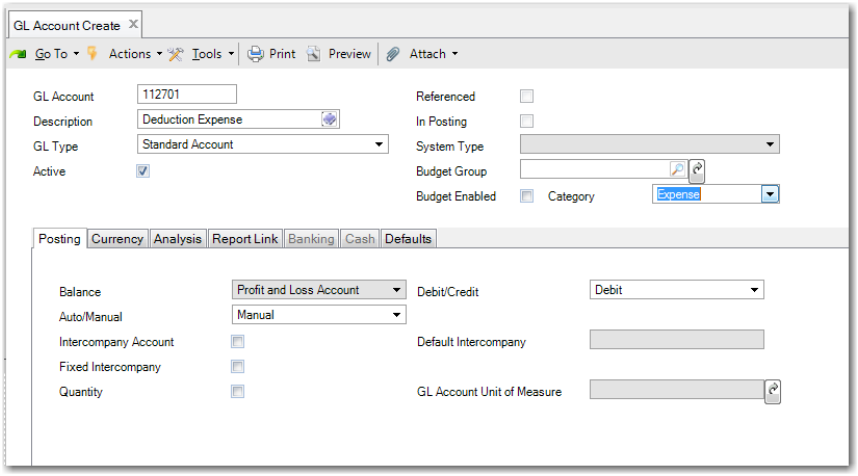
The Deduction Suspense system type account is used to transfer the balance from the payment posting to the deduction posting. The transfer occurs within the same transaction so the Deduction Suspense account always has a zero balance.

Fig. 7.53
GL Account Create, Deduction Suspense Account



Create one or more accounts to which the system posts automatic write-off and approved standard deductions. The account must be a Standard or Open Item account and can have sub-account, cost center, project, or SAF analysis. If the account uses analysis, specify the appropriate analysis codes in the deduction category.

Fig. 7.54
GL Account Create, Expense Account



Creating Deduction Categories

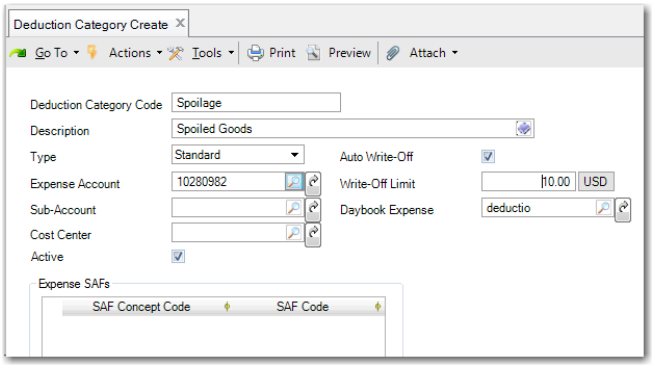
Use Deduction Category Create (27.6.16.1) to create deduction categories that enable you to assign characteristics to a deduction. The category designates the type of deduction, the account to which the deduction is posted when approved, and whether you can write off low-value amounts without review and approval.

Deduction categories are partially stored at system level and partially stored at domain level. The deduction code, the description, and the deduction type are stored at system level. The values for the other fields are stored in the current domain. Therefore, if you reuse a category in another domain, specify the deduction account, COA analysis elements, and daybooks that are relevant to that domain.

Deductions are removed as a lump sum in Customer Payment Create, Banking Entry Create, or Petty Cash Create.

Note Promotional deductions are handled using a different business process than standard deductions.

Fig. 7.55
Deduction Category Create



Deduction Category Code. Specify a maximum of 20 alphanumeric characters for the deduction category code. The deduction category code must be unique within the system. This field is mandatory.

Description. Specify a maximum of 40 characters for a description of the deduction category. This field is optional.

Type. Choose Standard or Promotion from the drop-down list. The default value is Standard.

Standard: Indicates deductions used within the Financials module.

Promotion: Indicates promotional deductions created in Financials and processed in a dedicated trade promotion management module.

Important If the deduction category is used in a posting, you cannot update the deduction category type

Expense Account. Specify the account to which approved deductions are posted.

This field is only enabled for deduction categories of type Standard and is mandatory.

If you select the Auto Write-Off field, the system automatically writes off deductions within the deduction limit for the specified deduction category to the account associated with the deduction category.

Sub-Account. Specify a sub-account for the deduction category. This field is only enabled for deduction category types of Standard and if the specified account uses sub-account analysis.

Cost Center. Specify a cost center for the deduction category. This field is only enabled for deduction category types of Standard and if the specified account uses cost center analysis.

Active. Indicate if the deduction category is active. You can only assign active deduction categories to deductions.

Auto Write-Off. Select this field to automatically write off deduction amounts that are less than a predefined limit. This field is only enabled for deduction categories of type Standard.

Selecting the Auto Write-Off field enables the Write-Off Limit field, where you can define the maximum amount that can be written off without approval.

Write-Off Limit. Specify the maximum deduction amount that can be written off without approval. The write-off limit is denominated in the base currency.

If the deduction amount is greater than the write-off limit, it must be approved. Zero means no limit.

This field is only available if you select the Auto Write-Off field.

Daybook Expense. Specify the expense daybook to which approved write-off deduction transactions are posted.

The daybook must be of type Customer Deduction. This field is mandatory.

Expense SAFs. This field is only enabled for deduction category types of Standard and if the specified account, cost center, or project uses SAF analysis.

Deduction Category Excel Integration

Use Deduction Category Excel Integration (27.6.16.5) to export data to Excel spreadsheets for analysis or reporting. You can also use Excel to create new data and import it to the database, where it is validated before being saved. Excel Integration lets you create data across multiple domains. Therefore, you can use Deduction Category Excel Integration to create or maintain deduction categories that are used in several domains.

If you right-click and select Load Deductions, the system loads all deduction categories. You can then modify and save the deduction categories. If you import data for an existing deduction category, the data for the deduction category is updated.

If you right-click and select Export to Excel for Maintenance, the system downloads the deduction categories, and exports them to an Excel file for maintenance. Specify the name and location of the exported Excel file. You can also select Export to Excel for Maintenance when the grid is empty. In this case, the system creates an empty Excel sheet with the relevant database field names as headings for creating data.

If you right-click and select Import from Excel, you can select and load an Excel file containing deduction categories. The Excel file must be in the correct format for import and must have the correct database field names as column headings.

Modifying Deduction Categories

Use Deduction Category Modify (27.6.16.2) to modify a deduction category. You cannot modify the deduction category code, but you can modify deduction category details stored in the current domain; for example, the daybook, account, and write-off settings.

If the deduction category has been used in a posting, you cannot update the deduction category type.

Deleting Deduction Categories

Use Deduction Category Delete (27.6.16.3) to delete a deduction category.

If the deduction category has been used in a posting, you cannot delete it.

Creating and Modifying Deductions

Creating Deductions in Customer Payment Create

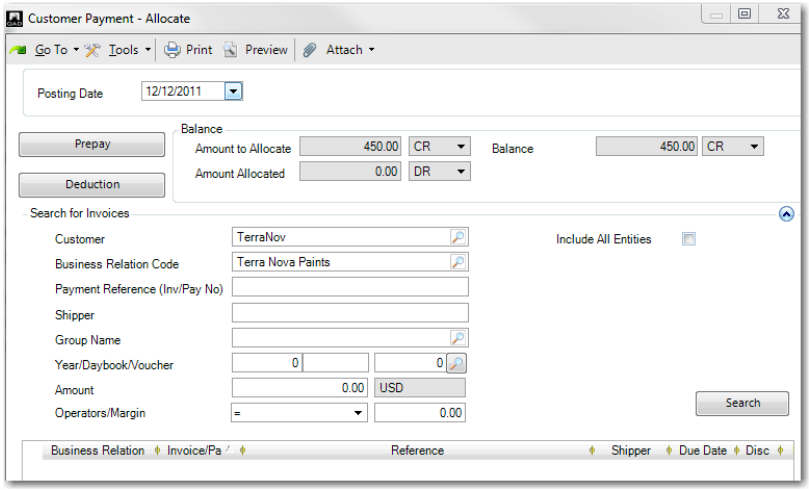
You can use Customer Payment Create to create deductions. The process is similar to the process for creating prepayments. However, unlike prepayments, you can enter many deductions for a single payment transaction.

When you add a deduction to a payment, the system creates two postings when the payment is saved. One posting is recorded in the customer payments daybook and the second posting is recorded in the customer deductions daybook. A customer invoice of type Deduction is created when you save the payment. The customer deduction invoice uses the daybook linked to the bank GL account for the second posting (deductions daybook).

The system uses the Deduction Suspense system type account to transfer the balance from the payment posting to the deduction posting.

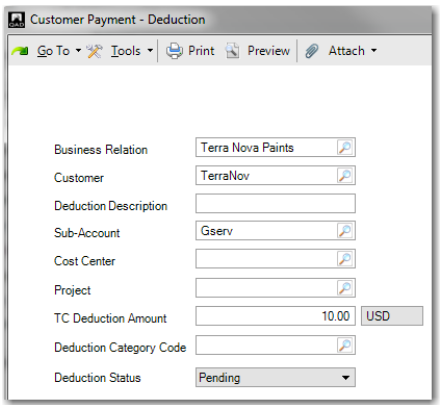
If the deduction category allows automatic write-offs, the system automatically writes off any standard deduction within the specified deduction limits to the account associated with the deduction category. If you do not want to write off all or part of the deduction, use another category without automatic write-off.

Fig. 7.56
Customer Payment–Allocate



In Customer Payment–Allocate, click the Deduction button. The Customer Payment–Deduction screen opens.

Fig. 7.57
Customer Payment–Deduction



Business Relation/Customer. These values default from Customer Payment Create.

Deduction Description. Enter a description of the deduction. This field is mandatory.

Customer Reference. Specify the deduction reference submitted by the customer. This field is optional.

Sub-Account, Cost Center, Project. Specify the analysis values that the account requires.

TC Deduction Amount. Specify the deduction amount in transaction currency. The default value is the invoice amount, but you can modify this value.

Deduction Category Code. Specify the category for the deduction.

If you leave the Deduction Category Code field blank, the Deduction Details screen opens, where you can enter multiple deduction categories and detail amounts.

If you need only one deduction category, specify it here, and the Deduction Details screen will not open.

Deduction Status. This field displays the deduction status calculated by the system. If the deduction category you assign to the line allows automatic write-off and if the deduction amount is below the automatic write-off limit, the status of the line is Auto Write-Off. If the category does not allow automatic write-offs, the status of the line is Pending.

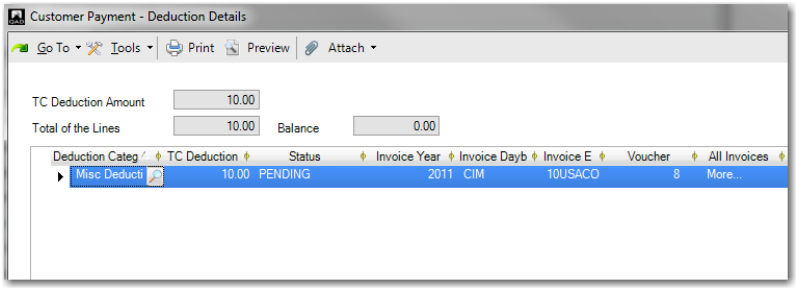
When you click OK in the Customer Payment–Deduction screen, the system adds a new line to the grid with allocated invoices.

The new line is a customer invoice of type Deduction. The grid lines contain fields that display the deduction category and the status. You can create more deductions by clicking on the Deductions button.

Specifying Deduction Details

Use the Deduction Details screen to create deductions that have more than one detail line. To access the Deduction Details screen, right-click on the deduction in the grid and choose Deduction Details from the context menu.

Fig. 7.58
Customer Payment–Deduction Details



To create multiple detail lines, right-click in the grid and insert more detail lines. You can then specify other categories on the lines. You can also specify the same deduction categories on multiple deduction detail lines for the same payment if each line is linked to a different invoice. The total amount must equal the total deduction amount of the deduction invoice. You can only save the payment when the line total is equal to the deduction total.

If the deduction category allows automatic write-off and if the deduction amount is below the automatic write-off limit, the status of the line is Auto Write-Off. If the category does not allow automatic write-off, the status of the line is Pending. For a single customer payment, you can have multiple deduction lines, some with the status Pending and others with the status Auto Write-Off.

You can also use the Deduction Details screen to modify deduction details without creating additional deduction lines. You can modify the deduction category associated with any line. You can also delete lines.

For each detail line, you can specify a customer invoice to link to. This step is optional and the invoice is used for information purposes only. The lookup button in the Voucher field opens a list of invoices allocated to the current payment. The lookup in the All Invoice fields lets you search for any invoice in the system, open or closed.

At any stage before you save a customer payment, you can reopen the Deduction Details window and modify the details. In Customer Payment Modify (27.6.4.2) and Customer Payment View (27.6.4.3), you can open the Deduction Details screen in read-only mode.

When you save the customer payment, a new open item is created in the entity associated with the GL bank account. In Deduction Review, you can manually allocate the deduction invoice to one or more entities.

Note If further modifications are needed after the payment is saved, you can apply the updates in Deduction Review. See “Reviewing Deductions” on page 553.

The fields in the grid are:

Deduction Category Code. This field displays the category assigned to each deduction. You can change the deduction category, as required.

TC Deduction Amount. Specify the deduction amount that applies for the deduction detail line.

Invoice Entity, Invoice Year, Invoice Daybook, Voucher. The lookups list invoices that are already allocated to the payment. When you select an invoice, all four invoice fields are updated.

If you specify an invoice number on a Deduction Detail line, the payment posting is not affected. However, if you subsequently approve the deduction using Deduction Review, the information on related invoices can help you to identify the entity in which to write off the deduction.

Comment. Specify a comment for the deduction details. This field displays the invoice description by default. This field is optional.

All Invoices. Use the lookup in this field to retrieve any invoice in the system, open or closed.

This facilitates cases where a customer deducts from a payment, and references an old invoice that is already paid.

Customer Reference. Specify the deduction reference submitted by the customer. This field is optional.

Status. This field displays the deduction status, as determined by the system, and is read only.

When the conditions for automatic write-off are satisfied, the status of the deduction line is Auto Write-Off.

When the deduction has multiple detail lines and some lines have the status Auto Write-Off and other lines have the status Pending (based on the category and detail amount), the system uses the total deduction amount to create the new deduction open item. However, for each of the Auto Write-Off lines, the value of the open item is immediately reduced and results in an additional account posting line.

Example

You create a customer invoice for $450. The customer pays $440 and claims a deduction of $10 for a spoiled item.

The payment posting is:

Account	Debit	Credit
Bank Account	440	
Deduction Suspense Account	10	
AR Control Account		450

The system uses the total deduction amount to create the initial deduction open item posting to the deduction control account. The deduction control account is then credited by the value of the automatic write off line ($10) and this value is posted to the expense account. The deduction posting is:

Account	Debit	Credit
Deduction Control Account	10	
Deduction Suspense Account		10
Deduction Control Account		10
Expense Account	10	

Fig. 7.59
Customer Payment Allocate, Updated for Deduction

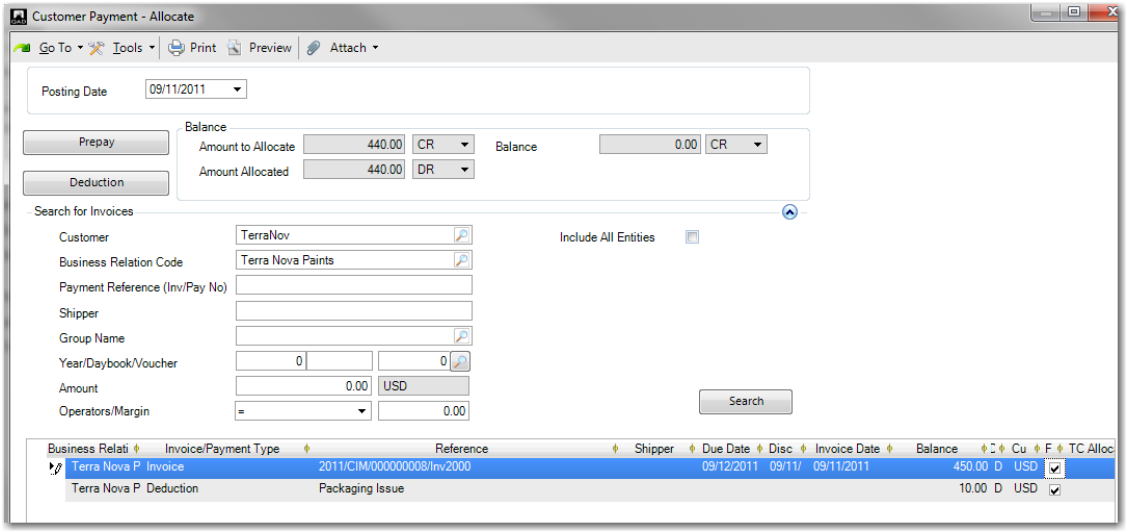
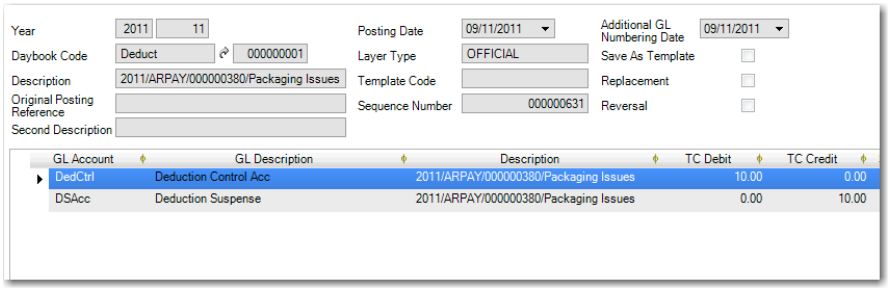


Fig. 7.60
Journal Entry for Deduction



Creating Deductions in Banking Entry Create

You can use Banking Entry Create to create deductions for payments from customers. You create deductions using the same process described in “Creating Deductions in Customer Payment Create” on page 546.

Note You can also record deductions in Petty Cash Create.

Fig. 7.61
Banking Entry–Allocate

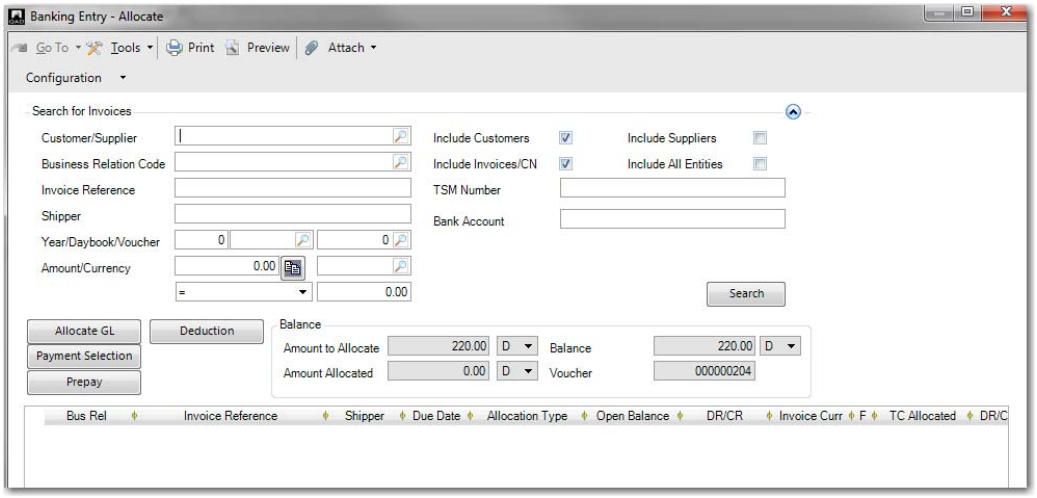
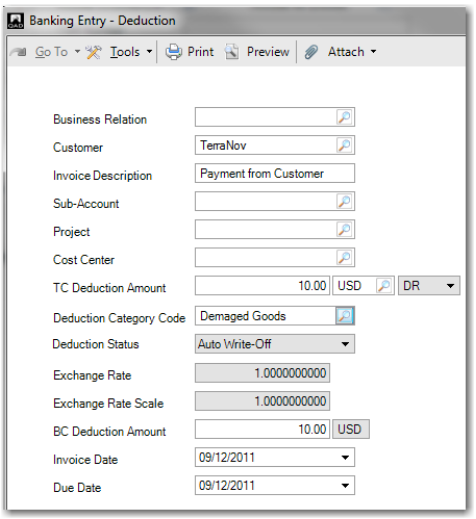


Fig. 7.62
Banking Entry–Deduction



Writing Off Deductions

If automatic write-off is enabled for a standard deduction category and the amount is less than or equal to the deduction limit, the system automatically writes off the deduction when you record it.

The deduction is always created as a new open item (Pending status), which is immediately written off according to the write-off amount (totally or partially). The deduction is debited from the account associated with the deduction category, and the posting is recorded in the entity of the bank account.

If the payment is recorded in an entity other than the invoicing entity and you want to allocate the expense in the invoicing entity, select a deduction category that causes the posting to remain in the Pending status. You can then allocate the deduction expense to the invoicing entity using Deduction Review.

If the payment is not in base currency, the system converts the deduction amount to the base currency in order to compare it to the write-off limit for the deduction category. This step is required because the write-off limit is always defined in the base currency of the domain. When it converts the deduction amount to base currency, the system uses the exchange rate that applies on the posting date of the payment.

The status of these deduction lines is Auto Write-Off.

Example

In this example, the deduction of $2 has one detail line with a category that allows automatic write-offs up to a limit of $2.50.

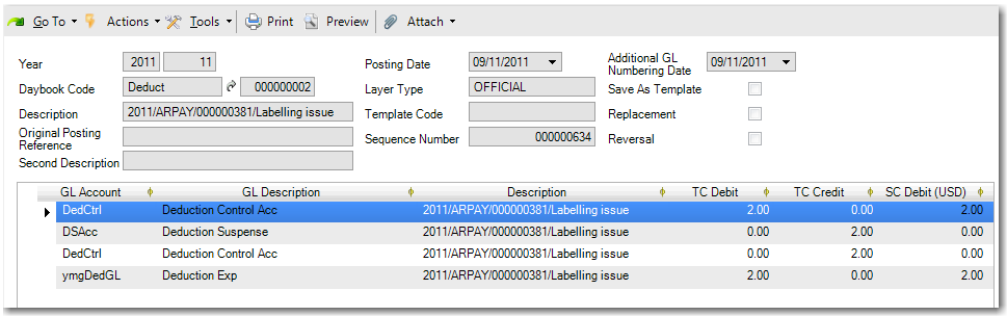
The payment amount is $103 and deduction amount is $2. The payment posting is:

Account	Debit	Credit
Bank Account	103	
Deduction Suspense Account	2	
AR Control Account		105

The deduction posting is:

Account	Debit	Credit
Deduction Control Account	2	
Deduction Suspense Account		2
Deduction Control Account		2
Expense Account	2	

Fig. 7.63
Journal Entry, Deduction



Example

In this example, you can only automatically write off part of the deduction. The invoice amount is $150, the payment amount is $90, and the deduction amount is $60. You can automatically write off $10 immediately.

The payment posting is:

Account	Debit	Credit
Bank Account	90	
Deduction Suspense Account	60	
AR Control Account		150

The deduction posting is:

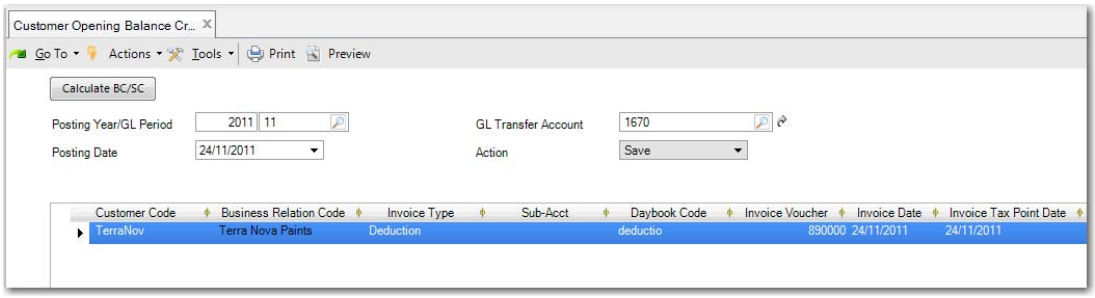
Account	Debit	Credit
Deduction Control Account	60	
Deduction Suspense Account		60
Deduction Control Account		10
Expense Account	10	

Recording Deduction Invoice Open Balances

Use Customer Opening Balance Create (27.1.10) to manually create a deduction invoice open item in the sales sub-ledger, and generate postings for customer control accounts.

The activity lets you transfer the outstanding open items for a specific customer in detail from an external system to your QAD application. See “Customer Opening Balance” on page 295.

Fig. 7.64
Customer Opening Balance Create



Reviewing Deductions

Use Deduction Review to review both standard and promotional deductions. Standard deductions are editable; promotional deductions are read-only.

During the deduction review process, you can approve standard deductions and write off the deduction to the account associated with the deduction category. You can also reject the deduction, causing the deduction amount to become a due item on the customer’s account. You can also change the deduction category associated with the deduction during the review process.

You can also change the status of a deduction to Approved for Credit, which indicates that a credit note must be created (manually) for the amount. When the credit note is created, you can use Open Item Adjustment Create to adjust the credit note against the deduction balance.

The table shows deduction statuses and the next statuses to which the deduction can transition.

Table 7.8
Permitted Deduction Status Transitions

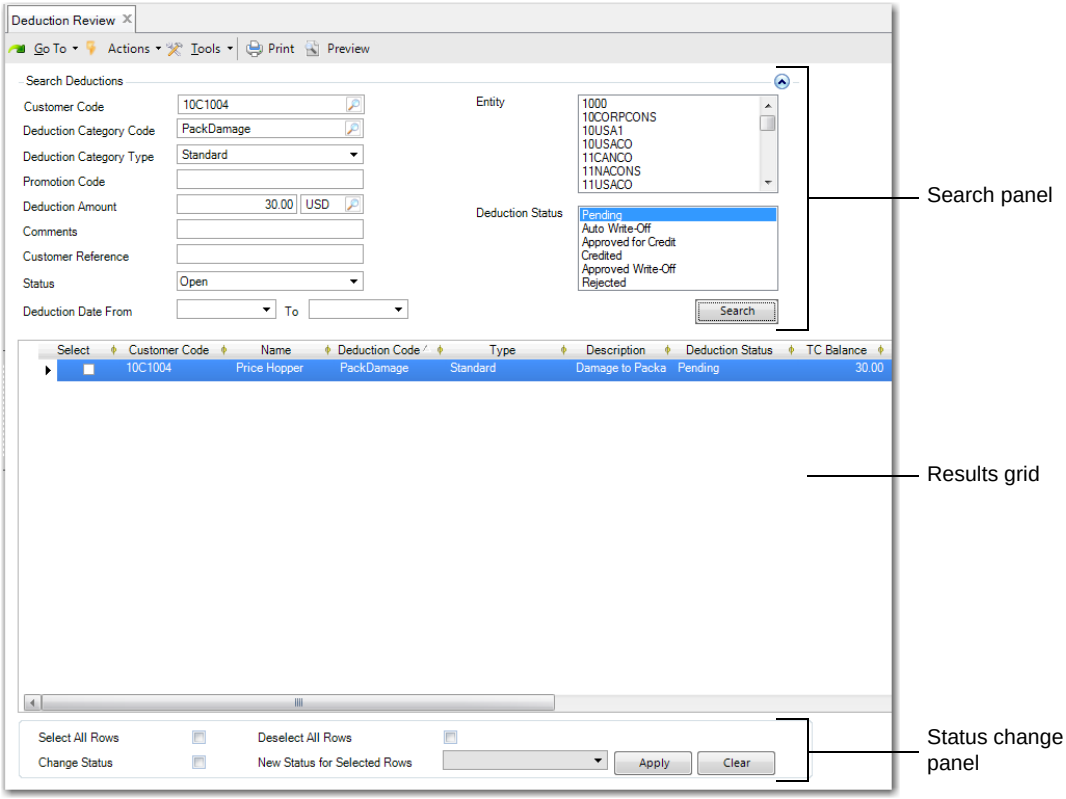
Current Status	Next Status					
	Pending	**Auto Write-Off**	**Approved Write-Off**	**Approved for Credit**	**Rejected**	**Credited**
Pending		×	✓	✓	✓	×
Auto Write-Off	×		×	×	×	×
Approved Write-Off	×	×		×	×	×
Approved for Credit	✓	×	✓		✓	✓
Rejected	×	×	×	×		×
Credited	×	×	×	×	×	

Auto Write-Off, Credited, Rejected, and Approved Write-Off standard deductions are read-only in Deduction Review.

Important You cannot change the status of a deduction to Credited in Deduction Review. A credited deduction is an Approved for Credit deduction that has been adjusted against a credit note in Open Item Adjustment Create.

Deduction Review consists of three screen areas: a search panel for retrieving deductions to review, a results grid that displays the deductions that match the search criteria, and a status change panel where you can change the status of Pending and Approved for Credit deductions.

Fig. 7.65
Deduction Review



Click Search to retrieve all deductions that meet the search criteria.

Customer Code. Specify the customer code for which you want to review deductions. This field is optional.

If you do not specify a customer code, deductions for all customers that meet the other selection criteria are displayed.

Entity. Select the entities from which you want to retrieve and display deductions that match the selection criteria.

Deduction Category Code. Specify the deduction category code for which you want to review deductions. This field is optional.

If you do not specify a deduction category code, deductions for all category codes that meet the other selection criteria are displayed. Define deduction category codes in Deduction Category Create. See “Creating Deduction Categories” on page 544.

Deduction Category Type. Indicate the type of deductions that you want to review. This field is optional. Choose Standard or Promotion from the drop-down list. The default value is Standard.

- Standard: Indicates deductions used within the Financials module.
- Promotion: Indicates promotional deductions processed in a dedicated trade promotion management module.

Promotion Code. For promotional deductions, specify the promotion code that the deduction is associated with. This field is optional.

Deduction Amount. Specify an amount to retrieve and review deductions with matching amounts. This field is optional.

If you do not specify an amount, deductions for all amounts that meet the other selection criteria are displayed.

Comments. Specify text to retrieve deductions where this text was recorded as a comment. This field is optional.

Deduction Status. Select one or more deduction statuses to retrieve deductions with matching statuses.

- Pending: If the category does not allow automatic write-off, the status of the line is Pending. You can change the status of a Pending deduction in Deduction Review.
- Auto Write-Off: Deductions where the deduction amount is below the automatic write-off limit and where the deduction is automatically written off to the account associated with the deduction category. You cannot change the status of a deduction with the status Auto Write-Off.
- Approved for Credit: A deduction that has been made available for adjustment in Open Item Adjustment Create. Using Deduction Review, you can change the status of an Approved for Credit deduction.
- Credited: The status of a deduction that has been adjusted against a credit note in Open Item Adjustment Create. You cannot change a deduction to the status Credited in Deduction Review. However, you can filter and view deductions with this status. You cannot change the status of a Credited deduction.
- Approved Write-Off: Deductions above the automatic write-off limit that have been approved in Deduction Review and written off to the account associated with the deduction category. You cannot change the status of an Approved Write-Off deduction.
- Rejected: Deductions rejected in Deduction Review that have become a due item on the customer's account. You cannot change the status of a Rejected deduction.

Customer Reference. Specify the customer reference recorded on the deduction to retrieve and review matching deductions. This field is optional.

Status. Specify the type of deductions to display. The options are:

All: The system retrieves open and closed deductions that match the other search criteria.

Open: The system retrieves open deductions that match the other search criteria. A deduction is open if some of the detail lines are Pending, Approved for Credit, or Rejected.

Closed: The system retrieves closed deductions that match the other search criteria. A deduction is closed when all the deduction detail lines are written off, automatically written off, or credited.

If you change the status of a customer payment with deductions to Initial or Bounced, the deduction detail lines are set to Closed. See "Changing the Status of a Payment with Deductions" on page 560.

Deduction Date From–To. Specify a date range to retrieve deductions created during that period.

To change the status of multiple rows in the grid, select the rows that you want to modify. You can then use the following fields:

Note You can also edit the status in the grid for individual rows as needed.

Select All Rows. Select all deductions in the grid.

Deselect All Rows. Deselect all deductions in the grid.

Change Status. Select this field to enable the New Status for Selected Rows field.

New Status for Selected Rows. Choose a new status for the deduction from the drop-down list and click Apply to apply the status to the selected rows.

Using Deduction Review, you can apply the following types of deduction status changes:

- Pending to Approved Write-Off. See “Approving Deductions for Write Off” on page 558.
- Approved for Credit to Approved Write-Off. See “Approving Deductions for Write Off” on page 558.
- Pending to Approved for Credit. See “Approving a Deduction for Credit” on page 559.
- Pending to Rejected. See “Rejecting a Deduction” on page 560.
- Approved for Credit to Rejected. See “Rejecting a Deduction” on page 560.
- Approved for Credit to Pending. See “Reversing Approved for Credit” on page 560.

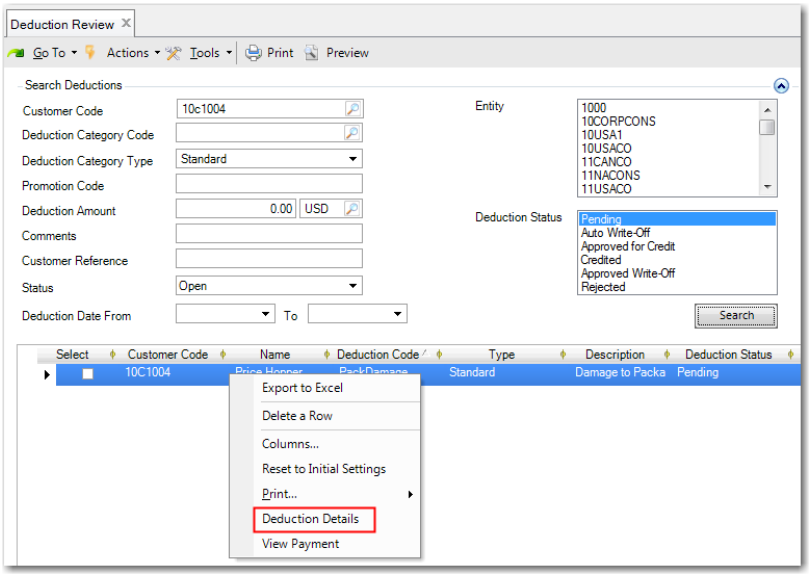
Click the appropriate button:

- Click Apply to apply the new status to the deduction lines.
- Click Clear to clear the contents of the grid.
- Click Save to save the deductions with new statuses.

Deduction Details

If you right-click on a deduction line in the grid, the system displays a menu with the option Deduction Details.

Fig. 7.66
Deduction Review, Right-Click Menu

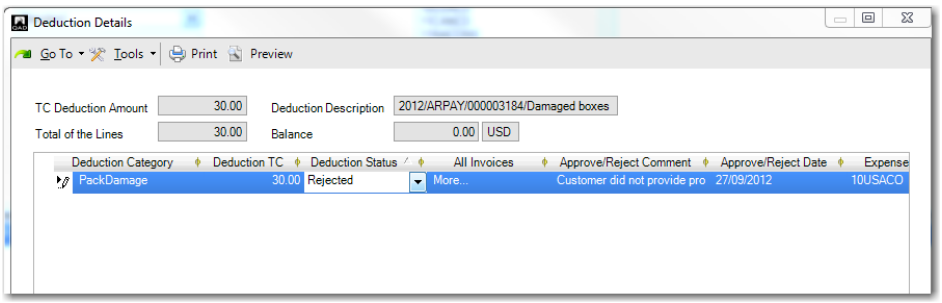


When you click Deduction Details, the system displays the Deduction Details window, where you can modify the deduction categories, modify amounts, and add lines, provided that the total deduction amount stays the same. You can only modify lines with the status Pending or Approved for Credit. The Deduction Details window is read only for the other statuses.

If you add a deduction detail line with a standard deduction category code where automatic write-off is enabled, the system sets the status of the deduction detail line to Pending by default. You can subsequently change the status of the detail line to other statuses that can follow on from Pending—Approved Write-Off, Approved for Credit, or Rejected.

After you close the Deduction Details screen, updated deduction detail lines are displayed in the Deduction Review grid.

Fig. 7.67
Deduction Review, Deduction Details Window



Many of the fields in the Deduction Details window were previously described in “Specifying Deduction Details” on page 548.

Deduction Category. You can modify the deduction category and add lines with new deduction categories, as needed.

Deduction TC. You can modify the deduction line amount and add new lines with other deduction amounts. However, the total deduction amount must remain the same.

Status. Use the drop-down list to change the status of a deduction line.

Approve/Reject Comment. Specify a comment if you have approved or rejected a deduction line. This field only becomes editable if you change the status of a deduction line to Approved Write-Off or Rejected.

Approve/Reject Date. If you change the status of a deduction line to Approved Write-Off or Rejected, the system automatically updates this field with the system date.

Approving Deductions for Write Off

In Deduction Review, you can change a Pending or Approved for Credit deduction to Approved Write-Off. This means that the deduction is written off to an account, without the need to create a credit note for the customer.

You can specify the entity code. You can also view the original banking entry (or payment) to review the invoices and entities associated with the payment. If the deduction detail line has an invoice specified, the entity of the invoice defaults, but you can update the default. If the deduction detail line has no invoice specified, the entity of the payment defaults, but you can update the default.

In the Deduction Details screen, you can specify a posting date when you write off a deduction detail line. The default value for the posting date is the system date.

Fig. 7.68
Deduction Review, Approved Deduction

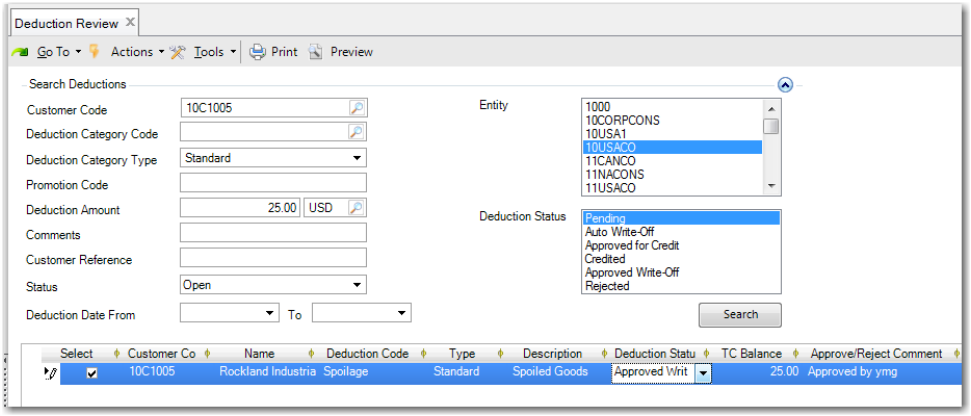
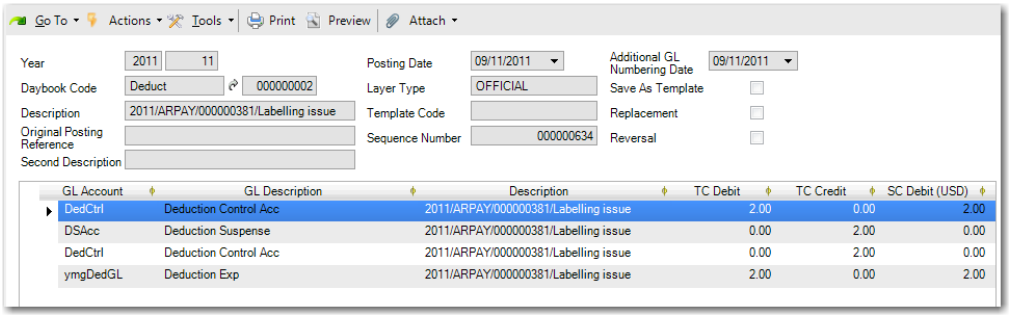


Fig. 7.69
Journal Entry View



If the expense entity you specify in Deduction Review is different than the entity of the deduction open item, the system creates a cross-company journal entry. You must have access privileges for the entity of the expense posting.

In the entity specified in Deduction Review, the account for the deduction category is debited and the AR cross-company control account is credited. If the entity you specify in Deduction Review is the same as the entity of the deduction open item, the account for the deduction category is debited.

Approving a Deduction for Credit

In Deduction Review, you can change the status of a Pending deduction to Approved for Credit.

Changing a line to Approved for Credit has no accounting impact. This status indicates that a credit note must be manually created for the deduction amount. When the credit note is created, you can use Open Item Adjustment Create to adjust the credit note against the deduction balance. When the deduction open item is adjusted, the deduction status is automatically updated to Credited.

Note If a deduction does not have the Approved for Credit status, you cannot adjust it in Open Item Adjustment Create.

The system can accommodate cases where the credit note is not for the full Approved for Credit detail amount as described in the following example.

Example

Using Deduction Review, you change a Pending deduction to Approved for Credit.

The deduction is for $75. However, a credit note is manually created for $50. In Open Item Adjustment Create, you adjust the credit note for $50 against the deduction balance of $75. In this case, the deduction detail line is automatically split. The deduction line for $50 adjusted against the credit note is assigned the status Credited and the remaining deduction line for $25 remains at the status Approved for Credit.

Reversing Approved for Credit

If you accidentally change the status of the wrong deduction to Approved for Credit, you can revert the line back to the Pending status using Deduction Review.

Rejecting a Deduction

In Deduction Review, you can change the status of a Pending or Approved for Credit line to Rejected.

The total remaining balance of the deduction must have the status Rejected. If other detail lines for the same deduction have the status Pending or Approved for Credit, you cannot reject the deduction line.

You cannot modify the entity code or customer code when rejecting deductions.

The rejected deduction becomes a due item on the customer's account and is treated as a normal customer invoice. The rejected deduction invoice can be included in transactions in Customer Payment Create, Customer Payment Selection Create, Banking Entry Create, Petty Cash Create, and Open Item Adjustment Create.

Credit Terms and Due Dates

When the rejected deduction becomes an outstanding invoice on the customer's account, the system recalculates the due date for the invoice using the deduction credit terms defined at domain level.

Changing the Status of a Payment with Deductions

If you change the status of a customer payment with deductions to Initial or Bounced, the deduction detail lines are set to Closed.

Bouncing a Payment with a Pending Deduction

If a customer payment with a Pending deduction fails to clear, set the payment status to Bounced. When the payment is bounced, the system reverses the payment and deduction postings, reopens the invoice, and sets the deduction status to Credited (closed).

Figure 7.70 shows the Pending deduction when the associated payment has the status For Collection. The Approve/Reject Comment field is blank.

Fig. 7.70
Deduction Review, Pending Deduction

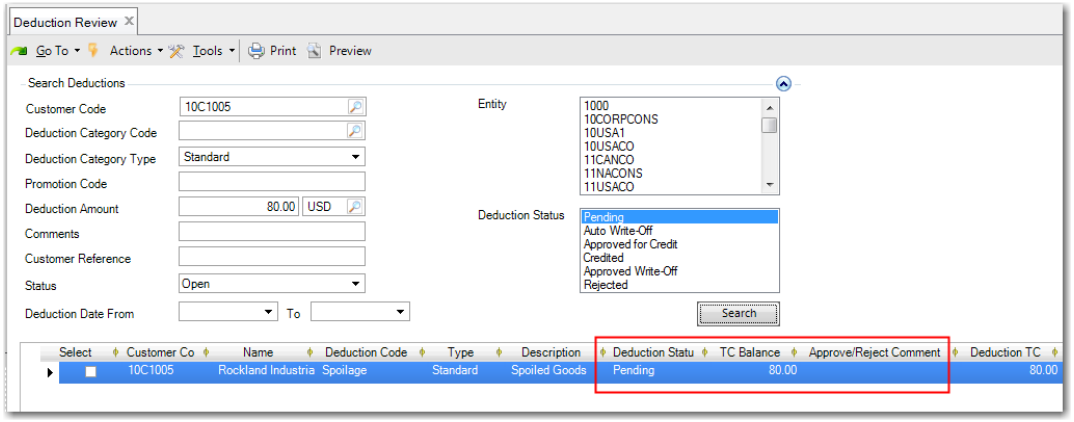
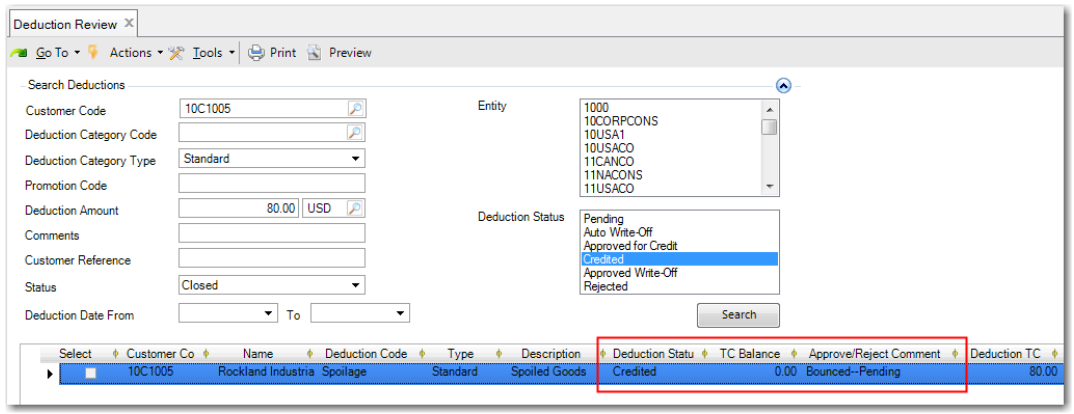


Figure 7.71 shows the same deduction when the associated payment has the status Bounced. The status of the deduction is now Credited and the Approve/Reject Comment field is updated with the comment “Bounced-Pending.” The system updates the Approve/Reject Comment field automatically.

Fig. 7.71
Deduction Review, Credited Deduction



Example

A customer invoice for $880 is due. The customer is eligible for a deduction of $80. The invoice posting is:

Account	Debit	Credit
AR Control	880	
Sales Revenue		880

The payment posting is:

Account	Debit	Credit
Payment Control (PIP)	800	
AR Control		880
AR Deduction Control	80	

The deduction has the status Pending. The payment bounces, and the posting is:

Account	Debit	Credit
Payment Control (PIP)		800
AR Control	880	
AR Deduction Control		80

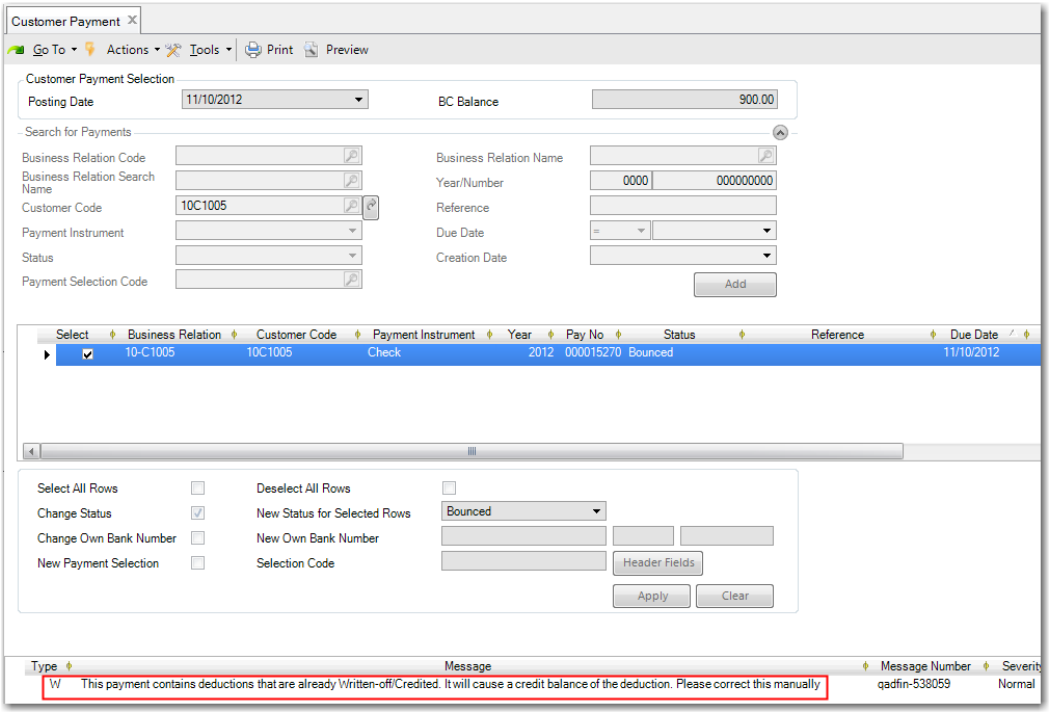
Bouncing a Payment with a Written-Off Deduction

If a customer payment with an Approved Write-Off deduction fails to clear, set the payment status to Bounced. When the payment is bounced, the payment postings are reversed, but the deduction write-off posting is not, and remains as a credit on the customer's account. This situation occurs because the deduction credit was previously approved and the customer is still eligible for the deduction, even though the payment bounced.

If you set the status of a payment with Approved Write-Off deduction detail lines to Bounced, the status of the deduction lines becomes Rejected after the payment is bounced. The status is set to Rejected because deductions with this status become open or due against the customer's account and can be included in payments or adjustments later on.

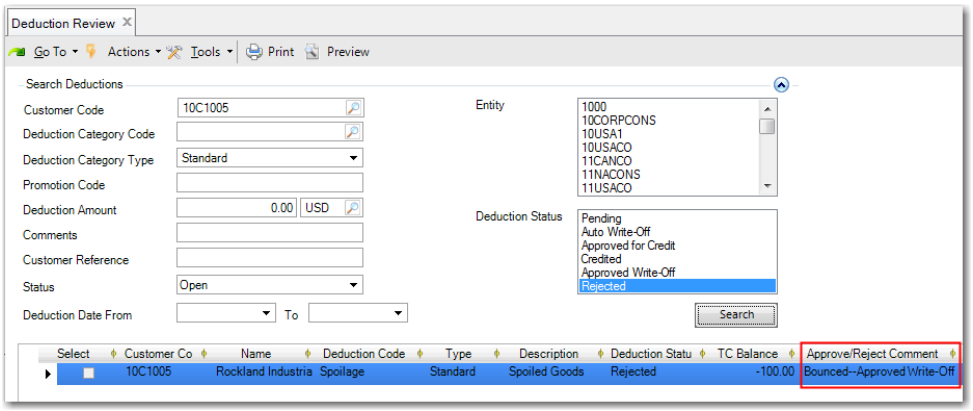
If a deduction contains lines with the status Approved Write-Off, Auto Write-Off, or Credited, the system displays a warning when the payment is bounced in Customer Payment Modify or Customer Payment Mass Change.

Fig. 7.72
Customer Payment Mass Change



After you bounce the payment, the Approve/Reject Comment field in Deduction Review is appended with “Bounced-” for the deduction associated with the payment.

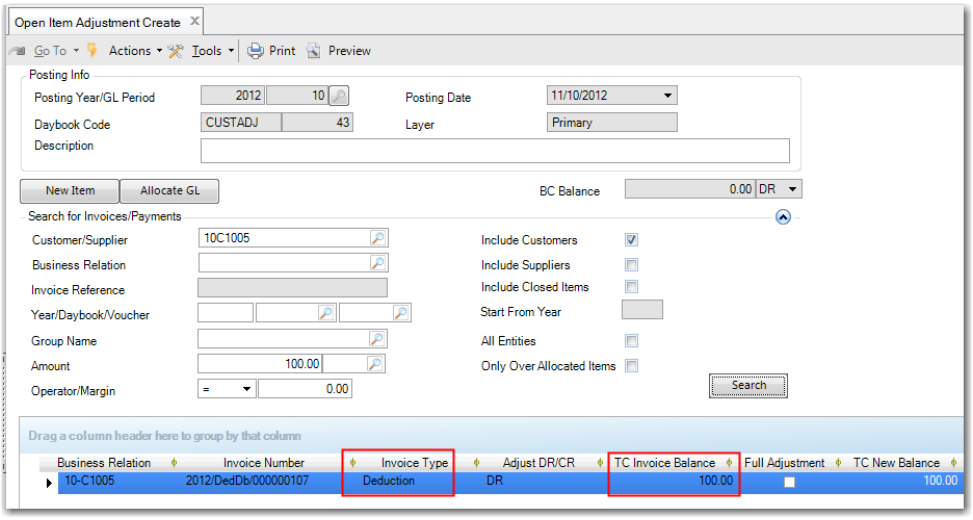
Fig. 7.73
Deduction Review, Rejected Deduction Resulting from Bounced Payment



You must then process the outstanding deduction manually by adjusting it against the relevant account or else by deducting it from a subsequent payment from the customer.

In Open Item Adjustment Create, the rejected deduction is displayed as an invoice of type Deduction, and is now an open item on the customer’s account.

Fig. 7.74
Open Item Adjustment Create



Example

A customer invoice for $1000 is due, and a $100 deduction applies. The invoice posting is:

Account	Debit	Credit
AR Control	1000	
Sales Revenue		1000

The payment posting is:

Account	Debit	Credit
Payment Control (PIP)	900	
AR Control		1000
AR Deduction Control	100	

The write-off posting is:

Account	Debit	Credit
Deduction Expense	100	
AR Deduction Control		100

The bounced posting is:

Account	Debit	Credit
Payment Control (PIP)		900
AR Control	1000	
Deduction Control		100

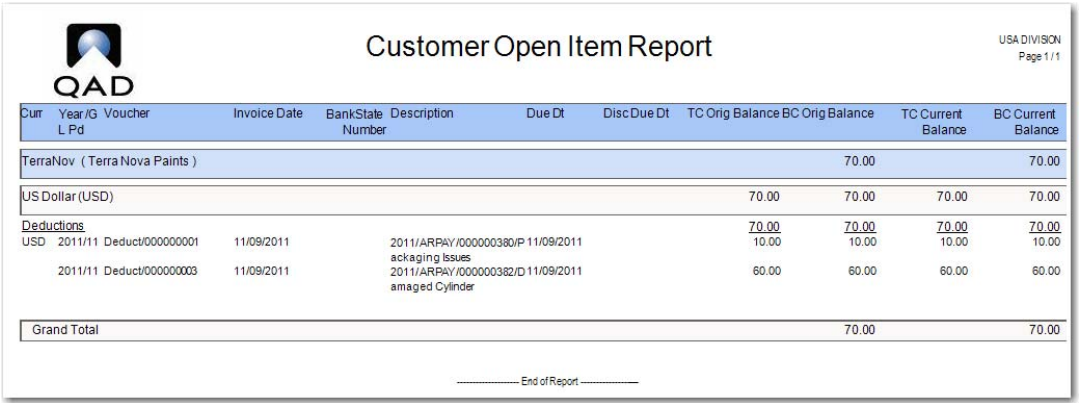
Deductions in Reports and Views

Reports

Pending deduction invoices are included in the Customer Open Item report (27.17.1), the Customer Open Item Basic report (27.17.15), the Customer Statement of Account (27.17.19), the Customer Aging reports, and the Reminder Letter report (27.17.10).

The Customer Open Item report and the Customer Open Item Basic report contain selection criteria that enable you to specify whether to include deductions in the report output.

Fig. 7.75
Customer Open Item Report



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Customer Open Item Report

USA DIVISION
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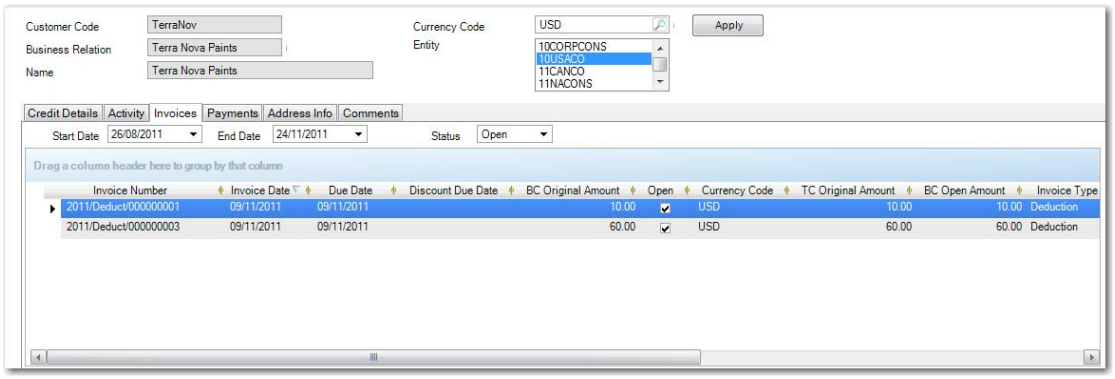
Curr	Year/G L Pd	Voucher	Invoice Date	BankState Number	Description	Due Dt	Disc Due Dt	TC Orig Balance	BC Orig Balance	TC Current Balance	BC Current Balance
TerraNov (Terra Nova Paints)									70.00		70.00
US Dollar (USD)								70.00	70.00	70.00	70.00
Deductions								70.00	70.00	70.00	70.00
USD	2011/11	Deduct/000000001	11/09/2011		2011/ARPAY/000000380/P ackaging Issues	11/09/2011		10.00	10.00	10.00	10.00
	2011/11	Deduct/000000003	11/09/2011		2011/ARPAY/000000382/D amaged Cylinder	11/09/2011		60.00	60.00	60.00	60.00
Grand Total									70.00		70.00

---------- End of Report ----------

Views

You can view deduction invoices in the Activity tab, Invoices tab, and Payments tab of the Customer Activity Dashboard (27.18.1). If you right-click on the deduction and select Deduction Details from the context menu, you can view the deduction details in read-only mode.

Fig. 7.76
Customer Activity Dashboard



The Invoices tab of the Customer Activity Dashboard contains a Deduction Status column, which displays the status of invoices of type Deduction. The possible statuses are:

- Pending, where the deduction contains detail lines with the status Pending.
- Credited, where all the deduction detail lines are written off, automatically written off, or credited.

- Rejected, where the deduction invoice is rejected.
- Approved for Credit, where the statuses of all deduction detail lines are Approved for Credit.

If the invoice is not a deduction invoice, the Deduction Status column is blank.

The deduction due date is also displayed in the Customer Activity Dashboard. If a deduction is rejected, the due date of the deduction is calculated. See “Credit Terms and Due Dates” on page 560.

Collecting Receivables

Collecting receivables can be separated into two activities:

- Monitoring customer activity
- Managing overdue payments

Customer activity is controlled by the credit limit you define as part of the customer setup, and can be adjusted at any stage of the customer relationship. The credit limit prevents you from creating new liabilities for this customer when the limit has been exceeded.

You use a number of utilities to monitor customer activity:

Customer Activity Dashboard displays a read-only overview of customer liabilities for the current entity or multiple entities. The information includes the customer’s credit limit details and separate invoice and payment details; it can be generated for specified periods.

The AR module also includes many different reports and views that let you review customer information using customizable selection criteria, including:

- Aging Analysis reports calculate aging for all due customer open items by the number of periods overdue at the specified date.
- Customer Open Item Report (27.17.1) lists outstanding open items on a specified date for the selected customer. Open items are grouped by type (invoice, credit note, prepayment, adjustment).
- Customer Statement of Account (27.17.19) details customer AR activity as of a specified date and lists all items that would be open as of that date.

  These reports are discussed in more detail in “Accounts Receivable Reports” on page 925.

When the customer is also a supplier, you can use Open Item Adjustment to net customer and supplier invoices, and to adjust the customer and supplier balances accordingly. See “Open Item Adjustment” on page 383.

When AR reports indicate that payments are overdue, Reminder Letter (27.17.10) generates a series of automated reminder letters to the customer.

Contested payments are handled either by a manual correction invoice or credit note, or by marking the invoice as contested in the system.

When payment is acknowledged as overdue, the Finance Charge function calculates the charges to be applied to the overdue amounts as a finance charge invoice.

Managing Customer Credit

Credit checking lets you monitor overdue payments and customer account balances, and place further sales orders and invoices for this customer on hold when a specified credit limit has been exceeded. The system checks all AR activity for this customer, across all entities in the database.

You define one or a combination of credit limits on the Credit Limit tab of the Customer screen. Once defined and saved, these credit limits are automatically applied to this customer, and enable credit checking on the customer's transactions.

The following types of limit are configurable:

- A fixed maximum limit on the customer opening balance. This maximum applies for all entities using this customer.
- A percentage of the gross customer turnover for the most recent fiscal year.
- A maximum number of days overdue. This limit applies to invoices that have exceeded their overdue date.

For a description of the Credit Limit tab fields, and details on how to configure these credit limits, see "Credit Limit Tab" on page 279.

The credit limit you set for the customer is measured against the customer AR activity for all entities in the database. The total of customer AR activity is calculated in the following way:

- The total of AR balances for all entities, plus
- The total of open item balances, plus
- The value of the current AR activity such as sales order or invoice

This AR activity includes the following types of transactions:

- Customer invoices
- Customer opening balances
- Open item adjustments
- Banking entries (for direct debit prepayments)
- Customer payments (also for direct debit prepayments)

The credit check totals these amounts and compares them against the set credit limit. When the AR total exceeds the credit limits, the system warns you of the overrun. You can ignore the warning and continue with the transaction, if required.

The Customer Credit Limit Maintain activity also lets you adjust customer credit limits before and after creating a transaction, which then lets you complete the transaction posting.

The Customer Turnover Report details customer activity over a given period. For credit purposes, a Turnover Report for the customer over the previous 12-month period shows the amount to which the percentage turnover credit check is to be applied. The Customer turnover includes sales orders and invoices for the selected customers from all entities.

The maximum days overdue credit check monitors the due dates on open items, and marks those items that have exceeded the period allowed for payment. Due dates for customers and invoices are based on the associated credit terms.

Maintaining Credit Limit

The Customer Credit Limit Maintain (27.20.1.6) activity lets you adjust the credit limits defined for customers. This activity displays the same screen that is updated in the Credit Limit tab for the customer, with the other tabs unavailable (see “Credit Terms” on page 250 for information about this tab). Use this option in conjunction with the Customer Activity Dashboard and the different types of credit reports to control and adjust customer credit. You can adjust the credit limit for individual customers only.

Credit Limits and Invoice Status Codes

You can assign status codes to customer invoices to indicate that the invoice is contested. The status is for reference, and also acts as a search criterion when browsing for invoices. Invoice status codes do not have a blocking effect on customer invoices and so do not form part of the credit checking process. You use invoice status codes as part of the approval process for supplier invoices only.

Credit Reporting and Views

The following reports and views display customer credit information. These reports are described in full in “Customer Reports” on page 927.

Table 7.9
Customer Credit Views and Reports

Report	Description
Customer Balance View	Provides current customer balances.
Customer Account Statement Print	Details customer AR activity from some or all entities in the domain. The As Of Date criterion sets a past effective date for the report, and the system calculates and lists all items that would be open as of that date.
Reminder Letter	Lists open items for a customer and includes text that depends on the reminder level of the invoice.
Customer Aging Analysis Current	Calculates aging for all due customer open items by the number of periods overdue at the specified date. Current payments are all payments taken into account up to the day the report is generated. See “Customer Aging Reports” on page 585.
Customer Aging Analysis by Group Current	Groups aging analysis data by sub-account, sales account GL profile, or project. See “Customer Aging Reports” on page 585.
Customer Aging Analysis History	Lists payments up until the end of the specified period. See “Customer Aging Reports” on page 585.
Customer Aging Analysis by Group History	Groups the data generated in Aging Analysis Backwards by sub-account, sales account GL profile, project, or salesperson. See “Customer Aging Reports” on page 585.

Customer Activity Dashboard

The Customer Activity Dashboard (27.18.1) offers a comprehensive overview of all activity related to a single customer, in a single entity or over multiple entities. The drill-down generates read-only credit information that includes the following areas:

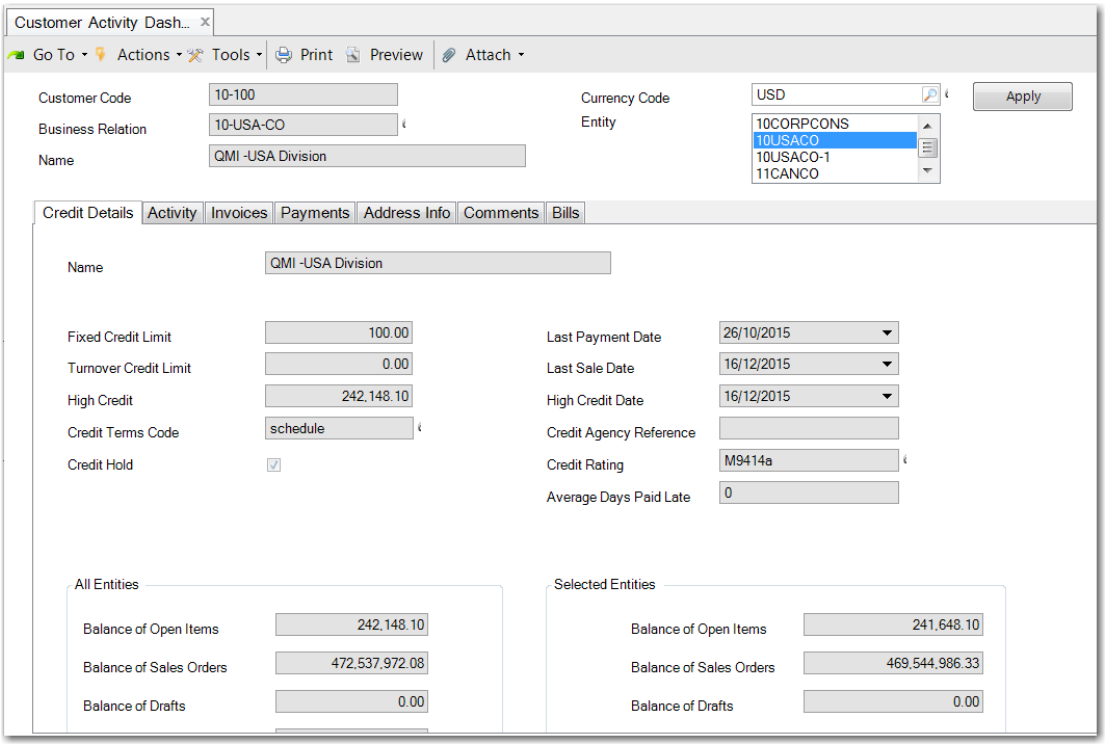
- Sales order and open item balances
- Total current liability
- Individual drill-downs on invoices, credit notes, and open item adjustments

You can display credit information for a customer with reference to one or multiple entities in the domain and see the balance for the selected entities and all entities. Amounts in the payment and invoice grids are displayed to two decimal places and discount calculations support negative quantities.

The Activity tab displays all invoices and associated payments for the customer, by default for a three-month period. Payments display as child rows beneath their associated invoices. You can view the invoice and payment information separately using the Invoice and Payment tabs. Payments displayed include invoices allocated through banking entries.

You can use grid features to group and sort information by key credit-related details such as the number of weeks overdue, or see all invoices due in a certain week.

Fig. 7.77
Customer Activity Dashboard



Field Descriptions

Customer Code. This field displays the name of the customer that you selected previously in the browse for which you want credit information. The associated business relation name and code display.

Business Relation/Name. These fields display the associated business relation and name.

Currency Code. Specify a currency in which to display the information. The customer currency is loaded by default. When you specify a different display currency, amounts are converted from the customer currency using the default accounting exchange rate. For example, switch currencies to view the amounts in the currency of the current domain.

This field affects only the data you view on the Credit Details tab.

Entity. Select one or multiple entities for which to display AR activity for this customer. The current entity is selected by default, and totals for the current entity display in the Credit Details tab. Use Ctrl+Click to select multiple entities in the list.

If you change the entity settings, click Apply to regenerate the credit information. The entity setting affects data in all the tabs.

Credit Details Tab

This tab displays sales order and open item balances for the customer. It also displays the customer credit limit, and the credit turnover amount calculated for this customer, based on the values specified in the Customer Credit Limit tab.

Name. This field displays the customer name.

Fixed Credit Limit. This field displays the fixed credit limit amount defined for this customer.

Turnover Credit Limit. This field displays the turnover credit amount, which is calculated as a percentage of the customer turnover for the previous 12-month period.

High Credit. This field displays the highest amount of credit extended to this customer to date, which is equivalent to the largest AR balance so far reported. The amount is recalculated with each revision of the customer credit limit.

Credit Terms Code. This field displays the credit terms assigned to this customer.

Credit Hold. When selected, future orders for this customer are placed on credit hold, and existing orders are placed on hold so they cannot be shipped without the hold being released.

Last Payment Date. This field displays the date of the last completed customer payment.

Last Sale Date. This field displays the date of the most recent sales order completed with this customer.

High Credit Date. This field displays the date on which the highest credit amount was extended to this customer. The date is recalculated with each credit revision.

Credit Agency Reference. This field displays any credit agency reference number assigned to the customer.

Credit Rating. This field displays the internal credit rating defined for this customer, if any.

Average Days Paid Late. The average number of days this customer has paid late beyond the due date of the invoice.

Totals for All Entities

Balance of Open Items. This field displays the total amount of customer open items generated in all entities. Open items consist of invoices and credit notes entered directly using Customer Invoice Create and posted invoices and credit notes from operational activity. Unposted sales orders are not included in the balance of open items.

Balance of Sales Orders. This field displays the total amount of customer sales orders generated in all entities. The following types of orders are included:

- Discrete sales orders, both confirmed and unconfirmed
- Pending invoices
- Return Material Authorizations from Service/Support Management

Note Sales quotes and customer scheduled orders are not included in the open order amount. When a quantity is shipped on a customer scheduled order, a pending invoice is created, which is included.

Balance of Drafts. This field displays the total amount of customer drafts generated in all entities.

Total Liability. This field displays the customer total liability, based on the total sales order balance plus the AR balance for all entities.

Highest Reminder Level. This field displays the maximum amount allowed on all open invoices for the customer before the customer is sent a reminder.

Totals for Selected Entities

Balance of Open Items. This field displays the total amount of customer open items generated in the selected entities.

Balance of Open Items. This field displays the total amount of customer open items generated in the selected entities.

Balance of Drafts. This field displays the total amount of customer drafts generated in the selected entities.

Highest Reminder Level. This field displays the maximum amount allowed on all open invoices in the selected entities before the customer is sent a reminder.

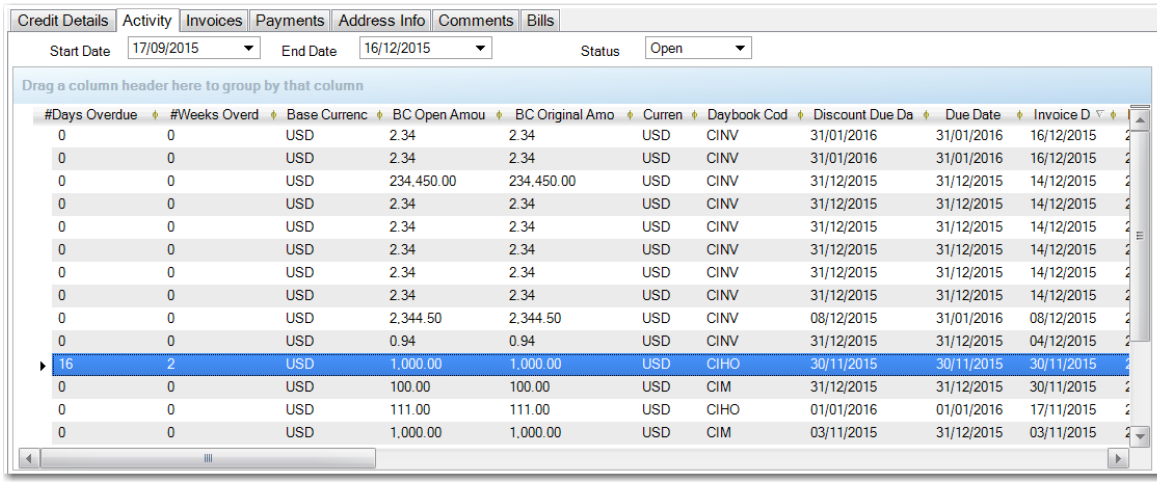
Activities Tab

This tab lets you view customer invoices and associated payments in one screen, including payments created by allocating a bank statement line to an invoice

By default, open invoices for a three-month range display. You can change the start and end dates as needed and choose to look at closed invoices or both closed and open using the Status field.

Double-click individual lines on the grid to view the original item.

Fig. 7.78
Customer Activity Dashboard, Activity Tab

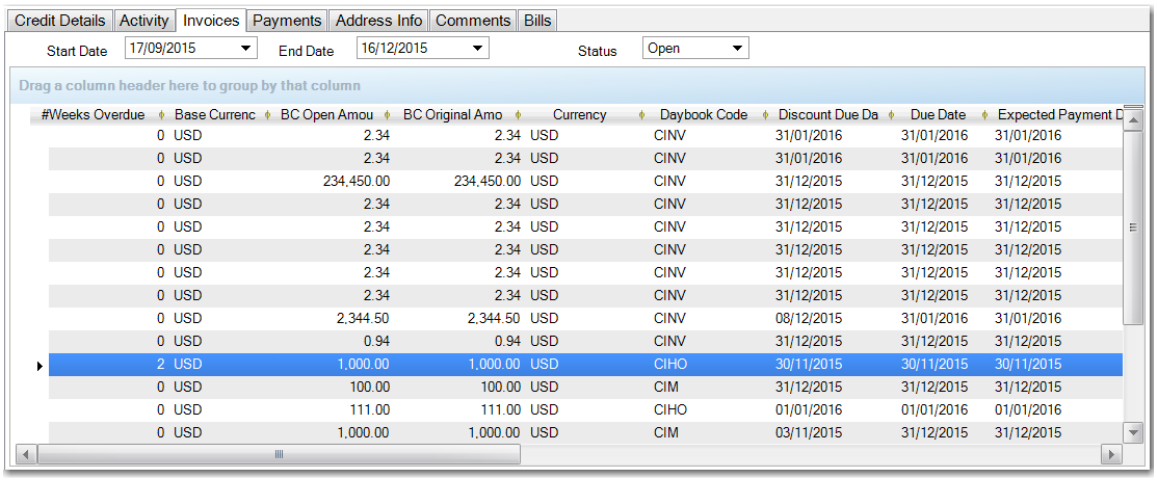


Review the information under the Invoices and Payments tabs for individual field details.

Invoices Tab

Use the Invoices tab to view selected invoices. You can modify the date range and the status of invoices to include in the view. Double-click a line on the grid to view the original item.

Fig. 7.79
Customer Activity Dashboard, Invoices Tab



Field Descriptions

Invoice Number. This field displays the number of the selected invoice or credit note.

Inv Date. This field displays the invoice creation date.

Due Date. This field displays the payment due date.

Discount Due Date. This field displays payment due date to qualify for an early payment discount.

Open. This field indicates if the invoice is still open.

Currency. This field displays the currency for the transaction.

BC and TC Original Amount. These field displays the original invoice amount in base and transaction currencies.

BC and TC Open Amount. These fields displays the open (unpaid) invoice amount. TC Open Amount is hidden by default.

Invoice Type. This field displays the invoice type: invoice, invoice correction, credit note, credit note correction, finance charge.

OI Description. If the invoice was adjusted using open item adjustment, this field displays the description recorded in Open Item Adjustment Create (25.13.5) or Open Item Adjustment Modify (25.13.3).

See “Open Item Adjustment” on page 383 for more information.

Overdue Days. This field displays the number of days overdue, calculated by subtracting the due date from today’s date.

 # Weeks Overdue. This field displays the number of weeks overdue, calculated by subtracting the due date from today’s date and dividing by seven. By grouping the data in the grid by the number of weeks overdue and by adding a summary of type Sum on the TC Open Amount column, you can create an aging overview of the invoices.

Invoice Status Code. This field displays the invoice status code assigned to the open item.

Week #. This field displays the week number of the expected payment date in the year.

Expected Payment Date. This field displays the date when payment is expected to be received. The expected payment date is used in cash flow reporting. This date defaults to the due date when the invoice is created. If you manually change the due date to a date later than the expected payment date, this date is automatically updated.

Base Currency. This field displays the base currency of the domain in which the invoice was created.

Daybook Code. This field displays the daybook code of the daybook associated with the invoice.

Voucher. This field displays the voucher number of this invoice

Year. This field displays the year in which the invoice was issued.

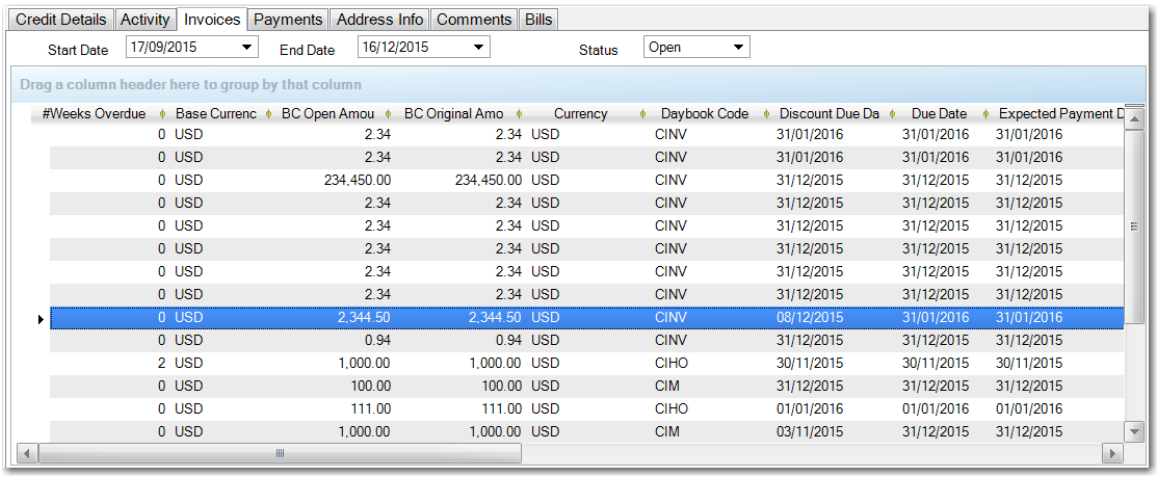
Statutory Currency. This field displays the statutory currency for this invoice.

Note You can also add other columns to the grid that are not displayed by default. For example, the Shipper column displays the customer shipper ID, legal document ID, or Golden Tax invoice number. The Entity Code field displays the entity. This column is useful when viewing invoices in multiple entities.

Customer Activity Drill Down

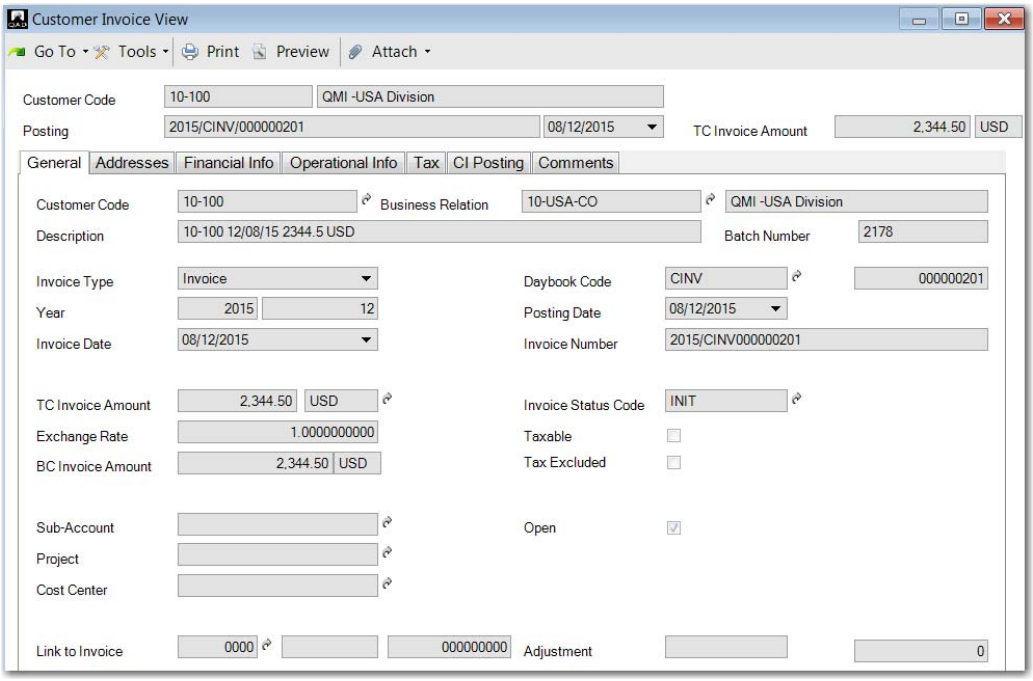
The Customer Activity Dashboard includes the ability to drill-down to view the detailed invoice and payment records associated with the summaries displayed in the Invoices and Payments tabs. You can view read-only information for invoices, credit notes, and payments.

Fig. 7.80
Customer Activity Dashboard, Invoices Tab



When you double-click on the invoice summary line highlighted in Figure 7.80, the system displays the corresponding customer invoice in read-only format.

Fig. 7.81
Customer Invoice View

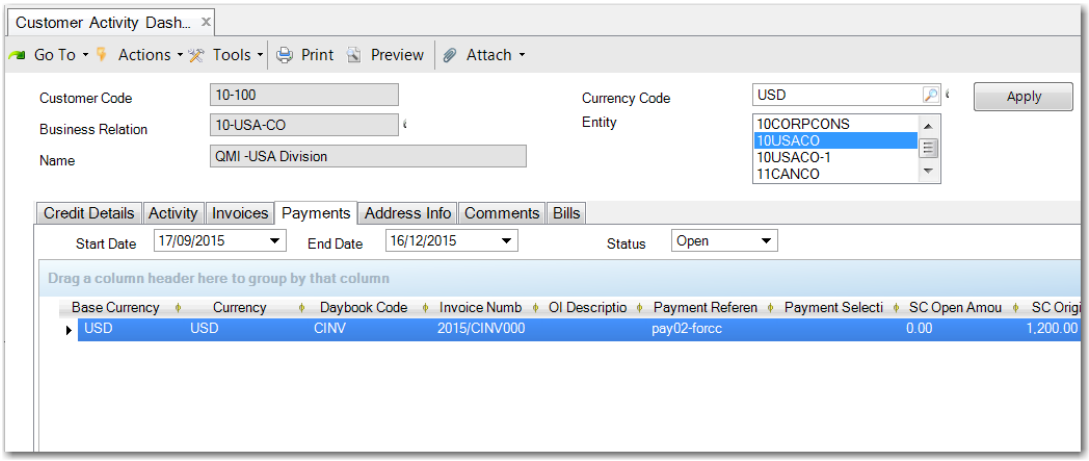


Payments Tab

Use the Payments tab to view the payments and payment selections received for this customer for a specified date range. The Status filter lets you select partial payments for which invoices are still open. Double-click a line on the grid to view the original payment.

Customer prepayments created using Banking Entry display as payments in the Customer Activity Dashboard.

Fig. 7.82
Customer Activity Dashboard, Payments



Field Descriptions

Payment Reference. This field displays any reference information entered in the Payment Reference field.

Payment Selection. This field displays the payment selection code.

TC Payment Original Amount. This field indicates the original payment amount in transaction currency.

TC Discount Amount. This field displays the amount of discount for this payment.

Currency. This field displays the currency for the payment.

Invoice Number. This field displays the number of the invoice being paid.

OI Description. If the invoice was adjusted using open item adjustment, this field displays the description recorded in Open Item Adjustment Create (25.13.5) or Open Item Adjustment Modify (25.13.3).

See “Open Item Adjustment” on page 383 for more information.

Status. This field displays the status associated with the payment.

BC, SC, and TC Original Amount. These fields display the original invoice amount in base, statutory, and transaction currencies. The BC and TC Original Amount fields are hidden by default.

BC, SC, and TC Open Amount. This field displays the open (unallocated) invoice amount. The BC and TC Open Amount fields are hidden by default.

Base Currency. This field displays the base currency of the domain in which the invoice was created.

Voucher. This field displays the voucher number of this invoice.

Year. This field displays the year in which the payment was made.

Daybook Code. This field displays the daybook code of the daybook associated with the payment.

Statutory Currency. This field displays the statutory currency for this payment.

Note You can also add other columns to the grid that are not displayed by default. For example, the Bank Import Reference column displays the lock box batch ID of the imported transactions. If the lock box ID is unavailable, this field displays the filename of the imported bank file. Other useful columns include Creation Date, Expected Payment Date, and Entity Code.

Address Info Tab

The Address Info tab displays the address and contact details of the customer.

Comments Tab

The Comments tab displays comments recorded for this customer in the customer record. You can also add further comments and save them using the Save button in the Customer Activity Dashboard.

Bills Tab

The Bills tab is only displayed when the customer pays by bill, where multiple invoices are combined into one bill. This tab displays information about bill dates and due dates, along with other relevant information such as the currency and status of the bill. For more information, see “Customer Billing” on page 613.

Realized Gain and Loss

For payments in base or transaction currencies, the system calculates the realized gain or loss in base currency and in statutory currency, and posts the difference to the relevant gain or loss system accounts. The gain or loss is the difference between the base currency (or statutory currency) value of the invoice at the time it was created and the base currency (or statutory currency) value of the invoice at the time of payment. For partial payments, this difference is prorated according to the amount paid.

When a domain uses a statutory currency, the system calculates the gain or loss twice, once for the base currency and a second time using the statutory currency, each using the most recent statutory exchange rate.

The original exchange rates for both the base currency and statutory currencies are stored in the original transaction invoice record, and compared with the relevant exchange rate at the time of payment. The difference is then posted as a gain or loss.

The differences in the base currency calculations and statutory currency calculations for the same transactions can have a different sign. For example, the same transaction can cause a gain in base currency and a loss in statutory currency. In this case, two posting lines are created: one for the gain amount and one for the loss amount.

Example

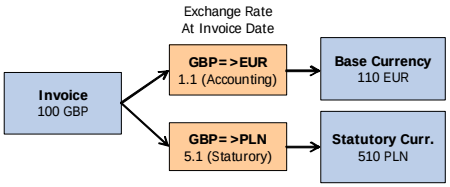
A domain has a base currency of Euros and a statutory currency of Polish Zloty (PLMN). The company sells 10 items to a British customer at a unit cost of 10 GBP each.

When the invoice is posted, the system posts a debit of 100 GBP to the AR control account and uses the accounting exchange rate of 1.1 to convert this amount to Euros for the base currency (110 Euros). It then uses the statutory exchange rate of 5.1 to convert from GBP to PLN (510 PLN). The sales account is credited with 90 GBP (equivalent to 99 Euros and 559 PLN) and the tax account is credited with 10 GBP (equivalent to 11 Euros and 51 PLN).

When the customer pays the invoice, the exchange rates have changed. The accounting rate from GBP to Euros is now 1.2 and the statutory rate from GBP to PLN is now 5.0. When the payment is lodged in the bank account, 100 GBP is equivalent to 120 Euros and 500 PLN. However, the payment postings to the AR control account use the exchange rates valid at the invoice date (accounting rate 1.1 and statutory rate 5.1). Therefore, the AR control account is credited for 100 GBP, which is equivalent to 110 Euros and 510 Zloty.

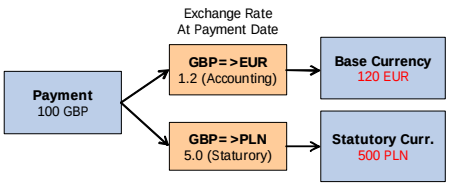
The system posts a realized gain of 10 Euros to the Realized Gains account and a loss of 10 Zloty to the Realized Loss account.

Fig. 7.83
Realized Gains and Loss in Statutory and Base Currencies



GL Transactions

GL Account	TC	BC	SC
AR Control	100 DR	110 DR	510 DR
Sales	90 CR	99 CR	559 CR
Tax	10 CR	11 CR	51 CR



GL Account	TC	BC	SC
Bank	100 DR	120 DR	500 DR
AR Control	100 CR	110 CR	510 CR
Gain	0	10 CR	0
Loss	0	0	10 DR

Reminding Customers of Outstanding Balances

The system supplies two documents that can be printed and sent to customers regarding their outstanding balance.

- Customer Statement of Account (27.17.19) lists customer AR activity from selected or all entities in a domain. The As Of Date criterion sets a past effective date for the report, and the system calculates and lists all items that would be open as of that date.

- Reminder Letter (27.17.10) lists open items for a customer and includes text that depends on the reminder level of the invoice.

The Statement of Account prints only for customers that have Print Statement enabled in the Payment tab of Customer Create. When the report is generated, you can use the statement cycle to select which customers to print statements for.

Reminder letters are printed only for customers that have Print Reminder selected on the Payment tab of the Customer function; see “Print Reminder” on page 276. You can print letters for one or more entities, but you must specify a header entity for contact details that print on the report. Contact information for the customer is derived from the Reminder address type associated with the customer’s business relation, if one exists. Otherwise, contact details for the headoffice address are used.

Reminder Levels

Reminder Letter also lets you optionally increase a counter for selected invoices that indicates the reminder level. Four levels, 0 to 3, are supported.

The system automatically increments the reminder level of an invoice each time a letter is printed. Level 0 means that no reminder was ever sent for the invoice. When you print a reminder for this invoice, the system prints a level 1 letter and increments the reminder level by one to indicate that one reminder has been sent. The second printing uses a level 2 letter and increments the reminder level to 2. The third printing uses a level 3 letter and increments the reminder level to 3. Every subsequent print is at level 3, although you can manually reset the level counter, as described below.

When you generate letters, the system searches for the highest level of each customer’s open invoices. That level determines the letter that is printed.

Example Customer Big Wheels has 5 open invoices; 4 are at reminder level 1 and one is at level 3. The level 3 letter is generated for Big Wheels. When the level 3 invoice is paid, the next time the reminders are generated, a level 2 letter is generated and the reminder level changes to 2.

You select the reminder level counter using the Reminder Level and Update Counters fields on Reminder Letter.

In cases where you want to issue another reminder but do not want to increase the reminder level for a particular customer (for example, that customer has invoices that remain unpaid because of delivery problems), you can reset the reminder level for all customer invoices for that customer to zero using the Reminder Count Reset field on Customer Credit Limit Maintain (27.20.1.6). You can then set a new level for individual invoices using the Reminder Counter field on the Financial Info tab of the invoice.

The Do Not Increment Reminder Counter field on Invoice Status Code Create lets you create invoice status codes that prevent reminder levels from incrementing. You can assign these status codes to an invoice that should remain at the same reminder level for each print run. For example, when a particular invoice is disputed, you can assign this status code, which ensures that this invoice does not influence the reminder level further.

Table 7.10
Reminder Levels

	Reminder Level Logic		
	Print with Update Counters = Yes		Print with Update Counters = No
	Invoice Status: Do not Increment Reminder Count = No	Invoice Status: Do not Increment Reminder Count = Yes	Invoice Status: Any
Print Run	Reminder Level	Reminder Level	Reminder Level
1	0	0	0
2	1	0	0
3	2	0	0
4	3	0	0
5	3	0	0

Example Existing invoices are still outstanding, but there were delays in delivering to the customer, which means that you want to send further reminders for specific invoices but want to decrease the level to 0. The reminder level for these invoices is currently at 3.

Use the following steps:

1. Select Credit Limit Maintain for this customer, and click the Reminder Count Reset button.

   The reminder level for all invoices for this customer is reset to zero.

Alternatively, you can also change the individual invoices.

1. Select the invoice to be modified in Customer Invoice Modify.
2. On the Financial Info tab, the Reminder Counter field displays the level 3. Select Level 0 from the drop-down list.
3. Save and close the invoice screen.

Selecting Customers for the Reminder Letter

When running the Reminder Letter report, you can specify entities from domains that have the same customer shared set as the current domain. Including activities from all entities ensures that the customer's balance is accurately reflected.

Example

The customer, Alderon, has the following balances in entities US-West and US-East:

- **Entity US-West.** This entity has an Alderon invoice for $75 and an Alderon prepayment for $22. Therefore, Alderon's outstanding balance is $53 in entity US-West.
- **Entity US-East.** This entity has an Alderon invoice for $110 and an Alderon prepayment for $150. Therefore, Alderon's outstanding balance is $-40 in entity US-East.

The sum of Alderon's activities in both entities is positive. Therefore, Alderon will not be sent a reminder.

Sample Reminders

The content of the reminder letter changes based on the highest level associated with an overdue invoice.

For letter 1, the body of the letter includes this text, followed by a list of overdue items.

> Your account shows the following OVERDUE items to us
>
> Will you please make immediate arrangements to pay this amount or alternatively let me know your reason for non-payment.

For letter 2, the body of the letter includes this text:

> We regret there has been no reply to our request for full payment of the above account. No queries have been raised on your account so the balance remaining must be undisputed.
>
> Your account still shows the following OVERDUE items to us.
>
> Will you please make immediate arrangements to pay this amount or alternatively let me know your reason for non-payment by return so that we can continue to provide you with the prompt service you rightly expect from us.

For letter 3, the body of the letter includes this text:

> We regret there has been no reply to our request for payment. The OVERDUE amount is itemized below.
>
> Unless we receive payment in full settlement within the next three days, legal action will be commenced without further reference to you and credit facilities will be withdrawn.

Finance Charges on Overdue Payments

Use Finance Charge Create (27.5.1) to create charges applied to customer open item amounts that are overdue. The open item can be an invoice, adjustment, or a previously outstanding finance charge. You normally run finance charge calculations on a monthly basis, before issuing customer statements.

Note Finance charges are calculated only for customers that have the Finance Charge field selected on the Payment tab in the Customer function. You can also define the statement cycle for the customer using the Statement Cycle field and select overdue items by statement cycle. See “Payment Tab” on page 275.

The due dates and payment terms for open items are contained in the credit terms assigned to the open item. The system follows these steps when calculating finance charges:

1. The system calculates unapplied credits from all prepayments and unapplied payment instruments and any credit notes that are not matched to invoices.
2. The system then identifies all open invoices with due dates that are the same as or before the As of Date specified for the calculation. If any grace days are specified, these are added to the due dates first. Any contested invoices are not included.

   Note If an open item does not have a due date, the creation date of the open item is considered.

3 The unapplied credit amount calculated in the first step is applied to the open amount identified in the second step, starting with the oldest documents first. Any invoices marked to be excluded from credit application are not included.

4 The system then calculates the number of overdue days for each qualifying invoice.

5 Finance charges are calculated by applying the interest rate per annum to the final open amount.

These steps are explained in more detail in “Calculating Finance Charges” on page 583.

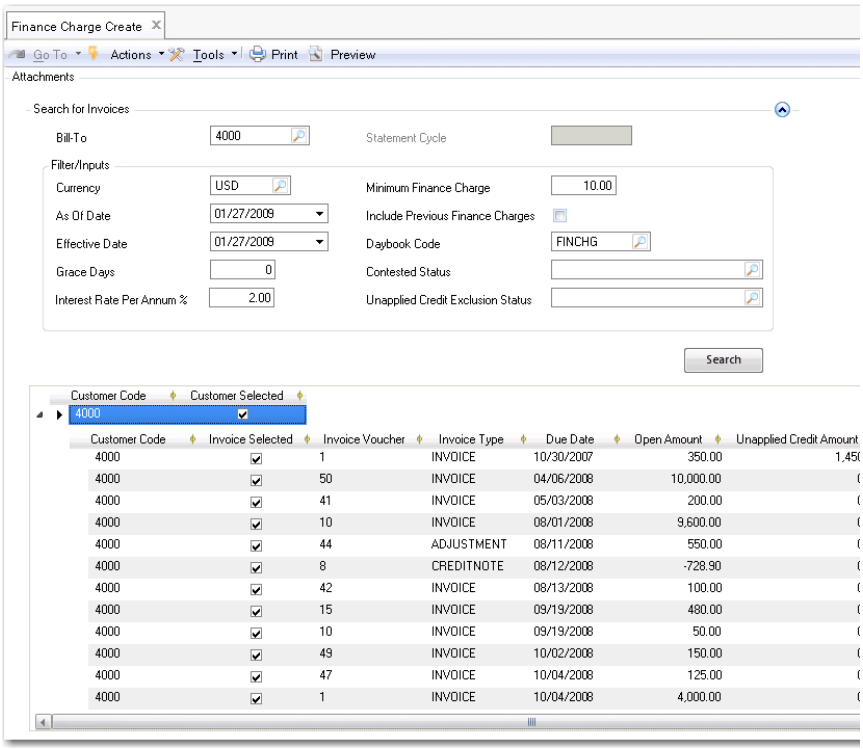
Note For more information on invoice status codes and contested invoices, see “Invoice Status Codes” on page 246.

You can run the finance calculation as a simulation simply by generating selections and then not saving the results. You can export the result to Excel for further analysis. Saving the Finance Charge Calculation results generates finance charge invoices for the calculated amounts. The finance charge invoices are generated as customer invoices and are not subject to taxes.

Use the Finance Charge Calculation fields as search criteria for overdue open items. Select a range of bill-to customers and an open item currency. You must run separate calculations for each currency you select, which produces separate finance charge invoices. Foreign currency open items are converted to the finance charge currency using the accounting exchange rate.

Note Contested items and items with zero amount due do not display in the results.

Fig. 7.84
Finance Charge Create



Field Descriptions

Search for Invoices

Bill To. Specify the customer to which to apply finance charges. You can use the Shift key to select multiple customers, which are then displayed in the Bill-To field separated by commas. Selecting the customer as a Bill-To ensures that the finance charge invoice can be posted to the customer's Bill-To address.

Note Only customers for which finance charges have been enabled are displayed in the browse. See "Payment Tab" on page 275.

Statement Cycle. Click to retrieve the statement cycle for this bill-to customer. The statement cycle is set on the Customer Payment tab and indicates how often AR statements are normally printed for this customer.

Currency. Specify the currency of the open items to be selected.

As Of Date. Specify the date the system uses for finding open items. Open items with due dates on or before this date are selected.

Effective Date. Specify a posting date for finance charge invoices generated by this calculation.

Grace Days. Enter the number of days to be added to the financial due date of an open item, after which interest charges are calculated. The default is zero.

Interest Rate % per Annum. Enter the annual interest rate to be charged on the overdue amounts.

Minimum Finance Charge. Enter a minimum finance charge threshold. Calculated charges below this amount are automatically brought up to the threshold.

Include Previous Finance Charges. Select this field to include previous finance charges that are still overdue in the current calculation.

Daybook. Specify the daybook of type Finance Charge to be used for the finance charge posting.

Contested Status. Specify the invoice status code that you use to identify contested invoices. The system then ensures that these contested invoices are not included in the open amount.

Unapplied Credit Exclusion Status. Specify an invoice status code used to identify invoices that should be included in the open amount but that should not have credit applied to them.

For example, if you have negotiated a long-term payment period for purchased goods and the invoice is subject to finance charges until it is paid, you do not want the system to automatically apply unapplied cash or credit notes.

Click Search to retrieve invoices and credit notes for this bill-to customer based on the set criteria.

Finance charges are applied to each open item selected in the grid. The system then adds a finance charge invoice to the grid for the total of charges to be applied.

Grid Field Descriptions

Customer Code. This field displays the customer code selected.

Customer Selected. Select this field to include open items for this customer in the finance charge calculation. The field is selected by default.

Click the expand icon to display the open item child rows.

Customer Code. This field indicates the customer code.

Invoice Selected. Select this field to include the invoice in finance charge calculation. The field is selected by default.

Invoice Ref. This field displays the reference ID of the open item.

Invoice Type. This field indicates whether the open item is an invoice, credit note, or finance charge invoice.

Due Date. This field displays the original due date of the open item.

Open Amount. This field displays the amount of the original open item.

Charged Amount. This field displays the total amount to which finance charges are applied. The charged amount for the finance charge invoice at the end of the grid indicates the total of all charged amounts, and is updated when you select or deselect open items in the grid.

Charged Days. This field displays the total number of days for which charges are applied.

Finance Charge. This field displays the finance charge calculated for each open item. The finance charge amount for the finance charge invoice is the total of all finance charges applied in this calculation.

Currency Code. This field displays the currency in which the finance charge is applied.

Calculating Finance Charges

Finance charges are applied on a per overdue day basis. The system calculates the number of days for which the open item is overdue, and applies a percentage of the open item total for each overdue day.

The formula for calculating finance charges is:

Open Amount x (Overdue Days/365) x% Interest Rate

This calculation is applied to each open item in turn. The open amount is the total amount of the open item minus any credit to be applied. The overdue days are determined using the credit terms, as of date, and grace days you apply to this finance charge. You then set the Interest Rate Per Annum % value and enter a minimum finance charge amount. The system calculates a finance charge for each open item, and creates a finance charge invoice for the total of these charges.

The finance charge invoice has the following postings:

Account	Debit	Credit
Customer Control	100	
Sales Finance		100

The Sales Finance account is found from the Finance Charge profile specified on the Customer Accounting tab.

Finance Charge Example

You post two invoices and a credit note for Customer A during the month of August, without matching the credit note against either invoice. Customer A has a credit term of 30 days.

- Invoice I001 for $1000 is posted on 1 August and has a due date of 31 August.
- You post Invoice I002 for $1500 on 8 August, giving a due date of 10 September.
- You also post a credit note CN001 for $500 for this customer on 8 August, which is also due on 10 September.

A number of other invoices sent to Customer A are contested, and you have associated the invoice status code Contested with these open items.

You also have a number of long-term hire-purchase agreements with Customer A with specially negotiated repayment terms. These agreements exist in the system as overdue invoices created using the invoice status code HP.

You create a finance charge on 12 September and set a grace day period of 3 days, a minimum charge of $10, and an interest rate of 10%.

To prevent the system from including the contested invoices, you enter Contested for the Contested Status field. To prevent any unapplied credit being applied to the hire-purchase agreements, you enter HP in the Unapplied Credit Exclusion Status field.

You retrieve all open items for Customer A. These consist of:

Item Reference	Amount	Due Date
I001	1000	31 August
I002	1500	10 September
CN01	–500	10 September

The As Of Date for this finance charge is 12 September. Invoice I001 was due on 31 August and the grace days period of 3 days has elapsed. Therefore, the amount to which you apply finance charges is $1500 and the number of overdue days is 12.

Invoice I002 was due on 10 September. This is within the grace day period of 3 days, and the invoice amount of $1500 is not subject to finance charges.

The system applies CN01 as a credit for $500 on the outstanding amount for this customer, which is $1500. Once the credit is applied, the total open amount for finance charges is $1000.

In this example, the open amount is $1000, the overdue days value is 12, and the interest rate to be applied is 10%: The calculation is therefore:

$1000 x 12/365 x 10% = $3.29

The system creates a Finance Charge invoice for $3.29 for Customer A.

Draft Finance Charges

Finance charges can be saved in draft format when Draft Instances is selected in System/User Settings, Change System Setting. When you save a record in draft format, none of the system validations are executed. You can then return later to complete the record by choosing the Finance Charges Browse Drafts activity and selecting the record you want to finish from the list. For more information on drafts, see *Introduction to QAD Enterprise Applications User Guide*.

Customer Aging Reports

This section describes the aging reports. All available customer reports are described in “Accounts Receivable Reports” on page 925.

Customer Aging Analysis Current Report

The Customer Aging Analysis Current report (27.17.6) lists all current outstanding open items, such as invoices, credit notes, and prepayments. The report output is divided between items that are not yet due and those that are past due (1 month, 2 months, 3 months, and more than 4 months).

This report calculates aging for all due customer open items by the number of periods overdue at the specified date. All payments up to the day the report is generated are included.

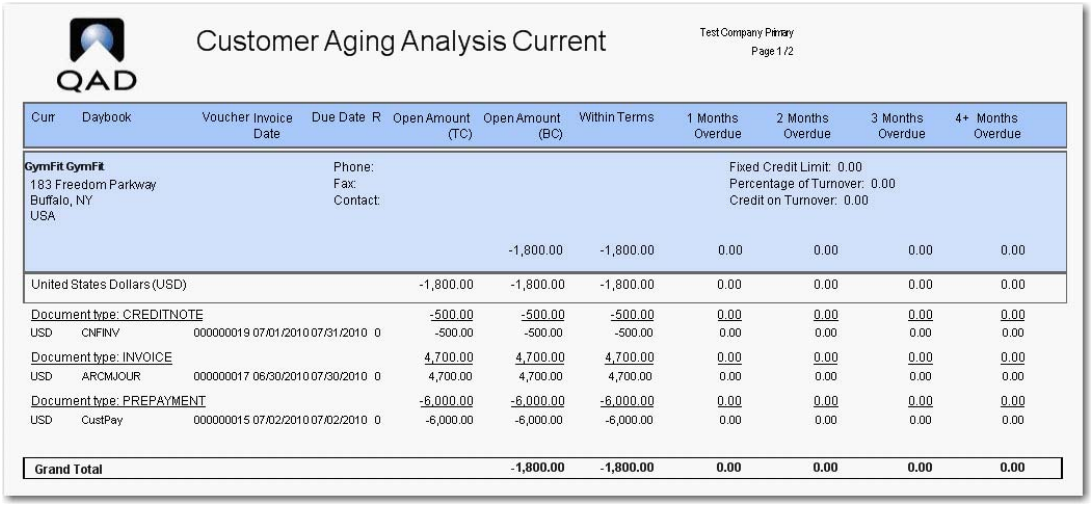
You can display the offset period in days or months.

The following are the report selection criteria:

- Customer Codes
- Business Relations
- Aging Type
- Aging Offset
- Date for Aging Calculation
- To GL Cal Year
- To GL Period
- Entity
- Control GL Account
- Customer Balance
- Invoices within Terms
- Reporting Currency
- Summary Info By
- Add Comments
- Customer Type
- Sort By
- Payment Group
- Salesperson

Figure 7.85 shows an example of a Customer Aging Analysis Current report when the report is run for the system date.

Fig. 7.85
Customer Aging Analysis Current Report



Customer Aging Analysis Current

Test Company Primary
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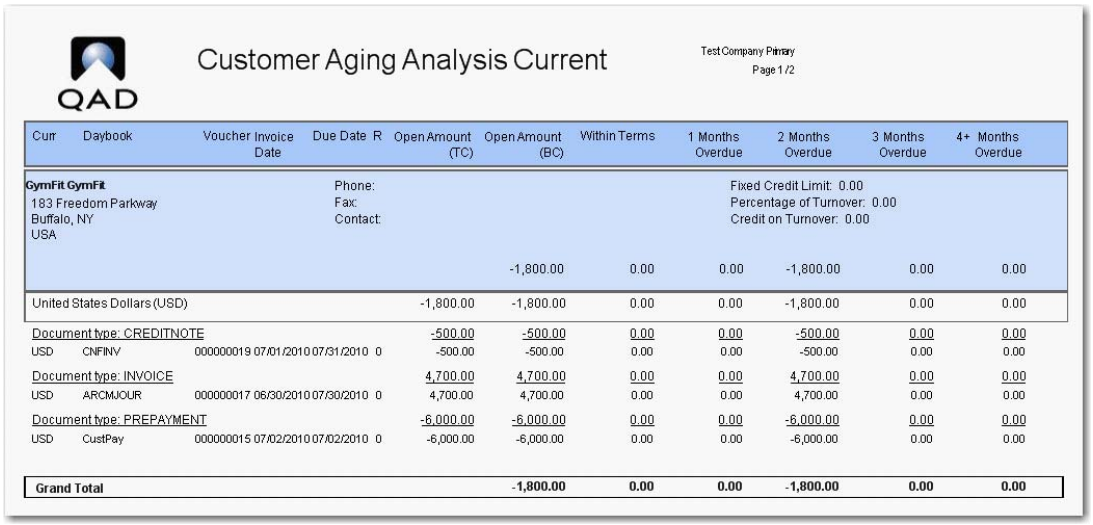
Curr	Daybook	Voucher	Invoice Date	Due Date	R	Open Amount (TC)	Open Amount (BC)	Within Terms	1 Months Overdue	2 Months Overdue	3 Months Overdue	4+ Months Overdue
GymFit GymFit												
183 Freedom Parkway												
Buffalo, NY												
USA												
							-1,800.00	-1,800.00	0.00	0.00	0.00	0.00
United States Dollars (USD)						-1,800.00	-1,800.00	-1,800.00	0.00	0.00	0.00	0.00
Document type: CREDITNOTE						-500.00	-500.00	-500.00	0.00	0.00	0.00	0.00
USD	CNFINV	000000019	07/01/2010	07/31/2010	0	-500.00	-500.00	-500.00	0.00	0.00	0.00	0.00
Document type: INVOICE						4,700.00	4,700.00	4,700.00	0.00	0.00	0.00	0.00
USD	ARCMJOUR	000000017	06/30/2010	07/30/2010	0	4,700.00	4,700.00	4,700.00	0.00	0.00	0.00	0.00
Document type: PREPAYMENT						-6,000.00	-6,000.00	-6,000.00	0.00	0.00	0.00	0.00
USD	CustPay	000000015	07/02/2010	07/02/2010	0	-6,000.00	-6,000.00	-6,000.00	0.00	0.00	0.00	0.00
Grand Total							**-1,800.00**	**-1,800.00**	**0.00**	**0.00**	**0.00**	**0.00**

Figure 7.86 shows the report output when the report is run on the same system date, but with the Date for Aging Calculation field set to two months from the system date. Note that the credit note and invoice are now in the 2 Months Overdue column. The prepayment was not allocated so this remains as an open item. The prepayment is aged and also appears in the 2 Months Overdue column.

Fig. 7.86
Customer Aging Analysis Current Report, Aged Two Months



Customer Aging Analysis Current

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Curr	Daybook	Voucher	Invoice Date	Due Date	R	Open Amount (TC)	Open Amount (BC)	Within Terms	1 Months Overdue	2 Months Overdue	3 Months Overdue	4+ Months Overdue
GymFit GymFit												
183 Freedom Parkway												
Buffalo, NY												
USA												
							-1,800.00	0.00	0.00	-1,800.00	0.00	0.00
United States Dollars (USD)						-1,800.00	-1,800.00	0.00	0.00	-1,800.00	0.00	0.00
Document type: CREDITNOTE						-500.00	-500.00	0.00	0.00	-500.00	0.00	0.00
USD	CNFINV	000000019	07/01/2010	07/31/2010	0	-500.00	-500.00	0.00	0.00	-500.00	0.00	0.00
Document type: INVOICE						4,700.00	4,700.00	0.00	0.00	4,700.00	0.00	0.00
USD	ARCMJOUR	000000017	06/30/2010	07/30/2010	0	4,700.00	4,700.00	0.00	0.00	4,700.00	0.00	0.00
Document type: PREPAYMENT						-6,000.00	-6,000.00	0.00	0.00	-6,000.00	0.00	0.00
USD	CustPay	000000015	07/02/2010	07/02/2010	0	-6,000.00	-6,000.00	0.00	0.00	-6,000.00	0.00	0.00
Grand Total							**-1,800.00**	**0.00**	**0.00**	**-1,800.00**	**0.00**	**0.00**

Customer Aging Analysis History Report

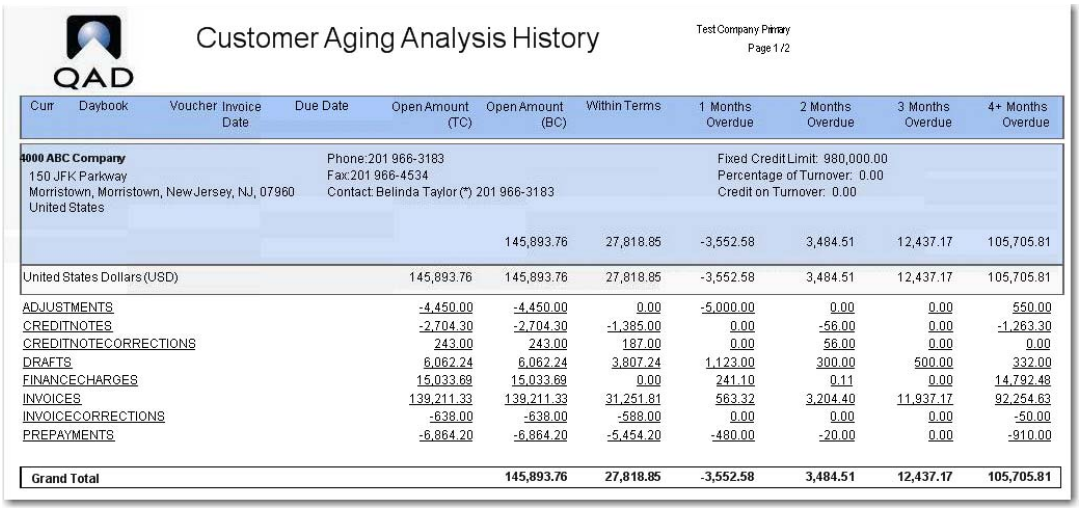
The Customer Aging Analysis History report (27.17.7) lists overdue items payments up until the end of the specified period. Overdue items are listed by type and the amount overdue. The items are then categorized by the amount of time by which they are overdue (1 month, 2 months, 3 months, and more than 4 months).

Important You must set the Invoices within Terms selection field to Yes to list prepayments and adjustments on the report. The Age Prepayments/Adjustments selection field only affects whether prepayments and adjustments are aged—it does not affect whether to display prepayments and adjustments on the report.

The report has the following selection criteria in addition to those listed for the Customer Aging Analysis Current report:

- Currency Code
- Daybook Codes
- Cost Center Codes
- Age Prepayments/Adjustments
- Detail Level
  - Customer Totals Only
  - Full Details
  - Transaction Summary by Customer

Fig. 7.87
Customer Aging Analysis History Report



Customer Aging Analysis History

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Curr	Daybook	Voucher	Invoice Date	Due Date	Open Amount (TC)	Open Amount (BC)	Within Terms	1 Months Overdue	2 Months Overdue	3 Months Overdue	4+ Months Overdue
4000 ABC Company					Phone:201 966-3183			Fixed Credit Limit: 980,000.00			
150 JFK Parkway					Fax:201 966-4534			Percentage of Turnover: 0.00			
Morristown, Morristown, New Jersey, NJ, 07960					Contact: Belinda Taylor (*) 201 966-3183			Credit on Turnover: 0.00			
United States											
						145,893.76	27,818.85	-3,552.58	3,484.51	12,437.17	105,705.81
United States Dollars (USD)					145,893.76	145,893.76	27,818.85	-3,552.58	3,484.51	12,437.17	105,705.81
ADJUSTMENTS					-4,450.00	-4,450.00	0.00	-5,000.00	0.00	0.00	550.00
CREDITNOTES					-2,704.30	-2,704.30	-1,385.00	0.00	-56.00	0.00	-1,263.30
CREDITNOTECORRECTIONS					243.00	243.00	187.00	0.00	56.00	0.00	0.00
DRAFTS					6,062.24	6,062.24	3,807.24	1,123.00	300.00	500.00	332.00
FINANCECHARGES					15,033.69	15,033.69	0.00	241.10	0.11	0.00	14,792.48
INVOICES					139,211.33	139,211.33	31,251.81	563.32	3,204.40	11,937.17	92,254.63
INVOICECORRECTIONS					-638.00	-638.00	-588.00	0.00	0.00	0.00	-50.00
PREPAYMENTS					-6,864.20	-6,864.20	-5,454.20	-480.00	-20.00	0.00	-910.00
Grand Total						**145,893.76**	**27,818.85**	**-3,552.58**	**3,484.51**	**12,437.17**	**105,705.81**

Customer Aging Analysis by Group Current Report

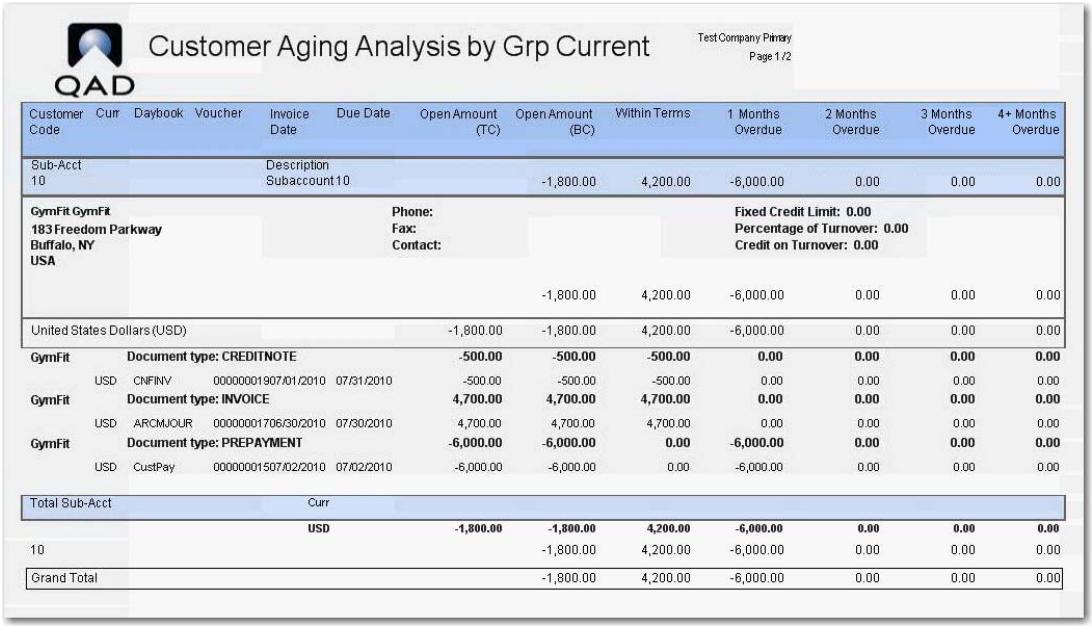
The Customer Aging Analysis by Group Current report (27.17.8) groups aging analysis data by sub-account, cost center, project, or customer type.

The report has the following selection criteria in addition to those listed for the Customer Aging Analysis Current report:

- Sub-Account Codes
- Group By (all, Customer Type, Cost Center, Project)
- Project Codes
- Detail Level
  - Customer Totals Only
  - Full Details

- Transaction Summary by Customer

Fig. 7.88
Customer Aging Analysis by Group Current Report



Customer Aging Analysis by Grp Current

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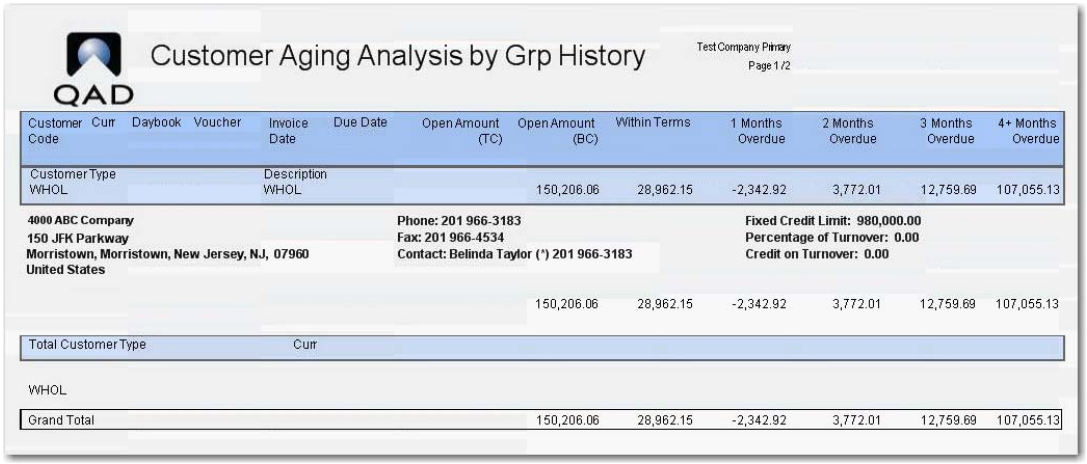
Customer Code	Curr	Daybook	Voucher	Invoice Date	Due Date	Open Amount (TC)	Open Amount (BC)	Within Terms	1 Months Overdue	2 Months Overdue	3 Months Overdue	4+ Months Overdue
Sub-Acct				Description								
10				Subaccount10			-1,800.00	4,200.00	-6,000.00	0.00	0.00	0.00
GymFit GymFit **183 Freedom Parkway** **Buffalo, NY** **USA**						**Phone:** **Fax:** **Contact:**			**Fixed Credit Limit: 0.00** **Percentage of Turnover: 0.00** **Credit on Turnover: 0.00**			
							-1,800.00	4,200.00	-6,000.00	0.00	0.00	0.00
United States Dollars (USD)						-1,800.00	-1,800.00	4,200.00	-6,000.00	0.00	0.00	0.00
GymFit		**Document type: CREDITNOTE**				**-500.00**	**-500.00**	**-500.00**	**0.00**	**0.00**	**0.00**	**0.00**
	USD	CNFINV	00000001907/01/2010	07/31/2010		-500.00	-500.00	-500.00	0.00	0.00	0.00	0.00
GymFit		**Document type: INVOICE**				**4,700.00**	**4,700.00**	**4,700.00**	**0.00**	**0.00**	**0.00**	**0.00**
	USD	ARCMJOUR	00000001706/30/2010	07/30/2010		4,700.00	4,700.00	4,700.00	0.00	0.00	0.00	0.00
GymFit		**Document type: PREPAYMENT**				**-6,000.00**	**-6,000.00**	**0.00**	**-6,000.00**	**0.00**	**0.00**	**0.00**
	USD	CustPay	00000001507/02/2010	07/02/2010		-6,000.00	-6,000.00	0.00	-6,000.00	0.00	0.00	0.00
Total Sub-Acct				Curr								
				USD		**-1,800.00**	**-1,800.00**	**4,200.00**	**-6,000.00**	**0.00**	**0.00**	**0.00**
10							-1,800.00	4,200.00	-6,000.00	0.00	0.00	0.00
Grand Total							-1,800.00	4,200.00	-6,000.00	0.00	0.00	0.00

Customer Aging Analysis by Group History

The Customer Aging Analysis by Group History report (27.17.9) groups the data generated in Aging Analysis historically by sub-account, cost center, project, and customer type.

The report has all the same selection criteria as the Customer Aging Analysis by Group Current report, in addition to an Age Prepayments/Adjustments selection field.

Fig. 7.89
Customer Aging Analysis by Group History Report



Customer Aging Analysis by Grp History

Test Company Primary
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Customer Code	Curr	Daybook	Voucher	Invoice Date	Due Date	Open Amount (TC)	Open Amount (BC)	Within Terms	1 Months Overdue	2 Months Overdue	3 Months Overdue	4+ Months Overdue
Customer Type				Description								
WHOL				WHOL			150,206.06	28,962.15	-2,342.92	3,772.01	12,759.69	107,055.13
4000 ABC Company **150 JFK Parkway** **Morristown, Morristown, New Jersey, NJ, 07960** **United States**						**Phone: 201 966-3183** **Fax: 201 966-4534** **Contact: Belinda Taylor (*) 201 966-3183**			**Fixed Credit Limit: 980,000.00** **Percentage of Turnover: 0.00** **Credit on Turnover: 0.00**			
							150,206.06	28,962.15	-2,342.92	3,772.01	12,759.69	107,055.13
Total Customer Type				Curr								
WHOL												
Grand Total							150,206.06	28,962.15	-2,342.92	3,772.01	12,759.69	107,055.13

Customer Aging History Across Domains Report

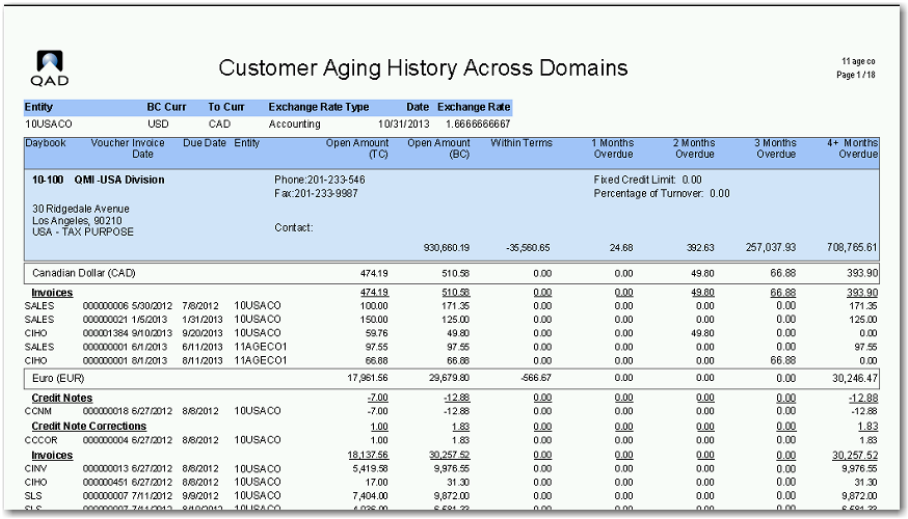
When you are responsible for cash collection over many domains, use Customer Aging History Across Domains (27.17.21) to create a report that shows the open balances over multiple selected entities from multiple domains with the same customer shared set.

The Customer Aging History Across Domains report is very similar to the Customer Aging Analysis History report. The differences are:

- The Entity field can only contain one selected entity. Multiple entities can be selected by inserting additional Entity selection fields using the + sign on the selection page.
- The Type for Aging Calculate enables you to calculate the age of the invoice based on the Invoice Due Date or the Invoice Date. When the field is blank, aging is based on the invoice due date.
- The Summary Info By search field does not contain Cost Center or Sub Account.

The header section of the report contains the exchange rates used to translate the base currency amounts of the selected entities to the base currency of the current workspace entity. When all entities have the same base currency, this section is not displayed. The report also has a column with the entity of the invoice.

Fig. 7.90
Customer Aging History Across Domains Report



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Customer Aging History Across Domains

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Entity	BC Curr	To Curr	Exchange Rate Type	Date	Exchange Rate
10USACO	USD	CAD	Accounting	10/31/2013	1.6666666667

Daybook	Voucher	Invoice Date	Due Date	Entity	Open Amount (TC)	Open Amount (BC)	Within Terms	1 Months Overdue	2 Months Overdue	3 Months Overdue	4+ Months Overdue
10-100 QMI -USA Division											
30 Ridgedale Avenue Los Angeles, 90210 USA - TAX PURPOSE					Phone:201-233-546 Fax:201-233-9987 Contact:			Fixed Credit Limit: 0.00 Percentage of Turnover: 0.00			
						930,660.19	-35,560.65	24.68	392.63	257,037.93	708,765.61
Canadian Dollar (CAD)					474.19	510.58	0.00	0.00	49.80	66.88	393.90
Invoices					474.19	510.58	0.00	0.00	49.80	66.88	393.90
SALES	000000006	5/30/2012	7/6/2012	10USACO	100.00	171.35	0.00	0.00	0.00	0.00	171.35
SALES	000000021	1/5/2013	1/31/2013	10USACO	150.00	125.00	0.00	0.00	0.00	0.00	125.00
CIHO	000001384	9/10/2013	9/20/2013	10USACO	59.76	49.80	0.00	0.00	49.80	0.00	0.00
SALES	000000001	6/1/2013	6/11/2013	11AGECO1	97.55	97.55	0.00	0.00	0.00	0.00	97.55
CIHO	000000001	8/1/2013	8/11/2013	11AGECO1	66.88	66.88	0.00	0.00	0.00	66.88	0.00
Euro (EUR)					17,961.56	29,679.80	-566.67	0.00	0.00	0.00	30,246.47
Credit Notes					-7.00	-12.88	0.00	0.00	0.00	0.00	-12.88
CCNM	000000018	6/27/2012	8/8/2012	10USACO	-7.00	-12.88	0.00	0.00	0.00	0.00	-12.88
Credit Note Corrections					1.00	1.83	0.00	0.00	0.00	0.00	1.83
CCCOR	000000004	6/27/2012	8/8/2012	10USACO	1.00	1.83	0.00	0.00	0.00	0.00	1.83
Invoices					18,137.56	30,257.52	0.00	0.00	0.00	0.00	30,257.52
CINV	000000013	6/27/2012	8/8/2012	10USACO	5,419.58	9,976.55	0.00	0.00	0.00	0.00	9,976.55
CIHO	000000451	6/27/2012	8/8/2012	10USACO	17.00	31.30	0.00	0.00	0.00	0.00	31.30
SLS	000000007	7/11/2012	9/9/2012	10USACO	7,404.00	9,872.00	0.00	0.00	0.00	0.00	9,872.00

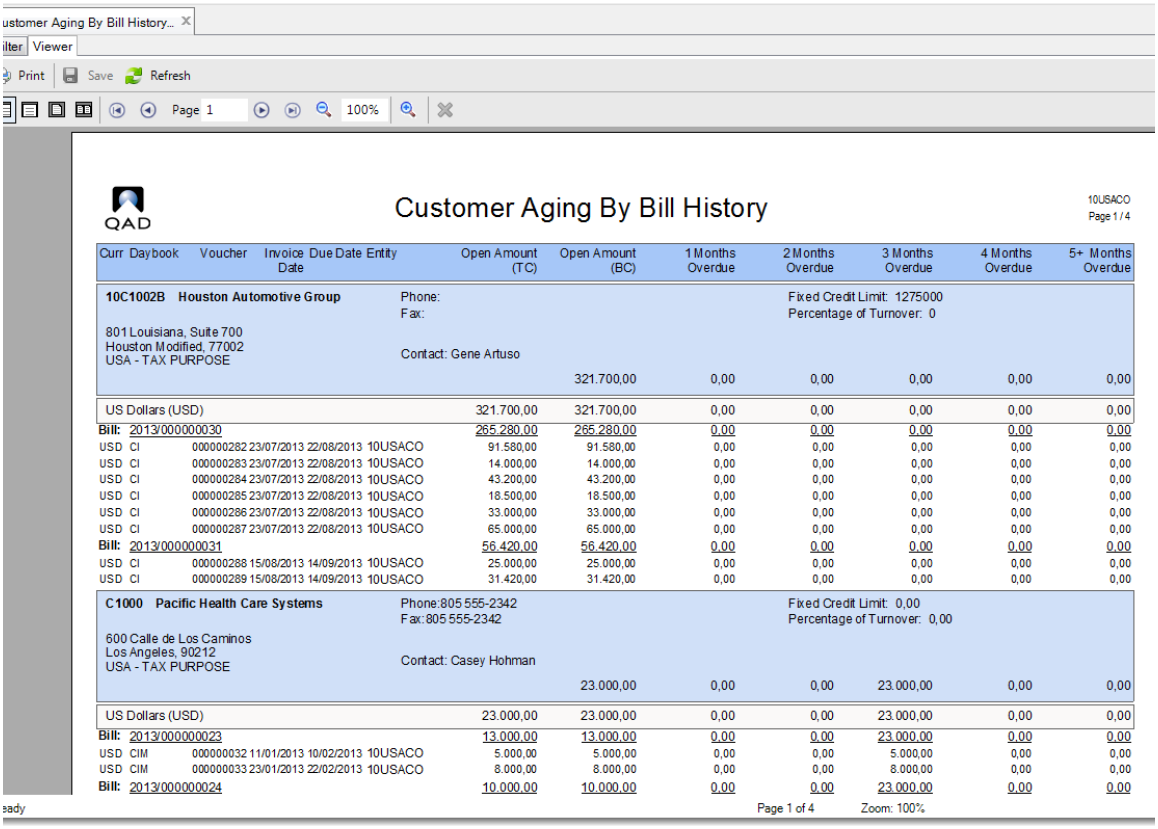
Customer Aging By Bill History Report

To get an overview of overdue bills, use Customer Aging By Bill History (27.17.20). Based on the report filter, the report displays the outstanding bills for a customer and the age of the bills. You can display bills with the detail of invoices or bills without detail. The mandatory search criteria to enter are:

- To GL Cal Year
- To GL Period
- Date for Aging Calculation
- Aging Offset

If the Detail Level field is set to Full Details, the report contains details of each invoice on each bill. The header contains the customer information and a summary of due amounts for each column.

Fig. 7.91
Customer Aging By Bill History



Chapter 8

Self-Billing

This chapter introduces Self-Billing functions and features.

Overview 592
Introduces the Self-Billing functions and process.

Self-Billing Programs 594
Lists the main self-billing functions.

Preparing to Use Self-Billing 594
Process shipping information to match customer-initiated payments.

Capturing Self-Billing Data 596
Describes prerequisites for capturing self-billing data.

Creating Self-Bills 596
Create self-bills using customer remittance advice records.

Importing Self-Bills 601
Use EDI to import self-bills.

Maintaining Self-Bills 599
Maintain existing self-bills.

Creating a Self-Bill in Self-Bill Maintenance 601
Use Self-Bill Auto Create or Document Import to create a self-bill.

Deleting Self-Bills 605
Delete self-bills using Self-Bill Maintenance.

Confirming Self-Bills 606
Apply payment to invoices referenced by self-bills.

Unconfirming Self-Bills 607
Reverse payments made in Self-Bill Confirm.

Self-Billing Reports and Inquiries 608
View self-bill information using reports and inquiries.

Self-Bill Delete/Archive 611
Archive or remove closed records.

Overview

Use the Self-Billing module to process customer-initiated payments by applying payment to invoices based on line-item shipper details, including:

- Customer details
- Purchase order (PO) number
- Kanban number
- Release authorization number (RAN)
- Evaluated receipt settlement (ERS) payment references

  Note See “Evaluated Receipts Settlement” on page 765 for a discussion of ERS.

With Self-Billing you can:

- Automatically enter customer remittance information using Document Import (35.13).
- Automatically enter remittance information based on hard-copy customer remittance advice.
- Manually enter remittance information.
- Apply under- or over-payment credit to accounts receivable based on such documents.
- Apply batch payments to invoices referenced on self-bills.

Note Self-Billing is an element of the QAD PRO/PLUS functionality. Other PRO/PLUS elements include:

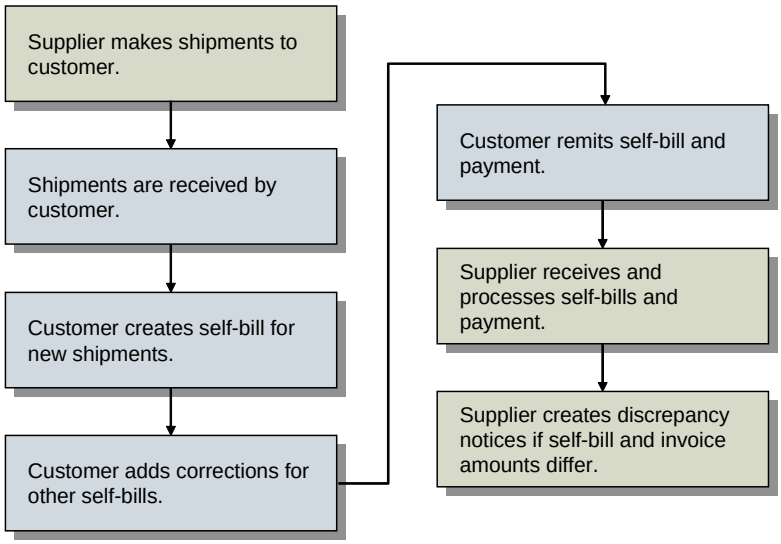
- Container and Line Charges. For more information on Container and Line Charges, see *QAD Sales User Guide*.
- Customer Sequence Schedules. For more information on Customer Sequence Schedules, see *QAD Scheduled Order Management User Guide*.
- Shipment Performance Reporting. For more information on Shipment Performance Reporting, see *QAD Sales User Guide*.
- Supplier Performance. For more information on Supplier Performance, see *QAD Purchasing User Guide*.
- Supplier Shipping Schedules. For more information on Supplier Shipping Schedules, see *QAD Scheduled Order Management User Guide*.

Reviewing Traditional Self-Billing

In the automotive industry, suppliers often do not send invoices to their customers. Instead, the customer remits a self-bill. This document details shipments received and amount due to the supplier for these shipments. The amount also reflects any deductions for defective or damaged parts, and any other pertinent credits due. This document is called a self-bill because the customer decides the payable amount instead of relying on an invoice from the supplier.

Figure 8.1 shows the traditional self-bill work flow.

Fig. 8.1
Traditional Self-Bill Work Flow



The self-bill is remitted to the supplier, who then processes it and compares it with open invoices. When the self-bill information is entered into the system, it is matched to invoices for that customer.

If the supplier notes any discrepancy between the self-bill and their records, the customer must be notified within a predefined period for corrections to be made. In some situations, a self-bill is remitted and only later is the payment made. In other situations, payment may accompany the self-bill.

The payment remitted reflects the self-bill and any agreed-upon corrections from previous self-bills. Each supplier-customer relationship usually sets up specific rules for reconciling discrepancies. Sometimes these must be written off as losses by either the supplier or the customer.

Customer-Initiated Payments

The Enterprise Applications Self-Billing function lets you process customer-initiated payments based on the various types of information remitted on the customer's document.

This customer remittance document can contain different details, based on the specific industry. These details can include customer bill-to, PO numbers, Kanban numbers, RANs, shipper numbers, invoice line-item numbers, sales order (SO) numbers, and others.

The customer remittance document must always include an amount payable to the supplier, which may be adjusted for defective or damaged parts and any other credits due.

Other industries do not necessarily rely on the customer-remitted document number as reference to the original supplier invoice. Instead, the supplied information must be used to reconcile the customer's remittance document to the supplier's invoice records.

Self-Bill Documents

A customer remittance or self-bill can be remitted in two forms: hard copy or an EDI transaction.

For example, if your customers also use EDI eCommerce, they can use Supplier Self Billing Export (35.4.11) to export payment voucher information to you. You then use Document Import to import the self-bills into your system (see “Importing Self-Bills” on page 601). The majority of customer remittances are processed using EDI eCommerce in this way.

Note For more information on EDI eCommerce, see *QAD EDI eCommerce User Guide*.

For remittances in hard copy format, you use the programs in the Self-Billing module to manually enter the remittance amounts and match them to customer invoices.

The information on a self-bill can, but does not need to, include the following types of information:

- Adjustments and corrections from previous self-bills.
- Partial payment for a shipment
- Full payment for a shipment
- Trailer charges on selected invoices (trailer charge self-bill lines)

  Freight and special handling charges are grouped into this category.
- Tax charges on select invoices (tax self-bill lines)

Self-Billing Programs

The Self-Billing module uses the following programs.

Table 8.1
Self-Billing Programs

Menu Number	Description	Program Name
27.6.12.1	Self-Bill Maintenance	arsbmt.p
27.6.12.4	Self-Bill Auto Create	arsbac.p
27.6.12.7	Self-Bill Confirm	arsbcf.p
27.6.12.8	Self-Bill Unconfirm	arsbunf.p
27.6.12.10	Self-Bill Discrepancy Report	arsbrp02.p
27.6.12.11	Invoice AR Balance Report	arsbrp03.p
27.6.12.13	Self-Bill Report	arsbrp.p
27.6.12.15	Shipment-Invoice Crossref Report	arsbsirp.p
27.6.12.23	Self-Bill Delete/Archive	arsbdel.p
27.6.12.24	Self-Billing Control	arsbpm.p
35.1	Document Import	edixsnf.p

Preparing to Use Self-Billing

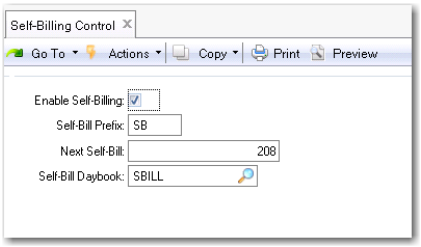
AR Self-Billing uses processed shipping information to match incoming customer-initiated payments. The system must first process shipping information for the incoming remittance.

Shipment details are captured at the time a shipper is confirmed. Invoice, tax, order-level discount, and trailer information is captured at the time of invoice posting.

Note The Sales Order Shipment program does not capture self-billing information.

You activate Self-Billing for the system using Self-Billing Control (27.6.12.24).

Fig. 8.2
Self-Billing Control (27.6.12.24)



Set the following parameters:

Enable Self Billing. Select to enable self-billing in the system.

Self-Bill Prefix. Define the three-character, self-bill numbering prefix according to your requirements. In cases where the customer supplies the remittance prefix and number, you can choose to leave this field blank.

Next Self-Bill. Enter the next self-bill number (maximum 20 characters). In cases where the customer supplies the remittance number, you can choose to leave this field blank.

Self-Bill Daybook. Select a daybook to use for self-billing transactions. You must define at least one self-billing daybook in the system.

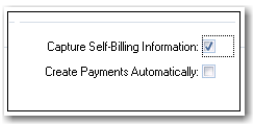
Setting Up Customers

Configure the following self-billing fields in Customer Data Maintenance (2.1.1):

Capture Self-Billing Information. Select this field to capture self-billing information for this customer bill-to address. When sales orders or schedules are used with shippers, this field triggers the creation of shipment invoice cross-reference records for every line item of a shipment. These cross-reference records are updated when the invoice is created, and can then be retrieved by the Self-Billing program. The records do not include sales order shipment postings.

Note This field is displayed only after you activate self-billing in Self-Billing Control.

Fig. 8.3
Customer Data Maintenance, Self-Billing Fields (2.1.1)



Create Payments Automatically. Select this field to automatically create a customer payment from the self-bill transaction.

The default customer bank account to be used for the payment is selected on the Banking tab of the Customer record (by selecting the Self-Bill Default field for that account), and you also select a status for the payment from a drop-down menu on this tab. The drop-down menu displays all the valid payment statuses for that account.

If no customer account is selected for self-billing, the default account and payment format is used for the payment, and the customer payment is created with a status of For Collection (if this status is already defined for the customer), or Paid (if no status is defined for the customer).

If you do not select this field, you process the self-billing invoice using any of the other customer payment processes or a banking entry.

Capturing Self-Billing Data

Once you have activated Self-Billing and set up the customers that use it, you must allow sufficient time for your system to capture required customer data before you can begin to process customer-initiated payments.

To begin capturing self-billing data:

1. Use shippers to process all shipments that may be referenced on future self-bills.
2. Invoice and post to AR all shipments that may be referenced on a future self-bill.

Note The item numbers to be referenced on future self-bills must be used on the original sales order. These items are either the customer's item numbers or your internal item numbers, whichever appear on the customer-remitted document. On customer schedules, the system uses the combination of the customer's purchase order number, the item number, and optional customer reference information to identify unique order quantities that have been shipped and invoiced.

Creating Self-Bills

Before you can begin to process customer-initiated payments, the corresponding shipping data must be collected for discrete sales orders and scheduled orders by Pre-Shipper/Shipper Confirm (7.9.5). You must allow a period of time for this shipping data to be captured before you begin to process any self-bills. During this time period, post all invoices to AR for shipments to customers that use self-bills.

If your customers do not use EDI eCommerce to create self-bill records, you use Self-Bill Auto Create (27.6.12.4) to enter customer remittance advice records into your system. Specify a range of selection criteria as shown on the customer's remittance advice, and then associate the payment information with the correct invoice. You can assign a self-bill number to the document you are creating, or let the system auto-generate the self-bill number. See "Matching Adjustment Self-Bill Lines" on page 605.

In certain situations, you may not be able to associate some lines from a customer's remittance advice with the self-bill you are creating. These lines are labeled adjustment self-bill lines. You must manually associate these lines with the corresponding invoice lines using Self-Bill Maintenance (27.6.12.1).

Once you create the self-bill using Self-Bill Auto Create, Self-Bill Maintenance is automatically invoked so you can associate any adjustment self-bill lines with the corresponding invoice shipment.

The auto-create process consists of four steps:

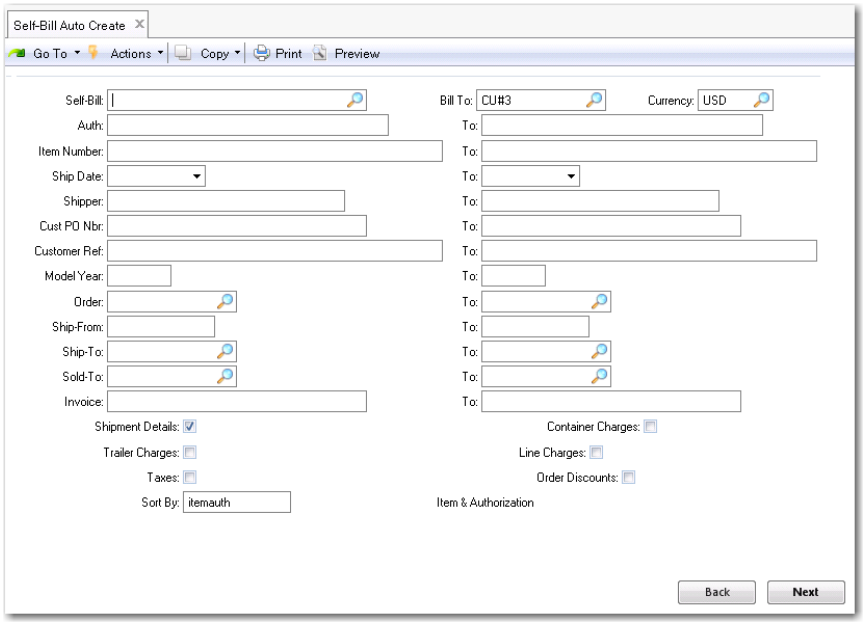
1 Create a self-bill by defining selection criteria.

2 Refine the selection by deselecting any lines that should not be referenced on this self-bill.

3 Print, review, and add selections to the self-bill.

4 Use Self-Bill Maintenance to further refine these selections so that they correctly reflect the information on the customer-remitted self-bill.

Fig. 8.4
Self-Bill Auto Create (27.6.12.4)



Field Descriptions

Self-Bill. Enter the self-bill to which the selections are to be added.

When left blank, a self-bill number is generated using control program default information.

Specifying an existing self-bill number adds selections to that self-bill. Specifying any other number in this field creates a self-bill for that number and selections are added to it.

Bill-To. Enter the bill-to for which the selection is to be made. This is the customer's address.When entering information for an existing self-bill, you must also enter that bill-to.

All shipments referenced on the shipper must be paid by the same bill-to.

Currency. Enter the currency for this self-bill document.

All shipments referred to on the self-bill must be invoiced in the same bill-to currency. Only this currency can be used on this self-bill.

Currency is mandatory. When a self-bill is specified in the Self-Bill field, data defaults from that self-bill's bill-to.

Authorization. Enter the authorization number sent by the customer to identify a shipment. Release Authorization Number (RAN), Dealer Order Number (DON), and kanban numbers are examples of authorization numbers.

Note See "Shipment-Invoice Cross-Reference Report" on page 610.

When you add detail lines, you can enter an authorization number to select shipments from the shipment-invoice cross-reference table.

Sort By. Specify the display order for information on the Self-Bill Workbench. The four sort orders are:

- Item Number and Authorization Number
- Authorization Number and Item Number
- Shipper Number and Item Number
- Customer PO and Item Number

Additional logical fields let you specify whether the self-bill includes the following types of charges:

- Line charges
- Trailer charges
- Taxes
- Container charges
- Order discounts

Using Self Bill Auto Create

Follow these steps to create a self-bill or to add lines to an existing self-bill using Self-Bill Auto Create (27.6.12.4).

1. Enter a previously created self-bill number, or leave Self-Bill blank when creating a self-bill.
2. Enter any identifying information in the auto-create selection screen. Enter as much or as little information as you have from the customer's remittance advice you are re-creating. Significant information you should enter is:
   - Shipper number
   - Sold-to
   - Ship-to
   - Item number
   - Date of shipment
   - Authorization number

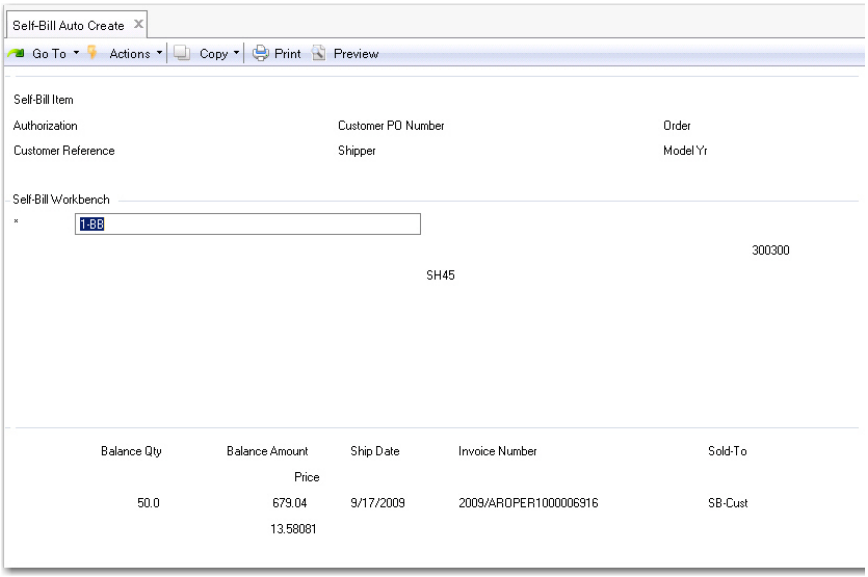
   Note The more selection criteria you provide, the narrower and more accurate your selection becomes.
3. Specify whether to include shipment details, trailer charges, taxes, container charges, line charges, or order discounts on the selection display screen.

4 Select a sort order for the resulting workbench report.

5 Choose Next.

The system analyzes your customer's shipment data and displays a list of possible shipper numbers that might be associated with the customer's remittance advice document. This information is displayed in the screen according to the sort order you previously indicated.

Fig. 8.5
Self-Bill Workbench Area



6 Use the workbench area to refine your selection by deselecting any lines that should not be referenced by this self-bill. The item number is the customer's item number, which was originally used on the order.

- Use Next/Previous functions to navigate from entry to entry.
- Deselect any entry that does not belong on the self-bill. An asterisk (*) indicates selection.

7 Choose Next to continue with your selection.

8 Print and review the selection. You are prompted to continue.

- If you continue, either all selections are added to an existing self-bill or a self-bill is created and selections are added to it.
- If you do not continue, selections are not added to the self-bill.

Note See "Maintaining Self-Bills" on page 599.

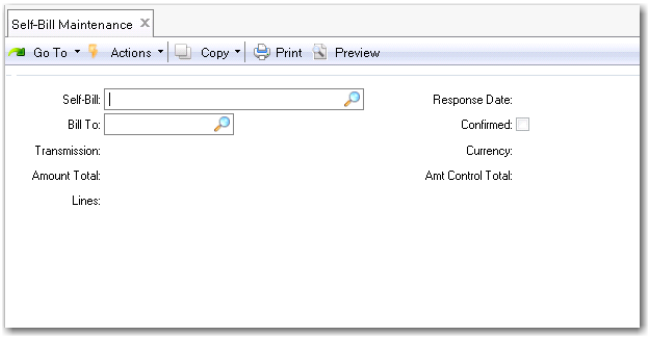
9 Self-Bill Maintenance (27.6.12.1) is automatically invoked to let you edit these selections to correctly reflect the information on the remittance advice. In the Self-Bill Maintenance header, you cannot edit the Self-Bill, Bill-To, or Currency fields, which default from Self-Bill Auto Create.

Maintaining Self-Bills

Once a customer remittance advice has been entered into your database, it must be maintained and updated.

Use Self-Bill Maintenance (27.6.12.1) to manually enter new self-bills and delete and maintain existing self-bills. Use this function also to reconcile any adjustment lines that result from processing a self-bill using Self-Bill Auto Create (27.6.12.4) or Document Import (35.1).

Fig. 8.6
Self-Bill Maintenance (27.6.12.1)



Self-Bill. Enter the self-bill to which the selections are to be added. When left blank the system generates a self-bill number.

By entering an existing self-bill number, you specify a self-bill to which selected details are added. Specifying any other number in this field creates a self-bill for that number and adds the selection to it.

Bill-To. Enter the bill-to for which the selection is to be made. The bill-to is required. You cannot change the bill-to once you have created a self-bill in the system.

All shipments referenced on the shipper must be paid by the same Bill-To and with the same currency.

Transmission. Enter the transmission that identifies the batch of EDI self-bills received from this customer.

This field is used to group a number of EDI self-bills.

Amount Total. This field displays a running total amount of all shipments and other entries referenced on this self-bill. This total is maintained by the system and cannot be changed.

Lines. This field displays the running total number of lines on this self-bill. This system-maintained field is for reference only and cannot be edited.

Response Date. Enter the date by which you need to communicate any discrepancies found within the self-bill back to your customer.

This is a previously agreed-upon date between you and your customers. It defaults to the current date.

Currency. Enter the currency for this self-bill document. All records included on this self-bill must be invoiced using this currency. For new self-bills, currency defaults from the bill-to address of the customer.

Note Total is expressed in terms of the currency specified for this customer.

Amt Control Total. Enter the control total of all shipments and other entries referenced on the self-bill. This control total is usually the total on the hard-copy self-bill.

This total is used to reconcile the total amount of the self-bill. In order to make a payment for a self-bill, the Amt Control Total must match the Amt Total of the self-bill.

If any entries on the self-bill are incorrectly entered, the amount does not match the self-bill Amount Total. You are warned about the discrepancy when exiting this maintenance function. The two totals must match to apply payment to the self-bill.

Importing Self-Bills

Use Document Import (35.1) to import EDI self-bills into the system with EDI eCommerce. This function loads self-bill information from an EDI file and processes it to create a self-bill document in your QAD database.

Note For more information on EDI eCommerce, see *QAD EDI eCommerce User Guide*.

During import, the system tries to associate incoming electronic self-bill data with invoice data. Once loaded into your database, the information can be manually modified using Self-Bill Maintenance. See “Matching Adjustment Self-Bill Lines” on page 605.

EDI self-bill lines should always be associated with an Enterprise Edition invoice number. However, the system may not be able to make this association for some self-bill lines due to incorrect or incomplete information in the EDI file. These problems are reported in the EDI load report produced during import.

Lines that the import process cannot associate are tagged as adjustment entry lines. You can manually associate adjustment self-bill lines to the correct invoice in Self-Bill Maintenance.

Creating a Self-Bill in Self-Bill Maintenance

You usually use Self-Bill Auto Create or Document Import to create a self-bill. However, you can also use Self-Bill Maintenance to manually create a self-bill.

In the program header do the following:

1. Enter a new self-bill number.

   Leave blank for the system to create a new number from the information in the Self-Billing Control.

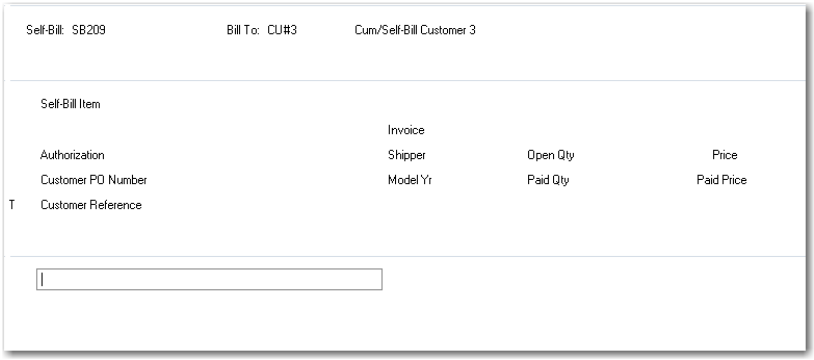
2. Enter or select a customer bill-to address.

   On a new self-bill, information defaults for Response Date and Currency.

3. Edit Transmission, Response Date, and Amt Control Total as needed. Choose Next.

   A self-bill line selection frame is displayed.

Fig. 8.7
Self-Bill Maintenance, Line Selection Frame

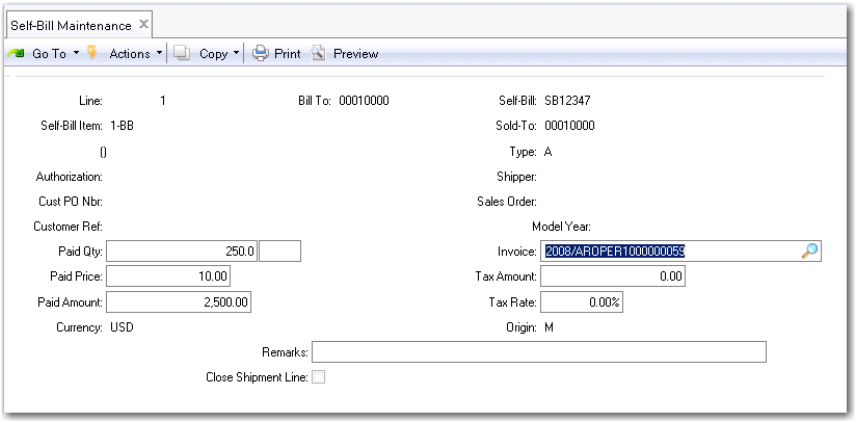


Follow these steps to create a self-bill line:

1 Right-click the blank self-bill line and choose Insert to insert a line.

The self-bill line edit frame is displayed.

Fig. 8.8
Self-Bill Maintenance, Line Edit Frame



2 Enter the Self-Bill Item or Sold-To.

3 Enter any other identifying information available. If you enter an item number associated with a customer item in Customer Item Maintenance (1.16), the customer item number is displayed below the Self-Bill Item field.

When you choose Next, the system matches shipment invoice records based on the information in these fields.

For Type:

- Leave blank if entering a shipment line.
- Enter A for an adjustment line. Use this code when creating an adjustment line to reference a write-off.
- Enter C for trailer charges line.
- Enter D for discount line.
- Enter T for tax line.

- Enter L for line charges line.
- Enter X for container charges line.

4 When the system finds multiple matches for the information you enter, a shipment selection frame is displayed. Use this frame to select the correct line.

- Use the arrow keys to scroll from line to line.
- Press Enter to select the correct line.

If only one match is found, or after you select the correct shipment line from the line match frame, the financial detail frame is displayed.

5 Enter or edit financial details and remarks for the line. Choose Next.

6 Matching shipment information is displayed in the last frame.

Working with Self-Bill Lines

The self-bill lines that are created in Self-Bill Auto Create (27.6.12.4) or Document Import (35.1) must be modified to correctly reflect what has been paid on each self-bill. The lines on the newly created self-bill include the entire unpaid quantity and expected price.

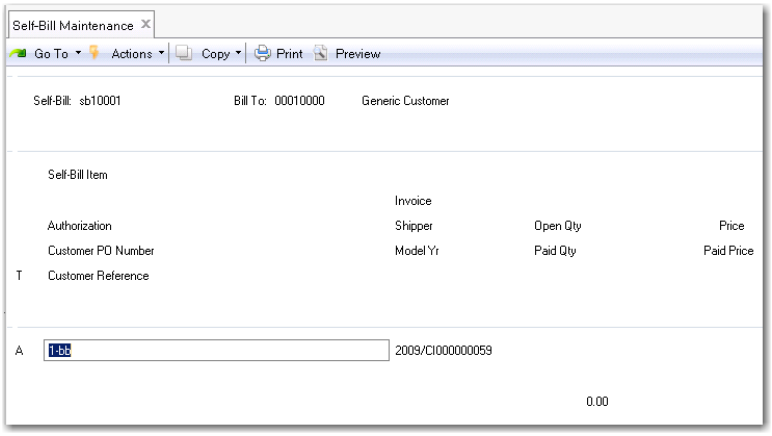
After using Document Import to process EDI self-bills, use Self-Bill Maintenance to reconcile any adjustment lines. After using Self-Bill Auto Create, you are automatically brought to the Self-Bill Maintenance header. See “Matching Adjustment Self-Bill Lines” on page 605.

Once the header information has been entered into the Self-Bill Maintenance header or you have finished the initial auto-create procedure, the line selection frame is displayed. Use this frame to edit, delete, or add new self-bill lines. Use this frame also to link adjustment self-bill lines to shipments, which in effect changes self-bill adjustment lines to shipment self-bill lines.

To modify self-bill line details:

1 Select the self-bill line to modify.

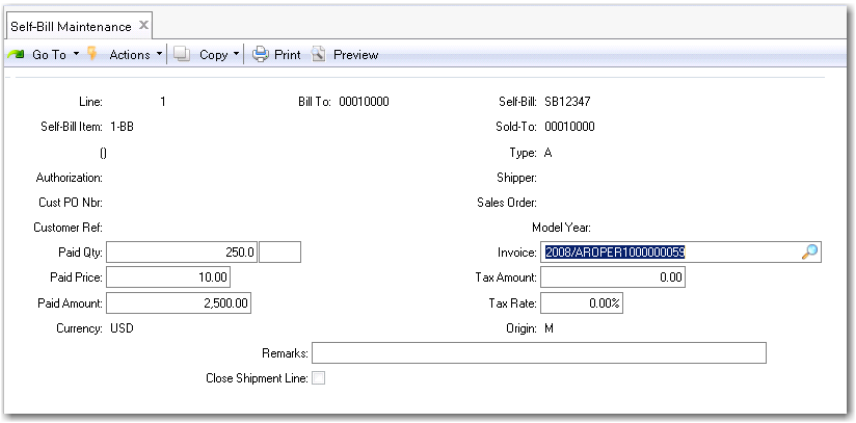
Fig. 8.9
Self-Bill Maintenance, Line Selection Frame



Use the arrow keys to navigate up and down the self-bill lines. Press Enter to select the line to be modified.

The self-bill line edit frame is displayed.

Fig. 8.10
Self-Bill Maintenance, Line Edit Frame



2 Add or modify the fields according to the information from the EDI file or the customer remittance advice document.

Note The field values entered in the Line Edit frame are the same values displayed in the Line Selection frame. When entering a new line, you must enter values. When editing an existing line, the values displayed were defined when the line was originally created.

Self-Bill Item. This is the item referenced on the customer remitted correspondence—either the customer item number specified on the scheduled or discrete sales order line or your internal item number.

If specified on the sales order line, the customer item number takes precedence over your item number.

Type. This indicates the code identifying this line type.

Authorization. This is the authorization number sent by the customer to identify a shipment. Release Authorization Number (RAN), Dealer Order Number (DON), and kanban numbers are some examples of authorization numbers.

During the addition of detail lines, you can enter an authorization number to select shipments from the shipment-invoice cross-reference table.

Invoice. This is the invoice associated with this line.

When this self-bill line is an adjustment line and Invoice is left blank, an unapplied pre-payment is created for the amount referenced.

Open Qty. The line selection frame displays the quantity not yet paid on any self-bill. This field applies only to shipment self-bill lines and does not display for adjustment self-bill lines. Open Qty is expressed in terms of order unit of measure.

Paid Qty. Enter the total number of items that have been paid for.

Price. This is your listed price for the item.

Paid Price. Enter the price paid by the customer for each item.

Matching Adjustment Self-Bill Lines

Follow these steps to match adjustment self-bill lines with corresponding shipment information:

1 Go through the self-bill line modification steps outlined on page 603.

2 Select the adjustment self-bill line to match.

The self-bill line detail edit frame is displayed with all the adjustment line details.

3 Select Matching from the menu.

The shipment information frame is displayed.

4 Navigate to the corresponding shipment.

5 Press Enter to match the shipment with the adjustment line.

Deleting Self-Bills

You can use Self-Bill Maintenance (27.6.12.1) to delete an entire self-bill or a specific self-bill line. When a self-bill or a self-bill line is deleted, any shipment-invoice cross-reference records associated with it are released and the invoice lines can be selected on another self-bill. See “Shipment-Invoice Cross-Reference Report” on page 610.

Note A self-bill or self-bill line cannot be deleted if the self-bill has been confirmed.

To delete a self-bill line:

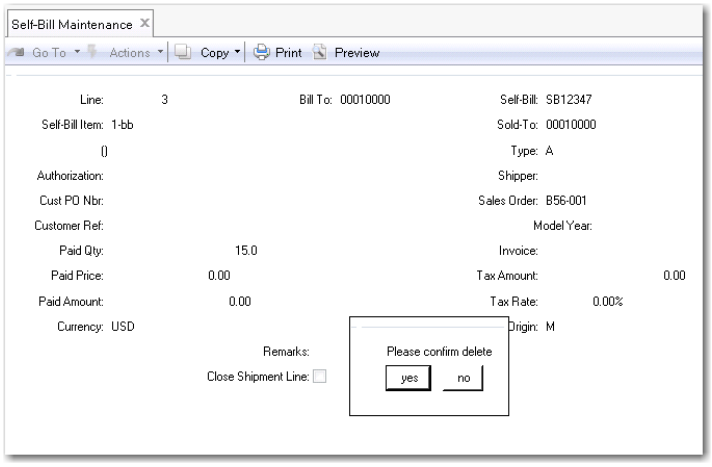
1 Select the self-bill that has the line you want to delete.

2 In the line selection frame, select the line to delete.

3 Press Delete.

4 The self-bill line detail frame and a delete confirmation prompt appears.

Fig. 8.11
Self-Bill Line Detail Frame and Delete Line Confirmation Prompt



5 Choose Yes to delete the selected line.

To delete an entire self-bill:

1. In the maintenance header, select the self-bill to delete. Press Next.
2. When the second set of fields are highlighted, press Delete.
3. You are prompted to continue with the deletion. Choose Yes to delete the selected self-bill.

Confirming Self-Bills

Once a self-bill has been created and payment has been received, use Self-Bill Confirm (27.6.12.7) to create customer open items for all of the invoices that are referenced by a self-bill document.

Important You cannot apply payment to a self-bill if the Amt Total does not equal the Amt Control Total. Use the Confirm function only when you are satisfied that all the remittance amounts are correct and have been matched.

When you use this program to confirm the self-bill:

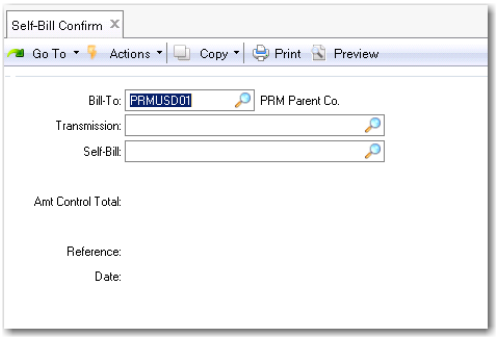
- The self-bill amount is finalized and the original customer invoices are closed.
- A new self-bill open item, which uses the self-bill number in the description, is created for the final amount.
- This open item is paid automatically if you have configured automatic self-bill payments for this customer.
- If you have not configured automatic payments for this customer, you can pay this open item manually using banking entry or other customer payment functions.
- When no invoice is specified—the Invoice field on the self-bill is blank and the self-bill line is an adjustment—the system creates a prepayment for the amount with a reference to the self-bill and the self-bill line. This prepayment can be a positive or negative value, depending on whether the adjustment is overpaid or underpaid. This allows for the situation in which the customer pays less than the amount due on the original invoice.

Using Self-Bill Confirm

When you use Self-Bill Confirm (27.6.12.7) to confirm the self-bill, the system does not immediately complete the payment process. Instead, it updates the self-bill lines, settles the original invoice amounts created when the shipper was confirmed, and creates an open item for the final amount, which is then paid automatically (if configured for the customer) or manually using a process such as banking entry. It also creates prepayments in the form of AR open items for any discrepancies. You can write these discrepancies off at a later stage.

Before you can execute Self-Bill Confirm successfully, you must ensure that the Amount Total that displays in the header of Self-Bill Maintenance and the Amt Control Total for that self-bill are the same.

Fig. 8.12
Self-Bill Confirm (27.6.12.7)



To confirm self-bills:

1. Enter the customer bill-to address.
2. Enter the transmission or self-bill number.

   The Amt Control Total and other customer financial information are displayed.
3. Optionally enter the associated reference or dates.
4. You are prompted to continue with the confirmation. Choose Yes and then Next to continue.

Note Choosing No returns you to the program header without updating any information.

When you write off a discrepancy:

1. Create a debit/credit invoice in Customer Invoice Create (27.1) for the write-off amount.
2. Create an adjustment line for the amount.
3. Enter the debt/credit invoice in the Invoice field on the detail line for the adjustment.

Unconfirming Self-Bills

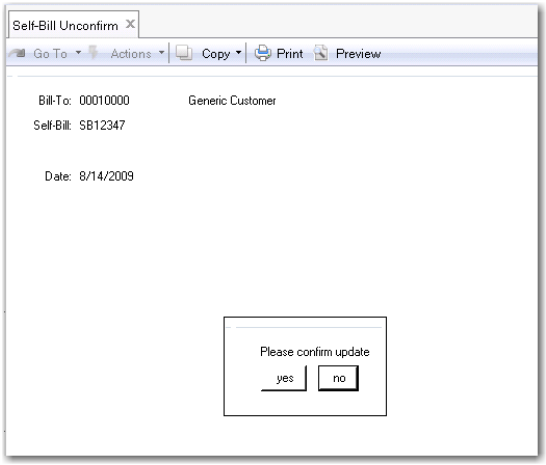
Use Self-Bill Unconfirm (27.6.12.8) to reverse the actions of Self-Bill Confirm. You cannot unconfirm if the final self-bill was automatically or manually paid. In the case of manual payments processed—for example, using banking entry—you must reset these payments to a bounced status before unconfirming the self-bill.

Note You cannot bounce automatic payments that have a status of Paid.

Self-bills cannot be unconfirmed if:

- Prepayments created as part of the self-bill process have been matched to other invoices or credit notes.
- The date entered is not in a valid, open GL period.

Fig. 8.13
Self-Bill Unconfirm (27.6.12.8)



To undo a payment:

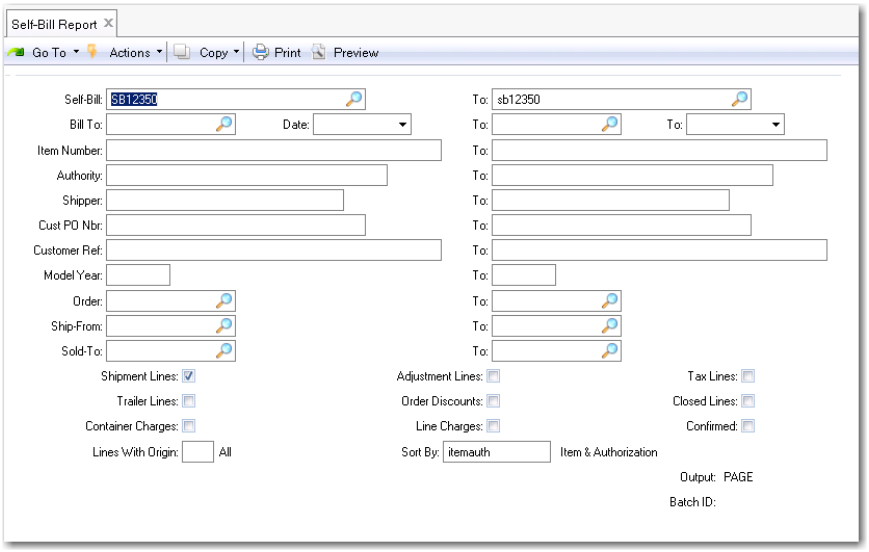
1. Enter the Bill-To and self-bill number
2. Enter a date for the Unconfirm. This date is also used as the posting date for the transactions that result from this activity.
3. Choose Next.
4. You are prompted to confirm the update. Choose Yes to unconfirm the self-bill.

Self-Billing Reports and Inquiries

Self-Bill Report

Use Self-Bill Report (27.6.12.13) to review self-bill detail information. Use the selection criteria and sort options to sort and narrow down the information reported.

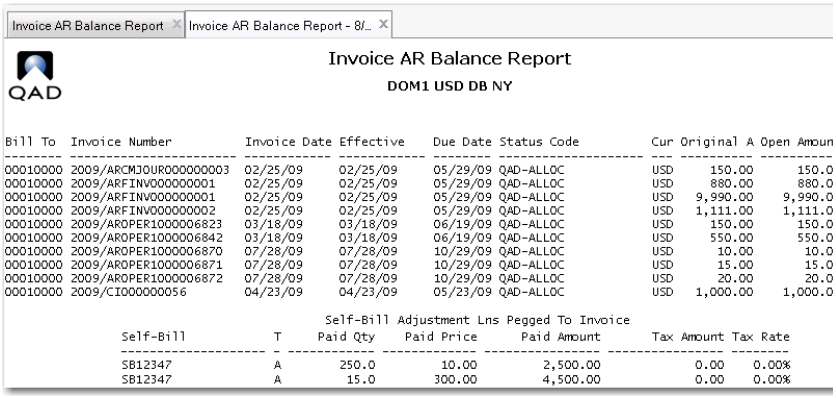
Fig. 8.14
Self-Bill Report (27.6.12.13)



Invoice AR Balance Report

Use Invoice AR Balance Report (27.6.12.11) to determine what portion of invoices referenced by the self-bill have been paid. Internally, the system maintains a map between every self-bill line and an invoice. Applying payment to a self-bill means applying payment to the associated invoices.

Fig. 8.15
Invoice AR Balance Report (27.6.12.11)



Invoice AR Balance Report

DOM1 USD DB NY

Bill To	Invoice Number	Invoice Date	Effective	Due Date	Status Code	Cur	Original A	Open Amoun
00010000	2009/ARCMJOUR000000003	02/25/09	02/25/09	05/29/09	QAD-ALLOC	USD	150.00	150.0
00010000	2009/ARFINV000000001	02/25/09	02/25/09	05/29/09	QAD-ALLOC	USD	880.00	880.0
00010000	2009/ARFINV000000001	02/25/09	02/25/09	05/29/09	QAD-ALLOC	USD	9,990.00	9,990.0
00010000	2009/ARFINV000000002	02/25/09	02/25/09	05/29/09	QAD-ALLOC	USD	1,111.00	1,111.0
00010000	2009/AROPER1000006823	03/18/09	03/18/09	06/19/09	QAD-ALLOC	USD	150.00	150.0
00010000	2009/AROPER1000006842	03/18/09	03/18/09	06/19/09	QAD-ALLOC	USD	550.00	550.0
00010000	2009/AROPER1000006870	07/28/09	07/28/09	10/29/09	QAD-ALLOC	USD	10.00	10.0
00010000	2009/AROPER1000006871	07/28/09	07/28/09	10/29/09	QAD-ALLOC	USD	15.00	15.0
00010000	2009/AROPER1000006872	07/28/09	07/28/09	10/29/09	QAD-ALLOC	USD	20.00	20.0
00010000	2009/CIO00000056	04/23/09	04/23/09	05/23/09	QAD-ALLOC	USD	1,000.00	1,000.0

Self-Bill Adjustment Lns Pegged To Invoice

Self-Bill	T	Paid Qty	Paid Price	Paid Amount	Tax Amount	Tax Rate
SB12347	A	250.0	10.00	2,500.00	0.00	0.00%
SB12347	A	15.0	300.00	4,500.00	0.00	0.00%

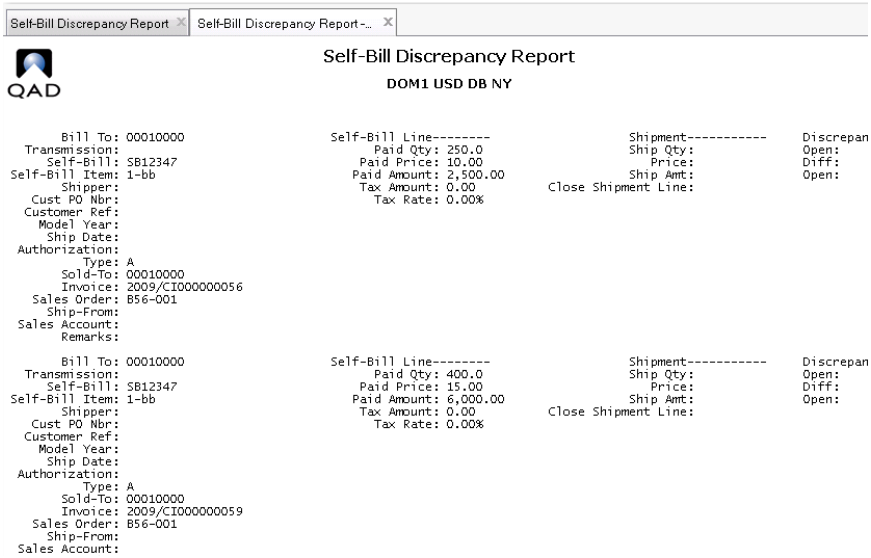
Use this report in summary mode to determine if an invoice related to a self-bill has any outstanding amounts. The detail mode lets you drill down to find which shipments have been fully paid and which have not.

Self-Bill Discrepancy Report

Use Self-Bill Discrepancy Report (27.6.12.10) to view discrepancy details associated with a self-bill document. Use the details provided by this report to reconcile discrepancies in self-bills. This report shows the three types of discrepancies that prevent you from applying payment to a self-bill.

- Discrepant Lines: Lines matched to invoice shipment data where the invoice shipment data has an open quantity, an open amount, or a price difference.
- Adjustment Lines: Lines marked with a type A. These lines could not be matched when the self-bill was originally created.
- Lines Not Matched: Lines that can be matched to invoice shipment data, but for some reason were not. These are marked as type blank.

Fig. 8.16
Self-Bill Discrepancy Report (27.6.12.10)


Self-Bill Discrepancy Report | Self-Bill Discrepancy Report -...

QAD

Self-Bill Discrepancy Report

DOM1 USD DB NY

```
      Bill To: 00010000                  Self-Bill Line--------              Shipment----------    Discrepan
 Transmission:                                Paid Qty: 250.0                 Ship Qty:             Open:
    Self-Bill: SB12347                     Paid Price: 10.00                    Price:             Diff:
Self-Bill Item: 1-bb                     Paid Amount: 2,500.00              Ship Amt:              Open:
       Shipper:                            Tax Amount: 0.00          Close Shipment Line:
  Cust PO Nbr:                               Tax Rate: 0.00%
 Customer Ref:
   Model Year:
    Ship Date:
Authorization:
         Type: A
      Sold-To: 00010000
      Invoice: 2009/CI000000056
  Sales Order: B56-001
    Ship-From:
Sales Account:
      Remarks:

      Bill To: 00010000                  Self-Bill Line--------              Shipment----------    Discrepan
 Transmission:                                Paid Qty: 400.0                 Ship Qty:             Open:
    Self-Bill: SB12347                     Paid Price: 15.00                    Price:             Diff:
Self-Bill Item: 1-bb                     Paid Amount: 6,000.00              Ship Amt:              Open:
       Shipper:                            Tax Amount: 0.00          Close Shipment Line:
  Cust PO Nbr:                               Tax Rate: 0.00%
 Customer Ref:
   Model Year:
    Ship Date:
Authorization:
         Type: A
      Sold-To: 00010000
      Invoice: 2009/CI000000059
  Sales Order: B56-001
    Ship-From:
Sales Account:
```

For each self-bill, the discrepancy total is displayed first, followed by the detailed sub-totals by reason for each account. These amount details can be used to create discrepancy memos to apply credit to the proper accounts. The discrepancy memo must be created and registered with the self-bill in order to apply payment to the self-bill.

Discrepancies can occur for various reasons, such as the following:

- Differences between quantities shipped and received
- Unit price differences
- Special (trailer) charges in your invoices not included in the customer self-bill
- Special charges included in the customer self-bills but not included in your invoices

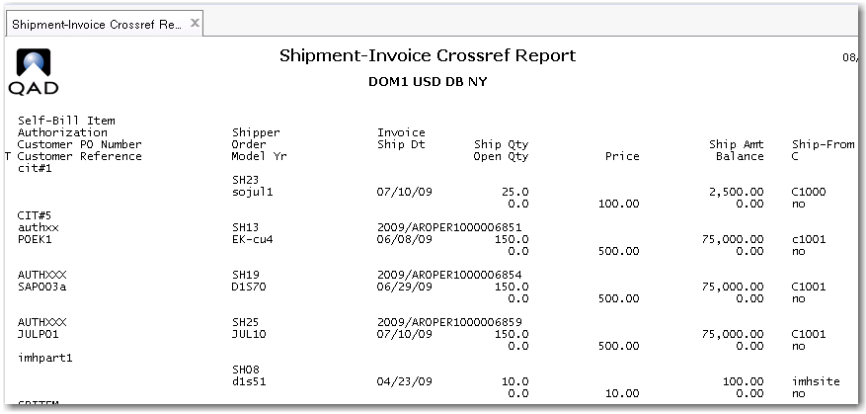
Use this report as reference for reporting any discrepancies to the customer.

Shipment-Invoice Cross-Reference Report

The shipment-invoice cross-reference structure holds the map between shipment-related details such as shipper number or authorization number and associated QAD invoice numbers.

The Shipment-Invoice Crossref Report (27.6.12.15) lists the self-bill cross-reference structures in the system.

Fig. 8.17
Shipment-Invoice Crossref Report (27.6.12.15)

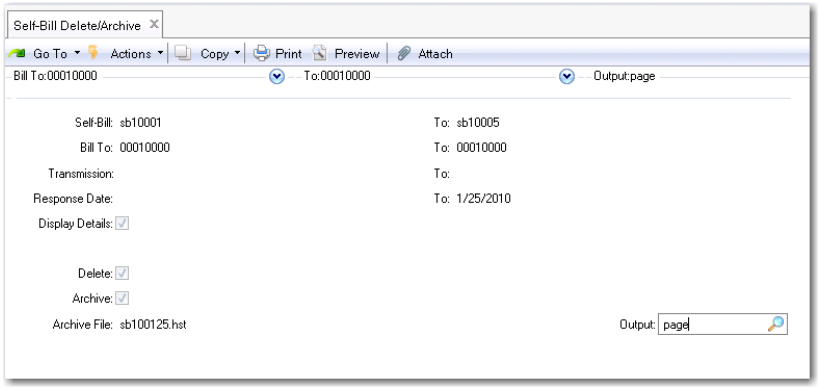


Self-Bill Delete/Archive

Self-Bill Delete/Archive (27.6.12.23) is very similar to other delete/archive functions. It can copy (archive) or remove (delete/archive) closed records from your database. Archived self-bills can be returned to a database using Archive File Reload (36.16.5).

Only fully paid self-bills within the specified range are deleted. Cross-reference records are also deleted/archived using this function. Cross-reference records are deleted only when no open invoices or self-bills are still linked to them.

Fig. 8.18
Self-Bill Delete/Archive (27.6.12.23)



Response Date. Enter the date range (first and last) when any discrepancies must be reported to the customer. You define a response for self-bills during Self-Bill Maintenance.

Display Detail. Select to display complete self-billing information in the Delete/Archive report. Otherwise, the report lists the following information only: Self-Bill, Bill-To, Transmission, Amount Total, Currency, Response, Check

Delete. Select to delete the specified information from the system.

Archive. Select to archive the specified self-bills on tape or other storage media. You must first select the Delete field in order to create an archive.

If you do not select the Archive field, any information you delete during this process cannot be recovered. When you select this field, the name of the archive file is displayed on the screen.

Chapter 9

Customer Billing

The following topics describe the customer billing functionality. Customer billing enables you to consolidate customer invoices into a single bill for customer payment. It is predominantly used in Asian countries but can be used by any organization.

Overview 614
Introduces billing concepts.

Customer Billing Screens 614
Describes the main billing screens.

Customer Billing Workflow 615
Describes how to perform a complete billing workflow.

Overview

In environments where high volumes of invoices are produced, an organization periodically generates bills to send to their customers.

The bills contain a consolidation of invoices, credit notes, and payments that have occurred since the previous billing. You can print a bill in summary form with one line per invoice or in full with item line details. The bill also contains a balance carried forward (opening balance from previous bill, activity current period, new closing balance to be carried forward to the next bill). Customers make payments with reference to bills, rather than to individual invoices.

Bills also have their own due date, based on the billing date and specific terms for bills. Bills do not replace normal invoicing, which still takes place as usual. Sales revenue and tax postings are posted during the invoice posting. However, billing enables you to group these invoices on a periodic basis in a formal bill document and send them to the customer. The bill document is an invitation to pay and its credit terms override those of the originating invoices. The original invoices remain open; the billing document is not a replacement AR. However, the billing document is to be paid as a single payment with a single payment reference.

The billing solution requirements exist formally in Japan and Thailand but billing is useful in any situation where regular customer statements with a balance carried forward are needed.

Customer Billing Screens

The billing screens enable you to send bills to selected customers and record the payments that the customers make. The functionality consists of:

- A calendar with holidays so that billing dates or due dates never fall on a holiday or weekend.
- Billing schedules that specify when bills are created or become due and which invoices are included on the bill.
- Customer Modify fields that enable you to assign a billing schedule and a bill collector to a customer.
- A Bill Create screen that enables you to create a bill from a group of customer invoices and specify a new bill due date.
- A Bill Modify screen that enables you to check and modify a bill that is not yet final.
- A Print Bill screen for printing the bill and sending to the customer.
- Fields for recording bill payment in Customer Payment Allocate, Open item Adjustment, and Banking Entry Allocate.
- An aging report that enables you to identify overdue bills.

Financial Holiday Maintenance

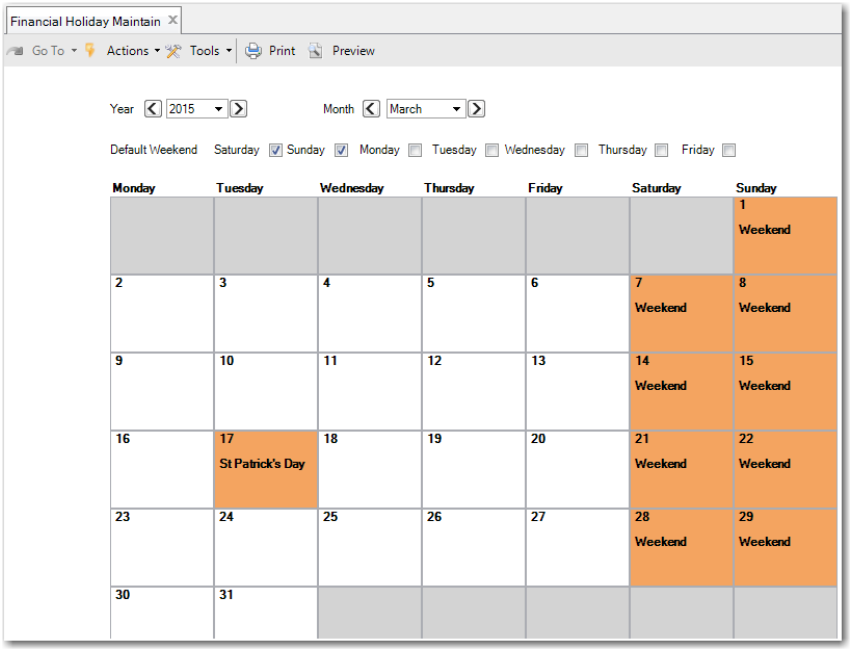
Before creating a billing schedule, you need to ensure that billing due dates never fall on a non-work day. Financial Holiday Maintenance (36.2.7) enables you to specify financial administration holidays at entity-level.

To set a date as a holiday in the calendar, use the Year and Month fields to navigate to the relevant date. In the calendar, click the date and enter a description of the holiday. The Set As Holiday field is then automatically selected.

The program is designed to enable you to input all holidays for the year at the same time. Therefore, if you make changes to holidays in a particular year and try to change year without saving, a message is displayed asking you to save your data before you switch year.

Note You can set a weekend day as a working day. The default weekend days can only be set when you are creating a calendar for a given entity and year. After you have created the calendar, you can only change the weekend days manually, week by week.

Fig. 9.1
Financial Holiday Maintenance

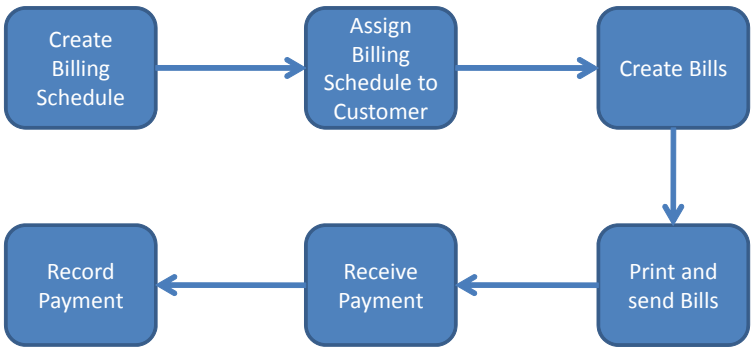


Customer Billing Workflow

Typical billing workflow is illustrated in Figure 9.2. Usually, the steps are:

1. Create a billing schedule. For example, you can define schedules to generate bills once a month on a particular day or several times a month or even weekly. You can define multiple billing patterns, depending on your needs.
2. Assign each customer a billing schedule, which specifies a default billing pattern for that customer. As part of this step, you can also assign an employee as the default bill collector.
3. Create a bill or bills for the customer based on the billing schedule. You can also update or override due dates and the assigned collector.
4. Test print bills to verify they are correct and then confirm print the bills to send them to the customer.
5. Receive payment from the customer. You may receive the payment in full or in part.
6. Record the payment to close the bill or to adjust the outstanding balance.

Fig. 9.2
Billing Workflow



Billing Schedule Create

Billing schedules are created at system level. Using Billing Schedule Create (27.3.1.1), you can create billing schedules that define when to send bills to a customer and how the system calculates the due date of a bill.

Billing Schedule Code. Enter a meaningful code of up to 20 characters that describes the billing schedule.

Description. Enter a description of the billing schedule of up to 40 characters. For example, enter the dates on which the billing is to take place.

Active. To activate the billing schedule, select this field.

Pattern. Select a pattern, which is either a day in the month or weekly. If you select Day In Month, the Day In Month tab is active. If you select Weekly, the Weekly tab is active.

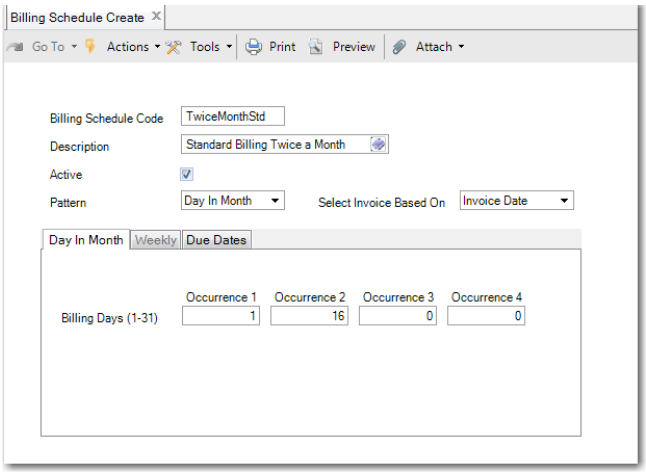
Select Invoice Based on. This field indicates which invoices are selected for billing. There are two options. If you select Invoice Date, the invoices included on the bill are invoices that are created in the active period. If you select Invoice Due Date, the invoices on the bill are invoices that fall due in the period.

Day In Month

When you decide to create a bill based on particular days of the month, the Day In Month tab is active. You can create a monthly billing pattern with up to four occurrences. The invoices are selected based on the invoice date. To make the billing schedule valid, you must also complete the Due Dates tab.

In Figure 9.3, billing occurs twice a month.

Fig. 9.3
Twice Monthly Billing Schedule



Note When you enter 31 in an occurrence field and the month does not have 31 days, a bill is created on the last day of the month instead.

Weekly

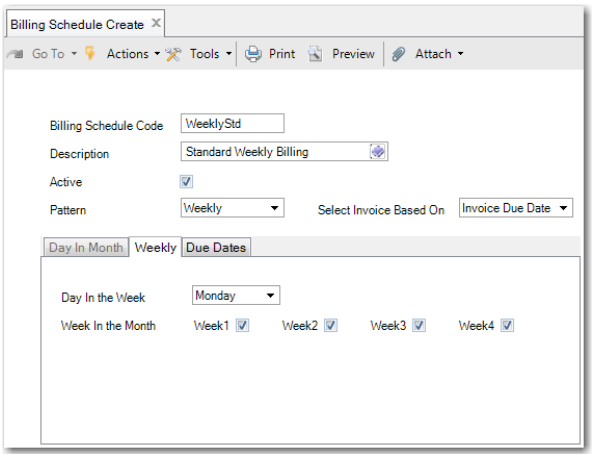
When you decide to create a bill weekly, on the same day of the week, the Weekly tab is active. There are two fields on this tab.

Day In the Week. Select the day of the week on which to bill the customer. The day you choose applies to all weekly occurrences.

Week In the Month. Select the weeks in the month to bill the customer. If you select all four weeks of the month, billing is assumed to take place on a weekly basis. Therefore, when a month has five occurrences of the selected day, the bill is created is five times.

Figure 9.4 displays a weekly billing schedule. This schedule selects invoices based on the invoice due date.

Fig. 9.4
Weekly Billing Schedule



Due Dates

The Due Dates tab enables you to specify the date on which the bill becomes due.

Bill Due Date. This field contains two options. To set the bill due date to the same date as the latest invoice in the selection, select Latest Invoice Due Date. When you select Latest Invoice Due Date, the Bill Due Date fields are disabled. To specify a rule for calculating the bill due date, select Months Delay and Due Day to specify a rule for the bill being due.

If you choose Months Delay and Due Day, you specify the Months Delay and Due Day for each billing occurrence.

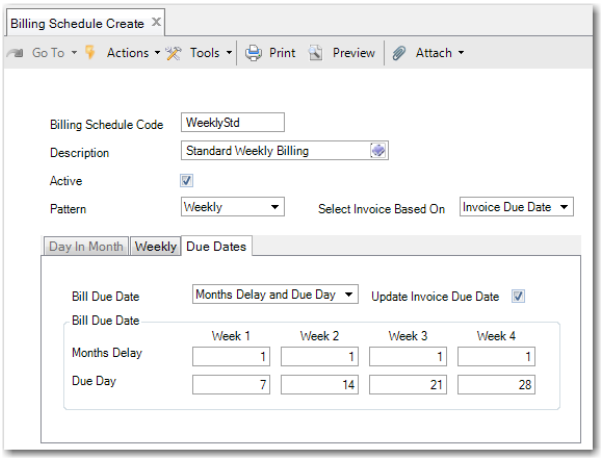
Example On the Day In Month tab, you have specified two billing occurrences in the month, on the 1st and the 16th. On the Due Dates tab, to specify that the billing due date is a month later, the Months Delay Occurrence 1 field must contain a value of 1. The Due Day Occurrence 1 field contains 31 in the Due Day field and 1 in the Months Delay field and 15 in the Due Day field for Occurrence 2.

Update Invoice Due Date. If you want to update the invoice due date to the Billing Due Date, select this field. You can verify the updated invoice date in Customer Invoice View (27.1.1.3).

Note Whether you select this field or not, the bill date overrides the date on the credit terms of an invoice.

In Figure 9.5, the due dates are set for a weekly schedule. The Months Delay field specifies that the bill is due in the following month. The Due Day field specifies the day of the month when each bill becomes due.

Fig. 9.5
Due Dates



Note To make the billing schedule valid, you must also complete the Due Dates tab. For weekly billing, the Due Day field must contain a value.

Billing Schedule View

You can view billing schedules in Billing Schedule View (27.3.1.3). By default, you can search based on the following criteria:

- Billing Schedule Code
- Description

- Calculation Type
- Active
- Pattern
- Select Invoice Based On

Billing Schedule Modify

In Billing Schedule Modify (27.3.1.2), you can update the details of a billing schedule. You can change any fields, except for the Billing Schedule Code, which is read-only.

Note You can modify an existing billing schedule, except when the schedule is linked to a credit term. When you try to save your changes, the system indicates that the billing schedule code is used in credit terms.

Billing Schedule Delete

Billing Schedule Delete (27.3.1.4) enables you to delete a billing schedule, as long as the billing schedule is not currently in use. If you try to delete a currently used billing schedule, a message is displayed to inform you that the schedule is being used by a customer. To view the detailed customer code, click the Details button.

Linking Billing Schedules To Customers

A billing schedule is of no use unless it is applied to a customer or customers. To link a billing schedule to a customer, open Customer Modify (27.20.1.2), enter the relevant customer, and select the Payment tab. The fields for billing assignment are:

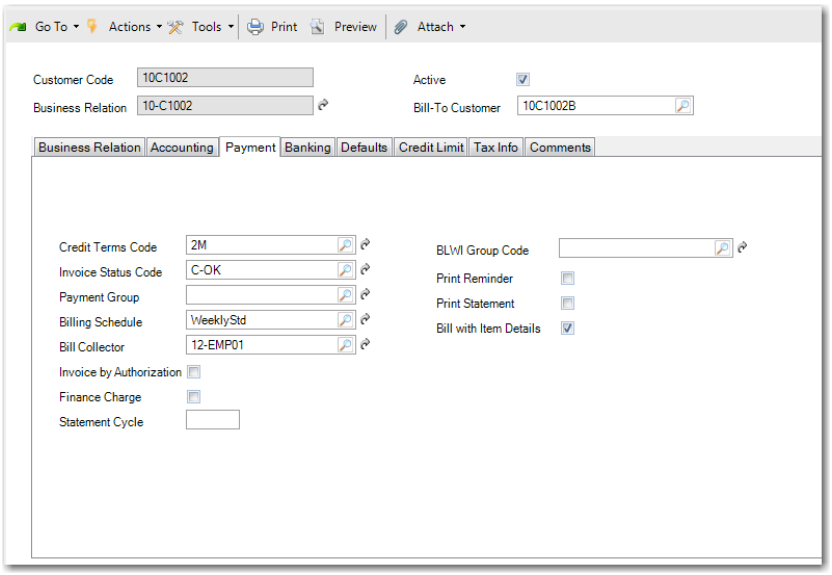
Billing Schedule. Specify a billing schedule for the customer by selecting the appropriate billing schedule code.

Bill Collector. Assign a default bill collector.

Bill with Item Details. To provide item line details in bills produced for the customer, select this field.

Note The billing fields are only visible when you add them using Design mode. For more information on Design mode, see *QAD System Administration User Guide*.

Fig. 9.6
Adding Customer Billing



Set Bill Date

Set Bill Date (27.3.2.6) enables you to select invoices to include on a bill and assign a bill date to them according to the customer billing schedules. You can also overwrite an expected bill date for some or all of the invoices attached to a bill.

Note Set Bill Date does not create a bill record. You create the bill in Bill Create.

The top part of the menu screen enables you to specify search criteria for the invoices and bill you want to update.

Customer. Use the lookup to select a customer or customers. You can create bills for all your customers by leaving this field blank.

Invoice Ref Date From/To. Select an invoice reference date. This date refers to the Invoice Date or Invoice Due Date, depending on the billing scheduling settings. You can view these settings in the Select Invoice Based On field in Billing Schedule View. If you select a date range for which holidays have not yet been set up, a warning is displayed.

Bill Collector. Specify the bill collector for the invoices. The default bill collector is set on the Payment tab in Customer Modify.

Currency. Specify the currency of the invoices.

Overwrite Existing Bill Date. Use this field in connection with the Set Fixed Bill Date field. Select this field when you want to recalculate to the date in the Billing Schedule based on the date in Set Fixed Bill Date. To reset the bill date to the original date, clear the field and click Search.

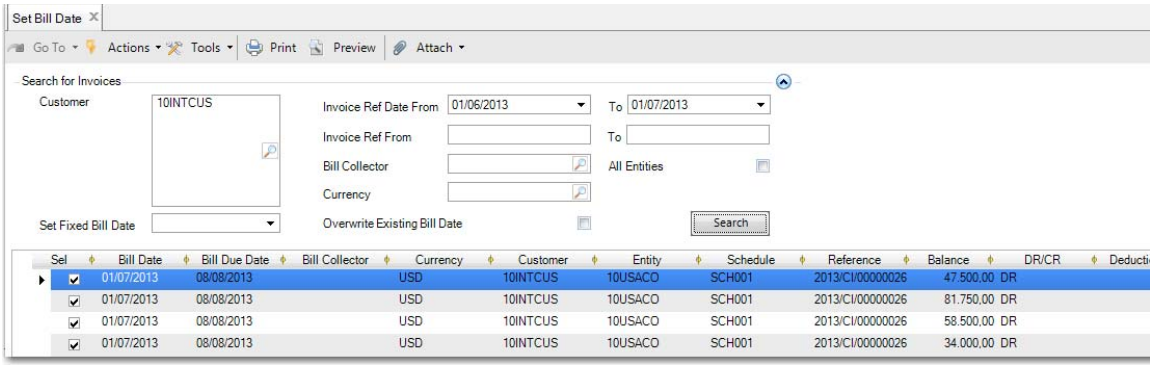
All Entities. Select this field to search for customer invoices in multiple entities with the same customer shared set.

Set Fixed Bill Date. To set a fixed bill date, choose a day from the calendar and click Search. This date updates the Bill Date for all invoices to the new date in the Bill Date column. However, the date must be within the time period defined in the Invoice Ref Date From/To fields. You can clear the Selection field for any invoices you do not want to bill on the new date.

When you click Search, the grid displays the invoices that fall within the search criteria. The important columns are Bill Date and Bill Due Date. The dates in these columns are calculated based on the settings created in Billing Schedule Create. Only customers with a billing code are displayed in the list. The grid also displays the Invoice Date. All invoices that fall in this period are displayed. If a bill due date falls on a holiday or at the weekend, it is moved to the next available day.

When you are satisfied with the selected invoices on the bill and the bill due date, click Save.

Fig. 9.7
Set Bill Date



Bill Create

Bill Create (27.3.2.1) enables you to select invoices according to customer billing schedules and create bills that contain those invoices. The functionality on the Bill Create screen is similar to the Set Bill Date screen, but Bill Create creates a bill record for the selected invoices when you click Save.

Note A bill can contain any number of invoices, as long as they are for the same customer and in the same currency.

You can create several bills for different customers simultaneously. The bill records contain the invoices you select and the bills are grouped first by customer, then by currency, then by bill date, and then by entity.

Customer. Use the lookup to select a customer or customers. You can create bills for all your customers by leaving this field blank.

Invoice Ref Date From/To. Select an invoice reference date. This date refers to the Invoice Date or Invoice Due Date, depending on the billing scheduling settings. You can view these settings in the Select Invoice Based On field in Billing Schedule View. If you select a date range for which holidays have not yet been set up, a warning is displayed.

Invoice Ref From. Select an invoice reference as your starting invoice for the bill.

Bill Collector. Specify the bill collector for the invoices. The default bill collector is set on the Payment tab in Customer Modify.

Currency. Specify the currency of the invoices.

Overwrite Existing Bill Date. Select this field when you want to recalculate to the date in the Billing Schedule or when you have a Set Fixed Bill Date field entry you want to apply.

All Entities. Select this field when you want to search for customer invoices in multiple entities with the same customer shared set.

Set Fixed Bill Date. To set a fixed bill date, choose a day from the calendar and click Search. This date updates the Bill Date for all invoices to the new date in the Bill Date column. However, you can clear the Selection field for any invoices you do not want to bill on the new date.

When you click Search, the grid displays all invoices that fall within the search criteria, except for invoices with staged credit terms. The Invoice Date column displays all the invoices that fall in this period that are not yet assigned to a bill. The Bill Date and Bill Due Date display the bill dates as defined in the Billing Schedule settings. If a bill due date falls on a holiday or at the weekend, it is moved to the next available day.

Note Only customers with a billing code are displayed in the list.

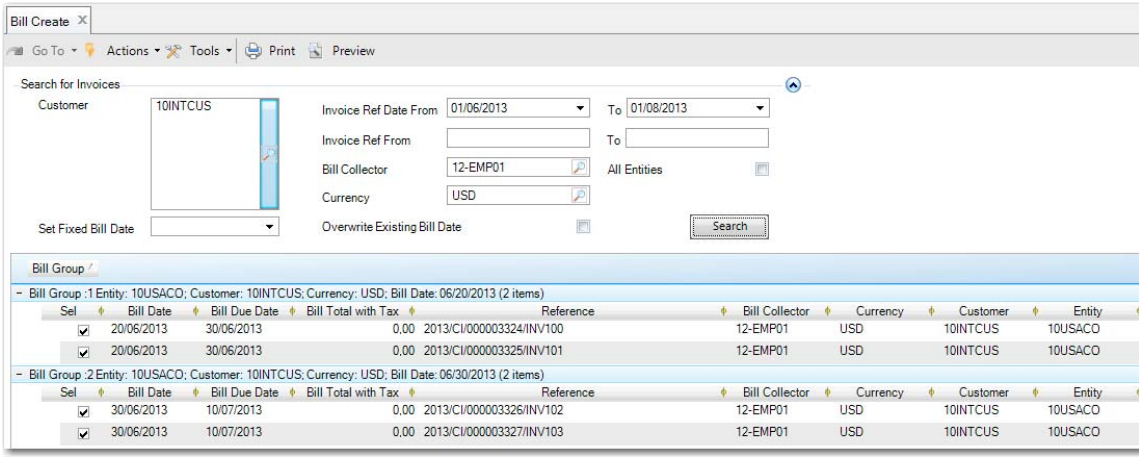
Bill Create Groupings

When you perform a search for invoices, the invoices are grouped by Bill Group by default, as displayed in Figure 9.8. All the invoices that belong to the same bill based on the customer billing schedule and the currency are displayed in the same group. For each bill group, summary information is displayed, including the balance. You can remove any invoice that you do not want to include on the bill by clearing the selection column.

You can also choose to group the invoices using another criteria such as currency, customer, or entity. Drag and drop the Bill Group column header into the header row to ungroup the invoices and drag the relevant column into the area above.

To display the opening balance for each bill group, use the Open Balance TC column. Use the right-click menu to open the Columns and set the Summary Type for Open Balance TC to Sum. The opening balance summary is then displayed below each group.

Fig. 9.8
Bill Create



When you click Save, a bill is generated for each group and each invoice is assigned a bill number.

Bill Statuses

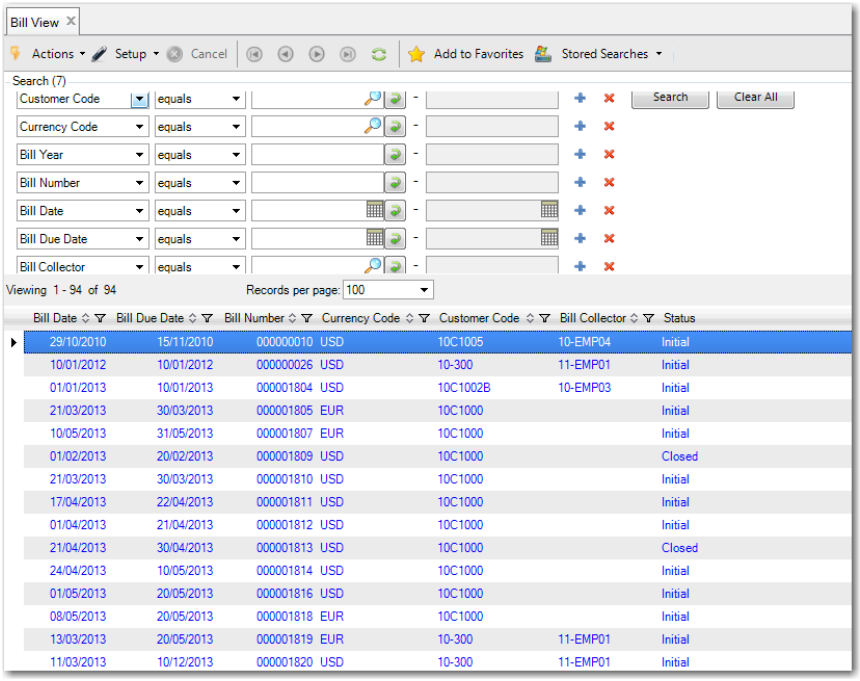
A bill can have one of three possible statuses:

- Initial is the status assigned when you create a bill in Bill Create. You can modify or delete a bill with this status.
- Confirmed is the status assigned to a bill when you do a confirm print in Bill Print. You can then no longer modify or delete the bill.
- Closed is the status assigned to a bill when a full payment is received. When one of the invoices is reopened with Open Item Adjustment (25.13), the bill status is automatically reset to Confirmed.

Bill View

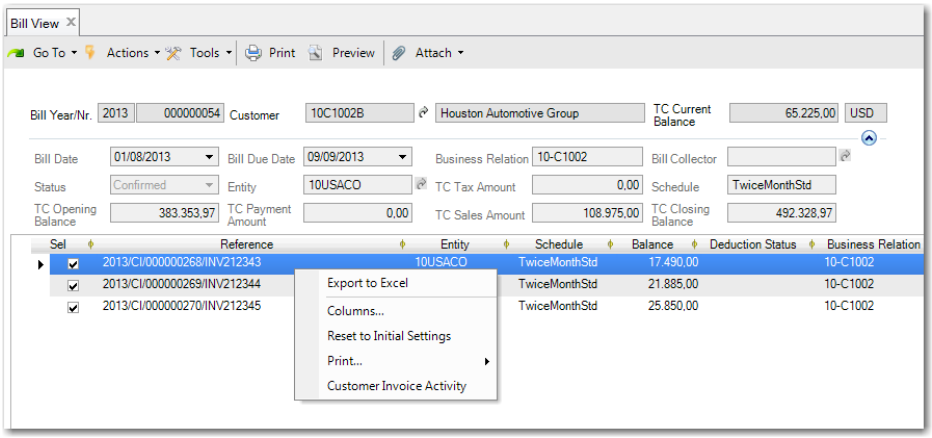
In Bill View (27.3.2.3), you can view a bill with any status. Using the search criteria, you can sort the data to suit your needs. The search criteria include Bill Date, Bill Number, Bill Entity, Bill Due Date, and Bill Year. The grid contains the same columns as Bill Create.

Fig. 9.9
Bill View - Browse Bills



In the Bill View header, when the status of a bill is Initial, the displayed fields always have a zero value. All fields are read-only. From Bill View, you can also drill down to see activity on each invoice by double-clicking or right-clicking the relevant invoice, as displayed in Figure 9.10.

Fig. 9.10
Bill View



Bill Modify

In Bill Modify (27.3.2.2), you can modify the selection of invoices for any bill with the status Initial. You cannot modify bills that are already confirmed or closed. For bills with status Initial, you can modify three fields.

Bill Date. You can change the bill date. However, the date must be before the bill due date and it must be in the future.

Bill Due Date. You can change the bill due date but this field cannot contain an earlier date than the Bill Date field. If you do specify an earlier date or you specify a holiday or weekend, an error message is returned. If the billing schedule is set to update the invoice due date and you update the Bill Due Date field, the invoice due date is also changed. You can verify this change in Customer Invoice View.

Bill Collector. Use the lookup to assign a different bill collector to the bill. However, if a bill is assigned a collector, you cannot edit the bill to have no collector.

To remove an invoice from a bill, clear the Select field. To add an invoice to a bill, right-click and select Insert a new row. In the lookup, select the open invoice to add to the bill. The invoice must be for the same customer, currency, and entity. If the Update Invoice Due Date field is selected in Billing Schedule Create, the invoice is assigned the same due date as the other invoices on the bill.

Bill Delete

Bill Delete (27.3.2.4) enables you to delete a bill, but only a bill with initial status. You cannot delete bills that have been confirmed or closed. In addition, you can only delete the last bill for any customer.

Example Two bills exist for the same customer with the same currency in the same entity. One bill is due on November 20 and the other is due on November 30. When you try to delete the November 20 bill, an error message is returned, stating that only the last bill for the same customer, currency, entity, and bill date can be deleted. To delete the November 20 bill, you must first delete the November 30 bill.

Bill Print

Bill Print (27.3.2.5) enables you to print and confirm bills and send them to customers. You can select bills for printing based on Print Type, Customer, Bill Year, Bill Number, Bill Date, and Bill Collector.

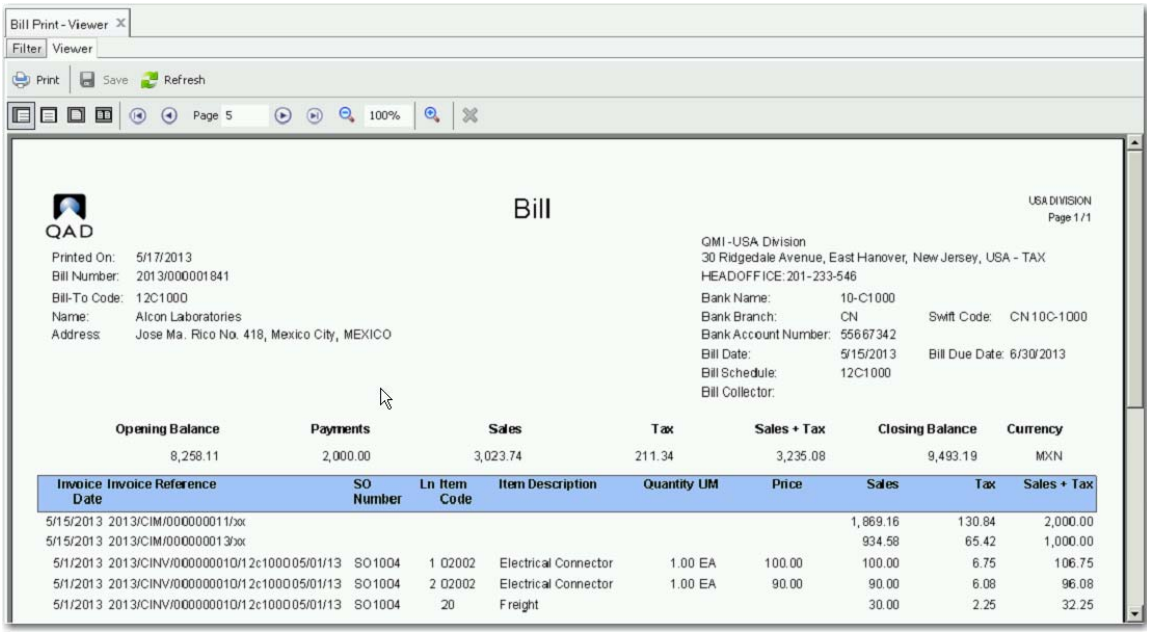
For Print Type, there are three options:

- Test Print prints initial bills for review before sending them to the customer.
- Confirm Print prints initial bills and changes the status to confirmed. However, you cannot confirm print a bill when there is an earlier bill with status Initial for the same customer, currency, and entity.

  Note For Confirm Print, if you specify a Bill Number or a Bill Date, you must specify a range for the bill to print.
- Reprint prints confirmed bills. For the reprint function, you must enter a bill number or bill date.

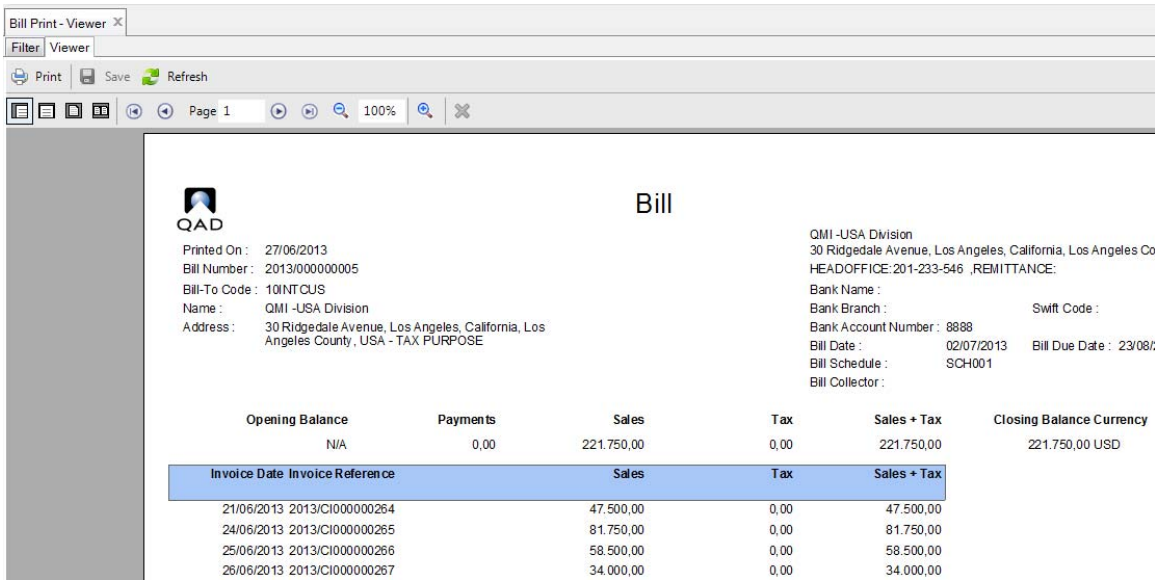
The print page contains a header section and the list of invoices. If the Bill with Item Details field is selected in the Customer record, item line columns are included, as displayed in Figure 9.11.

Fig. 9.11
Bill Print Viewer - Item Line Detail



When Bill with Item Details is not selected, the report is displayed without the detail columns, as displayed in Figure 9.11.

Fig. 9.12
Bill Print Viewer - Item Summary



Recording Bill Payments

After a bill is set to confirmed in Bill Print, the bill is sent to the customer.

Customer Payment Allocate

When a customer pays a bill in part or in full, you can record the payment in Customer Payment Create by allocating the payment to the bill.

1 Open Customer Payment Create (27.6.4.1).

2 In the Customer Code field, enter the customer code. The remaining fields are automatically filled, including details of the outstanding payment.

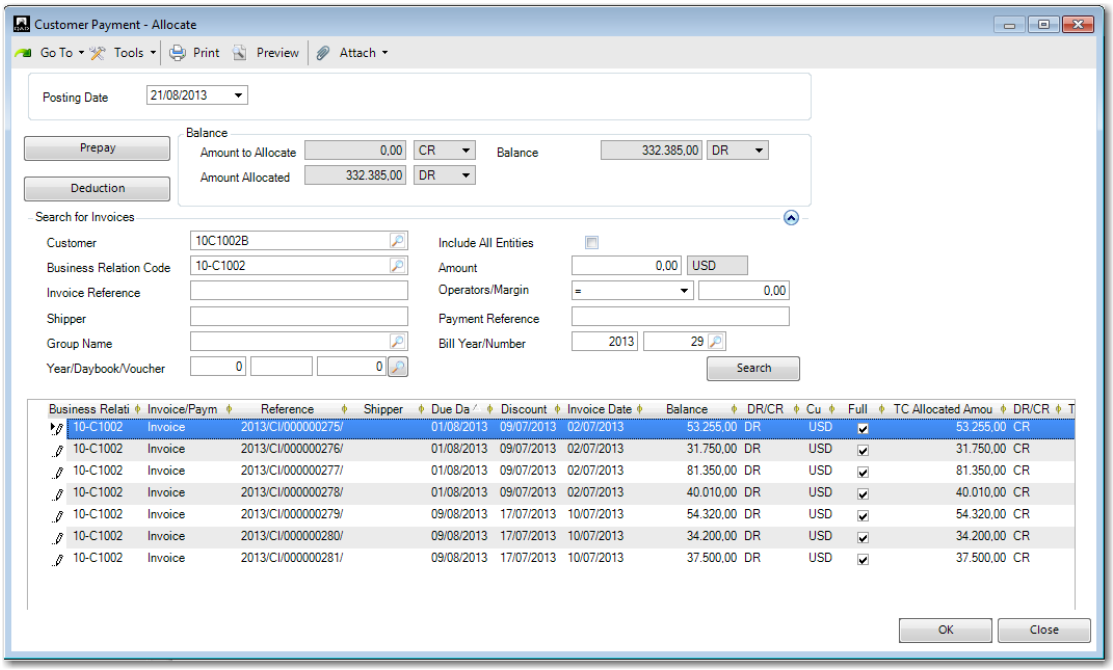
3 Click Allocate.

4 In the Customer Payment - Allocate screen, in the Search for Invoices section, complete the Bill Year/Number number fields and click Search.

Important The fields in Customer Payment Create - Allocate that enable you to select a bill are hidden by default. You can add the fields in Design mode.

5 All the invoices belonging to the bill are displayed in the grid, as shown in Figure 9.13. By default, all invoices are fully allocated. Clear the Full field for any invoices on the bill that are not included in this payment.

Fig. 9.13
Customer Payment Allocate



6 To allocate the invoices, click OK.

7 To complete the payment, in the Customer Payment Create screen, click Save.

When all the invoices on a bill have been fully allocated, the bill status is changed to Closed. You can check this in Bill View.

Note For full details of the Customer Payment Create functionality, see “Creating Customer Payments” on page 516.

Banking Entry Allocate

To receive a complete or partial bill payment and to record the payment, use Banking Entry Allocate.

1 Open Banking Entry Create (31.1.1).

2 In the GL Account field, enter the bank GL Account number.

3 In the grid, select the unallocated line and in the right-click menu, choose Allocate to Invoice.

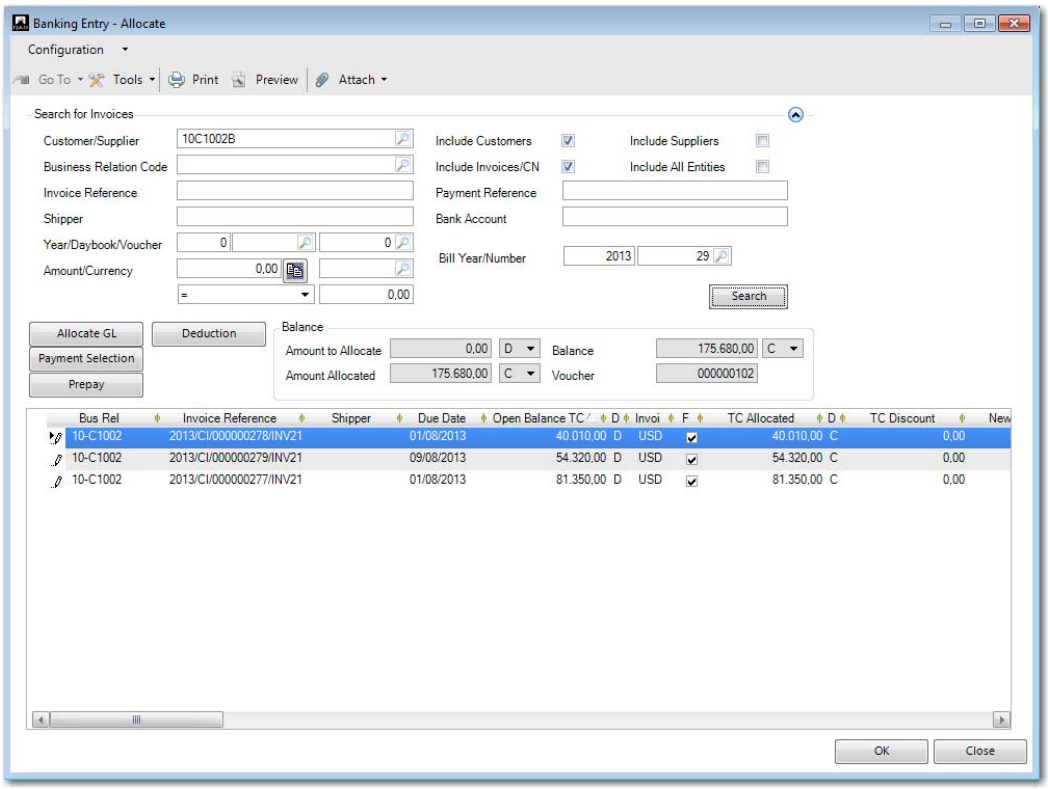
4 In Banking Entry - Allocate, enter the customer code in the Customer/Supplier field.

5 Complete the Year/Bill Number fields and click Search.

Important The fields in Banking Entry Create - Allocate that enable you to select a bill are hidden by default. You can add the fields in Design mode.

6 The invoices for the bill are displayed in the grid, as shown in Figure 9.14. Click OK.

Fig. 9.14
Banking Entry Allocate



7 In the Banking Entry Create grid, in the TC Amount field, enter the amount you want to allocate—for example, the full amount—and click Save.

Note For full details of the Banking Entry Create functionality, see “Banking Entry Create Function” on page 797.

Open Item Adjustment Create

Open Item Adjustment enables you to record payment of a bill, either for a full bill or for a partial payment. In addition, if any invoices on a closed bill are reopened, you can change the status of the bill to confirmed by using Open Item Adjustment.

1. Go to Open Item Adjustment Create (25.13.5).
2. Complete the relevant Posting Info fields, including Posting Year/GL Period, Daybook Code, and Description.
3. In the Customer/Supplier field, enter the customer for whom you want to do an open item adjustment for a bill.
4. Complete the Year/Bill Number fields with the relevant bill. Before you click Search, ensure that Include Customers is selected. If you want to reopen a closed bill, ensure that Include Closed Items is also selected.

   Important The fields in Open Item Adjustment that enable you to select a bill are hidden by default. You can add the fields in Design mode.
5. In the grid Paid TC column, adjust the relevant invoice or invoices and click New Item.
6. Complete the Customer/Supplier, Description, and Invoice Status Code fields and click Save.
7. The invoice is now adjusted or reopened. You can confirm the adjustment in Bill View.

Note For full details of Open Item Adjustment functionality, see “Open Item Adjustment” on page 383.

Customer Aging By Bill History

To find out which customer invoices are overdue on a bill, use Customer Aging By Bill History (27.17.20). For details of this report, see “Customer Aging By Bill History Report” on page 589.

Customer Invoice Extended View

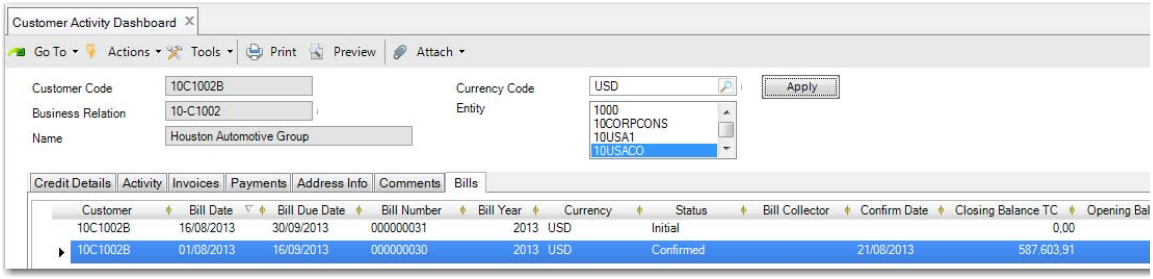
Use Customer Invoice Extended View (27.18.4) to analyze activity on individual bill invoices. You can search for invoices by Bill Date, Bill Due Date, Bill Year, Bill Number, and Bill Entity. You can also add these criteria as grid columns to help you ascertain the bill an invoice belongs to and its expected due date.

If you right-click an invoice and select Customer Invoice Activity, you can also configure the grid in Customer Invoice Browse for Customer Invoice Activity to display the same criteria.

Customer Activity Dashboard

In the Customer Activity Dashboard (27.18.1), when you search for a customer who has bills scheduled, a Bills tab is displayed.

Fig. 9.15
Customer Activity Dashboard Bills Tab



The Bills tab provides visibility on all bills with status Initial and Confirmed that were created in the entities that you select on the dashboard.

When you right-click and select Bill View or you double-click a bill line, Bill View is opened and you can analyze the individual invoices belonging to the bill.

For full details of Customer Activity Dashboard functionality, see “Customer Activity Dashboard” on page 569.

Chapter 10

Accounts Payable

The following topics describe the Accounts Payable module. Use Accounts Payable to record amounts owed to vendors and to process and print payments for those amounts. Accounts Payable can be used alone, or together with other modules, including Purchasing.

Overview 633
Introduces the Accounts Payable module.

Supplier Invoice Functions 636
Summarizes the main supplier invoice functions.

Types of Supplier Invoice 640
Describes the types of supplier invoice you can create.

Supplier Invoice Create 640
Use Supplier Invoice Create to create supplier invoices.

Delayed Tax 658
Describes taxes that only become due after the invoice has been fully or partially paid.

Allocating, Approving, and Releasing for Payment 659
Move the invoices through a workflow cycle.

Reversing and Replacing Supplier Invoices 663
Reverse invoices using corrections.

Creating Initial Supplier Invoices 667
Create invoices with a status of Initial.

Receiver Matching 670
Match invoice lines against the pending invoices associated with purchase orders.

Sample Matching Postings 697
Describes receiver matching scenarios and the resultant postings.

Payables 707
Summarizes the activities for processing payables.

Supplier Payments 707
Process supplier payments using Supplier Payment Create.

Supplier Payment Selections 718
Process payments for groups of supplier invoices.

AP Prepayment Tax Reconciliation 734
Add reconciliation keys to link prepayments, tax invoices, and final invoices, and perform reconciliations for audit purposes.

AP Bank Charges 737
Deduct bank charges from supplier payments when the supplier pays bank charges.

Realized Gain and Loss 748
Describes the gain and loss postings for multi-currency AP transactions.

Printing Supplier Payment Instruments 748
Print checks, promissory notes, summary statements, and drafts.

Supplier Activity Dashboard 752
View all activity for a single supplier.

Supplier Reports 759
Describes the supplier aging reports and the Supplier Invoice report.

Overview

Most payables transactions are accounts payable liabilities resulting from purchasing transactions with suppliers. These are usually in the form of supplier invoices, which detail the items purchased, payment due dates for this supplier, and cash discounts that may apply to these payments.

Supplier payments are recorded in the Accounts Payable ledger. The total balance on the Accounts Payable ledger is the total monies outstanding to suppliers and is itemized by individual supplier within the ledger. The purpose of the Accounts Payable ledger is to monitor amounts due and to record the settlement of outstanding payments.

Accounts Payable lets you manage the supplier payment cycle from original purchase orders for supplier goods to payment of the corresponding invoices. This cycle is represented by the following processes:

- Process Supplier Invoices
- Process Payables

You complete these processes using the following AP functions:

- Create and maintain supplier invoices and credit notes.
- Prepare invoices for allocation and allocate them.
- Prepare invoices for matching.
- Identify purchase orders and match with supplier invoices.
- Approve an invoice for payment and release it for inclusion in the payment cycle.
- Adjust the open balance of a supplier invoice or credit note.
- Generate payments to suppliers in various forms.
- Report on all supplier-related transactions and statuses.
- View the supplier balance and open item details.

In addition, you create suppliers, supplier type codes, and purchase type codes in the AP module. These activities are described in “Setting Up Supplier Data” on page 297.

Supplier Invoices

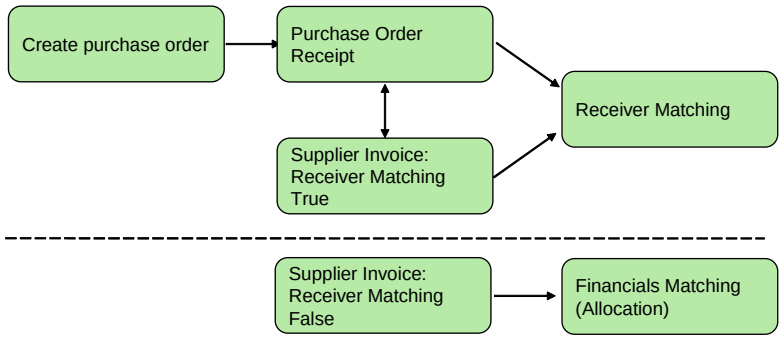
For items that you purchase for use in manufacturing, the starting point is the purchase order. The purchase order is a contract that confirms your intent to buy. It lists items, quantities, and prices, along with any related charges such as taxes and freight.

On receipt, your receiving department issues a receiver to confirm the received items and quantities against the purchase order.

When you then receive a supplier invoice, you create a version of the invoice in your system, and then process the invoice in one of two ways:

- Use receiver matching to match the invoice quantities against the original amounts on the purchase order.
- Use financial matching to allocate the invoice amount to accounts.

Fig. 10.1
Receiver Matching and Financial Matching



Receiver Matching

Supplier invoices are usually sent to your company to confirm your liability to pay for the items under the conditions specified on the purchase order.

Before you pay the invoice, you verify that the supplier invoice matches what was actually received by your receiving department and that the supplier has charged you the correct price.

If the invoiced items and quantities match the receiver, the matching can be finalized, creating GL postings and closing the receiver. If variances exist, they can be investigated. Before matching, you can use the information in the Receiver Matching grids to display variances. GL transactions for variances are then created as a result of finished matchings, and you can investigate these and take appropriate action, such as requesting credit notes.

Invoices can then be approved and released for payment. Payment processing activities support multiple types of payments, both electronic and paper-based.

The Receiver Matching function compares the amounts payable on invoices with quantities and prices on received purchase orders. If these figures do not match, variances are generated.

Receiver matching can be combined with the creation of an invoice or performed as a separate activity later. This supports segregation of duties in case your company policy has one role that creates the invoice and another role that verifies and matches the lines with PO receipts.

Receiver matching calculates variances in costs between the point at which the order was made and the point at which the invoice is created. It can also update current cost values, where variances resulted from exchange rate fluctuation or other costing differences. This update is optional, depending on settings in Inventory Accounting Control. In addition, GL item costs can, optionally, be updated with variances if Average Costing is in use.

Receiver matching retrieves the following records for matching against invoice amounts:

- Purchase order receipts
- Shipper/Invoice receipts
- Pending invoices for logistics charges

See “Receiver Matching” on page 670 for more details.

Financial Matching

Financial matching is used for payments for products or services that have not been processed through the purchasing cycle. The invoice amounts are not matched against purchase order amounts. Instead they are posted to an Unmatched Invoices account, and then allocated directly to a cost account. These invoices would typically be one-time payments to suppliers for occasional goods or services, or payments for utilities, such as telephone bills and electricity, for which orders are not used.

The postings for financial matching are in two stages, moving amounts into and out of the system Unmatched Invoices account. All transactions are stored in transaction currency (TC), base currency (BC) and, if activated, in statutory currency (SC).

Note Initial supplier invoices can be used to register a supplier's documents in the system, and do not generate postings. See "Creating Initial Supplier Invoices" on page 667.

Debit Unmatched Invoices

The system automatically uses an Unmatched Invoices account in all supplier invoice postings created in a particular domain; this is true for both invoices associated with purchase orders and those that are not. However, when matching credit notes, the Unmatched Invoices account is credited.

These postings are as follows:

Account	Debit	Credit
Supplier Control		120.00
Tax	20.00	
Unmatched Invoices	100.00	

The Supplier Control account is the default defined for each supplier. The Tax account is retrieved from the Global Tax Management (GTM) setup for this supplier.

You must create one (and only one) Unmatched Invoices account for your system. The Unmatched Invoices account is a system GL account.

This posting is mandatory for all invoices and is always made to the official accounting layer, using a supplier invoice daybook. Posting details are visible on the SI Posting tab; see "SI Posting Tab" on page 654.

Credit Unmatched Invoices

The next stage of the update moves the amounts out of the Unmatched Invoices accounts, and debits either a Purchases accounts (for non-inventory items) or a PO Receipts account. The Purchases account specified by the Purchases Account profile on the supplier is the default. Instead of the Purchases account, the postings can involve, for example, one or more GL accounts, or the same GL accounts with multiple cost centers.

Purchases Account

This posting moves the invoice amount less tax from the Unmatched Invoice account into the Purchases account you defined for this supplier. The default account is contained in the purchase GL account profile, which you define on the Accounting tab of the supplier; see “Accounting Tab” on page 301. However, you can use another account instead of the default Purchases account.

The posting uses a matching daybook, and you can select a matching daybook that uses either the official layer or the transient layer for approval, depending on the invoice status code you assign.

Account	Debit	Credit
Unmatched Invoices	120.00	
Purchases		120.00

These posting details are visible on the Matching Posting tab; see “Matching Posting Tab” on page 655.

PO Receipts Account

This posting moves the invoice amount, excluding tax, from the Unmatched Invoice account into different Purchase Order Receipt and variance accounts, depending on the type of receiver matching you perform. You set the posting details for these matching postings in the Matching Data area of Receiver Matching Create.

Note If taxes are accrued at receipt, the PO Receipts postings include taxes.

Releasing Invoices for Payment

The final step in the invoice process is to release the invoice for payment, which is described in “Invoice Allocation and Approval” on page 639. Once released, you then use AP payment functions to process the payments.

Supplier Invoice Functions

Use the Supplier Invoice function to create, view, modify, and delete supplier invoices and credit notes. You also use this function to:

- Create initial invoices to enter supplier documents immediately into the system.
- Match current invoices against original purchase order receipts.
- Prepare invoices for allocation and allocate the invoice.
- Approve invoices.
- Place invoices on payment hold or release invoices for payment that are currently on hold.
- Reverse incorrect invoices and their postings, and optionally replace these with new invoices.

These additional activities, with the exception of reversing and replacing, are controlled by the invoice status code associated with the invoice. The invoice status code and its attributes determine when the invoice is ready to be posted to the official layer of the AP sub-ledger. Invoice status code also control the invoice approval process.

See “Invoice Status Codes” on page 246 for a description of how the attribute combinations manage different types of processing.

Invoices you create derive much of their default bank account, payment format, tax, and addressing information from the values defined for the supplier. See “Setting Up Supplier Data” on page 297.

Using invoicing functions, you can process supplier invoices through allocation to GL accounts and optionally include an approval workflow cycle.

Using the Scan Daemon to Create Invoices

You can use the Scan daemon to integrate paper supplier invoices into the financial system and send the information to designated users. To do this:

1. Create a role associated solely with the Supplier Invoice Create activity, and assign this role to the appropriate users. For more information on roles and security, see *QAD Security and Controls User Guide*.
2. Scan the documents into a system folder in a format supported by your scanning software, such as `.PDF` or `.TXT`.
3. Set up workflow processing and the Scan daemon. For more details on this topic, see *QAD System Administration User Guide*.

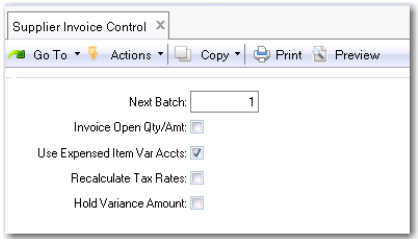
The Scan daemon searches specific folders for scanned documents, and then displays the document as a workflow item in the inbox of users with a specific role. When a user clicks the item to open it, the system removes the item from all other inboxes, and opens the activity associated with that workflow item, in this case Supplier Invoice Create.

The user then inputs the details of the scanned invoice directly into the Supplier Invoice Create screen.

Supplier Invoice Control Settings

Use Supplier Invoice Control (28.24) to set defaults that affect the invoice process.

Fig. 10.2
Supplier Invoice Control



Next Batch. The batch number is used to identify a group of supplier invoices created at one time using Evaluated Receipts Settlement (ERS) functions.

The system assigns the next batch number from the control program, and increments the next number by one.

Invoice Open Qty/Amt. Define the default setting for the Auto-Select field in the Receiver Matching screen. You can override it as needed. How you set this field depends on your company's matching process, and the accuracy and timeliness of the invoices you receive from your suppliers.

Select this field if you want all lines to be matched by default. You can then review the lines in Receiver Matching Create and deselect the lines that you do not want to match. All purchase order line items received are normally processed on one invoice.

Clear this field if you often receive supplier invoices with an incorrect quantity and price. If you clear the field, all receiver matching lines are deselected by default, and you must then select matching receivers manually in Receiver Matching Create.

Use Expensed Item Var Accts. The setting of this field determines whether AP rate and usage variances for non-inventory items are expensed to the account defined on the PO line. For more precise variance tracking, enable the Use Expensed Item Var Accts option.

When a non-inventory item is purchased, it is immediately expensed and the expected payable amount is accrued to Expensed Item Receipts. If the supplier invoice has a different amount, a variance is calculated when the invoice is matched.

- A rate variance arises when the invoice price is different from the PO price.
- A usage variance arises when the invoice quantity is different from the PO receipt quantity.

Note The Expensed Item Receipts account defaults first from that associated with the supplier in Supplier Accounts Maintenance (2.3.7). If not specified there, the one in Domain/Account Control (36.9.24) is used.

Example A PO is received for 100 units of an expensed item at 11 cents each. At receipt, the GL entries are:

Account	Debit	Credit
Purchases (Expensed)	11.00	
Expensed Item Receipts		11.00

If the invoice later shows 110 units at 15 cents each, AP rate and usage variances are calculated when the invoice is matched. The control setting determines whether these variances are posted to Expensed Item Usage Variance and Expensed Item Rate Variance or to the Purchases account.

Note As shown in the example, the system charges the expense for a memo item receipt to the account on the PO line, which is the Purchases (Expensed) account by default. However, you can change this value.

When Use Expensed Item Var Accts is selected, expensed item variances are tracked separately, and the following GL entries are created:

Account	Debit	Credit
Expensed Item Rate Variance	4.40	
Expensed Item Usage Variance	1.10	
Expensed Item Receipts	11.00	
Accounts Payable		16.50

However, if variances are not tracked separately, the GL entries are:

Account	Debit	Credit
Purchases (Expensed)	5.50	
Expensed Item Receipts	11.00	
Accounts Payable		16.50

Recalculate Tax Rates. When you select this field, the system recalculates tax rates for each line in the receiver matching grid, based on the taxable, tax class, tax usage, and tax environment values selected for each line. This option ensures that any changes in tax rate between the point when the PO receipt was created and when it is matched are accounted for by the system. If you do not select this field, the system uses the original tax rates applied when the PO Receipt was created, without recalculating.

This control applies domain-wide and provides the default for the Recalculate Tax Rates field on Receiver Matching Create. You can clear the field in Receiver Matching if required.

Hold Variance Amount. When there is an adverse variance following the matching of an invoice to receivers (that is, the invoice amount is greater than the pending voucher amount), the system automatically puts all or part of the invoice amount on hold. Select this field to place only the variance amount on hold. Deselect the field to place the entire invoice amount on hold. The system displays a warning when all or part of the invoice is on hold but does not prevent you from saving.

Invoice Allocation and Approval

For auditing and compliance purposes, you may want to restrict invoice allocation and approval for payment to specific roles within your organization. The system uses the following components to control the processing of invoices through creation to allocation and approval:

Roles and role permissions. Create roles for each agent in your AP cycle (for example, Manager, Accountant, AP Clerk), and assign the appropriate supplier invoice activity to each role. For more information on roles and security, see *QAD Security and Controls User Guide*.

Supplier invoice activities. Use the Approve, Release for Payment, Prepare Allocation, and Allocate activities to retrieve batches of invoices in different stages of approval. Assign these activities to the appropriate roles. In this way, you can ensure that, for example, the role that can approve invoices cannot release them for payment.

Invoice status codes. Once you have retrieved the appropriate invoices, you move the invoice from one state in the AP cycle to the next by changing the invoice status code.

Implement the approval cycle according to your own internal security requirements. Approving an invoice and releasing it for payment can be completed in one step by one role, or in two separate steps assigned to two roles. In some organizations, invoices for small amounts are created, approved and released in one flow, while invoices for larger amounts are subject to cash flow considerations and held back for payment until the next accounting period.

See “Allocating, Approving, and Releasing for Payment” on page 659 for more information on this process.

Types of Supplier Invoice

You can create two types of supplier invoice:

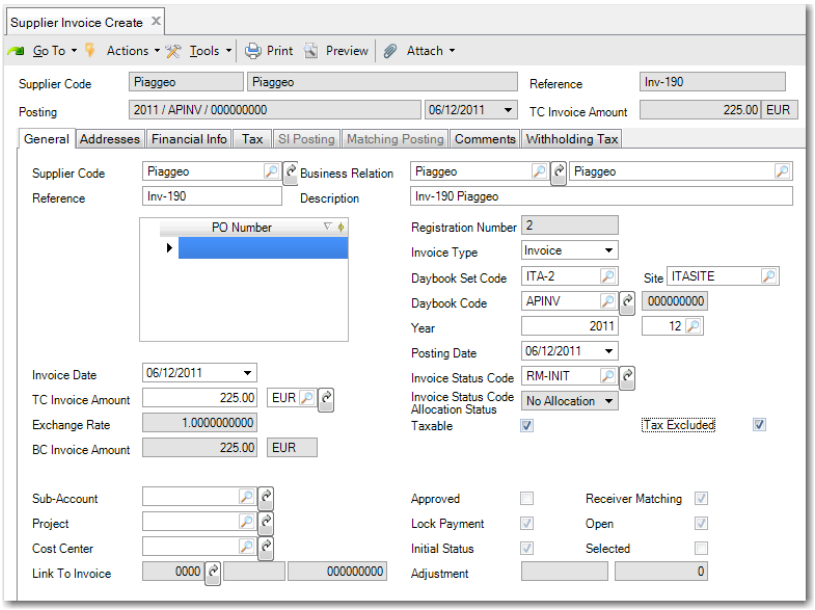
- A standard invoice, which when saved generates postings to the sub-ledger. See “Supplier Invoice Create” on page 640.
- An initial invoice, which when saved records the supplier, tax, and financial details required for the invoice, but which does not generate postings. See “Creating Initial Supplier Invoices” on page 667.

Invoices can also be saved in draft format when Draft Instances is selected in Change System Settings (36.24.5.1). When you save a record in draft format, none of the system validations are executed. You can then return later to complete the record by choosing the Supplier Invoice Browse Drafts activity and selecting the record you want to finish from the list. For more information on drafts, see *Introduction to QAD Enterprise Applications User Guide*.

Supplier Invoice Create

Use Supplier Invoice Create (28.1.1.1) to create standard supplier invoices.

Fig. 10.3
Supplier Invoice Create



Navigating Supplier Invoice Create

Like customer invoices, you must complete key fields in the General and Addresses tabs of Supplier Invoice Create to enable the Financial Info, Tax, and SI Posting tabs.

Table 10.1
Key Fields for a Supplier Invoice

Tab	Field
General	Supplier Code
	Invoice Type (defaults to Invoice)

Tab	Field
	Invoice Date (defaults to today's date)
	Description
	Taxable (defaults from the supplier definition)
	Sub-Account (if sub-account analysis is required)
	Invoice Status Code (defaults from the supplier definition)
	Year/Period (defaults to the current GL calendar year and period
	Daybook
	Cost Center (if cost center analysis is required)
Financial Info	TC Invoice Amount
	Posting Date (defaults to today's date)
Tax	Tax Point Date (defaults to today's date, when taxes have been defined)
Addresses	Ship-To Business Relation

You must enter values for Supplier Code, Description, TC Invoice Amount, and Daybook Code on the General tab. The system loads defaults for all of the other key fields. The Ship-To Business Relation on the Addresses tab defaults in. The sub-account, project, and cost center default from Supplier Create and the GL account definition of the related supplier control account. The definition in Supplier Create overrides the supplier control account definition if both are defined. The Link To Invoice and Adjustment are blank by default.

When you have completed these fields, all tabs are available. Once you click another tab (for example, Financial Info), the system generates the tax, financial, and posting data for this invoice. If you then navigate back to the General or Addresses tab to change a key field (such as the invoice amount), the system warns you that tax, financial, and posting data has changed and will be recalculated. If you click No, the update you made to the key field is discarded.

General Tab

Supplier Code/Business Relation Name/Reference/Posting/Posting Date/TC Invoice Amount.

These read-only fields are automatically populated when you enter the invoice details in the fields below. The system generates a posting reference for all invoices and credit notes, based on the combination of the entity, year, and daybook.

Note Following the initial installation, you use Record Number Maintain (36.16.21.2) to set the numbering sequence.

Supplier Code. Specify the code that identifies the supplier to be paid with this invoice. The business relation code associated with the supplier automatically displays next to it.

When you create a new invoice, you can specify a business relation before selecting the supplier. In this case, the supplier code is loaded. When more than one customer is linked to the business relation, you must select from the available supplier codes.

Business Relation. The system displays the business relation code linked to the supplier and the business relation name.

Reference. Enter an alphanumeric reference to help identify the invoice in the system. This reference is typically the ID number of the invoice received from the supplier.

Note Supplier Invoice Create validates the uniqueness of the invoice reference for the same invoice type and supplier within the current entity. If you enter a duplicate reference, you receive a warning message, “The reference already exists on another invoice for this supplier,” when you navigate away from the General tab for the first time. The invoice can still be posted.

The duplicate check is also made when you save the invoice. The warning is displayed once if a second validation on save is not required. For example, if you create an invoice and the warning is raised early in the process, the warning is not raised again when you save the invoice if you did not make any subsequent changes that would require a second validation.

Description. Enter a brief description (maximum 40 characters) of the invoice. This field is mandatory. The system generates a default description based on the Reference and Supplier Code.

Registration Number. The Registration Number field identifies all supplier invoices and credit notes in the system, both initial and standard, and is an automatic number generated by entity and year.

PO Number. If you are matching this invoice to PO receipts, you can right-click this grid to add new rows for the numbers of the receipts. However, this step is not mandatory; you can add PO numbers separately in receiver matching.

See “Receiver Matching” on page 670.

Invoice Type. This field displays the invoice type. When creating an invoice, choose the invoice type from the drop-down list:

- Invoice
- Credit Note
- Invoice Correction
- Credit Note Correction

Invoice Correction and Credit Note Correction display as choices only when the appropriate daybook types have already been defined.

Daybook Set Code. Specify the daybook set you want to use to number the invoice.

The default value is the daybook set associated with the supplier in Supplier Data Maintenance (2.3.1). However, if you specified a PO number in the PO Number field, the daybook set on the PO overrides the daybook set on the supplier data record if they are different, and defaults instead. If you specify more than one PO in the PO Number grid, the daybook set associated with the first PO defaults in. You can overwrite the default value.

Site. If daybook sets by site is activated, specify the site for which you want to use specific invoice numbering. The default value is the site associated with the supplier in Supplier Data Maintenance (2.3.1). However, if you specified a PO in the PO Number grid, the site on the PO overrides the site on the supplier data record if they are different, and defaults instead. If you specified more than one PO in the PO Number grid, the site associated with the first PO defaults in.

Daybook Code. Specify an internal daybook that matches the invoice type: supplier invoice, invoice correction, credit note, or credit note correction. The system-generated invoice number is based on the daybook.

Year/Period. Specify the accounting year and period for the invoice. The system defaults to the accounting year and period associated with the posting date. If you modify these fields, the posting and tax dates are changed correspondingly.

Posting Date. Specify the date on which the invoice is to be posted. This date defaults from the invoice creation date.

Invoice Date. Specify an invoice creation date; the default is the system date. A warning displays if this date is not prior to the posting date or within the same GL period as the posting date.

The system uses the invoice date with the credit terms to calculate due date and discount date.

TC Invoice Amount. Enter the total invoice amount, including tax, and specify a transaction currency. Currency defaults from the supplier record.

You can save zero-value invoices, which have no TC invoice amount. The system displays a warning to prevent you from doing so by mistake, which will not be detected until you attempt to match the invoice. This warning also displays if you attempt to start receiver matching from within the invoice. A similar warning is displayed when saving customer invoices.

Exchange Rate. If the transaction currency is not the same as the domain base currency, the applicable accounting exchange rate displays and can be edited; otherwise, the system displays 1 and the field cannot be changed. The BC Invoice Amount is calculated based on the exchange rate.

If you modify the BC Invoice Amount, the exchange rate is automatically adjusted.

Example The base currency is Euro, the transaction currency is British Pounds (GBP), and the default exchange rate for these currencies is 0.5 (2 euro to 1 GBP). The transaction amount is 1000 euro, and the base currency amount is 500 GBP. By increasing the base currency amount to 750 GBP, you change the exchange rate for this transaction from 0.5 to 0.75.

BC Invoice Amount. When the transaction and base currencies are the same, this field is read-only and displays the same amount as TC Invoice Amount. Otherwise, it is TC amount adjusted based on the exchange rate.

If you modify the base currency amount when creating an invoice, the system automatically recalculates the exchange rate to ensure that the transaction currency amount remains the same.

Invoice Status Code. Specify an invoice status code to determine the approval, payment, and allocation status. The default code is taken from the supplier record.

The Invoice Status Code Allocation Status field displays the allocation status defined for this code.

Note You can create initial invoices in the standard invoice screen by selecting an Initial Status invoice status code.

Taxable. If the Taxable Supplier field is selected on the Tax Info tab of the supplier, this field is selected by default. If the supplier has not been defined as taxable, you can select the Taxable field to subject the invoice to tax.

Tax Excluded. Select this field to indicate that the amount specified in the TC Invoice Amount field excludes tax. The system then uses the amount in the TC Invoice Amount field as the basis for tax calculation.

Clear the Tax Excluded field to indicate that the amount specified in the TC Invoice Amount field includes tax.

The Tax Excluded field facilitates Vertex use tax calculations and the recording of invoices with multiple taxes. It is also useful in situations where taxes apply, but do not appear on the invoice you received from the supplier.

Note You can set a default value for the Tax Excluded field using the Invoice Total Excludes Tax field in the Taxes tab of the Entity record. See “Taxes Tab” on page 51.

Sub-Account. Specify a sub-account code if the supplier control account is defined with sub-account analysis. This sub-account applies to all invoice posting lines.

For supplier invoices, the system refers to the supplier’s sub-account profile and uses the default sub-account specified in that profile for the sub-account shared set of the current domain.

Project. Specify a project to which this invoice is to be posted. This project is then displayed in the SI and Matching Posting tabs.

Cost Center Code. Specify a cost center to which this invoice is to be posted.

Note For receiver matching, any postings to the PO Receipts account use the cost center associated with that account in Product Line Maintenance (1.2.1) or Purchasing Account Maintenance (1.2.5). This cost center is then displayed in the SI Posting and Matching Posting tabs.

Link to Invoice. Specify an invoice or credit note to which you want to link the current document. A credit note can have a one-to-one link to an invoice. You can select invoices for this supplier that have opening balances greater than or equal to the amount of the credit note. When you create the link, the system creates an automatic invoice adjustment (supplier adjustment) of the invoice and credit note with a posting date equal to that of the credit note, using a Supplier Adjustment daybook.

The following links are possible:

Current Document	Link To
Credit Note	Invoice
Invoice Correction	Invoice
Credit Note Correction	Credit Note
Invoice	Prepayment on an account

Note When you select a correction invoice for a specific supplier in a browse, the results also display all previous invoices created for this supplier.

Approved/Lock Payment/Initial Status/Receiver Matching. The Approved, Lock Payment, Initial Status, and Receiver Matching fields display the values for these attributes of the invoice status code. See “Invoice Status Codes” on page 246. If the Receiver Matching field is selected, this field makes the Matching button available, which you click to start Receiver Matching Create. See “Receiver Matching” on page 670.

Open. When selected, this read-only field indicates the invoice has not been completely paid. It is updated automatically when complete payment is confirmed.

Selected. This read-only field indicates whether the invoice is included in a payment selection.

Role. This field display only when automatic ad-hoc workflow is enabled and the Specific SI Approval field is selected in the Maintain System function. This field ensures that approval workflow is applied to the supplier invoice, with an approval request sent to the specified role. For more details on workflow, see *QAD System Administration User Guide*.

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

Adjustment. If you are linking documents, specify a daybook for the credit note and invoice adjustment. The internal daybook must be of type supplier adjustment (SA) and the voucher number is system-generated.

If you are matching this invoice against existing purchase order receipts, click Matching to display the Receiver Matching Create screen. See “Receiver Matching” on page 670.

Chronological and Consecutive Invoice Numbering

The system includes three options for numbering supplier invoices, credit notes, and invoice and credit note corrections.

- Standard invoice numbering without numbering checks. This option is the default, and applies if consecutive and chronological numbering are not enabled.
- Consecutive invoice numbering.

  If consecutive invoice numbering is enabled, the system ensures that invoice, credit note, and invoice and credit note correction numbers are consecutive without gaps.
- Chronological invoice numbering—an extension of consecutive invoice numbering.

  If chronological invoice numbering is enabled, the system ensures that invoices, credit notes, and invoice and credit note corrections are sequentially numbered in the correct date order and without gaps. Chronological invoice numbering can only be enabled if consecutive invoice numbering is also enabled.

  You can configure whether the system displays a warning or an error when users attempt to save transactions with past or future posting dates, thereby disrupting the chronological numbering sequences.

For standard, consecutive, and chronological invoice numbering; invoices, credit notes, and invoice and credit note corrections are numbered by entity, year, GL period, and daybook.

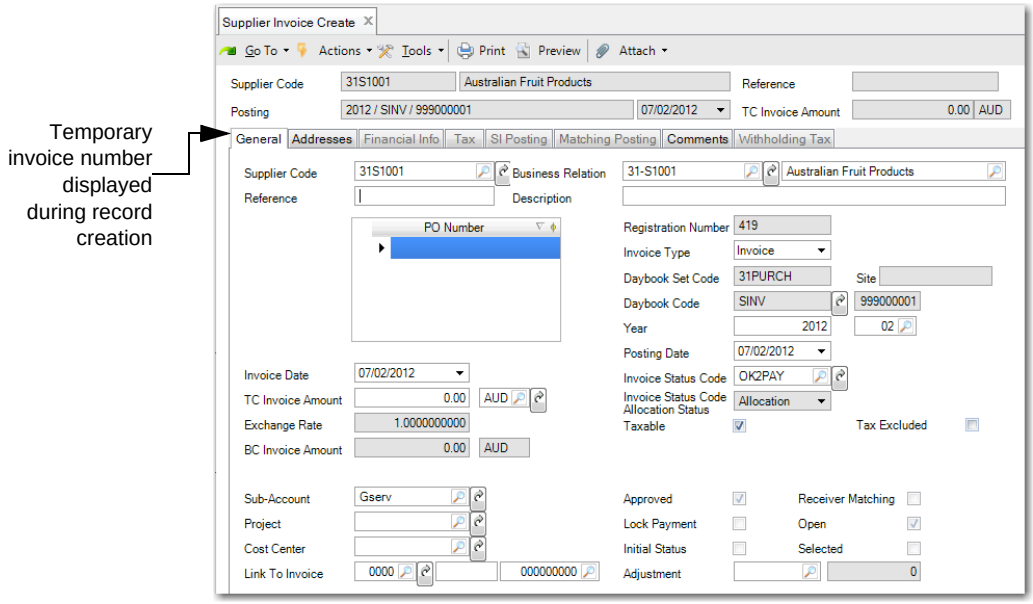
You enable consecutive and chronological invoice numbering, and select a warning or error option at domain level. See “Invoice Numbering Tab” on page 39.

When consecutive and chronological invoice numbering are enabled, the numbering controls described in this section apply in Supplier Invoice Create, Receiver Matching Create and Receiver Matching Modify, Supplier Invoice Reverse, and Supplier Invoice Replace. Outside of AP, the controls also apply in Customer Invoice Create, Invoice Post and Print, Customer Opening Balance Create, and Supplier Opening Balance Create.

Note When consecutive and chronological invoice numbering are enabled, numbering controls apply in Receiver Matching Create and Receiver Matching Modify when you match supplier invoices in the initial status. When an initial supplier invoice is matched, the supplier invoice becomes non-initial and an invoice number is generated for the record.

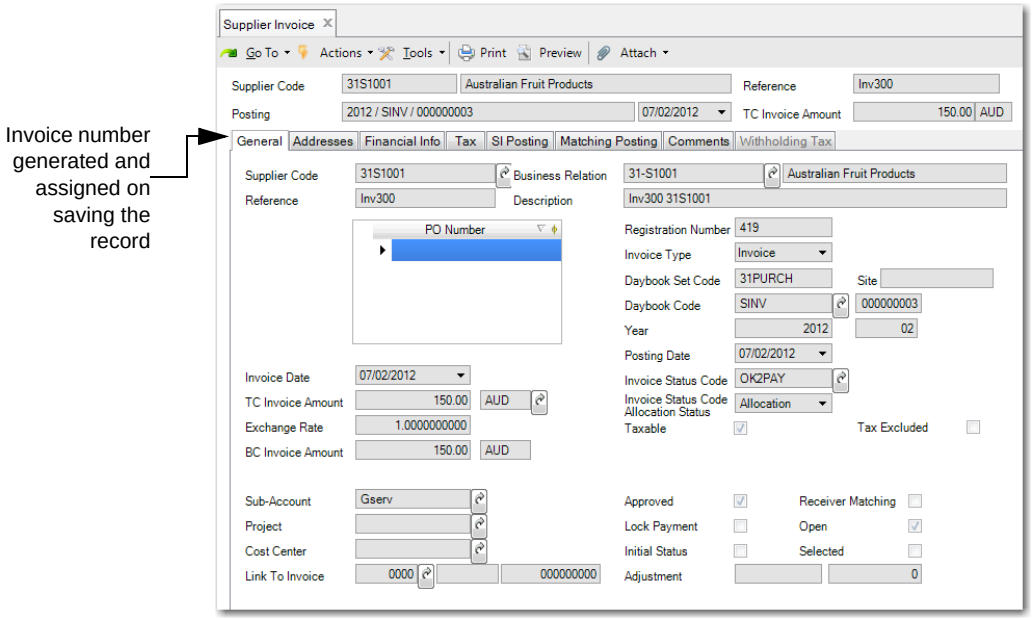
When consecutive and chronological numbering are enabled, the system does not populate the Posting field until after you save the invoice or credit note record.

Fig. 10.4
Supplier Invoice Create, Temporary Invoice Number



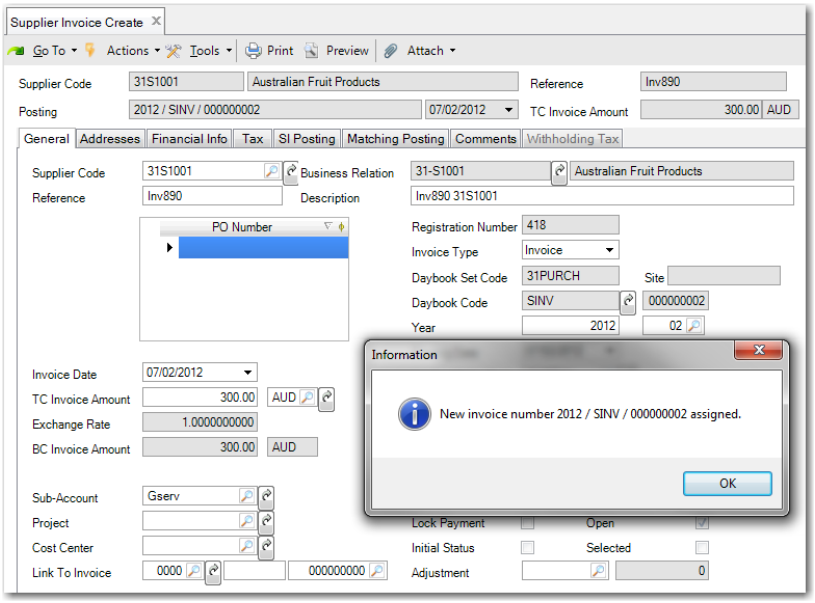
When you save the posting, the system assigns the invoice number.

Fig. 10.5
Supplier Invoice Create, Invoice Number Assigned



You also have the option to automatically display the supplier invoice number in a popup after you save the invoice. You enable this option at domain level.

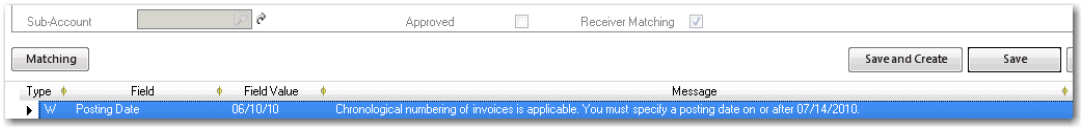
Fig. 10.6
Supplier Invoice Create, Invoice Number Popup



When chronological invoice numbering is enabled, the numbering controls described in this section apply in the supplier invoice functions:

- If you attempt to save an invoice with a posting date that is earlier than the posting date of a saved invoice with the same entity and daybook combination, the system displays an error or warning message, depending on the option selected in the domain Invoice Numbering tab.

Fig. 10.7
Past Invoice Date Warning



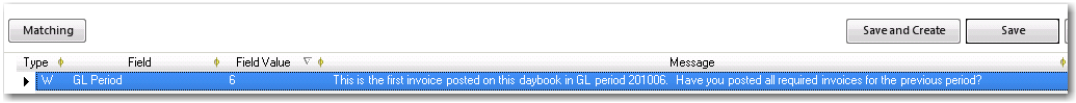
- If you attempt to save an invoice with a future posting date, the system displays an error or a warning, depending on the option selected in the domain Invoice Numbering tab.

Fig. 10.8
Future Posting Date Warning

- When you attempt to save the first invoice in a new GL period for a daybook and entity combination, the system displays a warning.

  Note This message is always a warning.

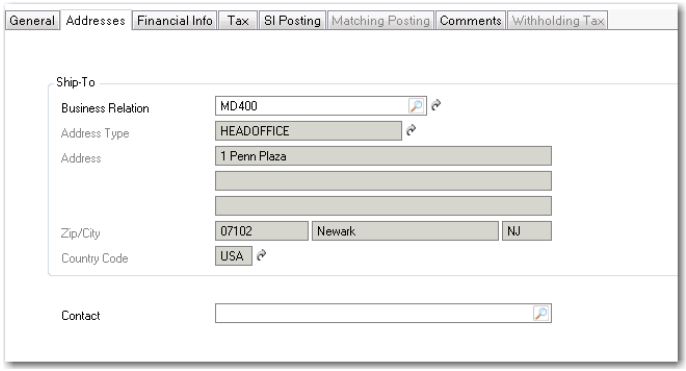
Fig. 10.9
First Invoice in GL Period Warning



Addresses Tab

The Addresses tab displays the ship-to address details. These details default from the headoffice address of the business relation associated with the current entity. See “Address Information Tab” on page 238 for information on address types.

Fig. 10.10
Supplier Invoice, Addresses

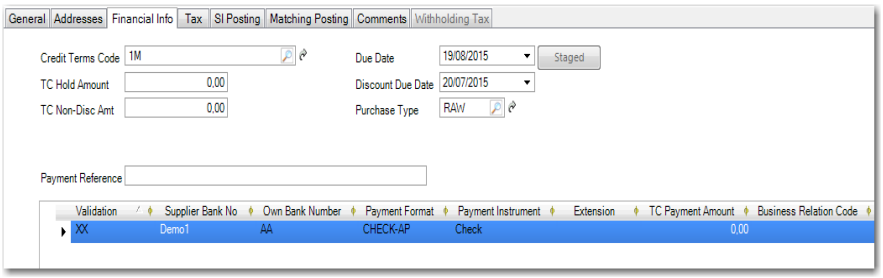


Contact. Specify the name of the purchasing contact in the supplier company. This field defaults from the supplier record.

Financial Info Tab

Use the Financial Info tab to define credit terms and to view the banking and payment details for this supplier.

Fig. 10.11
Supplier Invoice, Financial Info Tab



Credit Terms Code. Specify the credit terms that apply to this invoice. Credit terms determine invoice due dates and any settlement discounts on early payments. Credit terms also determine if multiple payments are made in stages based on invoice percentages.

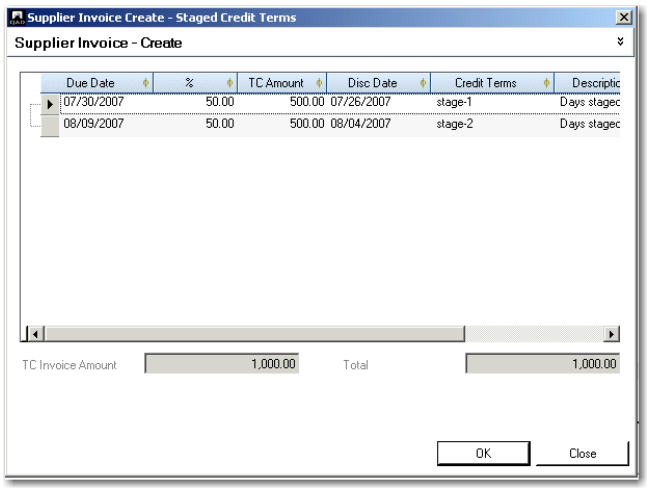
When the credit terms code is changed, the invoice due date is recalculated.

Credit terms default from the supplier record.

When you specify a credit terms code that has been defined with stages, an additional window displays for update of the terms. You can modify the percentage allocation of the terms or make other changes as needed.

You can review the amounts at any time by clicking Staged. The sum of the stage amounts must equal the total invoice amount.

Fig. 10.12
Staged Payment, Modify



Due Date and Discount Due Date. These fields display the date when payment is due and the last date a discount applies, calculated by the system based on the credit terms and the invoice date. You can modify the due dates without affecting the credit terms.

Note If the credit terms have a base date specified, this is used in the due date calculations rather than the invoice creation date.

Payment Reference. Optionally specify a unique reference number to be included in the supplier payment file. If the payment is of type Single Euro Payments Area (SEPA), this reference is a SEPA reference number from the supplier. If you enter an incorrect reference or no reference in this field and SEPA messages are turned on for this entity, a warning is displayed that the reference number is not a valid SEPA reference. This reference can also consist of a Transfer with Structured Message (TSM) number. The TSM is a standard reference numbering system for electronic transfers, used by many banks.

TC Non-Disc Amount. Specify the non-discount amount in the transaction currency. This is the amount of the invoice total that is not subject to any discount defined as part of an early settlement discount credit term. For example, if tax and freight charges cannot be discounted, specify that amount here.

TC Hold Amount. Specify an amount of the invoice total that is not to be paid. Once specified, the hold amount is taken into account during payment processing.

Hold amounts are typically an amount under dispute, such as an incorrect billing amount, and can be set to an amount less than or equal to the invoice total.

When you match invoices to receiver amounts, and the matching process produces an adverse variance, the Hold Variance Amount field in Supplier Invoice Control (28.24) determines whether the variance amount or the total invoice amount is put on hold. “Supplier Invoice Control Settings” on page 637. When set, the system displays a warning once the variance is calculated.

Once the hold amount is set, you can only select the rest of the amount for either automatic or manual payment. For example, if you enter an invoice for $100 and enter a hold amount of $20, the system allows you to select and pay $80 only.

Hold amounts must be:

Less than the invoice total and greater than zero (for invoices or correction invoices)

Greater than the document total and less than zero (for credit notes or correction credit notes)

If the document amount is less that zero—for example, a credit note—the hold amount must always be zero.

You can update the hold amount at any stage during invoice processing. You can also update the hold amount when using open item adjustment to match an invoice with a credit note. You remove the hold amount by setting it to zero.

During receiver matching, if adverse variances are calculated during the receiver matching process, the whole invoice amount or just the variance amount is placed on hold, depending on a setting in Supplier Invoice Control.

Purchase Type. Select a purchase type code, if required. Purchase types group invoices together for reporting, letting you track your cash expenditures for different types of expenses. For example, use EX for miscellaneous expenses and PO for purchases of raw materials or components.

You must use at least three purchase codes—for Rents, Royalties, and Non-Employee Compensation—if you are submitting 1099 tax reports. Each of these categories is summarized into a different box on the 1099 report.

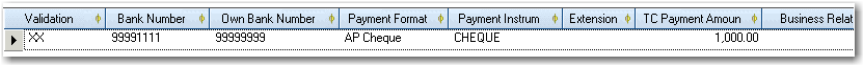
A default purchase type can be assigned to the supplier. See “Purchase Type” on page 298.

Bank Account Grid

The grid displays the default banking and payment details configured for this supplier. The default supplier bank account details are displayed in the first line of the grid.

If you have configured multiple accounts for this supplier, you can add these account details by inserting a new row for each account. You can use a maximum of three bank accounts to make the invoice payment, specifying the bank reference and amounts to be paid per account in each case. The total of the separate amounts must equal the total invoice amount.

Fig. 10.13
Financial Info Tab, Accounts Grid



Validation. This field displays the bank format validation code for the supplier bank account. Account number validation ensures that the account number is formatted according to the regulations of the national banking system. See “Linking Payment Formats to Bank Accounts” on page 265.

Supplier Bank Number. Specify the supplier bank account number. The bank number is mandatory when the payment instrument for the supplier is electronic.

Own Bank Number. This field displays the account number that makes payments to this supplier. This number is defined on the supplier record, and is normally the default bank account number for the entity you are currently working in.

Payment Format. This field displays the default format you have defined for payments from your bank to this supplier.

You can define multiple formats for each bank account, which are then selectable from a drop-down list. Only the formats initially defined for the account are available in this grid.

Payment Instrument. This field displays the payment instrument defined for payments to this supplier from your bank account.

Extension. This field displays the bank number extension. The extension defines the currency when an account has amounts in multiple currencies.

For example, if you have a single bank account with separate accounts defined for US dollars, euro, and yen, define a bank extension for each currency.

TC Payment Amount. Specify the amount in transaction currency that is to be paid to this bank account.The total invoice amount displays initially, but you can split this among three bank accounts.

Business Relation Code. This field displays the business relation for the supplier's bank, and contains bank addressing information.

SWIFT Code. This field displays the SWIFT code of the bank, if any. SWIFT (the Society for Worldwide Interbank Financial Telecommunication) is a banking network for world-wide payments between banks. Also known as the BIC or Bank Identifier Code.

Validate Payment. When this field is selected, the invoice payment is validated.

Formatted Bank Number. This field displays the supplier bank account number, formatted according to the validation you applied. See "Define Bank Account Formats" on page 791.

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

Bank GL Account. This field displays the account code of the bank account linked to the own bank account and payment format combination.

Own Bank Curr. This field displays the currency code of own bank's GL account. The field is hidden by default.

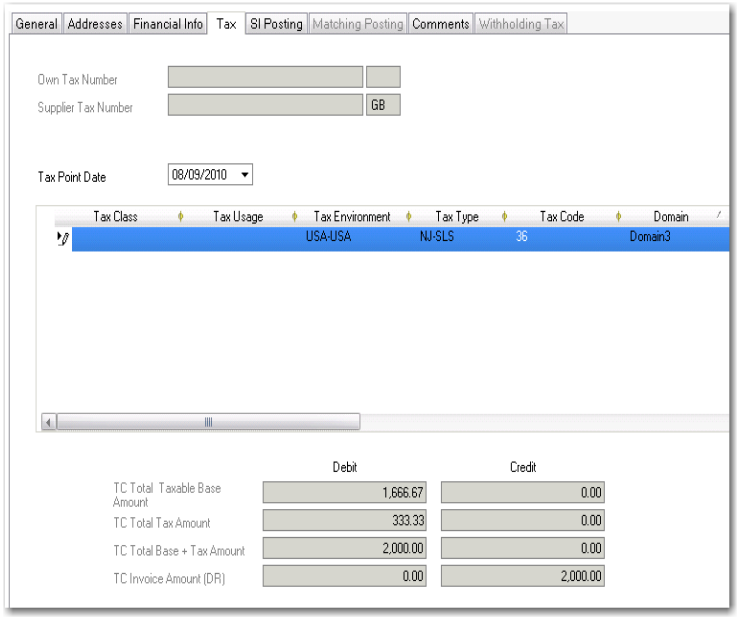
Supplier Bank Curr. This field displays the currency from the supplier setup. The field is hidden by default.

Tax Tab

When the invoice is taxable, the system calculates tax information and displays it on the Tax tab. The tax rates, zone, and setup details derive from the tax attributes defined for the supplier. Tax accounts are defined for the current domain in Domain/Account Control.

You can edit tax lines to allow for changes in tax rates to be applied, and add additional lines where the invoice amount is split between multiple tax rates. For more information on tax rates and tax calculation, see *QAD Global Tax Management User Guide*.

Fig. 10.14
Supplier Invoice, Tax Tab



Field Descriptions

Own Tax Number. The tax number for the entity in which you are working displays. This number defaults from the headoffice address of the business relation to which the entity is linked.

Supplier Tax Number. This field displays the State Tax ID of the headoffice address of the business relation associated with the supplier.

Tax Point Date. Specify the date to be used in tax calculations. This date defaults from the posting date.

The following fields display in the tax grid:

Tax Class, Tax Usage. These fields default from the supplier, and can be modified.

Tax Environment. This field is automatically calculated based on the supplier and ship-to address details, and can be modified.

Tax Type. This field displays the tax type, which defaults from the tax environment.

Tax Code. This field displays the code of the tax rate, based on the tax environment for the combination of supplier and ship-to address.

Domain. This field displays the current domain.

TC Base Amount DR. This field displays the debit base amount in the transaction currency. This is calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

TC Base Amount CR. This field displays the credit base amount in the transaction currency. This is calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

TC Tax Amount DR. This field displays the debit tax amount (TC) calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

TC Tax Amount CR. This field displays the credit tax amount (TC) calculated by the system using the total invoice amount (TC) and the applicable tax rate code.

Recalc. When you change the tax class, tax usage, tax environment, or the Taxable fields or modify one of the base amounts, this field is automatically selected, and the system recalculates the amounts when you have completed the line in the grid. You can also manually select or deselect this field

Non-Rev Tax Amount. This field displays the percentage of tax that is not recoverable. Taxes are recoverable whenever your company is eligible to offset a percentage of tax on purchases against tax collected on sales. Recoverable taxes are common in Europe.

Update Tax Allowed. When this field is selected, you can modify the base and tax credit and debit amounts during transaction entry. The changes you make are displayed in the SI posting tab. This field is set in the tax rate. This feature is useful for overriding the system if there is a need to match amounts on manually issued documents. In some environments, tax authorities require that you cannot modify the calculated tax amounts.

Delay Tax. When selected, this field indicates that taxes on this invoice are delayed. Delayed taxes are enabled for invoices through the supplier tax setup. See “Delayed Tax” on page 658

Tax Amount on Delay Account. This field displays the amount of delayed tax calculated on the invoice.

Delay Tax Account. This field displays the name of the account used for delayed tax postings.

Delay Tax Sub-Account. This field displays the name of the sub-account associated with the delayed tax account.

Retained/Absorbed. This field indicates that the tax rate in use has been configured to retain taxes for payment directly to the government. When you have selected this option, you define an AP Tax Retained account in Tax Rate Maintenance (2.13.13.1).

Summary Information

The summary compares the invoice total with the sum of the base amounts and tax amounts. The system generates a warning if these amounts are different, but does not prevent you from saving the invoice.

TC Total Taxable Base Amount. This field displays the sum of the base amounts—debit or credit—of all the tax detail lines in transaction currency.

TC Total Tax Amount. This field displays the sum of the tax amounts—debit or credit—of all the tax detail lines in transaction currency.

TC Total Base + Tax Amount. This field displays the sum of the total base amount and the total tax amount—debit or credit—in transaction currency.

TC Invoice Amount. This field displays the total invoice amount—debit or credit—as entered on the General tab in transaction currency.

SI Posting Tab

The SI Posting tab displays the invoice posting details, based on the invoice amounts and accounts you have defined.

The default postings for invoices (when tax is applied at invoice) are as follows:

Account	Debit	Credit
Supplier Control		120.00
Tax	20.00	
Unmatched Invoices	100.00	

The postings are reversed for credit notes (when tax is applied at invoice):

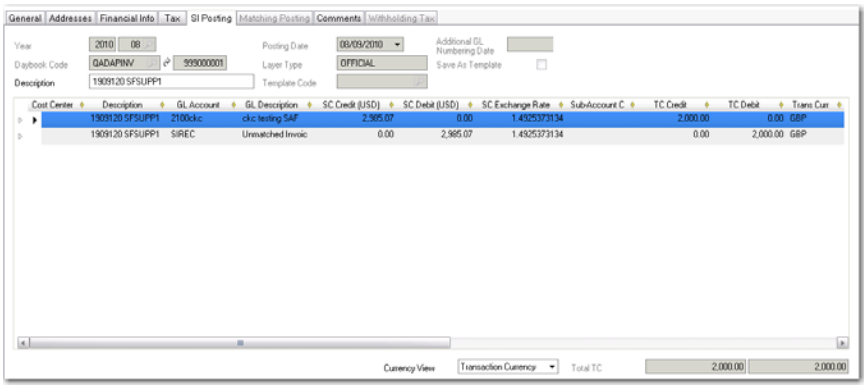
Account	Debit	Credit
Supplier Control	120.00	
Tax		20.00
Unmatched Invoices		100.00

The postings on the Supplier Control account and Unmatched Invoices account can have sub-account and cost center analysis. In this case, the sub-account details derive from the General tab.

When tax is applied, you cannot modify posting details on this tab, except the posting description, which also derives from the General tab.

The exchange rate defined on the General tab is used as a default for all posting lines involving multiple currencies.

Fig. 10.15
Supplier Invoice, SI Posting Tab



Accounting Year/Period, Posting Date, Daybook Code, Number, Layer Type. These read-only details are copied from the General tab.

Description. The invoice description is copied from the General tab, and can be modified.

Template Code and Save as Template. These fields are not currently used.

External. When selected, indicates that the daybook used is external.

The following fields display in the SI Posting tab grid:

GL Account, Sub-Account, Cost Center, Description, Curr, BC Debit, BC Credit. The system loads these posting details, including the supplier invoice or credit note control account, Tax account, and Unmatched Invoices account, from the General tab. You cannot modify these posting lines.

For the AP posting, the system refers to the supplier's Control GL Account (Invoice) profile and the supplier's sub-account profile and uses the default account and sub-account specified in those profiles for the GL and sub-account shared sets of the current domain.

For postings to an unapproved invoices account, the default GL account is the system account defined for unmatched invoices. You can expand some lines to see additional detail, such as the tax information and exchange rate details.

You can expand some lines to see additional detail, such as the tax information and exchange rate details.

Currency View. Choose to view the transaction balance in the base or transaction currency.

Total. This field displays the sum of the debit and credit amounts of all posting lines.

Matching Posting Tab

Matching Posting clears the Unmatched Invoices account and makes postings on one or more GL cost accounts, which can include sub-account, cost center, intercompany codes, SAF, and other analysis. The Matching Posting tab is similar to the journal entry function.

The postings for invoices are as follows:

Account	Debit	Credit
Cost	120.00	
Unmatched Invoices		120.00

These postings are reversed for credit notes:

Account	Debit	Credit
Cost		120.00
Unmatched Invoices	120.00	

The posting line for the Unmatched Invoices account posting is read-only. You can modify details on the posting line for the cost account.

The default cost accounts derive from the posting template, or from the purchases account profile defined for this supplier. See "Accounting Tab" on page 301.

When the invoice involves multiple currencies, all amounts in the matching posting are automatically converted and stored in base currency using the exchange rate defined on the General tab.

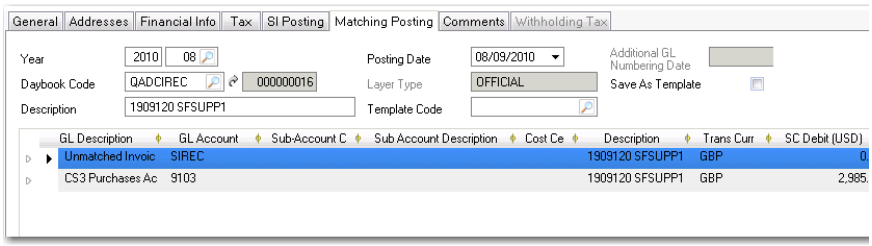
The matching posting is created for every invoice, but is not mandatory on initial entry. The nature and timing of the matching posting depends on the invoice status code assigned to the invoice. Invoice status codes determine if:

- No matching posting is made (No Allocation status).

- A matching posting is made, but to a transient layer, allowing modification and approval of that posting (Transient Allocation status).
- A matching posting is made to the official accounting layer (Allocation status).
- A matching posting is made to the official or the transient accounting layer, depending on the daybook specified (Any status). The Any invoice status code would be used only for financial invoices; not receiver matching.

All invoices must eventually have an invoice status code that indicates that a full allocation has been made to the official accounting layer in the matching posting. However, the number of steps taken before this point depends upon how you define and use invoice status codes.

Fig. 10.16
Supplier Invoice, Matching Posting Tab



Year/Period. Specify an accounting year and period for the matching posting.

Posting Date. Specify a posting date.

Daybook Code. Specify a daybook code. This daybook must be of type Matching and can be associated with either the official or transient layer.

Layer Type. The layer type of the daybook code displays.

Description. The posting description defaults from the General tab and can be modified.

Template Code/Save as Template. Specify a posting template code if you want to use an existing template for this posting. Select Save as Template to create a new template from this matching posting.

Grid

GL Account, Sub-Account, Cost Center, Project, SAF Structure, Description, Curr, Debit, Credit, Exchange Rate, Scale Factor. The system loads these posting details, including the Unmatched Invoices and GL transfer accounts. You can select other accounts for this posting.

If the posting includes SAFs, you can update the associated SAF codes.

Click the grid information button to display individual account details.

For postings to a PO receipts account, the default GL account is the system account defined for purchase order receipts.

For postings to an unapproved invoices account, the default GL account is the system account defined for unmatched invoices.

For AP rate variance postings, the default account and sub-account are set up in the AP Rate Var Acct field of Product Line Maintenance.

Currency View. Choose to view the transaction balance in the base or transaction currency.

Balance. This field displays the sum of the debit and credit amounts of all posting lines.

Click Save to validate the invoice and generate the invoice postings

Withholding Tax Tab

Withholding tax and the Withholding Tax tab are described in *QAD Global Tax Management User Guide*.

Modifying a Supplier Invoice

You can modify the following details of a saved supplier invoice or credit note:

Tab	Field
General	Description
	Invoice Status Code
	Contact
	Role
Financial Info	Credit Terms
	Due Dates
	Payment Reference
	Payment Bank Number

You can modify details on the Financial Info tab provided the invoice is not included in a payment selection or has not been partially paid.

You can modify matching posting details provided the posting is in the transient layer.

Financial Matching and Daybook Security

Daybook security lets you restrict access to transactions associated with certain daybook types to users who have roles linked to that daybook. See “Daybook Security” on page 174 for more information.

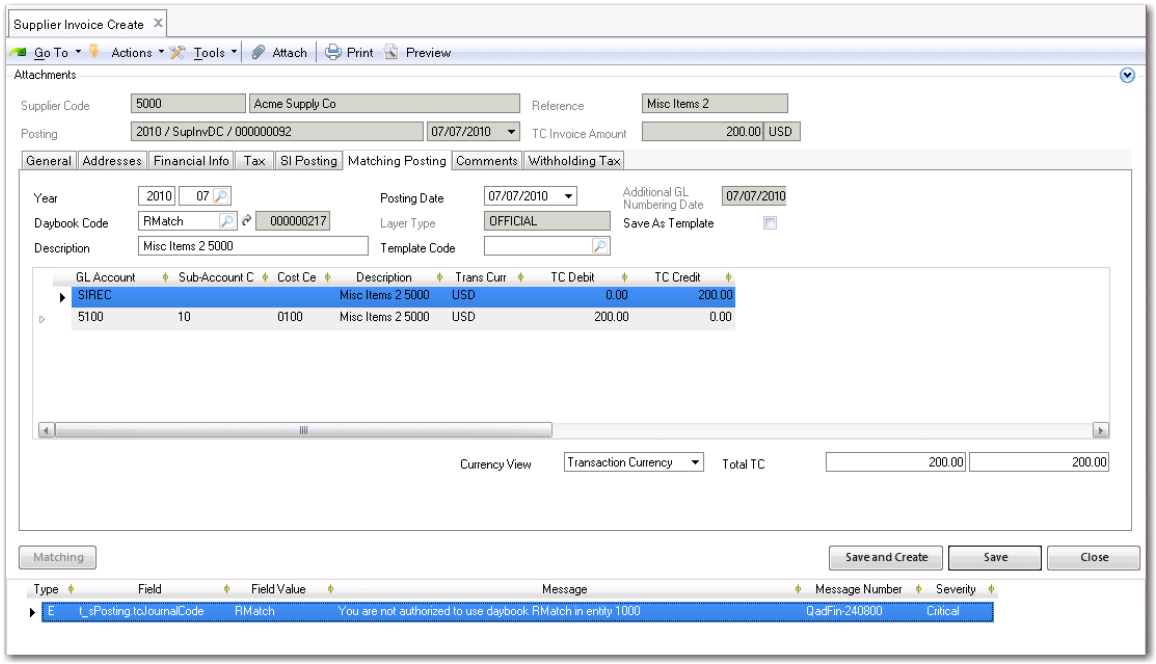
You can apply daybook security to financial and receiver matching transactions posted to daybooks of type Matching. This section describes the effect of daybook security for Matching daybooks on financial matching. See “Receiver Matching and Daybook Security” on page 696 for information on daybook security and receiver matching.

If implemented, daybook security for financial matching restricts access to transactions in the following functions to users who have roles associated with the Matching daybooks used:

- Supplier Invoice Create
- Supplier Invoice Modify
- Supplier Invoice Allocate
- Supplier Invoice Approve
- Supplier Invoice Prepare Allocation

When creating a financial matching record, if you select a Matching daybook associated with a role you are not assigned, an error message displays and you are prevented from saving the record, as shown in Figure 10.17.

Fig. 10.17
Supplier Invoice Create, Daybook Security Error



Delayed Tax

Taxes on purchase orders and supplier invoices or credit notes are generally due at the same time as the invoice date. However, in some countries, taxes with certain types of suppliers only become due after the invoice has been fully or partially paid.

When you account for tax after you have paid a supplier in AP, it is referred to as delayed tax. In this case, you can only deduct the tax in your declaration to the authorities after you have paid the supplier.

Delayed taxes are normally applied to all purchase orders and invoices for designated suppliers. You enable delayed taxes per entity. You then define a dedicated delayed tax rate and apply a tax environment that retrieves this rate for the supplier. This ensures that purchase orders and invoices for this supplier are automatically subjected to delayed tax. You can also apply normal taxes when creating individual purchase orders and supplier invoices by selecting a tax environment that retrieves a normal tax rate.

Note You delay taxes on AP payments only. Use the Suspended Taxes option to defer taxes on AR payments.

For detailed information on delayed tax and on GTM in general, see *QAD Global Tax Management User Guide*.

Allocating, Approving, and Releasing for Payment

The Supplier Invoice activities (28.1.1) let you select invoices to update based on their status code and move the invoices through a workflow cycle. You change the status of the invoices by selecting a different invoice status code.

You control two aspects of supplier invoicing through invoice status codes:

- Allocation of the invoice amount to accounts. This determines the postings generated and which layer is updated.
- Approval of the invoice and release for payment. The approval process can be completed in as many stages as your company's business process requires. For example, a company's accounting process can require that the accounting clerk's manager must first approve the invoice, followed by the budget holder for that cost center. If the invoice is above a certain value, the financial controller may also need to approve the invoice.

  For example, you can use a different invoice status code each time to reflect each stage in the approval process with the Lock Payment field set to Yes and the Approved field to No on the invoice status code until the final stage in the process.

  Approving the invoice indicates that it is a valid transaction. However, for cash flow or other reasons, you may not want to pay the invoice before the due date. If you apply a status code for which the Lock Payment field is set to Yes, the invoice is be excluded from payment runs. You can then apply an invoice status code for which the Lock Payment field is set to No when you want to include the invoice in payment selections.

You typically create a specific invoice status code for each type of status you need when processing the invoice. You then simply change the invoice status code when necessary.

See "Invoice Status Codes" on page 246 for a more complete description.

Allocating Supplier Invoices

The Allocation Status attribute of an invoice status code determines whether postings occur and if they affect transient or official layers. Invoice status codes have one of these allocation statuses:

No allocation. No allocation to GL accounts is possible and no matching postings are created when you save the invoice. However, SI postings are created, unless the invoice status code has the status Initial.

Transient allocation. You can allocate to GL accounts, and postings to the transient layer are created when you save the invoice. In financial matching, these postings are to the Unmatched Invoices and to the relevant expense accounts used to create the matching posting.

Allocation. You allocate to GL accounts and create postings to the official layer when the invoice is saved. Postings to the official layer are to the Unmatched Invoices account and, by default, to the Purchases account you defined for this supplier. However, you can you another GL account other than the Purchases account.

Any. You use this for financial matching and then choose the daybook you want to use to determine whether the posting is to the transient or the official layer.

You process the invoice through allocation by changing the invoice status code to one with the appropriate allocation status (Figure 10.18).

You can save an invoice as draft when your work is interrupted and you want to return to the invoice at a later time. Draft invoices do not generate postings when saved, and so do not affect the AP sub-ledger or general ledger.

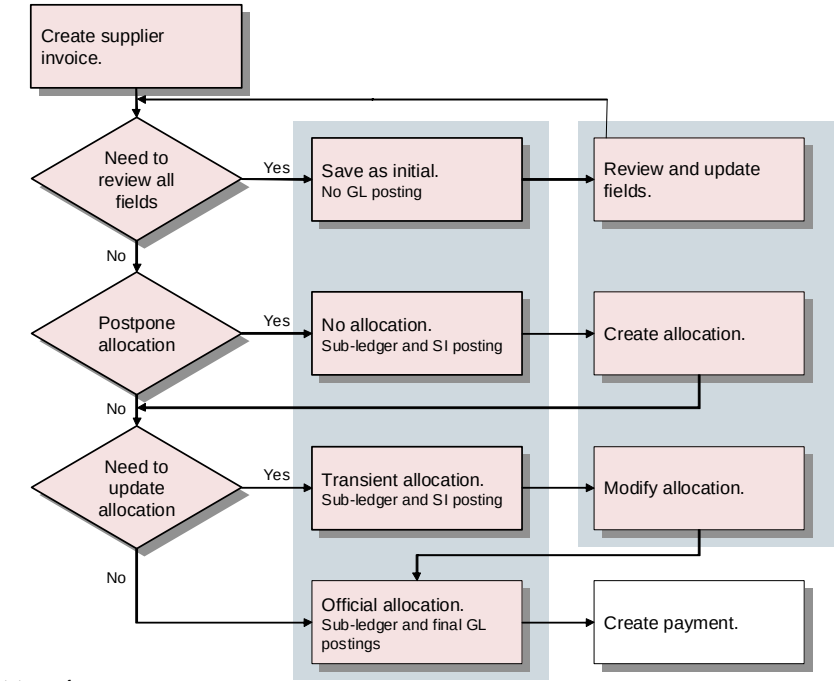
In a typical scenario, an invoice is registered as an initial invoice by an accounts clerk or a mail clerk as soon as it is received. Initial invoices do not generate postings. Registering an invoice as initial prevents the document from being lost internally between receipt and accounts processing. The allocation amounts are then reviewed by the accountant.

Following review, the accountant may decide to update the allocation details, such as the amounts or accounts to which the amounts are to be posted. You can now open the initial invoice. When the invoice is saved with a non-initial status code and with a status of Transient Allocation, the system generates matching postings to the transient layer only. However, supplier invoice postings are also generated to the official layer.

When the allocation is approved, you can use Supplier Invoice Allocate (28.1.1.7) to save the invoice with a status code with Allocation selected. When you save the invoice in Supplier Invoice Allocate, postings are made to the official layer and you begin the payment process.

When you save a receiver matching with a status of Finished, the Receiver Matching process automatically moves the invoice from a status of No Allocation (before matching) to Allocation (after matching) using linked status codes. This is described in “Receiver Matching” on page 670.

Fig. 10.18
Supplier Invoice Allocation Flow



Approving Supplier Invoices

You can also use invoice status codes to lock invoices for payment and to assign a status of Approved to invoices that you want to match against receivers or release for payment. Again, you normally create specific invoice status codes with these fields selected, and select the appropriate code for the stage in the process.

You control the release of invoices for payment using two fields on the invoice status code:

Invoice Approved. The Invoice Approved field applies a status of Approved to the invoice. You can apply an invoice status code with the Invoice Approved field selected to mark the invoice as reviewed and approved. You can then report on invoices with the Invoice Approved status.

Applying an invoice status of Approved indicates that the invoice is valid, but does not have an effect on payment selections or receiver matching. Invoices do not need to have an approved status in order to be matched against receivers or to be included in payment selections. See “Invoice Allocation and Approval” on page 639.

Create specific invoice codes with the Invoice Approved field selected for regular suppliers with whom you have an ongoing purchasing relationship. In this way, you can create a regular invoice, matching, and payment cycle for payments that normally do not require an internal review.

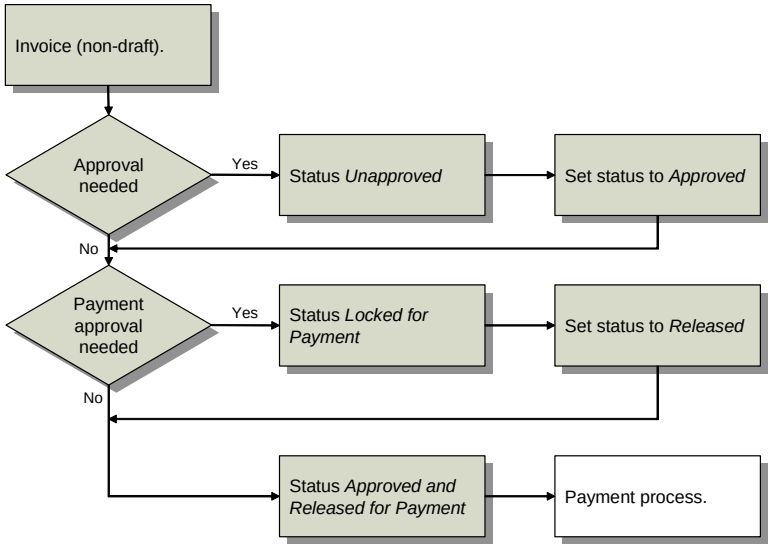
Lock Payment. When an invoice status code with the Lock Payment field selected is applied to an invoice, the invoice cannot be included in any automatic payment selections. Use this field to identify contested invoices that should not be paid until further approval, or invoices you want to keep on hold for cash flow purposes until a later accounting period.

In Figure 10.19, the AP clerk applies the appropriate invoice status code at different stages in the flow.

An invoice status code with both Lock Payment and Invoice Approved is initially applied to the invoice. This allows the accountant to review the invoice and supplier details and the current cash flow situation. The accountant decides to lock payment of this invoice at this time, and the AP clerk selects an invoice status code with Lock Payment selected and applies it to the invoice. Once saved, the invoice now cannot be included in any supplier payments and is effectively on hold.

Following a change in the cash flow situation or in the supplier’s status, the accountant decides to release the invoice for payment. The AP clerk selects an invoice status code with the Invoice Approved field selected and the Lock Payment field deselected. The invoice now has an approved status and can be released for payment.

Fig. 10.19
Supplier Invoice Approval Flow



For supplier opening balance, you should choose an invoice status code that has allocation. You can choose any invoice status code of that type, but may use different ones for different invoices, so that some could be unapproved or locked for payment.

Supplier Invoice Status Activities

Use the Supplier Invoice Approve, Release for Payment, Prepare Allocation, and Allocate activities to search for saved invoices based on attributes of the associated invoice status code.

- Supplier Invoice Approve displays all supplier invoices with an invoice status code that has the Approved field unselected.
- Supplier Invoice Release for Payment displays all supplier invoices with an invoice status code that has the Lock Payment field selected.
- Supplier Invoice Prepare Allocation displays all supplier invoices with an invoice status code that has an allocation status of No Allocation.

  Note You can go directly to Supplier Invoice Allocate, without using Supplier Invoice Prepare Allocation first.
- Supplier Invoice Allocate displays all supplier invoices with an invoice status that has an allocation status of Transient Allocation, No Allocation, or Any.

Supplier Invoice Approve

Use Supplier Invoice Approve to search for invoices that are ready for approval. Change the associated invoice status code to one for which the Invoice Approved field is selected.

Note The Invoice Approved field can be used to indicate that an invoice is valid. However, you can still approve an invoice that has a status code for which the Invoice Approved field is cleared.

Supplier Invoice Release for Payment

Use Supplier Invoice Release for Payment to search for invoices for which the Lock Payment attribute is selected in the associated invoice status code. You can then change the invoice status code to one in which this field is not selected, which effectively releases the invoice for payment.

Invoices must be released for payment to be included in a payment selection.

Supplier Invoice Prepare Allocation

Use Supplier Invoice Prepare Allocation to search for invoices that have an invoice status code with an allocation status of No Allocation. You then change the associated status code to a code that has a Transient Allocation status and generate postings to the transient layer.

Supplier Invoice Allocate

Use Supplier Invoice Allocate to search for invoices that have an invoice status code with a status of Transient Allocation, No Allocation, or Any. You can then change the code to one with Allocation status.

You finalize the invoice posting by allocating the invoice amounts to the correct cost accounts. You allocate by either completing the Matching Posting tab or by confirming the previously prepared allocation posting in the official layer.

Reversing and Replacing Supplier Invoices

When you detect errors in an initial invoice during financial or receiver matching, you have the option to cancel both the invoice and the matching process without generating postings. Standard invoices, however, generate postings to the official layer when saved. Use the Supplier Invoice Reverse and Replace functions to create a correction invoice that reverses the postings of an incorrect standard invoice, and optionally create a replacement. You can use these functions to correct standard supplier invoices, invoice corrections, credit notes, or credit note corrections. You also use these functions to re-open a saved receiver matching process, by re-creating the original invoice and re-opening the receiver lines.

Note You cannot reverse initial invoices.

When the invoice you are reversing was used in financial or receiver matching, the Reverse function reverses the matching postings, and in the case of receiver matching, reopens the receiver lines. You can then start the matching process again with the new invoice amounts. See “Receiver Matching” on page 670. All matching postings are reversed, including average cost updates and Intrastat.

When you reverse and replace a standard supplier invoice:

- The original invoice is automatically matched and both the original and the reversal invoice are closed.
- When the invoice was matched to receivers, the matching postings, including average cost updates and Intrastat, are also reversed.
- The supplier, financial, and tax data of the original is retained in the replacement invoice.
- Original receiver lines, if any, are reopened.

When a standard invoice has been matched against multiple receiver lines, the Replace and Reverse function lets you reproduce the original lines and correct errors on individual receiver lines, instead of re-creating the entire matching configuration.

You can only reverse and replace invoices that have been saved or that have been matched. You cannot reverse invoices that have been included in a supplier payment or payment selection, or to which banking entries has been allocated. If the original invoice is linked to a workflow, the workflow process for the invoice is cancelled.

GL Correction Control Settings

The AP and AR correction fields in GL Correction Control (25.13.24) determine how the system reverses invoices. When the field is selected for AP, the system uses a correction invoice for reversals by default; otherwise, it uses a credit note. When you use a correction invoice, the system uses negative invoice amounts to reverse the posting, instead of reversing credits with debits.

Attachments and Workflow

When the invoice to be reversed and replaced is part of a workflow and has attachments, the link to workflow is removed for the replacement. However, attachments to original invoices are relinked to invoice replacements.

Supplier Invoice Reverse

Use Supplier Invoice Reverse (28.1.1.11) to reverse standard invoices.

You can use the following types of document when reversing:

Original Invoice	Reversal Invoice
Invoice	Invoice Correction or Credit Note
Invoice Correction	Invoice
Credit Note	Credit Note Correction/Invoice
Credit Note Correction	Credit Note

If you have selected the Create Replacement field, the system reverses the invoice and creates a clone invoice displaying the retained key information. If you choose not to create a replacement, the system simply reverses the original invoice postings.

The system retrieves a voucher number for the reversal invoice and then creates the invoice. Both original and reverse invoices are then closed.

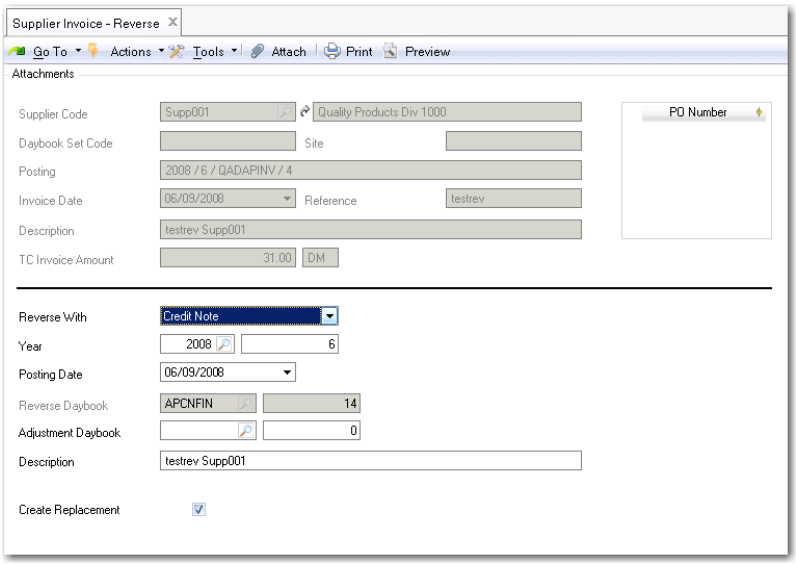
You must enter the daybook, year and period, posting date, and description information required for the reversal.

Note You must ensure that a daybook of the correct reversing type is available in the shared set.

The amounts and postings on the new invoice are the reverse of the original:

- For invoices and credit notes, debits are changed to credits
- For correction invoices or credit notes, minus amounts are changed to positive amounts.

Fig. 10.20
Supplier Invoice Reverse



Field Descriptions

Supplier Code. This field displays the supplier name and description.

Daybook Set. This field displays the daybook set associated with the invoice.

Site. This field displays the site associated with the invoice, if applicable.

Posting. This field displays the invoice voucher number.

Invoice Date. This field displays the invoice creation date.

Reference. This field displays the invoice reference.

Description. This field displays the invoice description.

TC Invoice Amount. This field displays the invoice amount in transaction currency.

PO Number. This grid indicates PO receipts linked to the invoice to be reversed.

Reversing Area

Reverse with. Select the reversing option. These options depend on whether an invoice or credit note is being reversed.

Reversal Daybook Code. This field displays the default reversal daybook code. You must define a reversal daybook for each type of reversal you perform.

Adjustment Daybook Code. Select an adjustment daybook.

Year and Period. Specify a year and period for the reversal. The current year and period are displayed by default.

Posting Date. Specify a posting date for the reversal.

Description. Enter a brief description for the reversal.

Create Replacement. Select this field to automatically create a replacement invoice.

When you click Reverse, the system displays a message that both the original and reversal invoice will be closed. Click OK to continue.

Replacing Supplier Invoices

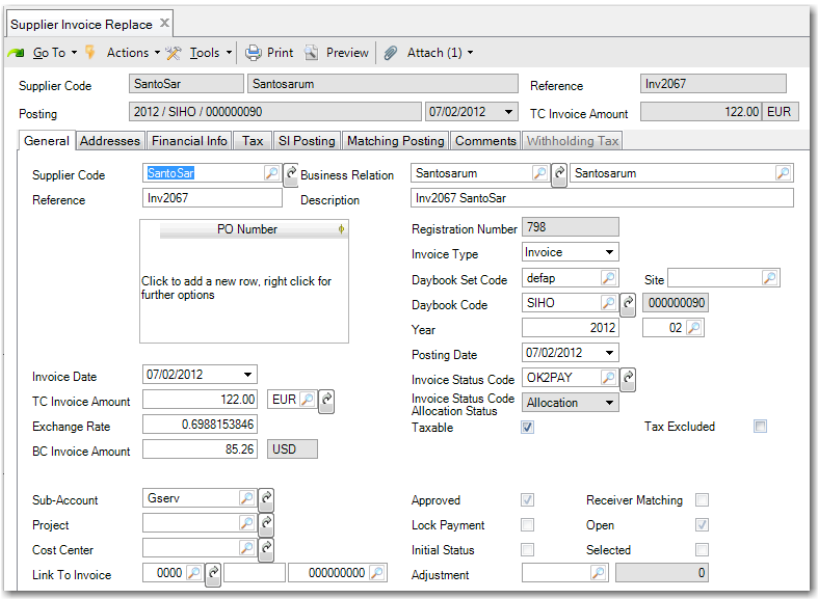
Use Supplier Invoice Replace to retrieve invoices that have been reversed but not yet replaced. The system displays only invoices that have been reversed.

The system retains the following key fields of the invoice you want to reverse:

- Supplier code
- Business relation code
- Invoice reference
- Invoice date
- Posting date
- Year
- Period
- Daybook
- Voucher number
- Currency
- Amount TC
- Invoice description
- Purchase orders

The exchange rates used on the original are also retained and applied to the new invoice. Complete the adjustments to the invoice details, and if matching the replacement to receivers, click the Matching button to launch Receiver Matching Create. If PO numbers were linked to the original invoice, you can choose to display them in the matching grid, and begin the matching process again.

Fig. 10.21
Supplier Invoice Replace



Example The following pending vouchers are generated for goods received:

Voucher A: 100 items @ $25. Total: $2500

Voucher B: 120 items @ $25. Total: $3000

Voucher C: 150 items @ $25. Total: $3750

To Match Total: $9250

The supplier document is received, and a standard supplier invoice is created for $9610. The matching clerk incorrectly adjusts the To Match amount to equal the invoice amount, by increasing the item price on Voucher B from $25 to $28, giving a To Match amount for Voucher B of $3360. This creates a total To Match amount for these receivers of $9610. This To Match amount equals the invoice amount, the matching is saved, and the invoice and matching postings are generated.

The error is detected in the original invoice amount. You reverse and replace the original invoice. The invoice and matching postings are reversed. The replacement invoice retains the financial data of the original. You adjust the invoice total from $9610 to $9250, and click the Matching button to begin matching again. The system displays a prompt to use the original matching information, and the original pending vouchers are displayed in the matching grid and are reopened for matching.

Note For examples of receiver matching postings, see “Sample Matching Postings” on page 697.

Creating Initial Supplier Invoices

Use Supplier Invoice Initial Create (28.1.1.10) to create invoices with a status of Initial.

Initial supplier invoices let you quickly enter each day’s supplier documents into the system, without generating postings. This ensures that supplier documents are registered from the moment they enter the accounts department and prevents invoices from being mislaid or overlooked. Initial

invoices also let you deal with supplier queries before accounts are updated, and provide data for accruals calculation before a period end. You can create initial versions of invoices, invoice corrections, credit notes, and credit note corrections.

The system prevents you from creating duplicate initial invoices by validating the invoice reference you enter against existing invoices. You can also use role-based security to separate the initial invoice and full invoice processing functions, and assign them to different roles.

Note Initial invoices are not considered open invoices, and you cannot include them in supplier payments.

Initial supplier invoices are also used as part of the receiver matching process. An initial invoice contains the basic information necessary to perform matching against PO receipts, namely the supplier name and code, the invoice amount, and the daybook. You can initiate the matching process using the Matching button on the initial invoice, or by starting Receiver Matching Create and selecting an initial invoice with which to match the receivers. The Receiver Matching and Initial Invoice screens are interactive. You can automatically update the invoice amounts with the totals you produce on the matching grid, or adjust either amount before saving the matching and generating the final invoice postings.

You identify initial invoices in the system by their registration numbers. The Registration Number field identifies all supplier invoices and credit notes in the system, both initial and standard, and is an automatic number generated by entity and year. The system does not assign voucher numbers to initial invoices, and when you retrieve a daybook code during invoice creation, the voucher number is set to zero.

Initial invoices can be viewed and modified (by enabling the Initial Status filter on Supplier Invoice View and Supplier Invoice Modify), but are not displayed in the standard AP reports. However, when you save an initial invoice, the system records the creation date, and you can use Supplier Invoice Extended View (28.18.3) to view initial invoices by their creation date.

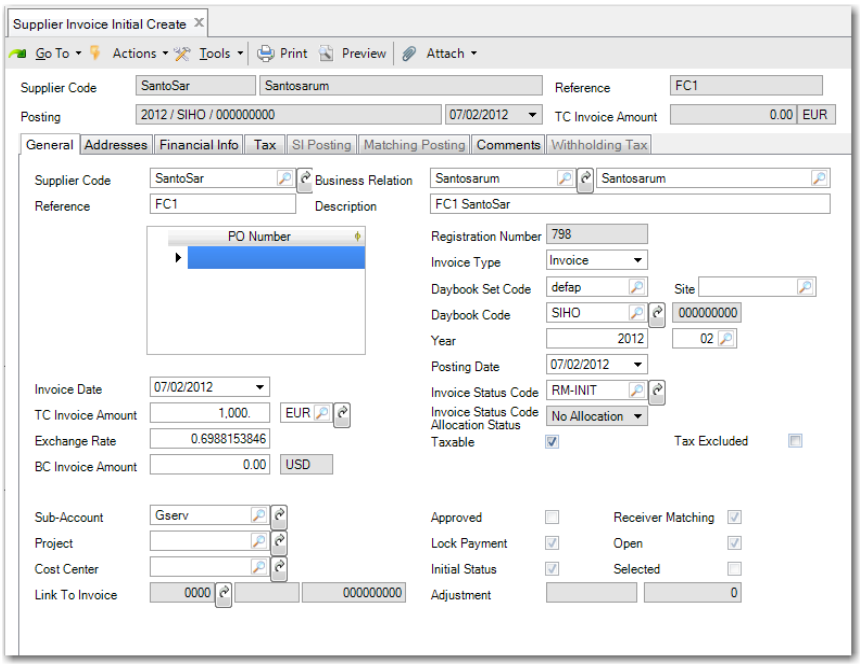
You can only select an invoice status code with a status of Initial when creating an initial invoice. These status codes do not allow allocation. See “Invoice Status Codes” on page 246. When you intend to use an initial invoice in a matching process, you use an invoice status code that has both the Initial Status and Receiver Matching attributes selected. See “Modifying an Initial Invoice” on page 669.

Initial invoices require minimal input, for speed of entry, and can be deleted without any impact on the sub-ledger, or modified at a later stage and processed as normal. The following fields are mandatory:

Tab	Field
General	Supplier code
	Reference
	Description
	Amount
	Invoice Status Code
	Daybook

When you complete these fields, you enable the Addresses, Financial Info, and Tax tabs but not the SI Posting and Matching Posting tabs. Because initial invoices do not generate postings, these tabs are not required.

Fig. 10.22
Supplier Invoice Initial Create



Modifying an Initial Invoice

Initial invoices are stored in the system to be modified at a later stage. When you are ready to process the invoice, you normally change the status of the invoice from initial to non-initial. The status of the invoice is controlled by the invoice status code, and you convert an initial invoice into a standard invoice by selecting a status code with a status other than Initial. Once you select a non-initial status code, the posting tabs are enabled and the system retrieves a voucher number for the invoice.

When you match an initial invoice against receivers, however, the system retrieves the non-initial status code automatically. To make an initial invoice available for matching, you choose an invoice status code that has the attributes Initial, No Allocation, and Receiver Matching selected. The Receiver Matching attribute requires that you specify the invoice status code that is to be applied to the invoice once it has been matched. This After Matching status code is automatically retrieved once the matching is complete. See “Receiver Matching” on page 670.

The system uses key fields on supplier invoices to generate financial, posting, and tax data. When you modify one of these fields, the system displays a warning that this data will be recalculated. See “Navigating Supplier Invoice Create” on page 640. When you modify an initial invoice by changing the invoice status code from initial to non-initial, however, the system does not attempt to recalculate this data.

Once an initial invoice is saved as non-Initial, the invoice postings are generated and you cannot reset the invoice to Initial.

Receiver Matching

When you buy inventory items for manufacturing, you issue a purchase order that details the items, quantities, and prices, as well as related charges such as taxes and freight. When you receive the goods, your receiving department generates a PO receipt to confirm the received items and quantities against the purchase order. This PO receipt in turn generates a pending invoice, which contains the details of the receipt.

Your supplier issues an invoice to confirm your liability for the items under the conditions specified on the purchase order. You then create a supplier invoice in the AP module to record the invoice received from your supplier. Before you pay the invoice, you verify that the items and quantities you received are what you originally ordered, and that the supplier has charged you the correct price.

Receiver matching retrieves the pending invoices (also called receivers) associated with the purchase order so that you can record invoice lines against them. If the invoiced items, quantities, and prices match the receiver, the receiver is closed. See “Starting Receiver Matching” on page 687.

When the invoiced quantities and prices are different, the system displays a discrepancy. For example, the supplier may have invoiced you at the wrong price or you may not have received all the items that were invoiced. This kind of discrepancy is called a variance, and the system generates a variance posting for the outstanding amount when you complete and save the matching. See “Variances” on page 672.

You must match the whole amount of the invoice against the receipt amounts. When a variance occurs in the matching, the open amount to be compared against the invoice amount is adjusted accordingly.

Example You match an invoice for $5000 for goods delivered. The corresponding purchase order is for 1000 items with a unit cost of $5, giving an open amount of $5000. However, only 995 items were received. You manually adjust the open quantity to 995, giving an open amount of $4975. The system generates a variance of $25 and posts this amount to a variance account. You can then resolve the discrepancy with a credit note from your supplier for the outstanding amount, or write off the outstanding amount.

System Effects of Matching

Finalizing a receiver matching has consequences in several different areas, depending on the kind of invoice being matched. In general, some or all of the following effects can occur:

- GL postings are created.
- When receipts created in one entity are matched against invoices created in another, cross-company postings can be generated.
- If discrepancies exist between the supplier invoice and the receiver, variances can be calculated.
- Depending on the cost method in place, average costs and current costs may be updated.
- Intrastat history may be updated.
- Exchange rate variances may be calculated for foreign currency receipts.
- Taxes may be calculated based on the settings of the applicable tax rates.

Matching Postings

When a PO receipt is recorded for items on a purchase order, the system debits the relevant Inventory account and credits the appropriate PO Receipts account or Expensed Item Receipts account for the item cost and the quantity invoiced.

The PO Receipts account is defined in multiple programs. The system searches for an account in the following order and uses the first one it finds:

1. Supplier Accounts Maintenance (2.3.7) for a specific supplier.
2. Purchasing Account Maintenance (1.2.5). In this case, the system searches for a complete match, and then for the product line or site only.
3. Product Line Maintenance (1.2.1).

This posting (without taxes) is as follows:

Account	Debit	Credit
Inventory	120.00	
PO Receipts		120.00

The system creates a preliminary supplier invoice posting for all supplier invoices (visible on the SI Posting tab). This posting updates the Supplier Control and Unmatched Invoices accounts:

Account	Debit	Credit
Unmatched Invoices	120.00	
Supplier Control		120.00

When the invoice is matched and variances are generated, the system creates a matching posting, which updates the Unmatched Invoices account, and the PO Receipts and variance accounts:

Account	Debit	Credit
PO Receipts and Variances	120.00	
Unmatched Invoices		120.00

See “Sample Matching Postings” on page 697 for examples of the receipt and variance accounts typically used in the matching process.

For the most direct type of matching, you create a single supplier invoice and process it for matching. You then retrieve the corresponding purchase orders. You use the matching grid to match the costs, quantities, and non-recoverable taxes.

Cross-Company Postings

Cross-company control accounts are defined for each domain, with a separate account for AP, AR, inventory, fixed assets, and journal entry transactions. You can match receipts created in one entity against invoices created in another within the same domain. During the matching process, the system uses the AP cross-company control accounts and the intercompany code for the business relation of each entity involved in the transaction. See “Intercompany and Cross-Company Transactions” on page 418.

Partial Matching

When you receive a large delivery of goods recorded on a single purchase order, you may complete payment of the whole order with a series of supplier invoices. In this case, you match the entire invoice amount against part of the purchase order amount, leaving the outstanding order amount open for matching against subsequent invoices. The system lets you partially match in this way; you can save and close the matching.

Partial matching generates a posting for only the amount of the purchase order that has been invoiced. The amount is calculated as:

*Quantity Invoiced * Purchase Order Price*

Variances

The following types of variance can be generated during the matching process:

Rate variance. This variance arises when the invoice price is different from the PO price. The variance amount is calculated as follows:

*(Invoice Unit Cost – PO Unit Cost) * Invoice Quantity*

Usage variance. A usage variance arises when the invoice quantity is different from the PO receipt quantity. This amount is calculated as follows:

*(Invoice Quantity – PO Receipt Quantity) * PO Unit Cost*

Exchange rate gain or loss. This variance is calculated when payments are generated involving multiple currencies. This variance is normally posted to the system Unrealized Exchange Gain or Loss account. See “Foreign Currency PO Receipts” on page 673.

The system automatically calculates variance amounts when you enter amounts in the matching grid. When the matching is saved, the system generates variance postings. The GL Var Account setting in Receiver Matching controls whether or not variances are posted to variance accounts (the default) when average costing is used. If you clear the Use GL Var Account field when using average costing and if there is a variance, the system posts the variance to an inventory account and creates a cost update transaction to update the item cost. However, if the GL Var Account field is selected, the variance is posted to the AP rate variance account as normal.

The Matching Variance Report (28.2.7) lists the variance details that result from the matching process.

Adverse variances occur when the amount on the supplier invoice is greater than that of the original purchase order, and you have effectively been overcharged. You may want to withhold payment of this additional amount, and the system automatically places this variance amount on hold. This is displayed in the TC Hold Amount field on the supplier invoice. Whether the whole invoice amount goes on hold or just the variance is dependent on a setting in Supplier Invoice Control (28.24).

Cost Updates

The system uses cost sets and costing methods to maintain item costs. Cost sets are collections of cost data and are applied per site. Cost methods determine how the cost data is calculated.

Matching variances affect the quantities and prices of items per site. The system automatically updates item costs in the following ways:

- When the GL cost set of a receiving site uses the average costing method, the matching process can update average costs for the items concerned at the receiving site.
- The system also updates current costs for the receiving site, as long as the current cost set for the site uses average cost or last cost as the costing method and the Current Cost from AP field is selected in Inventory Accounting Control (36.9.2). The Current Cost from AP field determines if the current material cost of the item is updated by rate variances calculated as a result of receiver matching.

When average costing is enabled, you can choose to update item costs based on the results of the matching or decide not to update them. A price variance may be due to overcharging—in this case you do not want to update the original item cost. It also can result from a genuine change in cost—in this case the item cost should be updated. To enable cost updates, do not select the Use GL Variance Account field on the matching grid. When selected, a GL Variance account and not an Inventory account is updated by the matching postings, and inventory costings are not affected by the matching.

Item costs are only updated when the matching is completed and saved with a Finished status.

These cost sets and methods are described in detail in the Cost Management section of *QAD Costing User Guide*.

Intrastat Updates

The adjustments you make on the receiver lines also update Intrastat history. Intrastat provides data collection and reporting for EU member countries using sales or purchasing activity.

For a complete description of Intrastat, see *QAD Intrastat User Guide*.

Foreign Currency PO Receipts

When you match foreign currency invoices against foreign currency receivers, the system considers exchange rate fluctuation between the point at which goods are received (or the receipt is generated) and the point at which the supplier invoice is processed.

Normally, exchange gains or losses calculated at this point are posted to the Unrealized Exchange Loss or Unrealized Exchange Gain accounts.

You can also use Purchase Gain/Loss Account Maintenance (26.17) to define separate gain or loss accounts to be used during receiver matching for different currencies, or different combinations of currencies and product lines.

The system checks Purchase Gain/Loss Account Maintenance for the combination of invoice currency and item product line first, and uses that, if available. If the combination of currency and product line is not available, the system checks for the currency alone, and if the currency is not available, the system uses the Unrealized Gain or Loss account.

This means that a number of different GL accounts can be used on the same invoice for exchange rate fluctuations, depending on the currency of the invoice, the different product lines of the items on receivers being matched, and the records existing in Purchase Gain/Loss Account Maintenance.

Tax Calculation During Matching

The point at which you apply tax for purchased goods is determined by accounting and legal regulations. In some countries, a company is taxed when it receives goods; in others, when it receives the supplier invoice. Tax-point timing is especially critical in countries with recoverable taxes on purchases. Usually, recoverable taxes on purchases cannot be deducted against tax collected on sales until the supplier invoice is formally processed.

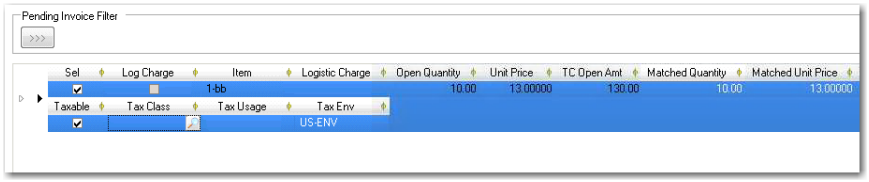
The setting of Accrue Tax at Receipt for the tax rate specified in Tax Rate Maintenance (29.4.1) determines when postings are created for tax amounts due on purchased goods. When this field is selected, the system generates tax postings when the PO receipt is recorded. Otherwise, tax postings are generated when the supplier invoice is processed.

Variances in tax rates between receipt and invoice are unusual. However, in countries in which tax rates change frequently, the original tax rate applied at receipt may not still be accurate when the invoice is presented for matching and payment.

When you retrieve receivers for matching, the system displays the following tax fields for each receiver line in the matching grid:

- Taxable
- Tax Class
- Tax Usage
- Tax Environment

Fig. 10.23
Tax Fields on Receiver Lines



The system applies a Tax Environment to each receiver line, which can be modified if necessary. The tax environment defaults from the purchase order tax details.

The Taxable, Tax Class, and Tax Usage fields default from the purchase order.

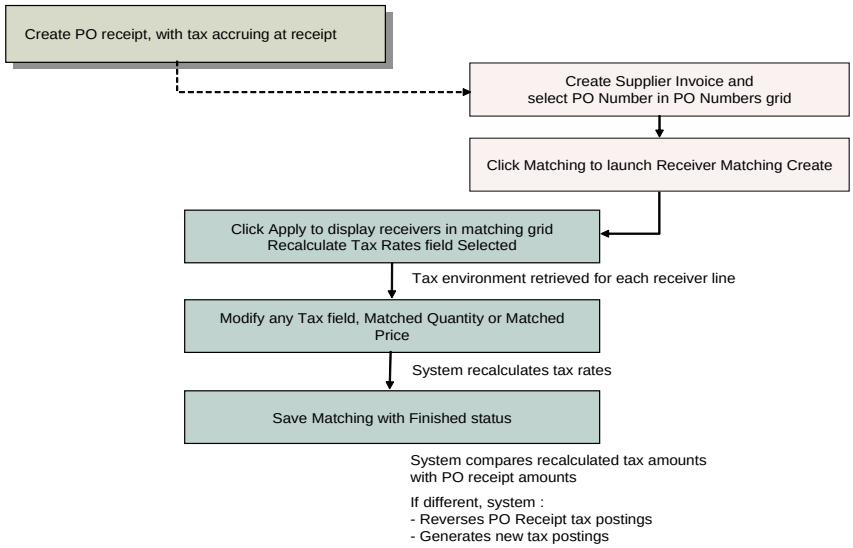
Each of these fields is editable, and when a tax environment, class, or usage is obviously not correct at matching stage, you can click the lookup to select a different value. The Taxable field can be selected or cleared to apply taxes to the receiver amounts as required.

The Recalculate Tax Rates field on the Receiver Matching screen controls whether the tax rates originally applied to the purchase order are applied to the receiver totals, or whether the tax rate for each receiver line is recalculated at this stage. This field defaults from the value set in Supplier Invoice Control (28.24) and, when selected, ensures that the most current tax rate is retrieved automatically for all matching lines, even if none of the tax parameters, such as the environment, class, or usage, have changed. If you change any of these values on a matching line, the tax rate is recalculated anyway.

The recalculation takes place when you click Apply to retrieve receivers for the invoice, and the system applies the updated rate to the matching amounts. The tax point date and exchange rate to be applied to the matching are retrieved from the supplier invoice.

Note Tax amounts are also updated by a change to the matched quantity or price. In this case, the tax amounts are adjusted to allow for the variance, without recalculating the tax rate.

Fig. 10.24
Recalculating Tax Rates



Note When Update Tax Allowed is set to Yes in Tax Rate Maintenance (24.9.1), you can also adjust the tax amounts on the receiver line manually.

Selecting the Recalculate Tax Rates field ensures that the system recalculates the tax rates for all receiver lines. This option is recommended for environments in which tax rates regularly change. However, if the field is permanently selected, the system recalculates taxes in every matching session, which may not be necessary and can impact performance.

If you clear the Recalculate Tax Rates field, you can modify tax rates for individual lines by selecting a different environment, class, or usage within the line. If tax rates for purchased goods from regular suppliers are stable but an incorrect tax environment has been selected for a purchase order, you can apply the correct environment without affecting the rates being applied to other lines.

Reversing Tax Postings after Recalculation

Receiver matching postings, including tax postings, are not generated until the matching is saved with a Finished status.

When the matching is saved, and the system has recalculated tax rates for some or all receiver lines, the system compares the tax amounts at the recalculated rate with those of the original rate. If there is a discrepancy, the final matching postings contain:

- Reversal postings of the original tax postings
- Correcting postings for the matching amounts at the new tax rate

When you apply tax rates to PO receipts, you identify the percentages of tax that are recoverable and non-recoverable. (See “Types of Receiver” on page 676.)

Recoverable taxes are posted to the AP tax account for the tax rate used on each receiver line. Non-recoverable tax amounts are posted to the AP Rate Variance account or, if average costing is enabled and you select the option in Receiver Matching, to the Inventory account for the item on the matching line. When tax postings are reversed, the final matching postings contain reversed postings and correcting postings for the new tax amounts to these recoverable and non-recoverable tax accounts.

Operational Allocation

Receiver Matching supports the use of operational allocation codes.

If you set up an operational allocation code for several GL accounts and then specify the allocation code on a purchase order, Receiver Matching splits the posting lines across the GL accounts, sub-accounts, cost centers, and projects in the allocation code.

If you set the Use Exp Item Var Accts field to Yes in Supplier Invoice Control, you can view the operational allocation code in Receiver Matching, but the code is not actually used in the matching process. This situation occurs because the system has already charged the expense to the allocation code. The expense posting was created during PO Receipt, and was offset by the posting to the Expensed Item Receipts account and posted using Operational Transaction Post. In Receiver Matching, the main posting is to the Expensed Item Receipts account, and other accounts (other than tax accounts, the supplier control account, and the unmatched invoices account) are only used if there are usage or rate variances for the memo item purchase. If usage or rate variances occur, these are charged to the Expensed Item Usage Variance account or to the Expense Item Rate Variance account defined in Domain/Account Control.

If you set the Use Exp Item Var Accts field to No in Supplier Invoice Control, any usage or rate variances that arise from the matching of a memo item receipt are instead charged to the expense account defined on the purchase order line. If you specify an allocation code instead of a GL account, the allocation code is used in Receiver Matching.

The Op Alloc Code field in the Receiver Matching grid displays an operational allocation code if one was specified on the purchase order for the memo item. For memo items only, you can also enter a new allocation code, even if one was not used on the purchase order line.

Types of Receiver

The system generates pending invoice records for purchase receipts in a number of different ways.

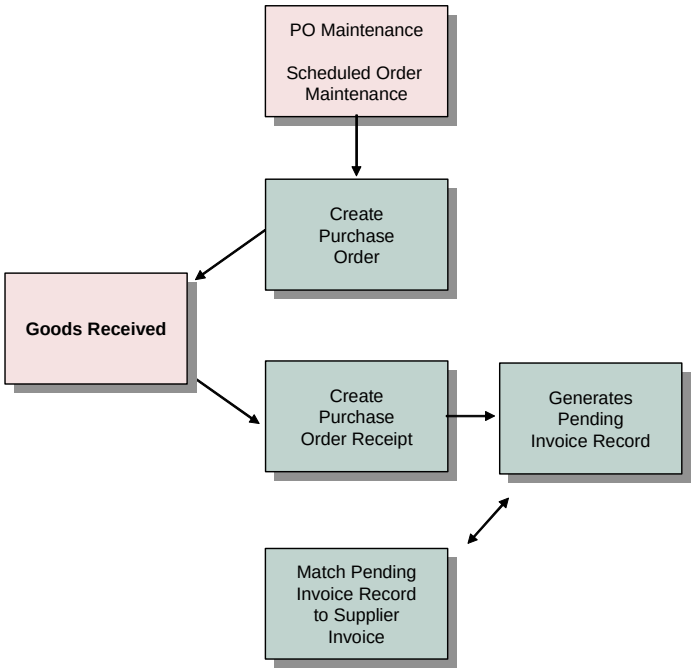
Standard Purchase Orders

The most common type of pending invoice is generated in the standard purchasing flow.

Goods are ordered from suppliers using purchase orders or scheduled orders. When the goods are received into inventory, you create a purchase order receipt, which in turn generates a pending invoice record. You then match this record against supplier invoices.

The receipt of goods debits Inventory and credits PO Receipt accounts.

Fig. 10.25
Standard Purchase Order Flow



Only purchase orders for which a purchase order receipt has been created can be retrieved and matched.

Logistics Charges

Logistics charges are incurred when items are received into, shipped from, or moved between sites, and are payable to third-party suppliers. Types of logistics charges include freight charges paid to carriers, as well as insurance, duty, customs clearance, and handling charges. Logistics charge accruals are also referred to as pending invoices.

There are two types of logistics charges: inbound and outbound. Pending invoices for inbound logistics charges for purchased items are created automatically during purchase order receipts and shipments. Pending invoices for outbound logistics charges for items sold are created during shipment.

Terms of trade define the specific logistics charges associated with a purchase and whether the item supplier or the customer is responsible for payment. Logistics charges are not accrued when they are the responsibility of the item supplier, except for outbound charges, where your company is the supplier.

Separate sets of accounts can be used to track inbound and outbound logistics charges. Each logistics charge account is identified by an account code, an optional sub-account code, and an optional cost center code.

When you receive an invoice from the logistics supplier, you can match the invoice to the logistics charges pending invoices in the Logistic Charge tab of Receiver Matching.

For a complete description of Logistics Accounting, see *QAD Master Data User Guide*.

Inbound Logistics Charges

Inbound logistics charges are the transportation costs associated with purchasing items from external suppliers. The system then automatically creates a pending invoice for the charges during purchase receipts. During purchase receipts, the system determines which logistics charges to accrue based on the terms of trade assigned to the order supplier.

The system then creates pending invoice records and receivers for each purchase order line.

For detailed information on how to set up Logistics Accounting for inbound logistics charges, see *QAD Master Data User Guide*.

Outbound Logistics Charges

Outbound logistics charges arise from the transportation costs when you ship items to customers or to other company locations. Outbound logistics charges include the cost of freight only.

Normally, outbound logistics charges result from the sales order and distribution order processes, and accrue when the items are shipped. In order to accrue outbound logistics charges, you must first define freight charge data and freight terms, and then associate the freight terms with the customer.

When the system calculates freight terms, it takes into account the shipper, ship-from site, ship-to address, and shipment weight. For each shipment, a pending invoice is created for each logistics charge accrual.

Depending on the freight terms, outbound logistics charges can be paid by the supplier and recharged to the customer within the item price or as a trailer charge. They can also be paid by the customer directly to the carrier, insurer, customs, and so on.

If you are paying the logistics supplier and then passing the charge on to the customer, you can match the logistics invoice to the logistics charges pending invoices in the Logistic Charge tab of Receiver Matching.

For detailed information on how to set up Logistics Accounting for outbound logistics charges, see *QAD Master Data User Guide*.

Tax

When pending invoices are created for the logistics charges, the system creates tax detail records and assigns unique tax transaction types to the logistics charge taxes.

For logistics charges, the Accrue Tax at Receipt field in Tax Rate Maintenance (29.4.1) determines when GL entries for taxes on both inbound and outbound logistics charges are created.

For inbound charges, taxes are calculated based on the tax class of the item supplier and the tax setting for the logistics charge in Logistics Charge Code Maintenance (2.15.1). When determining the tax environment for inbound charges, the system uses:

- The ship-from tax zone of the logistics charge supplier, if available; otherwise, the tax zone of the purchase order line site.
- The ship-to tax zone from the purchase order line site.
- The tax class of the logistics charge supplier, if available; otherwise; the tax class of the purchase order line site.

- If the system cannot find a tax environment, the default tax environment from Global Tax Management Control (2.13.24) is used.

Outbound logistics charges use the tax parameters on the trailer code associated with the freight charge on the order or shipment—they do not use the tax setup in Logistics Charge Code Maintenance (2.15.1).

The calculation of taxes on outbound logistics charges is similar to the tax calculation that occurs for the associated order. Unique logistics charge tax transaction types are used. These tax transaction types can be used to distinguish the tax on the freight accrual from the standard transaction tax.

For details on calculating taxes with Global Tax Management (GTM), see *QAD Global Tax Management User Guide*.

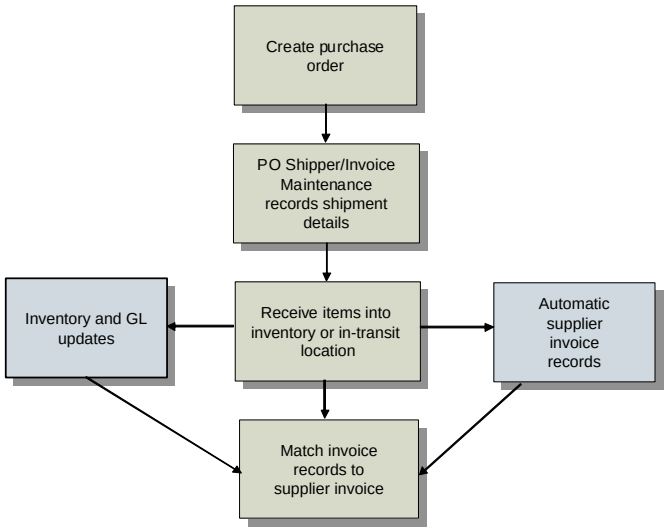
PO Shipper/Invoices

A PO shipper/invoice is a special type of shipper that combines receipt and invoice information in one document. These are typically used when liability for purchased goods is incurred when goods are shipped, rather than when they are received.

In this case, you receive the goods into an in-transit location, even though you do not physically have the items yet. You create the receipt based on the invoice you received from your supplier, and specify the supplier invoice number as an external reference. This creates pending invoice records. You can then match these in Receiver Matching by referencing the supplier's invoice number. This matching process is a confirmation only. You cannot modify the prices or quantities for PO shipper/invoices.

Taxes on PO shipper/invoices are calculated on the item and product line purchased.

Fig. 10.26
Shipper/Invoice Flow



For a complete description of shipper/invoices, see *QAD Purchasing User Guide*.

Managing the Matching Process

To complete the matching process successfully, you must match the full amount of the invoice to the receiver amounts.

For standard invoices, the invoice postings are generated and the sub-ledger updated when the invoice is saved. For this reason, you cannot adjust the invoice amount when matching, but instead must account for any difference between receivers and invoice by adjusting the matched amount to equal the invoice amount, using manual posting if necessary. This flow is described in “Matching Standard Invoices to Receivers” on page 682.

The alternative to matching receivers against posted invoices is to perform the invoicing and matching in one process, and determine the final invoice amount and final postings once the matching is complete. You can use supplier initial invoices to synchronize the process in this way. Supplier initial invoices are saved without postings. The initial invoice can be created, linked to PO numbers, and matched in one movement, and the invoice total can be adjusted to equal the matched amount before matching is completed. This flow is described in “Matching Initial Invoices to Receivers” on page 684.

Tax, SI, and Matching postings are generated at different stages of the matching flow for standard and initial invoices, as illustrated in Table 10.2.

Table 10.2
Standard and Initial Invoice Postings

Action	Screen	Standard Invoice Postings and Tabs	Initial Invoice Postings and Tabs
Save or click Matching button	Invoice	SI posting generated	No postings generated
Cancel Matching	Receiver Matching	No matching postings generated	No postings generated
Save matching as Initial	Receiver Matching	No postings generated.	No postings generated
Save matching as Finished	Receiver Matching	Matching posting generated	Matching, SI, and Tax postings generated
		Matching Tab updated	Matching, SI, and Tax tabs updated
		Invoice amounts allocated	Invoice amounts allocated

Receiver Matching Restrictions

You can only match invoices and receivers that have been created within the same domain, and can only include purchase orders in a matching process that have the same currency as the supplier invoice.

You can match receivers with invoices that have been generated for different suppliers, with the following restrictions:

- Invoices must not have been previously matched against receivers. You must match the total amounts on each invoice completely, and once the matching is saved, you cannot re-use the invoice.

- Invoices must be designated for receiver matching. When creating the invoice, use an invoice status code with the Receiver Matching field selected. This enables matching in Supplier Invoice Create. For existing invoices, you must change the invoice status code to one that has the Receiver Matching field selected.

Using Invoice Status Codes

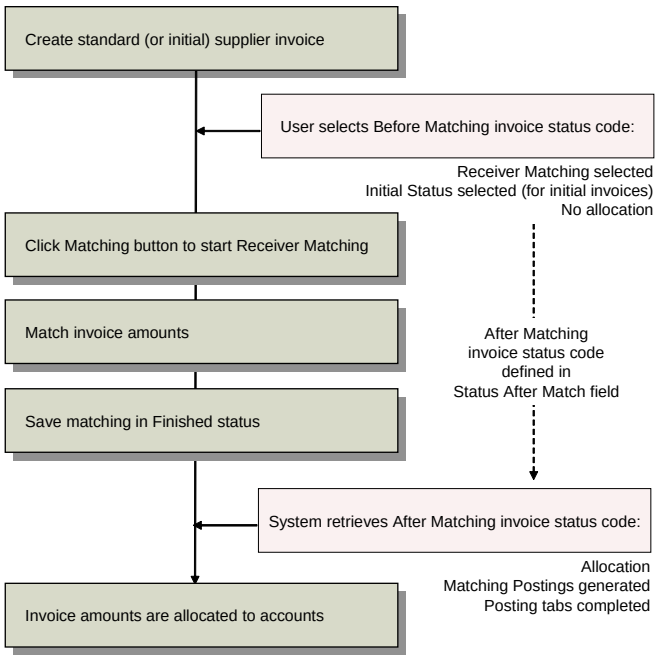
Both types of invoice go through matching and allocation stages before they are posted to the sub-ledger. When you intend to match an invoice, you must define an invoice status code for the invoice for both of these stages:

- A first status code that is defined to allow matching (Receiver Matching is selected), but does not allow allocation (No Allocation selected). You apply this status code to the invoice before matching. When no allocation is defined for the invoice, the Matching Posting tab is disabled and no matching postings are generated.
- A final status code that allows both receiver matching and allocation. This code is used in the Matching Data section of the Receiver Matching screen, and ensures that the matching postings are generated and the matching amounts are allocated to accounts. The system automatically applies this status code to the invoice post-matching, and completes the postings on the Matching Postings tab.

You link these two codes by creating the first status code (before matching), and then selecting the final status code (after matching) as an attribute of the first. You make this selection in the Status After Match field on the Invoice Status Code Create screen.

This link then ensures that when you select an invoice status code that allows matching but not allocation when creating the supplier invoice, the system automatically retrieves the linked post-matching code (which does allow allocation) when matching is complete and the invoice is posted.

Fig. 10.27
Invoice Status Codes and Receiver Matching



See “Invoice Status Codes” on page 246 for details on setting up invoice status codes.

Initial invoices use a status code that has the Initial Status field enabled. When you create an initial invoice that you intend to match, you must select an invoice status code for which both the Initial Status and Receiver Matching fields are selected. Once you select the Receiver Matching field, you are required to enter the status code to be used for matching postings and allocation in the Status After Match field. When the initial invoice is matched and the matching has a status of Finished, this final status code is retrieved to generate the final postings.

Selecting a status code for an invoice in which Receiver Matching has been enabled has two effects:

- The Matching button is enabled in the Invoice Create screen. This lets you click Matching to go directly into the Receiver Matching screen.
- This invoice is displayed when you browse for invoices to match through Receiver Matching Create. The browse for invoices in Receiver Matching Create displays only those invoices for which Receiver Matching has been enabled.

Matching Standard Invoices to Receivers

It is common practice in many European accounting environments to book invoices into the system immediately on receipt of the supplier’s document, and to account for taxes immediately. The Unmatched Invoices account is used for these purposes.

Standard supplier invoices generate two sets of postings:

- Supplier invoice postings, which are displayed on the SI Postings tab
- Matching postings, which are displayed on the Matching Posting tab

When you create a standard invoice for matching, the system creates invoice postings to the supplier control and Unmatched Invoices accounts (and tax accounts, if tax is applied). These are displayed on the SI Posting tab once you have completed the key fields on the General tab.

You can modify SI postings before saving the invoice, by changing the tax conditions or invoice amount on the General tab, but once you save the invoice, these postings are booked to the official layer and cannot be modified. The receiver amounts must then equal the total of the invoice amounts posted. See “SI Posting Tab” on page 654.

Current invoice SI postings are also booked to the official layer when you click the Matching button to begin matching. The Matching Posting tab of an invoice that is to be matched is not available when you start the matching process. Matching postings are generated and the tab completed only when you have saved the matching with a status of Finished. See “Matching Posting Tab” on page 655. The GoTo option within Receiver Matching Create lets you view the invoice in a new window and confirm the matching postings after completion. In addition, Supplier Invoice Create remains open when you start matching an invoice, and you can then use Ctrl-B to refresh the view, and examine the Matching Posting tab. In Receiver Matching Create, you can use Ctrl-B to refresh the view when a matching is saved with the Finished status. You can then click the Manual postings button, which shows the matching postings.

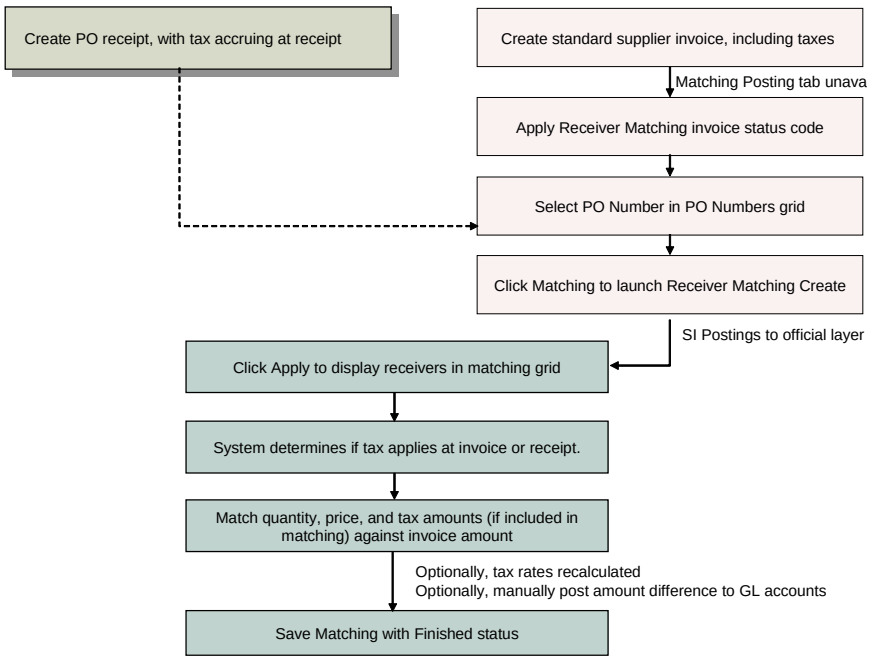
Note You must use a receiver matching-enabled invoice status code when creating a standard invoice that is to be matched. The receiver matching attribute ensures that matching postings are not generated until matching is complete.

Standard Invoices and Taxes

Taxes on received goods are accrued either when the receipt is booked or when the invoice is created. When you accrue tax at receipt, tax amounts are included in the receiver amounts to be matched against the invoice total. See “Tax Calculation During Matching” on page 674. Taxes accrued at invoice are not included in the total invoice amount to be matched against receivers.

Figure 10.28 illustrates the matching flow for a standard invoice with taxes accruing at receipt.

Fig. 10.28
Receiver Matching Flow for Standard Supplier Invoice



When the matching amount, including taxes accrued at receipt, does not equal the invoice total, you can use manual posting to offset the difference. However, when a difference between matching amount and invoice amount is caused by a user error, you have the following options:

The matching clerk has made a mistake in entering the matching amounts. Receiver matching can be saved with a status of Initial, which does not complete the matching postings, and which lets you review the matching amounts before completing the process.

The AP clerk has entered the wrong amount on the original invoice. If the amount was incorrectly entered by your AP department, you can use Supplier Invoice Reverse to reverse the invoice postings, as well as any linked matching postings, and Supplier Invoice Replace to replace this invoice with a corrected version. The Reverse and Replace functions allow you to retain the financial and tax data of the original invoice. When you have multiple lines on an invoice of which only one is incorrect, you can therefore use Reverse and Replace to copy the original invoice, correct the invalid line, and post the replacement, without the need to re-enter every line and detail. Supplier Invoice Reverse and Replace also lets you reverse matching postings linked to an incorrect invoice, and so to begin matching again with the correct version. See “Reversing and Replacing Supplier Invoices” on page 663.

The supplier submitted an invoice for the wrong amount. In cases where the matching amount is correct, but the invoice amount on the original supplier document was obviously incorrect, you process the receiver matching for the amount stated on the invoice, recording a rate variance, and then request a credit note from the supplier to offset this variance.

Matching Initial Invoices to Receivers

This flow lets you create an invoice from the incoming supplier document and match it before generating postings and updating the sub-ledger. The matching and invoicing processes are synchronized, and you build the final invoice total from the matching and tax totals on the receiver lines, if necessary adjusting the invoice total to account for differences generated in the matching.

Initial invoices retain supplier, tax (if applied at invoice), and financial information but do not generate tax, SI, or Matching postings, and both the SI and Matching Posting tabs on initial invoices are unavailable. Instead, all postings for initial invoices are generated when the matching is saved as Finished.

Like standard invoices, you can select initial invoices and PO receipts in Receiver Matching Create. Alternatively, you can initiate matching directly from the invoice, by entering the invoice details, selecting PO numbers with which to match the invoice amount, and clicking Matching to launch Receiver Matching Create.

The process for initial invoices is interactive between matching screen and invoice window:

- When the matching amounts are different from the initial invoice amount, the system displays a warning when you click to save the matching. You have the option to update the invoice amount to match the matching amount by clicking the Update Invoice button. The postings amounts are updated as soon as the matching is saved in Finished status. You can then view the updated SI Posting and Matching Posting tabs in the GoTo window.

  Note Like standard invoices, you cannot save an initial invoice with a Finished status unless the invoice amount is matched.

You can use role-based security to segregate the duties in the matching process. For example, you can assign the following functions to separate roles:

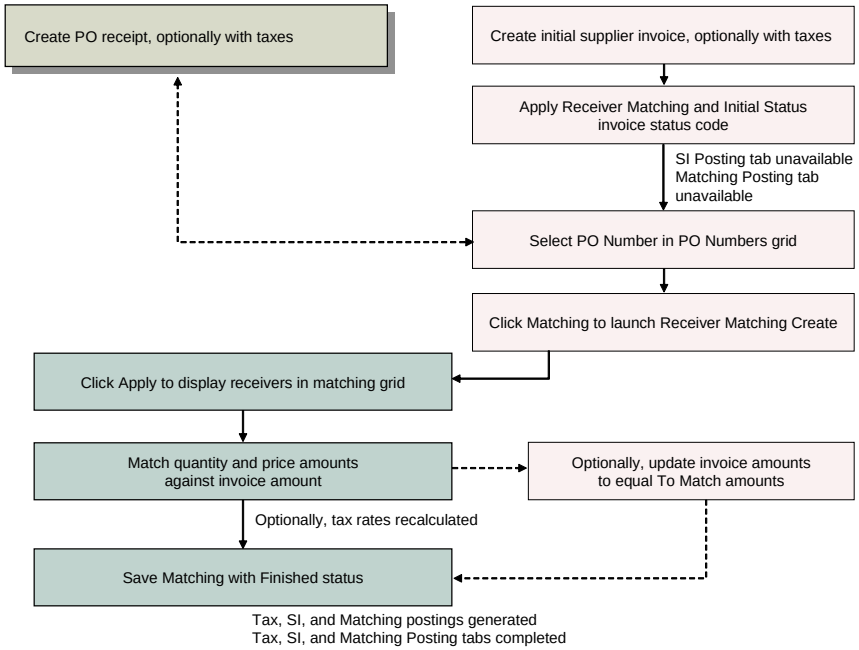
- Creating and saving the initial invoice
- Performing the matching

Initial Invoices and Taxes

Taxes on initial invoices are resolved at the receiver matching stage, when the tax amounts generated by the matching postings update the invoice tax or when the invoice status code is changed to one that does not have the Initial status.

Figure 10.29 illustrates the matching flow for an initial invoice.

Fig. 10.29
Receiver Matching Flow for Initial Supplier Invoice



You normally detect an error in the matching or in the invoice amount when you have matched and the system displays a difference.

Differences between initial invoice matching and To Match amounts caused by user error can be handled in the following ways:

The matching clerk has made a mistake in entering the matching amounts. Receiver matching can be saved with a status of Initial, which lets you review the matching amounts before completing the process.

The AP clerk has entered the wrong amount on the original invoice. When the matching and invoice totals do not agree, the system displays a warning if the matching is in Initial status, or an error if the matching is in Finished status. When in Initial status, you can update the invoice amount and save the matching. When in Finished status, you can update the invoice amount using the matched amounts, and then try to save again. If both amounts match, the matching can be saved.

The supplier submitted an invoice for the wrong amount. If your local accounting practices permit, you can delete initial invoices with no effect on accounts, and can simply request a correct invoice from your supplier.

Matching Logistics Supplier Invoices to Pending Invoices

Like standard invoices, you can select initial invoices from logistics suppliers and the PO receipts and sales order shipments that generated the logistics charges in Receiver Matching Create. Alternatively, you can initiate matching directly from the invoice, by entering the invoice details and clicking Matching to launch Receiver Matching Create.

A single pending invoice for logistics charges can have many underlying pending invoice detail records—one for every charge on every item on the order. Therefore, if a PO receipt was for two items, and logistics charges were accrued for both freight and duty, the pending invoice would have four pending invoice detail records.

When you click Apply in the filter frame of the Logistic Charge tab, a pop-up window with a grid opens with a line for every matching pending invoice, without the underlying details. You can then update the matched amount for the logistics charges if the logistics supplier invoice differed from the charges accrued. Any difference between the matched amount and the accrued amount is pro-rated between the matching records created for every underlying pending invoice detail record.

When the difference is zero between the pending invoice and the logistics supplier invoice, you can save the receiver matching.

Note A pending invoice can be matched with more than one invoice.

Fig. 10.30
Receiver Matching Create, Logistic Charge Tab

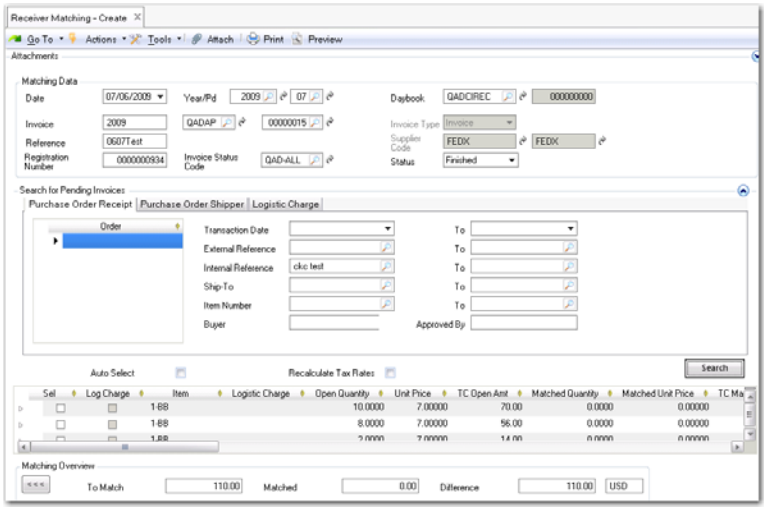
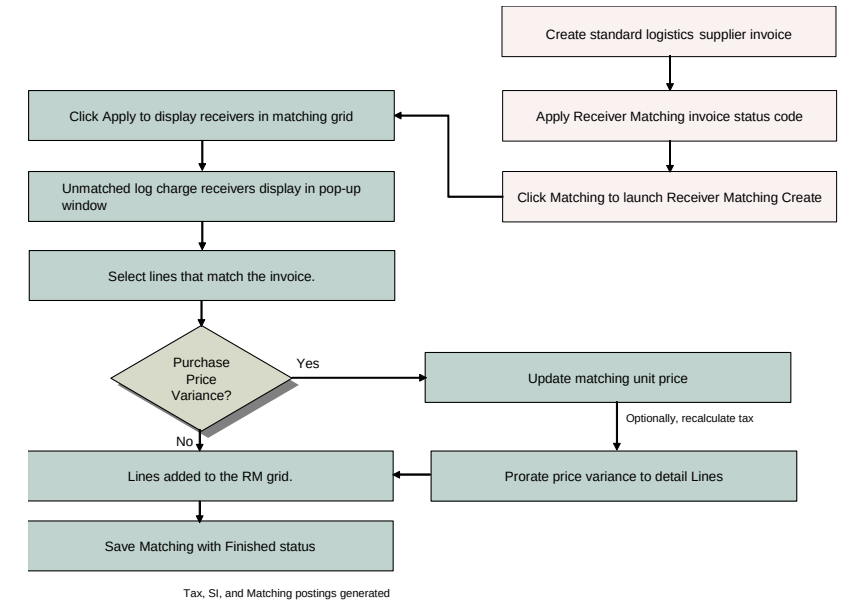


Fig. 10.31
Matching Logistics Supplier Invoices



Starting Receiver Matching

For both standard and initial invoices, you can begin the matching process through the Invoice Create screen by selecting the appropriate PO numbers in the PO Numbers grid, and then clicking the Matching button to launch Receiver Matching Create. This flow links the invoice directly to the selected PO receipts, and displays the receivers immediately in the matching grid of Receiver Matching Create when you click the Apply button.

You can alternatively select Receiver Matching Create, and select invoices and PO receipts separately. The invoice and receiver must be of the same currency. Use this option for either single or multiple purchase orders from all suppliers. The main reason for starting the matching from Receiver Matching Create, rather that from the supplier invoice, is for segregation of duties purposes. However, you could also use this option for random or monthly matching cycles. See “Starting Receiver Matching” on page 687.

You must have security permissions for both invoice creation and for matching to complete the process in one session. Depending on your security needs, you can assign these activities to separate roles to ensure that creating the invoice and matching it are not completed by the same user.

Receiver Matching Create

Receiver Matching Create (28.2.1) is displayed when you click Matching on a supplier invoice, and is also accessed by selecting the menu option directly.

The receiver matching screen has multiple areas:

- Matching Data. Use this panel to complete the posting details for the receiver matching posting.

- Search for Pending Invoices. Use these filter fields to retrieve purchase orders if you have not loaded the purchase order through the supplier invoice screen.
- Matching Grid. Use this grid to match the purchase order amounts and make variance adjustments for taxes, quantities to be invoiced, and costs of items.
- Matching Overview. This panel displays the receiver amounts, the invoice amounts to be matched, and the difference between the two, and displays the following:

  Amounts without taxes

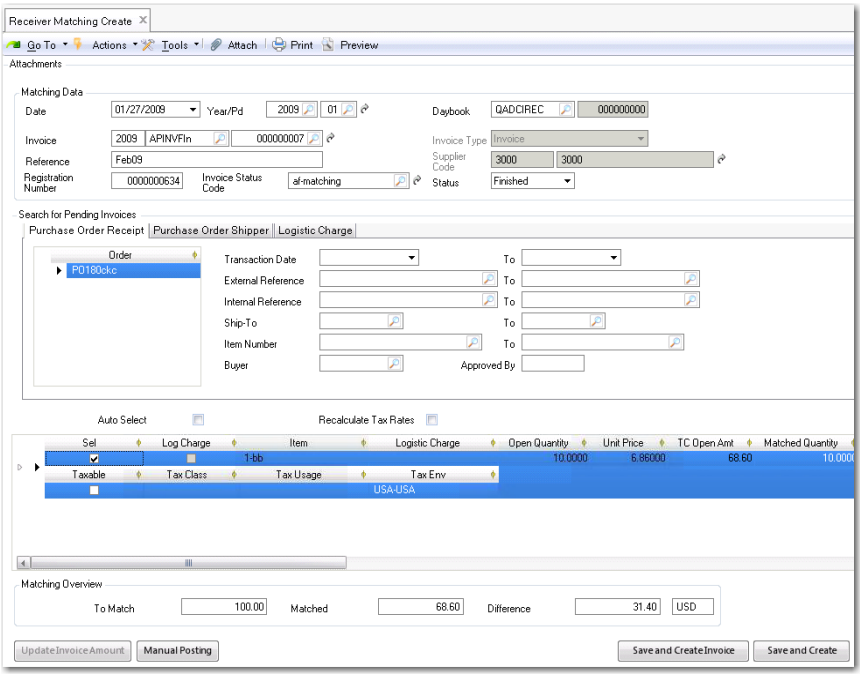
  Recoverable and non-recoverable taxes accrued at receipt

  Recoverable and non-recoverable taxes accrued at invoice

  Manual posting amounts (if any)

  Totals

Fig. 10.32
Receiver Matching Create



Field Descriptions

Matching Data

Date. Specify a date for the matching posting. The default is the system date.

Year/Pd. Specify a year and period for the matching postings. This defaults to the year and period of the posting date. If you specify a different year/period, the posting date is changed accordingly.

Daybook. Specify a daybook for the matching entries. You must select a matching daybook. If only one matching daybook exists in the system, it defaults automatically.

Invoice. Specify the invoice year, daybook, and number. These values default from the supplier invoice when you access receiver matching through the supplier invoice screen.

Invoice Type. This field indicates the type of invoice being matched: invoice, credit note, or correction.

GoTo. Click to display the invoice to be matched in view mode in a new screen.

Reference. Enter a matching reference. This field is typically used to record the invoice number on the document received from the supplier.

Supplier Code. The system displays the supplier code and business relation defined on the selected invoice.

Registration Number. This field indicates the invoice registration number.

Invoice Status Code. This field displays the invoice status code defined for the Status After Match field of the status code used on the invoice. See “Starting Receiver Matching” on page 687.

Status. Specify a matching status.

Initial. When you save the matching with an initial status, no postings are created and updates to current and average costs from variance adjustments are not completed.

Finished. The Finished status updates costs and posts the matching to the official layer.

See “Modifying Receiver Matching” on page 696.

Pending Invoice Filter: PO Receipt Tab

Order. Click the lookup to select a purchase order. You can only select purchase orders for which receipts have been recorded. Right-click to add additional rows if you are matching more than one PO.

Transaction Date/To. Specify a range of transaction dates for selecting pending invoices to process.

External Reference/To. Specify a range of external reference numbers for selecting pending invoices to match. The external reference number is typically the supplier’s invoice number, carrier tracking number, bill of lading number, or packing slip number.

Internal Reference/To. Specify a range of internal reference numbers for selecting pending invoices to process. Internal references are used to track orders internally, such as a receiver number.

Ship-To/To. Specify a range of ship-to address codes for selecting pending invoices to process. The ship-to address is printed on the purchase order.

Item Number/To. Enter a range of item numbers for selecting pending invoices to process.

Buyer. Enter a buyer for selecting pending invoices to process.

Approved By. Specify the code of the buyer who approved the original purchase requisition for selecting pending invoices to process.

Auto Select. Select this field if you want to automatically select all of the matching pending invoices in the grid for processing. You can then deselect any pending invoices you do not want to include.

Leave the field clear to display all matching pending invoices unselected. You must then select each pending invoice you want to process. The value for Auto Select defaults from Supplier Invoice Control. See “Invoice Open Qty/Amt” on page 638.

Recalculate Tax Rates. This field defaults to the value set in Supplier Invoice Control. See “Supplier Invoice Control Settings” on page 637.

Click Search to apply the search criteria and display pending invoices in the matching grid.

Pending Invoice Filter: Purchase Order Shipper Tab

Use this tab to retrieve PO shipper/invoices for matching. See “PO Shipper/Invoices” on page 679 for details.

PO Shipper/Invoice. Specify a PO shipper/invoice number. If you do not specify a supplier in the matching data, the lookup returns all receipts.

Note None of the details of the shipper/invoice can be modified.

Pending Invoice Filter: Logistics Charge Tab

The Logistic Charge tab in Receiver Matching lets you match accrued logistic charges against supplier invoices. You can retrieve and match pending invoices for both inbound and outbound logistics charges.

The currency of the logistics charges you try to match is taken from the pending invoice that was created for the charges, and the currency of the pending invoice and the matching invoice must always be the same.

Include Blank Suppliers. Select the field to include logistics charges that do not reference a logistics supplier. This field is enabled using the Match Blank Suppliers field in Logistics Op Accounting Control (36.9.1).

When Match Blank Suppliers is Yes in Logistics Op Accounting Control, you can indicate whether to display pending invoices with blank supplier fields. Otherwise, only pending invoices for the specified supplier are displayed. When Match Blank Suppliers is No, the Include Blank Suppliers field is not available.

Transaction Date/To. Specify a range of transaction dates for selecting pending invoices to match.

External Reference/To. Specify a range of external reference numbers for selecting pending invoices to match.

For inbound logistics charges, the reference is generally the packing slip number from the PO receipt.

For outbound logistics charges where sales order shippers are used, the Carrier Reference ID is the external ID for the logistics charge pending invoice. If you are not using shippers, the bill of lading is the external reference number.

Internal Reference/To. Specify a range of internal reference numbers for selecting pending invoices to match.

For inbound logistics charges, the internal reference is the receiver number from the PO receipt.

For outbound logistics charges, the internal reference is the shipment ID, which is determined using the Sales Order Shipment Sequence ID and Distribution Order Shipment Sequence ID fields in Logistics Accounting Control (2.15.24). These two sequence IDs are defined in Number Range Maintenance (36.2.21.1).

Order. Specify a range of order codes for selecting pending invoices to match.

Ship-From/To. Specify a range of ship-from address codes for selecting pending invoices to match.

Ship-To/To. Specify a range of ship-to address codes for selecting pending invoices to match. The ship-to address is printed on the purchase order.

Logistic Charge. Specify a logistics charge code to select associated pending invoices to match.

Pro-Rating of Logistics Charges

When you have defined selection criteria and click Apply, a pop-up window opens with a line for every matching pending invoice header. If there has been a price variance between the charges accrued and the amount invoiced, you can enter a new matching amount. If you update the matching amount for a line and select OK, the system then pro-rates the price difference among all underlying detail lines for the pending invoice header, based on the amount that each detail line originally accrued.

Example

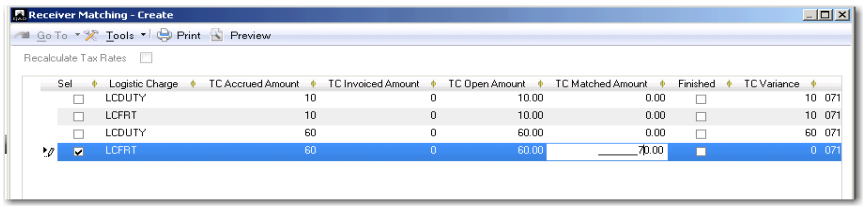
You ordered two items from a component supplier. When you receive the goods, the accrued logistics charges for freight are 60 USD. A third-party carrier delivers the items and sends you a supplier invoice for the associated freight charges.

When matching the logistics supplier invoice, you retrieve the matching pending invoice in the Logistic Charge tab in Receiver Matching.

The freight price on the invoice from the logistics supplier includes a price variance of 10 USD. In the pop-up window, you enter a matched amount of 70, indicating the price difference of 10 USD. The pending invoice for freight duty is composed of two lines, one for each of the items shipped.

Item 01 has accrued 40 USD of freight duty and Item 02 has accrued 20 USD of freight duty. Therefore, freight charges for Item 01 were accrued at a rate of 2:1 relative to the charges accrued for Item 02. The system then pro-rates the price difference of 10 USD among the freight charge detail lines for the items. The matched amount for freight for Item 01 is updated to 46.67 USD, and the matched amount for freight charges for Item 02 is updated to 23.33 USD.

Fig. 10.33
Logistics Charges Receiver Matching Pop-up



Note All fields in the pop-up window are read-only, except the Sel field, which is used to select and deselect lines, and the TC Matched Amount and the Finished fields.

Sel. Select the field to indicate that the corresponding line matches the search criteria you have entered.

When you select the Sel field, the TC Matched Amount field is populated with the open amount.

If you leave the Sel field cleared, the TC Matched Amount field is set to zero.

Logistic Charge. This field displays the logistics charge code for the pending invoice to be matched.

Internal Ref. This field displays the internal reference number of the pending invoice. For inbound logistics charges, this is the receiver number. For outbound logistics charges, the internal reference is the shipment ID.

Ext Ref. This field displays the external reference number of the pending invoice. For inbound logistics charges, this is the packing slip number. For outbound logistics charges, it is the carrier reference ID or the bill of lading.

TC Accrued Amount. This field displays the original amount accrued for the pending invoice. When the accrued amount is different from the open amount, this indicates that the difference has been matched on a previous invoice.

TC Open Amount. This field displays the logistics charge amount that is still open (the TC Accrued Amount minus the TC Invoiced Amount).

TC Matched Amount. This field displays zero by default. If you select the Sel field, the system populates the TC Matched Amount field with the logistics charge open amount.

If required, adjust the amount to reflect changes between the pending invoice and the invoice from the logistics supplier. The system then pro-rates the difference between the accrued amount and the matched amount among the detail lines, based on the charges that each line originally accrued.

TC Variance. This field displays the difference between the accrued amount and cumulative matched amount.

Finished. Select the field to post the difference between the accrued amount and the cumulative matched amount to the logistics charge variance account.

The default for this field is set using the Close Accruals on First Invoice field in Logistics Charge Code Maintenance.

TC Invoiced Amount. This field displays the cumulative amount invoiced to date (not including the current transaction). This field contains a value if part of the pending invoice was paid to a previous supplier invoice.

Pro-Rate Variance. The value in this field is read-only and is updated based on the value of the TC Variance field.

If TC Variance is not equal to zero, the system selects the Pro-Rate Variance field.

If TC Variance is zero, the system clears the Pro-Rate Variance field.

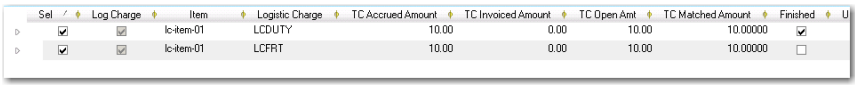
Order. This field displays the purchase order, sales order, or distribution order that generated the logistics charges.

Supplier. This field displays the logistics supplier, if this information is available.

Transaction Date. This field displays the date on which the invoice was recorded.

Matching Grid

Fig. 10.34
Receiver Matching, Grid



Select. Select to include this pending invoice in the matching.

Log Charge. When selected, this field indicates that this receiver is for a logistics charge.

Item. This field displays the number of the item on the purchase order line. For outbound logistics charges, this field does not display a value.

Logistics Charge. If this line is for a logistics charge, the charge code used on the line displays.

Open Quantity. This field displays the item quantity on the PO receipt.

Unit Price. This field indicates the item unit price on the PO receipt.

TC Open Item Amount. This field displays the PO receipt amount in transaction currency.

Matched Quantity. You update this amount to reflect the quantity actually received in this invoice. The field displays the open quantity by default.

Matched Unit Price. This field displays the unit price on this invoice. The field displays the open unit price by default. You adjust this amount to reflect changes in unit price between the issuing of the receipt and creation of the invoice.

TC Matched Amount. This field displays the matched amount, which is the matched quantity multiplied by the matched unit price.

Finished. Select this field to change the matching status to Finished. This field indicates the status of the matching line. If the received and invoiced quantities match, the field is selected by default.

Op Allocation Code. This field displays an operational allocation code if one was specified on the purchase order in place of the purchasing account.

For memo purchases only, you can change the GL account on the Receiver Matching line to an allocation code or you can change the allocation code on the matching line to a different one. In each of these cases, the Receiver Matching GL postings reverse the original postings made at PO Receipt and replace those with the new account or allocation code. As part of Receiver Matching, the allocation code is then exploded to its constituent accounts, sub-accounts, cost centers, and projects.

For memo items only, you can also enter a new allocation code, even if one was not used on the purchase order line.

See “Operational Allocation Codes” on page 211.

Use GL Var Account. Select this field to ensure that item costs are not updated by this matching, when average costs are being used in the GL cost set. The system posts the variance to a variance account. When you do not select this field, item costs are updated by the matching process.

Order. This field displays the purchase order number.

Account. This field displays the default debit account, depending on the type of matching.

Sub-Acct. This field displays a sub-account, if one has been defined for the inventory account.

Cost Center. This field displays a cost center code, if one has been defined for the inventory account.

Project Code. This field displays a project code, if one has been defined for the inventory account.

Order Type. This field indicates the type of receiver being matched: Purchase Order, PO Shipper/Invoice, Logistics Charge.

Transaction Date. This field indicates the date on which a receipt was issued for the purchase order.

PLI Line. This field indicates a line on the PO shipper/invoice.

APMatchingLineReceiptTaxTC. This field displays the amount in non-recoverable tax accrued for this receipt in transaction currency.

APMatchingLineReceiptTaxLC. This field displays the amount in non-recoverable tax accrued for this receipt in base currency.

TC Pending Matched Amount. This field displays the amount of this pending invoice that has not yet been matched.

Pending Matched Quantity. This field displays the quantity of this pending invoice that has not yet been matched.

Packing Slip Qty. This field indicates the packing quantity entered on the Purchase Order Receipt. You normally set the packing quantity to the quantity received or returned.

Taxable. Select this field to apply tax rates to the To Match amount. When taxes are accruing at receipt, this field is selected by default.

Tax Class. When taxes are defined to accrue at receipt for this receiver, this field indicates the tax class being applied, if any. Select a different tax class if necessary.

Tax Usage. When taxes are defined to accrue at receipt for this receiver, this field indicates the tax usage being applied, if any. Select a different tax class if necessary.

Tax Env. When taxes are defined to accrue at receipt for this receiver, this field indicates the tax class being applied. Select a different tax class if necessary.

Matching Overview

This area displays a summary of the matched amounts, including matched taxes.

To Match. This field displays the amount to be matched.

Matched. This field displays the amount actually matched.

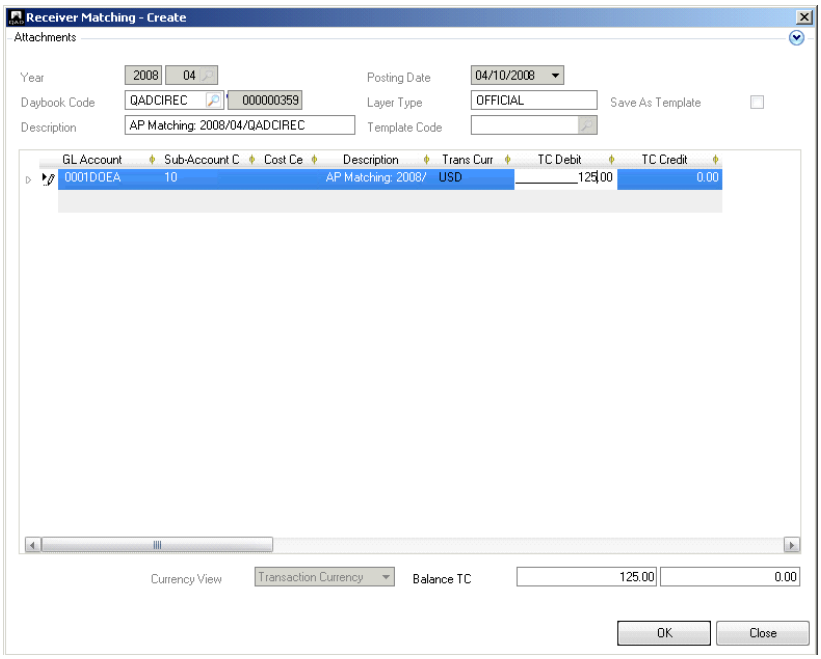
Difference. This field displays the difference, if any.

Manual Posting

The Manual Posting option lets you balance the total amount on an invoice when the matching process results in an outstanding amount. Use Manual Posting to account for freight or other charges that arise from the purchase of the goods, but are not detailed on the purchase order.

The Manual Posting button is enabled when there is a difference between the To Match and Matching amounts on the matching grid. Click Manual Posting to display the Manual Posting screen where you can add a posting line and specify an account, sub-account, and cost center to which to post the difference.

Fig. 10.35
Receiver Matching, Manual Posting



Update Invoice Amount

Click the Update Invoice Amount button to update the amount of the invoice with the results of the matching. This button is available when the matching results in a difference between receiver and invoice amounts, and for matchings that have been saved in Initial status.

Note The Update Invoice Amount option is only available for initial invoices.

Modifying Receiver Matching

When you save a Receiver Matching with the Initial status, you do not generate matching postings and can modify the matching at a later stage. Once you save the matching with a status of Finished, the postings are generated in the official layer, and item costing and Intrastat records are updated.

You must fully match the invoice amount, but can partially match receiver amounts in a receiver line, save and close the line. Once a receiver line is closed, you cannot reopen it.

No postings are generated by receiver matching for initial invoices when saved in Initial status, and you can delete matchings to initial invoices with no effect on the General Ledger. You can only delete matchings that are in Initial status.

Receiver Matching and Daybook Security

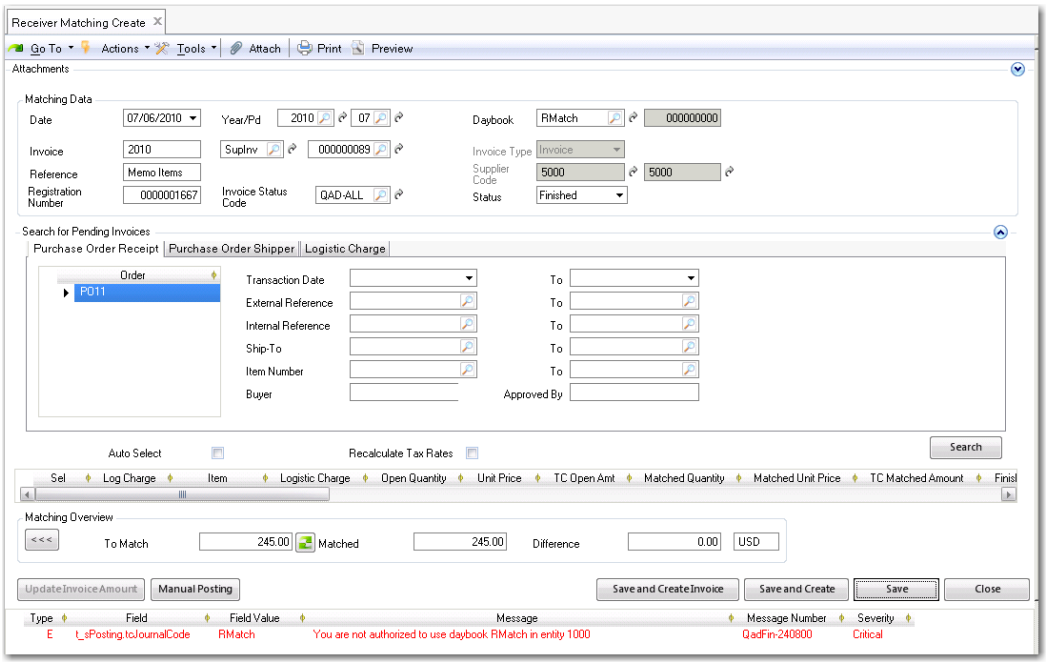
Daybook security lets you restrict access to transactions associated with certain daybook types to users who have roles linked to that daybook. See “Daybook Security” on page 174 for more information.

You can apply daybook security to receiver matching and financial matching transactions posted to daybooks of type Matching. This section describes the effect of daybook security for Matching daybooks on receiver matching. See “Financial Matching and Daybook Security” on page 657 for information on daybook security and financial matching.

If implemented, daybook security for receiver matching restricts access to transactions in Receiver Matching Create and Receiver Matching Modify to users who have roles associated with the Matching daybooks used.

When creating a receiver matching record, if you select a matching daybook associated with a role you are not assigned, an error message displays and you are prevented from saving the record, as shown in Figure 10.36.

Fig. 10.36
Receiver Matching Create, Daybook Security Error



For Receiver Matching Modify, if you browse and select a record that uses a matching daybook that you do not have access to, the system displays a warning and only permits you to view the record.

When receipts created in one entity are matched against invoices created in another, cross-company postings are generated. In order to save the postings, you must be assigned to the role specified for the Matching daybook in both the source and target entities. Otherwise, the system displays an error and you cannot save the receiver matching in the source entity or the cross-company posting in the target entity.

Sample Matching Postings

The following examples show the postings generated by applying different types of variance when matching the receiver amounts, and list the accounts used in the matching postings. All examples assume the transactions are in base currency.

PO for Inventory Item with Tax Accrued at Receipt

In this example, you purchase a quantity of 3 of item A, which has a standard cost of USD $20. Tax is accrued at receipt, and is charged at 20%, with 25% of the tax non-recoverable. You are invoiced for 1 delivered item at USD $20. The matching is saved with a status of Initial, and no usage variances are calculated.

Receipt Postings

Account	Debit	Credit
Inventory	60.00	
Tax (for recoverable)	9.00	
PO Price Variance account (for non-recoverable)	3.00	
PO Receipts		72.00
Total	72.00	72.00

The recoverable tax amount is calculated as:

*Price * Quantity *% Tax * (% Recoverable / 100)*

The non-recoverable tax amount is calculated as:

*Price * Quantity *% Tax * (% Non-Recoverable / 100)*

Invoice Postings

Account	Debit	Credit
Unmatched Invoices	24.00	
Supplier Control		24.00
Total	24.00	24.00

The debit amounts are calculated as follows:

*Price Invoiced * Quantity Invoiced * (% Tax + 100)*

Matching Postings

Account	Debit	Credit
PO Receipts	24.00	
Unmatched Invoices		24.00
Total	24.00	24.00

PO for Inventory Item with Rate Variance

In this example, you purchase a quantity of 3 of item A, which has a standard cost of $20. Tax is accrued at receipt and is charged at 20%, with 25% of the tax non-recoverable. You are invoiced for 1 delivered item at $30. The matching is saved with a status of Initial, and no usage variances are calculated.

Receipt Postings

Account	Debit	Credit
Inventory	60.00	
Tax (for recoverable tax)	9.00	
PO Price Variance (for non-recoverable)	3.00	
PO Receipts		72.00
Total	72.00	72.00

Invoice Postings

Account	Debit	Credit
Unmatched Invoices	36.00	
Supplier Control		36.00
Total	36.00	36.00

Again, the debit amounts are calculated as:

*Invoice Price * Quantity Invoiced * (% Tax + 100)*

Matching Postings

Account	Debit	Credit
Unmatched Invoices		36.00
PO Receipts	24.00	
AP Rate Variance	10.00	
Tax (for recoverable tax)	1.50	
AP Rate Variance (for non-recoverable tax)	0.50	
Total	36.00	36.00

The rate variance posting is calculated as:

Invoice Price – Receipt Price

The recoverable tax is calculated as:

*(Invoice Price – Receipt Price) *% Tax * (% Recoverable / 100)*

The non-recoverable tax is calculated as:

*(Invoice Price – Receipt Price) *% Tax * (% Non-Recoverable / 100)*

PO for Inventory Item with Rate and Usage Variance

In this example, you purchase a quantity of 3 of item A, which has a standard cost of $20. Tax is accrued at receipt and is charged at 20%, with 75% of the tax recoverable. You are invoiced for 1 delivered item at $30. The matching is saved with a status of Finished, which generates usage variances.

Receipt Postings

Account	Debit	Credit
Inventory	60.00	
Tax (for recoverable)	9.00	
PO Price Variance (for non-recoverable tax)	3.00	
PO Receipts		72.00
Total	72.00	72.00

Invoice Postings

Account	Debit	Credit
Unmatched Invoices	36.00	
Supplier Control		36.00
Total	36.00	36.00

Matching Postings

Account	Debit	Credit
Unmatched Invoices		36.00
PO Receipts	72.00	
AP Rate Variance	10.00	
AP Rate Variance	0.50	
PO Price Variance (for non-recoverable tax)	1.00	
Usage Variance		40.00
Tax (for recoverable tax on variance)		9.00
PO Price Variance (for non-recoverable tax on variance)		3.00
AP Tax Recoverable	4.50	
Total	88.00	88.00

The usage variance posting is calculated as:

*(Quantity Ordered – Quantity Received) * Receipt Price*

The recoverable tax on the usage variance is calculated as:

*(Quantity Ordered – Quantity Received) * Receipt Price *% Tax * (% Recoverable / 100)*

The non-recoverable tax is calculated as:

*(Quantity Ordered – Quantity Received) * Receipt Price *% Tax * (% Non-Recoverable / 100)*

PO for Inventory Item with Tax Rate Change

In this example, you purchase a quantity of 10 of item A, which has a standard cost of $100. Tax is accrued at receipt and is charged at 20%, of which 80% is recoverable. The tax account used for recoverable tax for the receipt postings is 10200. The full quantity of 10 is received.

You are invoiced for 1 item at $150, giving a price variance. The tax rate used at receipt has expired and a new rate is selected on the receiver line. The new rate retains the account settings of the previous rate, and recoverable tax is posted to a different tax account, 10202.

You select the new tax rate on the receiver line. The new rate is 21%, of which again 80% is recoverable. The system recalculates the tax amounts and there is a difference between receipt amounts and amounts due at invoice, which means the original tax postings are reversed for the amounts received.

Receipt Postings

Account	Debit	Credit
Inventory	1000.00	
Tax (for recoverable)	160.00	
PO Price Variance (for non-recoverable)	40.00	
PO Receipts		1200.00
Total	1200.00	1200.00

The recoverable tax amount is calculated as:

*Price * Quantity *% Tax * (% Recoverable / 100)*

The non-recoverable tax amount is calculated as:

*Price * Quantity *% Tax * (% Non-Recoverable / 100)*

Invoice Postings

Account	Debit	Credit
Unmatched Invoices	181.50	
Supplier Control		181.50
Total	181.50	181.50

One item has been invoiced at a price of $150 at 21%. The debit amounts are calculated as follows:

*Price Invoiced * Quantity Invoiced * (% Tax + 100)*

Matching Postings

The matching postings include:

- A credit to the Unmatched Invoices account for the invoice amount.
- The reversal of the recoverable and non-recoverable tax postings for the quantity invoiced. In this case, 10% of the tax postings are reversed.

- New recoverable and non-recoverable tax postings for the quantity received at the new tax rate of 21%.
- A debit of the AP Rate Variance account for the price variance of $50.
- A debit of the PO Receipts account for the quantity invoiced.

Account	Debit	Credit
Unmatched Invoices		181.50
AP Tax Recoverable (at old rate of 20%, 80% recoverable)		160.00
Purchase Price Variance		40.00
Purchase Price Variance	4.20	
AP Tax Recoverable (Recoverable Tax at new rate of 21%, 80% recoverable)	25.20	
AP Rate Variance	2.10	
AP Rate Variance	50.00	
AP Usage Variance		900.00
PO Receipts	1200.00	
Total	1281.50	1281.50

Matching Accrued Duty and Freight for a PO Receipt

10 units of Item A at 15 USD per unit are purchased from a single supplier, WorldGoods, and shipped to your company. The cost for these items consists of the unit cost from the item supplier and the cost to ship each item.

Duty charges for Item A are accrued at a rate of 2 USD per unit and freight charges are accrued at a rate of 1 USD per unit. The freight company, FreightLine, carried the goods and sends an invoice for the freight costs.

Tax on the accrued charges is 12%.

Receipt Postings

When the items were received from WorldGoods, the PO order generated postings to inventory, inbound accrual accounts, and tax postings.

Account	Debit	Credit
Inventory	150.00	
PO Receipts		150.00
AP Tax	18.00	
PO Receipts		18.00
Inventory	20.00	
Accrued Duty		20.00
Inventory	10.00	
Accrued Freight		10.00
AP Tax	2.40	
Accrued Duty		2.40
AP Tax	1.20	
Accrued Freight		1.20

Invoice Postings (Item Supplier)

The following postings were generated when the invoice from the item supplier (WorldGoods) was recorded in Supplier Invoice Create:

Account	Debit	Credit
AP		168.00
Unmatched Invoices	168.00	
Total	168.00	168.00

Invoice Postings (Logistics Supplier)

FreightLine sends an invoice for 67.20 USD in freight costs, and this invoice is recorded separately in Supplier Invoice Create.

Account	Debit	Credit
AP		67.20
Unmatched Invoices	67.20	
Total	67.20	67.20

Item Supplier Matching Postings

When the invoice for the items (from WorldGoods) was matched in Receiver Matching, the following matching postings were generated. The postings include a credit to the Unmatched Invoices account for the invoice amount for the items.

Account	Debit	Credit
AP	168.00	
Unmatched Invoices		168.00
Total	168.00	168.00

Logistics Supplier Matching Postings

The invoice for the logistics supplier (FreightLine) shows that duty was charged at 20 USD above the accrued charge and freight was charged at 10 USD above the accrued charges. Therefore, the matching prices for freight and duty are updated in the Receiver Matching logistics charge pop-up window and the variances are recorded.

- In Receiver Matching Create, accrued duty is recorded as 22.40 USD, the accrued value plus 12% tax.
- When the duty variance of 20 USD is added, postings are made for the tax on the updated duty amount 12% of 10 USD = 4.80 USD, and the original tax amount of 2.40 is then netted out.
- Accrued freight is recorded as 11.20 USD, the accrued value plus 12% tax.
- When the freight variance of 10 USD is added, postings are made for the tax on the updated freight amount 12% of 20 USD = 2.40 USD, and the original tax amount of 1.20 USD is then netted out.

Account	Debit	Credit
Accrued Duty	22.40	
Duty Variance	20.00	
AP Tax (tax on duty, including variance amount)	4.80	
AP Tax (original duty amount, before the variance)		2.40
Accrued Freight	11.20	
Freight Variance	10.00	
AP Tax (tax on freight, including variance amount)	2.40	
AP Tax (original freight amount, before the variance)		1.20
Unmatched Invoices		67.20
Total	70.80	70.80

Matching an Accrued Freight Pending Invoice

A company sells goods costing 8000 USD to a customer. When the goods are shipped, the accrued logistics charge for freight duty is 4620 USD plus 12% tax. A third-party carrier delivers the items and sends the company a supplier invoice for the associated freight charges. You pay the invoice in the interim, but the charges are passed on to the customer in a trailer code.

Shipment Postings

When the order is shipped, the following postings are recorded:

Account	Debit	Credit
Cost of Goods Sold	8000.00	
Inventory		8000.00

Invoice Postings (Customer Invoice for Items Sold)

The customer invoice is generated using Invoice Post and Print. The customer is invoiced for both the cost of the goods and the cost of freight.

Account	Debit	Credit
Sales		8000.00
AR	14134.40	
Freight Revenue		4620.00
Sales Tax Payable		1514.40
Total	14134.40	14134.40

Invoice Postings (Logistics Supplier)

An invoice is received from the logistics supplier for 5174.40 USD and is recorded in the system.

Account	Debit	Credit
AP		5174.40
Unmatched Invoices	5174.40	
Total	5174.40	5174.40

Receiver Matching Postings

When the logistics supplier invoice is matched to the outbound logistics charges pending invoice, the matching postings include:

Account	Debit	Credit
SO Expense Account	4620.00	
SO Accrual Account		4620.00
AP Tax	554.40	
SO Accrual Account		554.40
Total	5174.40	5174.40

Statutory Currency and Receiver Matching

Generally, for transactions in non-base currency, the system uses the exchange rate valid on the transaction posting date. However, in receiver matching, the posting lines on the PO receipt account, expense accrual account, and reversal of old taxes use the exchange rate that was used on the receipt transaction. Because the other posting lines in the receiver matching use the statutory rate at invoice date, this posting shows a balance difference in statutory currency, which you must post as a realized gain or loss.

Example

A domain has USD as base currency and MXN (Mexican Pesos) as its statutory currency. A purchase order is created in Euros for 11 items at 8.50 Euros each PO price. The items have a standard GL cost of 9 USD.

All items are received. The supplier sends an invoice for 10 items at a higher unit price of 9 Euros.

Receipt Postings (Base Currency)

Account	DR (TC)	CR (TC)	DR (BC)	CR (BC)
Inventory (11 items at $9)			99.00	
Purchase Price Variance (Inventory - PO Receipts)			13.20	
PO Receipts (11 items at €8.50 * accounting rate of 1.2				112.20
Total			112.20	112.20

Receipt Postings (Statutory Currency)

Account	DR (TC)	CR (TC)	DR (SC)	CR (SC)
Inventory ((11 items at $9) * inventory accounting rate 1.6)			158.40	
Purchase Price Variance (Inventory - PO Receipts)			21.12	
PO Receipts (11 items at €8.50 * statutory rate of 1.92				179.52
Total			179.52	179.52

Invoice and Receiver Matching Postings (Base Currency)

Account	DR (TC)	CR (TC)	DR (BC)	CR (BC)
PO Receipts (11 items at €8.50 * accounting rate of 1.2)	93.50		112.20	
Accounts Payable (10 items at €9 * invoice accounting rate of 1.3)		90.00		117.00
AP Rate Variance (10 * (€9 - €8.50) * invoice accounting rate of 1.3)	5		6.5	
AP Usage Variance ((10 - 11) *8.50 * invoice accounting rate of 1.3)		8.50		11.05
Exchange Loss (93.50 * (1.3-1.2))	-	-	9.35	
Total	98.50	98.50	128.05	128.05

Invoice and Receiver Matching Postings (Statutory Currency)

Account	DR (TC)	CR (TC)	DR (SC)	CR (SC)
PO Receipts (11 items at €8.50 * receipt statutory rate of 1.92)	93.50		179.52	
Accounts Payable (10 items at €9 * invoice statutory accounting rate of 1.85)		90.00		166.50
AP Rate Variance (10 * (€9 - €8.50) * invoice statutory accounting rate of 1.85)	5.00		9.25	
AP Usage Variance ((10 - 11) *8.50 * invoice statutory rate of 1.85)		8.50		15.72
Exchange Loss (93.50 * (1.85-1.92))				6.55
Total			188.77	.188.77

Payables

Supplier payments let you process paper and electronic payments through an approval cycle, with each stage generating its own posting. You also create and transfer payments in electronic format to your bank, with each payment file formatted according to the requirements of your bank. You configure bank account information and payment format defaults for each supplier, and these defaults are automatically used in every payment to that supplier.

Other AP Functions

Supplier Activity Dashboard lets you view the invoices and payments associated with a supplier, including the current supplier balance, and amount and due date details for each open item.

Supplier Payments

You process supplier payments in the same way as customer payments. Like AR payments, manual AP payments are completed using Supplier Payment Create, and electronic AP payments consisting of electronic files to be transferred to your bank are completed using Supplier Payment Selection Create. You can also use supplier payment selections for paper checks and drafts. See “Supplier Payment Selections” on page 718.

Supplier payments are associated with status codes, which are used to manage the payment process through final collection and updating of accounts. You process the payment by changing the payment status from one status to the next in the sequence that meets your business requirements. Different payment instruments follow different status sequences. The number of statuses you need depends on your particular implementation.

Create payment statuses for each stage in the payment sequence, and move the payment from one status to the next by changing its status. Each status change generates a posting that updates the accounts you defined. The default accounts used in supplier payments are the relevant supplier

payment account and the supplier control account. The system uses the payment account are defined in Supplier Payment Status Create for the entity, bank, payment instrument, and status. See “Supplier Payment Statuses” on page 709.

To complete the process, you can create a banking entry to record the payment. However, in some countries, such as the US, payments are created directly at the Paid status, without using banking entry.

Note You can also generate customer and supplier payments in the system from the transaction messages contained in imported bank files. See “Processing Incoming Bank Files” on page 820.

See “Customer Payments” on page 503 for details about how payments are processed in AR.

Supplier Payment Instruments

Use the following payment instruments for supplier payments.

Table 10.3
Types of Supplier Payment Instruments

Payment Instrument	Description
Check	Checks are unconditional orders to pay an open item, which you send to the supplier.
Draft	The draft or bill of exchange is a negotiable security signed and dated by its issuer (the bank). It contains an unconditional order or instruction to pay a fixed amount to the supplier on the agreed due date. Once signed, the draft is considered a collection instrument. Its form, content, and legal consequences are governed by law.
Promissory Note	The promissory note is a promise to pay the supplier, instead of an unconditional payment order. The promissory note carries more risk for the beneficiary and has fewer legal consequences for the issuer if payment is defaulted.
Summary Statement	You send summary statements to the supplier. Factoring companies and banks that provide credit card services use summary statements.
Transfer	The transfer payment instrument is an order for payment that you submit to your bank. The bank ensures that the amount is transferred to the supplier’s bank account. Transfers are in paper format.
Electronic Transfer	Electronic transfers are transfers in the form of electronic files sent by you to your bank. Use supplier payment selections to process electronic transfers. This payment instrument is considered automatic, since it cannot be generated manually.

Setting Up Supplier Payments

The setup procedure for supplier payments is the similar to that for customer payments, and includes:

1. Define bank accounts and payment formats. For details, see “Payment Formats” on page 256. You must define as many payment formats as you have different types of supplier payments.

   The system retrieves your bank account details and the formats required for payments from the account information you define on the Banking tab of the supplier record.

2. To create electronic payment files for transfer to other banks, you use electronic payment formats that you can download from the QAD Internationalization website, install on your system, and associate with your bank account. Then, you can use those payment formats in supplier and customer payment selections. See “Payment Formats” on page 256.

3. Define Supplier Payment accounts to associate with payment statuses.

   For more information on defining GL accounts, see “GL Account Types” on page 87.

4. Define Supplier Payments daybooks to contain the postings generated by the status transitions. You can define different daybooks for different types of payment instrument.

   For more information on daybooks, see “Using Daybooks” on page 164.

5. Create a set of payment statuses to match the stages through which you want to process the payment. This is described in “Supplier Payment Statuses” on page 709.

6. Define payment groups for managing the selection process. This is described in “Creating Supplier Payment Groups” on page 713.

7. Create a supplier payment and link it to one or more supplier open items (invoices or credit notes).

Supplier Payment Statuses

Payment processing is controlled by payment status codes. Different payment instruments follow different status sequences. The number of statuses you need depends on your particular implementation. At a minimum, you must have two statuses: Paid and Void. Typically, you also want to have a For Collection status for payments sent to the bank. The Initial status is used if you want to do an initial payment registration. The Initial supplier payment status has no accounting effect so you can modify its associated details, such as the amount. You cannot link invoices to a payment in Initial status.

When a payment is changed to any status that creates a posting (every status except Initial), you can only change the payment status assigned in Supply Payment Modify. You cannot allocate it to a different invoice or change the payment amount.

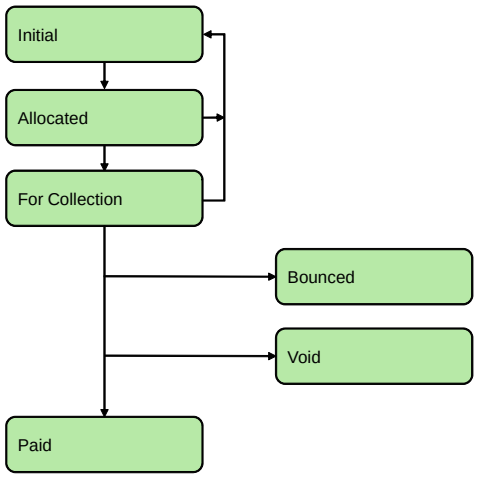
You can define an account for each status through which the payment is processed, or use one GL account to record the transitions. For example, if you are processing a check through the Initial, Allocated, For Collection, and Paid statuses, you can define a GL account of type Supplier Payment for each status. This approach supports detailed reporting requirements.

Each status transition usually generates a posting, which updates the account associated with the status and bank or liability accounts. The posting information, including account and daybook details, is contained in the payment status definition.

If you do not need a complex payment cycle, you can use Initial, Paid, and Void statuses only, in which case you do not have to use supplier payment accounts for the Initial and Void statuses. Setting the status of a payment immediately to Paid updates your bank account automatically, without the need to create a final banking entry to record the payment.

However, note that while you can move a payment directly to the Paid status, you cannot undo a Paid document. This means that if you print checks after setting the payment to Paid and the print run fails for some reason, you cannot void the payment. You must reopen the invoice manually with Open Item Adjustment.

Fig. 10.37
Supplier Payment Status Flow



Like customer payments, it is not mandatory to process a supplier payment through all of the statuses described, and you can process a payment using Initial and Paid statuses only. You can also use Supplier Payment Mass Change to select payments with an Initial status and change their status directly to Paid. This status change immediately updates your bank account, without the need to create a banking entry. You must then allocate the payment to one or more outstanding invoices.

You can also use Supplier Payment Mass Change to void any payment at any stage in the flow (except after the Paid status) or to revert it to Initial.

Note Setting the status of a payment directly to Paid is available for payments in the base currency of the account only. You cannot change a payment status directly to the Paid status if the payment currency is different than the base currency. In this case, you must use Banking Entry to complete the payment.

Table 10.4 describes each payment status, and lists the postings created by status transitions.

Table 10.4
Supplier Payment Statuses and Account Activity

Status	Description	Account Activity	
		Debit	**Credit**
Initial	Initial payment status. The payment is in your system but does not generate any postings.	Not applicable	Not applicable
Allocated	The payment is created and is linked to open items. The transition to Allocated generates postings and sub-ledger updates.	Allocated Supplier Payment account	Supplier Control account
For Collection	The payment is presented to the bank for immediate payment. Some examples of payments for collection include a check, a payment selection that is transferred directly to the bank, and paper transfers to the bank.	For Collection Supplier Payment account	Supplier Control account, if this is the first posting for the payment Otherwise, the account associated with the previous payment status
Paid	The outgoing payment amount has been cleared on your bank account. Payments are either fully paid or not paid at all. A selection can be said to be partially paid if an individual payment is bounced.	Bank account	For Collection Supplier Payment account
Bounced	The incoming payment amount has not been paid. The linked open items are re-opened and the invoice payment links are deleted.	Supplier Control account	Account associated with the previous payment status
Void	The payment is voided when, for example, a duplicate payment is detected, or a printing error corrupts the payment numbering system.	Supplier Control account	Account associated with the previous payment status

For each of the different payment statuses, a specific GL account representing the status can be defined.

The Void payment status is unique to supplier payments and is used to ensure that you can void a payment when, for example, a duplicate payment is detected, or a printing error corrupts the payment numbering system. When you void a payment, the links to open items are deleted.

When you change the status of a payment directly to Paid, you cannot subsequently change the status to Void to void the payment. The Paid status indicates that the payment has been received by the supplier.

Voiding a payment does not generate any postings. Instead, it resets the payment records, and creates an extra payment record for the current payment. Voiding also does not re-open the invoices or credit notes linked to the payment.

The Bounced payment status differs from Void in that, when a payment bounces, the incoming payment amount has failed to clear from the supplier's bank account. The linked open items are re-opened and the invoice payment links are deleted.

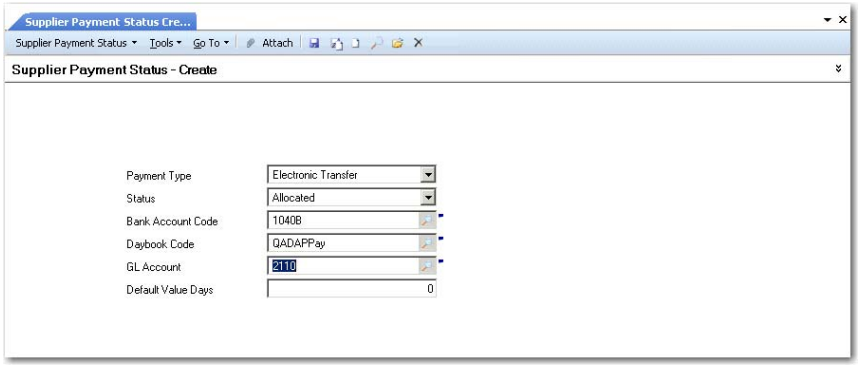
Creating Supplier Payment Status Codes

Use the Supplier Payment Status activities (28.9.1.1) to create, modify, view, and delete payment statuses.

The payment status is the transition state through which you process the payment, and contains the posting details for the transitions.

Note Once a payment status has been used in a transaction, it cannot be modified.

Fig. 10.38
Supplier Payment Status Create



Field Descriptions

Payment Instrument. Select a payment instrument from the drop-down list. See Table 10.3 on page 708 for details about each instrument.

Check

Draft

Promissory Note

Summary Statement

Transfer

Electronic Transfer

Status. Select a status to associate with the payment instrument from the drop-down list. See Table 10.4 on page 711 for status descriptions.

Allocated

Bounced

For Collection

Initial

Paid

Void

Bank GL Account. Specify the account code for your bank that will be used to process the payment. The account must be of type Bank.

Daybook Code. Specify a code for the daybook to contain the status transition postings. The daybook must be of type Supplier Payments. Daybook cannot be specified for the Initial or Void statuses.

Supplier Payment Account. Specify the code of the account used for status transition postings.

- For the Initial and Void statuses, this field does not apply.
- For all other statuses, an account of type Supplier Payment must be specified.

Accounts are updated automatically when you change the payment status. The account balance reflects the value of all payments that have this status.

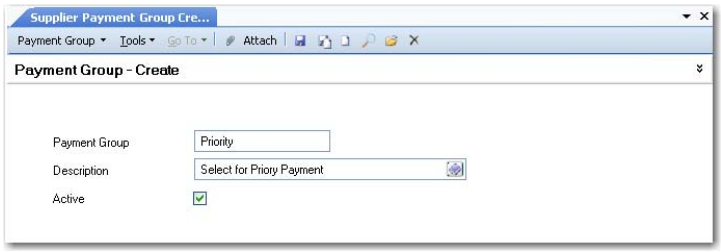
Default Value Days. Specify the number of value days it takes to change from one payment status to another.

This value defaults to 0 (zero). When a status transition requires some activity on the part of the bank, you can increase the number of days, in line with banking practice. This information is added to the current date when determining the due date for cash reporting.

Creating Supplier Payment Groups

Use the Supplier Payment Group activities (28.9.1) to create, modify, view, and delete codes for grouping payments. You can select payments for processing by payment group code in Supplier Payment Selection Create.

Fig. 10.39
Supplier Payment Group Create



Field Descriptions

Payment Group. Enter a code (maximum 20 characters) that identifies a payment group. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the payment group. This field is mandatory; the description cannot be blank.

You can optionally enter descriptions in more than one language. For more information on Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active record.

Creating Supplier Payments

Use the Supplier Payment Creation activities (28.9.3) to create, modify, view, and delete supplier payments.

You cannot modify supplier payments with a status of For Collection, except to change the payment status. You cannot modify payments with a status of Void or Paid. You can delete only Initial supplier payments. To delete a supplier payment with a status other than Initial, you must first change the status to Initial. You can revert to the Initial status from the For Collection and Allocated status, before you have sent payment to the bank.

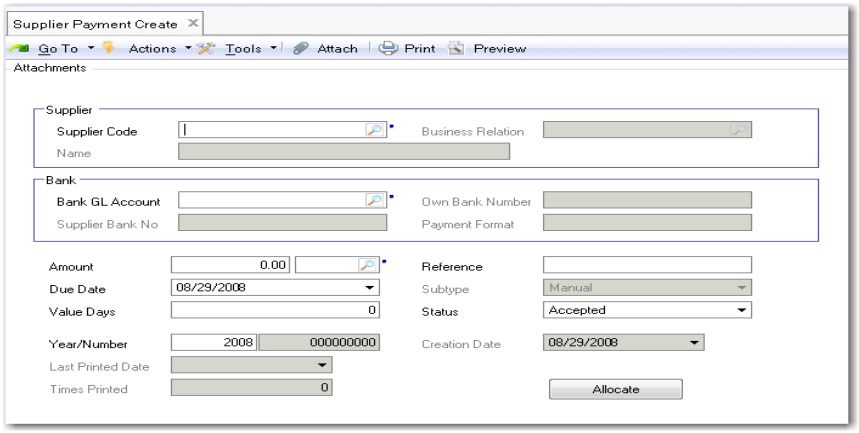
The Create Up to Status and Modify Up to Status activities let you control user access to the payment cycle.

For example, when you assign the Create Status To Allocated activity to a particular role, users assigned to that role can create payments with a status of Initial or Allocated only. The Status drop-down list is restricted to display the To Status and previous statuses in the flow. Subsequent statuses, such as For Collection, are not available.

Note For more information on controlling user access to activities using role permissions, see *QAD Security and Controls User Guide*.

The Create To Status screen looks just like Supplier Payment Create, but displays only those statuses for which your role has permission.

Fig. 10.40
Supplier Payment Create



Field Descriptions

Supplier Code. Specify the code that identifies the supplier to be paid. The system loads the supplier's default bank information defined in the Banking tab of Supplier Create. Most bank details default from the bank and cannot be modified.

Business Relation, Name. The business relation and name associated with the customer displays.

Bank GL Account. Specify the GL account of type bank updated by the payment. If you specify a supplier first, the banking details default from the supplier. If you leave Supplier blank, the lookup retrieves all the bank account numbers and formats defined for all suppliers on the Supplier Banking tab. Selecting a bank account fills in all of the other relevant fields, most in read-only mode.

Own Bank Number. This field displays the number of your own bank account, which is defined on the Banking tab of the supplier record.

Supplier Bank No. The system displays the supplier bank associated with the specified bank BL account.

Payment Format. This field displays the payment format associated with the selected supplier bank account number.

Subtype. This read-only field indicates whether the payment is manual or automatic. You create manual supplier payments through the Supplier Payment activities, and automatic payments through the Supplier Payment Selection activities.

Year/Number. This field displays the accounting year and payment sequence number, which is automatically generated by the accounting year.

Status. Choose a payment status from the drop-down list. Table 10.4 on page 711 lists payment statuses.

Reference. Enter reference text (maximum 40 characters) for the payment.

Amount/Currency. Specify the value of the payment in the transaction currency. The amount must be positive and can be entered manually or automatically by linking the payment to an open item.

Note The payment currency must be the same as that of the open item against which you allocate the payment. If an invoice for this customer is in US dollars, your customer payment must be in the same currency. Currency information is contained in the payment format linked to your bank account, and you ensure that the currencies match by selecting the correct bank account.

Due Date. Enter a due date for this payment.

Note The supplier payment date cannot be earlier than the posting date of the invoice the payment pays.

Creation Date/Last Printed Date/Times Printed. These read-only fields indicate the payment creation date, most recent printing date, and number of times the payment has been printed.

Value Days. Enter a value for the number of days required by the bank to process the transaction. The default is based on the payment status entered.

Click Allocate to allocate this payment to an open item for this supplier. The allocation process is almost identical to that used for customers. See “Allocating a Customer Payment” on page 518 for details of the screens and fields.

Creating a Check Prepayment

In situations where you need to issue a supplier prepayment using a check, you can create the prepayment using Supplier Payment Create. You can then print a check for the prepayment using Supplier Check Print.

When you print the check, leave the payment selection blank and specify the supplier code and any other parameters that you typically enter when printing checks. The check will not be part of the supplier payment selection batch for that day, creating a one-off check print situation.

When you receive the relevant invoice for the prepayment, match the prepayment to the invoice using Open Item Adjustment Create.

Modifying Bank Details on a Supplier Payment

When using a supplier payment to process invoices, the system loads the default account number, own bank account, and payment format defined for this supplier into the payment fields. These banking details are then used for all open items contained in the payment.

Because businesses frequently change the default own bank account and payment format during the payment cycle, you can change the payment banking details for a payment in any status other than Paid. The original and new payment formats used may contain payment attributes, and the attributes of a new payment format must be consistent with the attributes applied to the original open item. This option is identical to the Customer Payment option and is described in more detail in “Modifying Bank Details on a Customer Payment” on page 522.

Supplier Payment Mass Change

Use Supplier Payment Mass Change (28.9.3.5) to confirm the status transitions of one or more payment and, if required, to change the bank details for selected payments.

You typically change the status of single payments by modifying the original payment and use the change status activity to handle multiple payments at one time. This activity helps streamline the process of completing a payment processing flow. For example, when the bank lets you know that a set of checks has cleared, you can update the status of all of them at one time.

You can also use this activity to renumber payments, such as printed checks, if needed. Renumbering should be restricted, since this would only be needed in special circumstances.

Use one or a combination of payment detail fields to search for existing supplier payments.

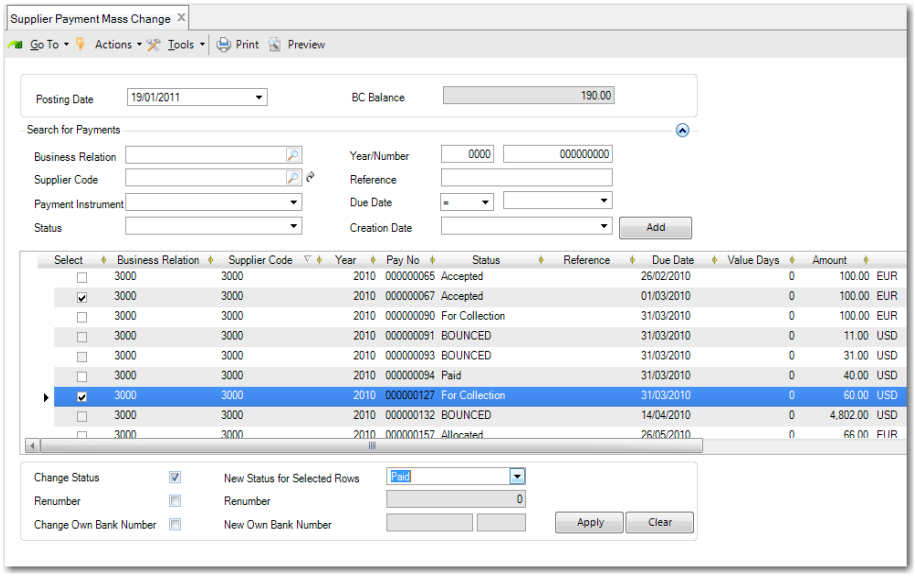
Changing Own Bank Number for Payments

When completing supplier payments, you can decide for cash flow or other reasons to change the bank account number from which the payment is made. The Change Own Bank Number option lets you specify a different bank account number for selected payments.

The new account number, account, and payment instrument combination must be already defined in Bank Payment Format Link and must be defined for the same entity as the original combination.

You must also have defined a payment status that uses the new bank account, payment account, and payment instrument.

Fig. 10.41
Supplier Payment Mass Change



Field and Button Descriptions

Posting Date. Specify the date that the status change should be effective.

BC Balance. This field displays the value of the payments selected in the grid in base currency, and is read-only.

The value is updated each time a payment is selected or deselected in the grid.

Search for Payments

Business Relation. Specify a business relation to search for payments associated with that business relation.

Supplier Code. Specify a supplier code to search for payments for that supplier.

Payment Instrument. Select a payment instrument to display payments for that payment type only.

Status. Select a payment status to display payments with that status.

Year/Number. Specify a year and payment number to display matching payments.

Reference. Specify a payment reference to display matching payments.

Operator/Due Date. Specify an operator and due date for the payment. The operator combined with the due date determines which records are retrieved.

>= Due Date: The system retrieves all payments with a due date later than or equal to the due date specified.

= Due Date: The system retrieves all payments with the due date specified.

<= Due Date: The system retrieves all payments with a due date earlier than or equal to the due date specified.

Creation Date. Specify a payment creation date to display payments created on that date.

Click Add to retrieve all payments that meet the search criteria.

To change the status of multiple rows in the grid, use these fields:

New Status for Selected Rows. Choose a new status for the payment from the drop-down list and click Apply to apply the status to the selected rows.

Note You can also edit the status in the grid for individual rows as needed.

Renumber. Use this field to enter a new preprinted number for a previously numbered payment. The number is 0 (zero) by default.

Supplier Payment Change Number (28.9.3.6) is an additional option that lets you separate the status change and payment number change functions and assign each to a separate role. Changing the payment number lets you renumber the supplier check print sequence.

Change Own Bank Number. Select this field to enable the New Own Bank Number fields.

New Own Bank Number. Specify a new own bank number for the selected payments. The lookup displays the numbers of bank accounts that have been linked to payment formats only.

Click the appropriate button:

- Click Apply to apply the new status and bank accounts to the payments.
- Click Clear to clear the contents of the grid.
- Click Save to save the payments with the new statuses and bank accounts, and to register the status transition postings.

Supplier Payment Selections

Use the Supplier Payment Selection (28.9.4) activities to process the payment of supplier invoices. The payment selection cycle has the following steps in sequence:

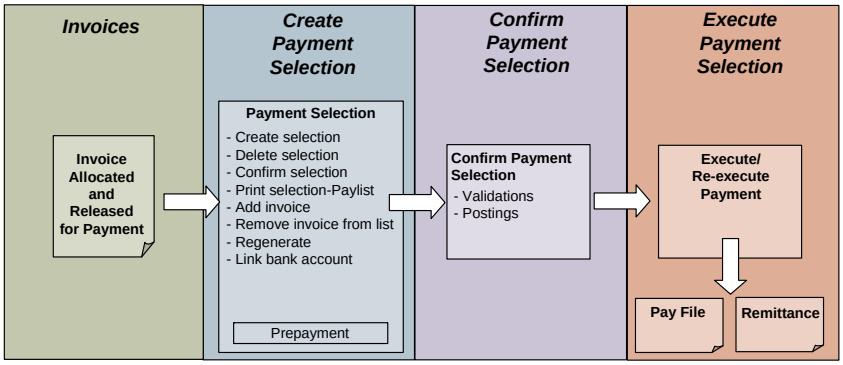
- Create a payment selection. You use the payment selection to define and select the invoices to be paid. This creates a selection with an Initial status.
- Confirm the payment selection. This action generates the postings related to the payments and changes the payment selection status to Confirmed.
- Execute the payment selection. This completes the process and creates the relevant documents and files for sending to the suppliers or your bank. This changes the payment selection status to Transferred.

  Note This step is only needed for electronic file output.
- Confirm the payment with a banking entry, which changes the payment selection status to Closed.

Note You must execute payment selections for electronic transfers. Confirm payment selections for checks moved directly to the Transferred status—you do not need to execute them.

Apply the Closed status when the final bank statement is confirmed using Banking Entry. For more information on banking entries, see “Banking Entry” on page 796.

Fig. 10.42
Supplier Payment Selection Flow



Logging information is confirmed for every step, including the user, date, time of creation, registration, and transfer.

A payment selection is always linked to one payment format. You must create multiple payment selections if the payments you want to process reference more than one bank account.

You can, however, split invoice amount over multiple payments by selecting separate formats and amounts on the invoice. When selecting the format for the payment selection, you can then include amounts created in this format from the invoice in the selection.

An invoice must have the following properties to be included in a payment selection:

It must have an invoice status with Approved selected and Locked for Payment cleared.

Its due date must be earlier than or equal to the reference due date used in the selection.

It must have the same payment format as the selection.

For each business relation, the Customer/Supplier Compensation Allowed field indicates if netting with customer open items is allowed. In this case, the selection activity can act as an adjustment function.

You specify an internal identification code for each payment selection, and create the paper or electronic payment to be sent to the bank. The process of creating bank payment files is described in “Payment Format Maintenance” on page 259.

You cannot modify a payment selection once the payment file is sent to the bank. If the bank refuses the file, you can manually resolve the issue, or repeat the file transfer.

The payment selection is validated before it can be confirmed and again before transfer. A payment selection has one pay date (execution date) that is valid for all linked invoices.

You can create individual and grouped payments. This is controlled by the Individual Payments field on the Payment tab of the supplier. However, you must generate separate payment selections for foreign and domestic payments. In this case, the transfer step generates two payment files.

You can include new prepayments in a payment selection. Only invoices with an open amount—that is, a balance greater or less than zero—can be used in payment selections. You also cannot specify invoices that are already part of another payment selection for the full amount.

See “Creating a Prepayment on a Payment Selection” on page 726 for more information.

Multiple selections can be done to create one global payment selection. The system appends new invoices selected to the list of those that are already included.

Payment Selection Processing Examples

The system supplies various activities that can be combined in different ways to support different processing scenarios for payments. The following are a few examples of how a processing flow can be created.

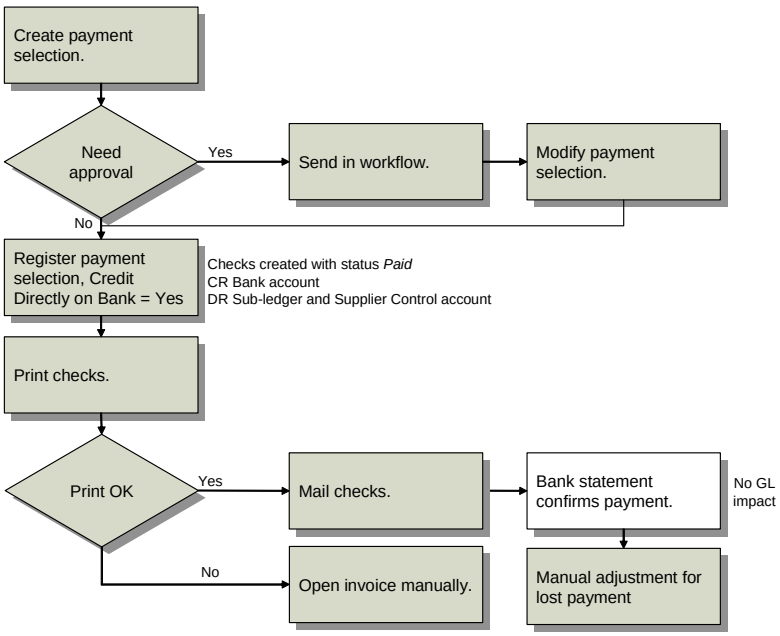
Direct Payment by Check

Select the invoices to pay by creating a payment selection. The selection is automatically assigned the Initial status. Following an approval stage, the selection is then confirmed and the Credit Directly on Bank field is selected. This changes the payment selection status directly to Paid, crediting the Bank account and debiting the sub-ledger and Supplier Control account.

The printed checks are sent to the supplier, and no further processing in the system is required. At the period end, the bank account balance must be reconciled with the bank GL account balance. Checks that you marked directly as Paid, but in reality are unpaid, cause discrepancies. You must identify these unpaid checks based on the bank statements you have received.

Note In this scenario, when you move a payment directly to the Paid status, you cannot void a failed check run. You must reopen the invoice manually with Open Item Adjustment.

Fig. 10.43
Direct Payment by Check

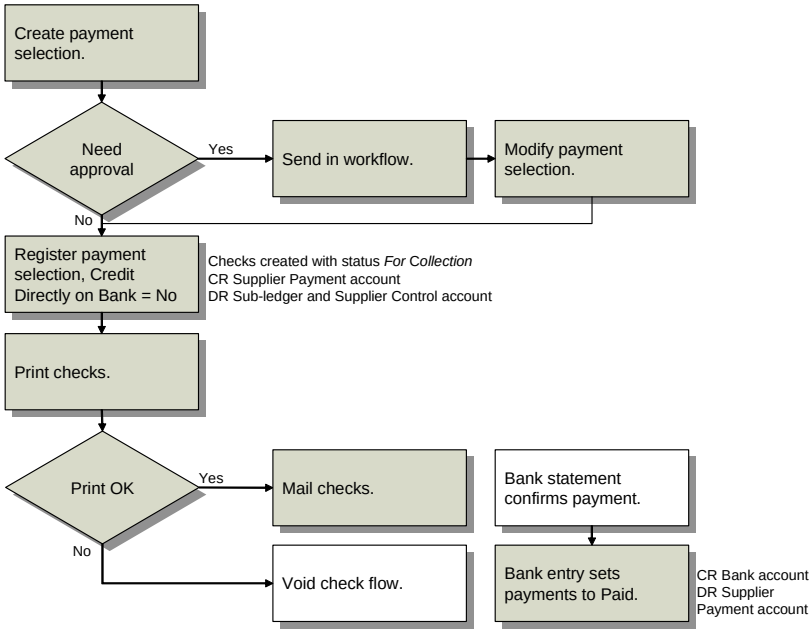


Staged Supplier Payment by Check

In this example, a selection of checks to a supplier is processed through approval stages, and then confirmed. When you confirm the payment, the Credit Directly on Bank field is not selected. As a result, the status of the payment is changed to For Collection. The posting credits the Supplier Payment account, and debits the Supplier Control account. The control account details default from the supplier record.

When the checks are printed and mailed to the bank, a banking entry posts the payment to the bank account. You change the status of the payment to Paid by recording the cleared payment from the bank statement in Banking Entry Create. However, this could also happen when a bank statement is loaded automatically.

Fig. 10.44
Staged Payment by Check



Note The payment selection process is, typically, the same for checks and drafts.

Supplier Electronic Transfer

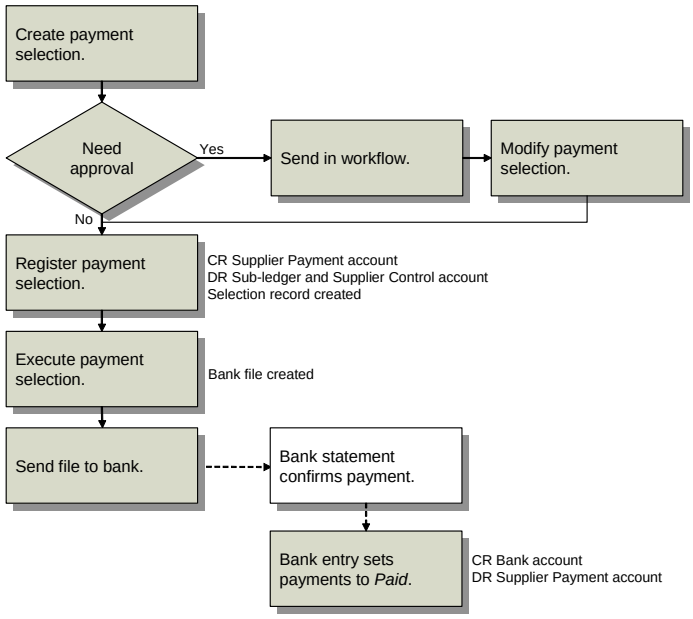
In this example, a series of supplier invoices is processed in one payment selection, and you create an electronic payment file to send to your bank. Different banking systems use different electronic file formats, and you must apply the correct format to electronic payment files. See “Payment Format Maintenance” on page 259.

The postings are generated when you confirm the payment selection. This step credits the Supplier Payment account and debits the sub-ledger and Supplier Control account.

To create the bank file, an additional execute step is needed. See “Supplier Payment Selection Execute” on page 733. When you send the file to the bank, the bank transfers funds from your account to your supplier’s, based on the instructions in the file. A bank statement confirms payment, and the final banking entry sets the payment status to Paid.

Note You can also process payments directly to the Paid status.

Fig. 10.45
Paying a Supplier by Electronic Transfer



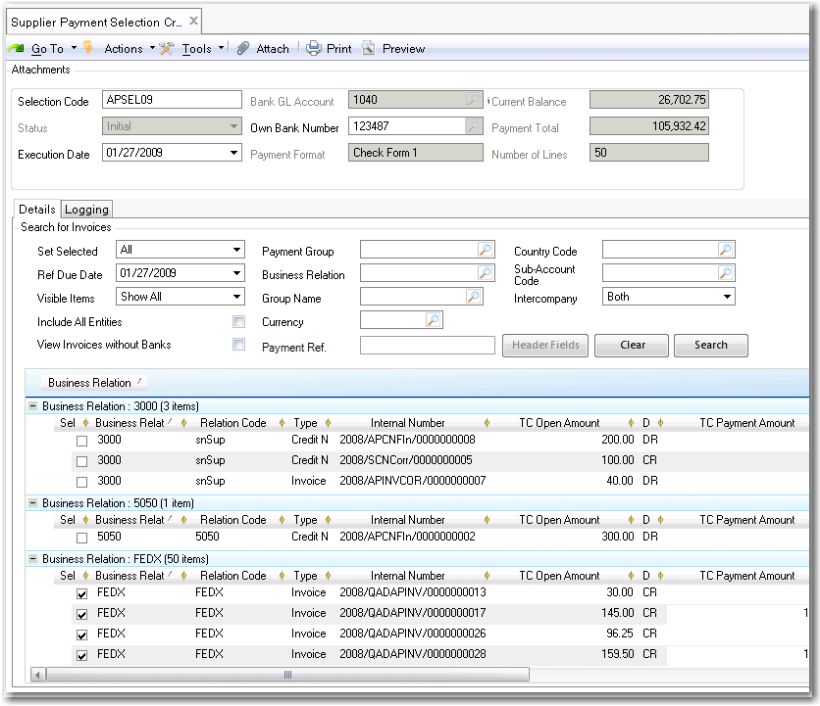
Creating Supplier Payment Selections

Use Supplier Payment Selection Create (28.9.4.1) to select multiple invoices by due date and create payments for groups of invoices.

The Supplier Payment Selection Create screen has four distinct areas:

- Supplier Payment Selection. Specify the details of the payment.
- Bank. Specify account and file format details for the bank account to which the payment file is to be exported.
- Filter Details. Use a combination of criteria to retrieve the invoices to be combined in the selection.
- Logging. View history of changes made.
- Grid. Display the results of the selection in the grid.

Fig. 10.46
Supplier Payment Selection Create



Field Descriptions

Selection Code. Enter a unique code (maximum 20 characters) to identify the payment selection. This field is required.

Bank GL Account. Specify the code of the GL bank account in which the payments are to be executed.

Current Balance. This read-only field indicates the current balance on the bank account.

Status. This read-only field displays the payment selection status. The status controls the availability of fields in the Create screen.

Own Bank Number. This field displays the default account number for the bank GL account defined in Account Create. You can select a different account if multiple account numbers were associated with the GL account. The payment format displayed is determined by the bank account number you select.

Payment Total. This read-only field displays the total payable amount of all invoices selected in the grid.

Note When calculating payment totals involving an exchange rate, Payment Total is calculated using the invoice exchange rate for the Supplier Payment Selection Create and Confirm. The Payment Total can therefore differ from the real cash movement. The latter depends on the exchange rate applied by the bank when the actual payment is executed.

Execution Date. Specify a date on which the bank should execute the payment selection.

Note The execution date cannot be earlier than the date (system date) on which the payment selection is created.

Payment Format. This field displays the format for the export file. This format is retrieved from the payment format and attributes linked to the GL bank account selected. See “Payment Format Maintenance” on page 259 for details. Depending on the payment format, you may be able to modify some header attributes for the payment. The selected invoices must match this payment format.

When the payment selection is in an initial status, you have the option to change the payment format used in the selection by selecting a different bank account from which to pay the selection. See “Changing Bank Accounts on a Payment Selection” on page 726.

Number of Lines. This field displays the value of the Invoices per Check field of the payment format associated with the GL bank account selected.

Important After you save a payment selection, you cannot change the bank account or account number selected, since this would invalidate the payment formats and attributes assigned to the payment.

Selection Details Tab

Use the Details tab to set search criteria for the invoices you want to include in the payment selection.

Search for Invoices

Set Selected. Specify how you want the system to set the Selected field on the invoices that are displayed in the grid after you click Apply.

Important Supplier Payment Selection Create only proposes payments where an actual payment amount is due. For open items that meet the search criteria, the total of the open items must be a credit value. If the debit total exceeds the credit total, no lines are retrieved and selected.

All. Enable the Selected field for all invoices

Due Only. Enable the Selected field only for invoices with a due date on or before the Ref Due Date specified.

Due and Discounted. Enable the Selected field only for invoices that are either due on or before the Ref Due Day or will be discounted on or before the date in the Discounts up to field.

None. Do not use enable the Selected field for any of the invoices.

Ref Due Date. Specify the date the system should use for finding invoices to be included in this payment selection. The system selects invoices due on or before this date that meet the other selection criteria.

Note The system includes invoices with staged credit terms in the grid if the due date of at least one stage matches the selection criteria.

Discounts up to. This field is only enabled when the value in the Set Selected field is Due and Discounted. The value defaults to seven days after the date in Ref Due Date. When enabled, the search returns open items according to the due date and the discount due date. The selected open items are invoices due on or before the date in Ref Due Date and invoices with an invoice discount due date up to and including the date in the Discounts up to field.

Visible Items. Choose to display all search results or only those results that match the Set Selected filter criteria. If you display All, you can manually modify the Selected field to include additional invoices if necessary.

Payment Group/Business Relation/Currency/Sub-Account Code/Intercompany/Country Code/Group Name/Payment Ref. Specify one or a combination of search criteria for open items: invoices, credit notes, and prepayments.

Include All Entities. Select this field to retrieve invoices from other domains. The domains do not need to have the same shared set as the current domain.

You can create a payment selection within one entity that includes invoices created in other entities within the same domain.

The system creates a record for the Cross-Company daemon to process, and the payment of the invoices in the other entity are posted as cross-company transactions. See “Intercompany and Cross-Company Transactions” on page 418.

View Invoices Without Banks. Select this field to display only invoices that are not already associated with a bank account. Invoices without banks do not appear on payment selections, so may inadvertently not be processed. This is especially important for supplier invoices.

The following are examples of how an invoice could be recorded without banking details:

- If no bank account information is specified in Supplier Create when you record an invoice, the invoice is created without any bank details and can be saved.
- When you record an invoice, you can delete the proposed bank number record from the Banking tab grid, which would also result in an invoice without banking details.

You can modify the invoice later to add banking details.

Payment Grid

Use one of the following to update data in the grid:

- Click Search to retrieve invoices that match the search criteria. You can modify the criteria and click to append subsequent results to the grid.
- Click Clear to clear the results grid. When you have appended a number of searches to the grid, click to clear the most recent set of results.
- Click Header Fields to change attributes associated with the payment file header. This button is enabled only when the payment format specified supports this feature. See “Payment Format Maintenance” on page 259.

You can only modify the Selected and TC Payment Amount fields in the results grid. You can right-click and insert a new row, which is automatically created as a prepayment. When creating a prepayment, the External Number field is enabled to record reference details. See “Creating a Prepayment on a Payment Selection”.

Logging Tab

The Logging tab displays payment selection history, including status changes and dates, user names, and generated files.

Creating a Prepayment on a Payment Selection

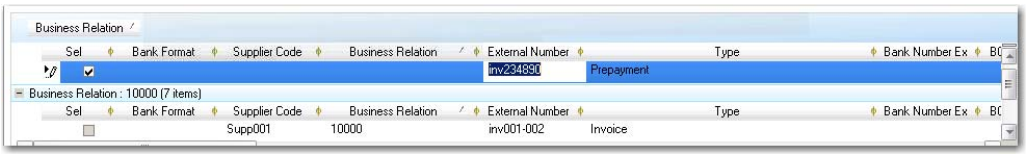
You can include new prepayments in a payment selection. When creating a new prepayment, you can enter a reference for the prepayment in the External Number field. This field lets you distinguish between prepayments if the same supplier has several prepayments relating to different orders. The value you enter as a prepayment reference lets you easily identify each prepayment when allocating them to invoices later in the AP process.

To include a new prepayment:

1 In the Payment Selection grid, right-click in a row and select Insert a New Row.

A new row is inserted and the External Number field becomes available.

Fig. 10.47
New Prepayment Line



2 Enter the bank format, supplier, and amount, and other details for the prepayment.

3 Enter up to 40 characters of reference text for the prepayment in the External Number field.

The reference you enter for the prepayment must be unique.

4 Save the payment selection.

Changing Bank Accounts on a Payment Selection

When you save a payment selection with a status of Initial, you can subsequently modify the bank account and payment format used in the selection. This option is useful, for example, when the cash balance on the account you originally specified is not enough to pay the selection and you want to use another account. You may also want to change the payment format on the selection from, for example, an electronic transfer to a check, provided that the new format is also applicable for that supplier.

This option is only available for selections with Initial status—when you register the selection, you generate postings and the system saves the bank and payment format information with the selection.

Note This option is not available for customer payment selections.

You define the bank account and payment format to be used for payments to a supplier on the Banking tab of the supplier record. The default account and format are then displayed on the Financial Info tab of all invoices for this supplier.

You change the bank account to be used for this selection by selecting another bank account. You can only select another bank account that has been defined for this entity. To change a payment format, you can:

- Select a different bank account number (associated with the same bank account). Each bank account number can be associated with a different payment format.
- Select a different bank account.

Bank account numbers are associated with the payment format, and you can only select a combination of number and format that you have already created in Bank Payment Format Link (25.11.2). See “Linking Payment Formats to Bank Accounts” on page 265.

Changing Payment Attributes on a Selection

Payment attributes provide additional information about a payment, and can be mandatory or optional depending on the requirements of the banking system that is to receive the payment. You assign attributes to payment formats in Payment Format Maintenance (25.11.1). See “Payment Attributes” on page 261.

The attributes on payment formats are designed for specific payment arrangements to suppliers, and are typically used for electronic payments. When you change the payment format, you also change the associated attributes and values, and you should ensure that the new attributes and values are consistent with those of the original invoices, and with the details defined for the supplier.

When the original format and new format are identical, or have no attributes, the system simply replaces the format. When the new format has no attributes, the system warns you that any original attributes will be deleted. You can decide to continue with the change or to cancel.

The system prevents you from selecting a new format that has different attributes from the original, because since attributes are created for specific business reasons, you cannot apply new payment attributes and values to the invoices already contained in the selection.

Table 10.5 summarizes these effects.

Table 10.5
Replacing Payment Formats and Attributes

Original Format	New Format	Comment
AP Draft (no attributes)	French AP Draft (no attributes)	The system replaces the format.
AP Draft with attributes Supplier ID and Payment Type	French AP Draft with attributes Sender ID and Charge Code	The system prevents you from selecting another format with different attributes.
AP Draft with attributes Supplier ID and Payment Type	French AP Draft with no attributes	When the original format has attributes and the new format has no attributes, the system warns that the original attribute values will be deleted from the payment selection header field and from the original invoice Financial Info tab. You can choose to cancel the change.
AP Draft with or without attributes	French AP Draft with attributes Sender ID and Charge Code	When the new format does not have the same attributes as the original format, the system prevents you from saving the change.

Changing Payment Formats and Supplier Invoices

The system requires that payment selections and the supplier invoices contained in them have the same bank account number and payment format. When you change the account and format details on a payment selection, the system automatically replaces the original details on the Financial Info tab of the supplier invoices with the new payment information.

When a supplier invoice is part-paid from multiple accounts, the Financial Info tab displays a separate line for each account and format combination that is being used. When you create a payment selection for this supplier and retrieve this invoice for inclusion in the payment, the system retrieves only that part of the invoice payment that matches the format you choose for the selection. Therefore, when you change this account and format, the system replaces only this line on the Financial Info tab of the original invoice with the new account and format details.

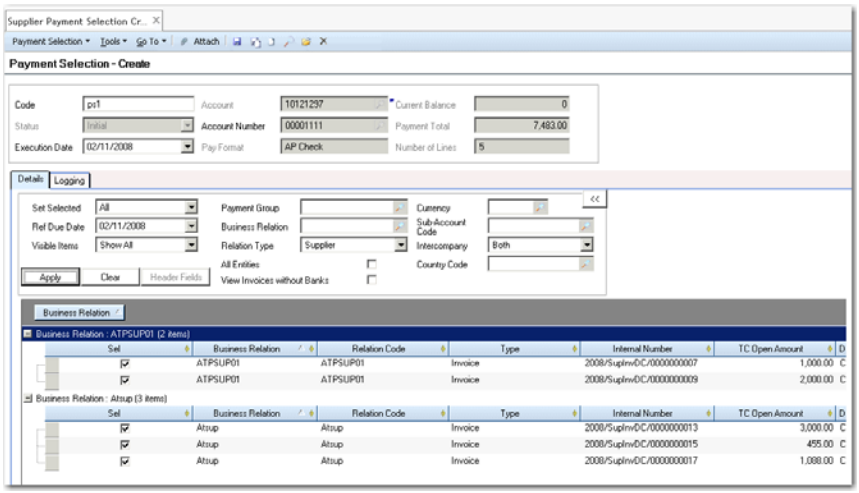
Changing Payment Formats and Supplier Records

The system also requires that the bank account you use in a payment selection must be defined on the Banking tab of the supplier record. When you change the bank account or payment format in a payment selection, the system automatically creates the new number and format combination as a new line on the supplier Banking tab. When the account number and format combination has identical payment attributes and values to the previous payment format, the system retains this information in the definition.

Example You create a payment selection PS1 to pay invoices from your bank account 10121297, account number 00001111. Account number 00001111 is associated with the payment format AP check, which is an Accounts Payable check format in US dollars.

You retrieve invoices from all suppliers for whom these account and format details have been defined. The system displays two invoices from Supplier A and three invoices from Supplier B in the results grid. You save the payment selection with an Initial status for internal approval. Following approval, you reopen the payment selection to process the payment. The Current Balance field on the Bank area of the selection indicates that because of other activity on this account, there are now insufficient funds in the account to complete the payment.

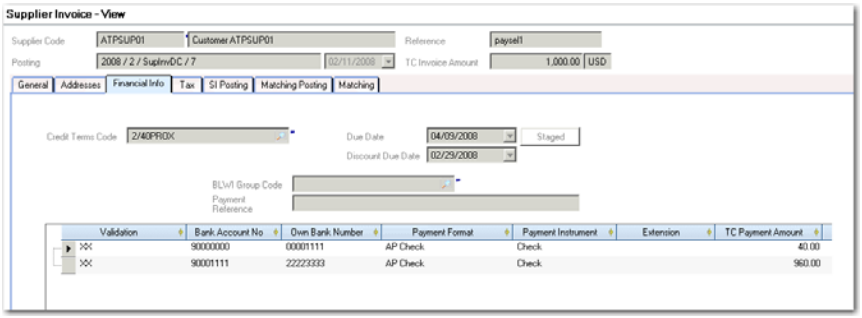
Fig. 10.48
Payment Selection for Multiple Suppliers



You select another account, 10121900, with an account number 11112222 and an associated electronic transfer format. This payment format includes attributes for a bank reporting ID and a payment expiration date. Because these attributes cannot be applied to the original invoices, the system prevents you from saving this change. Instead, you select account number 22223333 for 10121900, which also has an associated AP check format in US dollars (also named AP check). The new format matches the original format, and you can now save the change and proceed to register the payment selection.

The system replaces the account and format details on the Financial Info tab of each of the invoices for both suppliers. Therefore, account 10121297, account number 00001111, and format AP check are replaced with account 10121900, account 22223333, and format AP check. This new combination is also added as a new line on the Banking tab of both suppliers.

Fig. 10.49
Supplier Invoice Change of Bank



Supplier Payment Selection Confirm

Supplier Payment Selection Confirm (28.9.4.5) lets you confirm supplier payment selections. When you confirm a selection, the system changes the selection status from Initial to Confirmed, and creates all of the sub-ledger and GL postings for the payments.

Note The system displays an error if you have not defined For Collection and Paid statuses for the bank account.

You can generate multiple postings for several suppliers in the same payment selection. The Transfer account and the Discount account are linked to the bank account and cannot be changed.

Confirming the payment selection generates a posting that debits the Supplier Control account and credits the supplier payment account defined for the payment status and bank account used. For example, if you pay two invoices for the same supplier that do not have discounted due dates, the system produces the following postings for each invoice:

Account	Debit	Credit
Supplier Control	120.00	
Supplier Payment		120.00

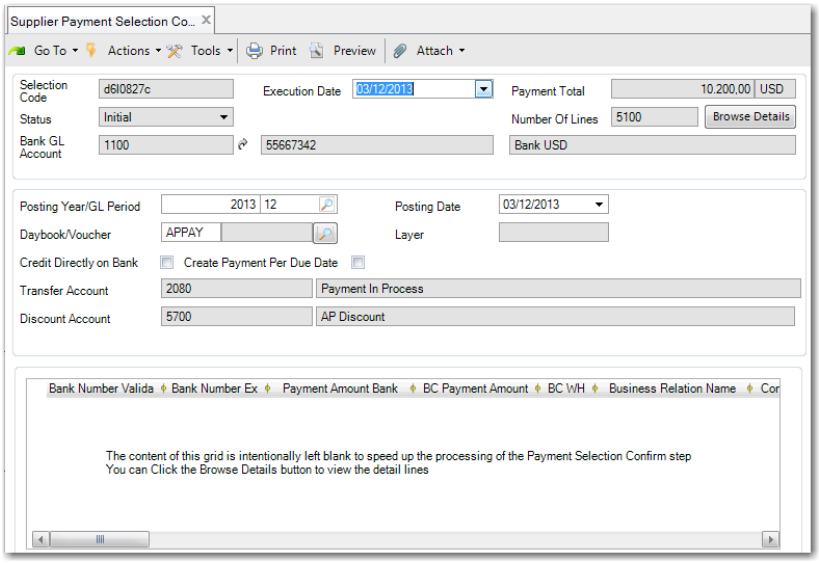
The postings are grouped by supplier.

The system creates supplier payments by supplier, currency, due date (if Create Payment Per Due Date is selected), and payment attribute, if applicable, for the batches successfully confirmed.

Browse Details Button

To save time in loading data, when a payment selection returns more than 300 record lines, the details are not displayed in the grid. The screen appears as displayed in Figure 10.50. To view the payment selection detail lines, click the Browse Details button. A separate browse is displayed, enabling you to page through the detail lines and refine your selection.

Fig. 10.50
Supplier Payment Selection Confirm Browse Details Button



Processing In Batches

Using Supplier Payment Selection Confirm, you can confirm up to 10,000 invoices at a time. During confirmation, the system groups the payment selection lines into payments, and then distributes the payments into batches. Before you run Supplier Payment Selection Confirm for the first time, use the Payment Selection Confirm Batch Size field in System Maintain (36.24.3.1) to define the payment selection batch size you want to use. The system then processes batches with a number of payment selection lines up to the maximum batch size. For more details on System Maintain, see *QAD System Administration User Guide*.

During the confirmation, the system optimizes the effective size of the batches so that payments to the same supplier are not split up. A payment for a single supplier is only split up into two or more batches when it contains more lines than the system batch size.

Note Some batches can be less than the batch size specified in System Maintain. This situation occurs because the system avoids splitting payments for the same supplier into separate batches.

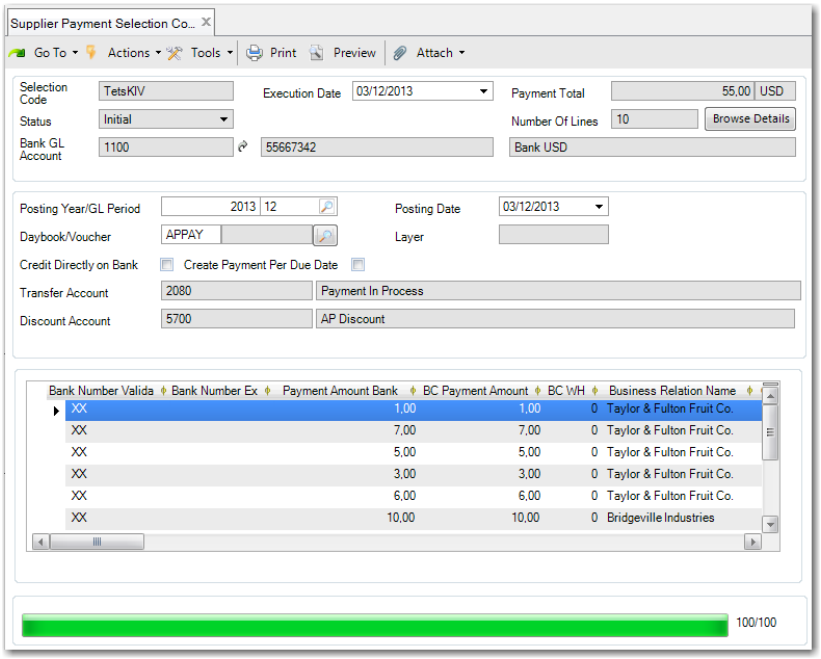
Each batch is a single transaction and the status is only changed to confirmed when the transaction completes successfully. If a system-handled error occurs during processing, the issue only affects the current batch. The transactions processed in previous batches are unaffected. The process stops and the status of supplier payment selection becomes Partially Confirmed.

You can fix the cause of the error and resume the payment selection confirmation. The transaction restarts from the point where it stopped processing. The system then confirms the records in the batch that failed, provided that the reason for the failure has been addressed. Alternatively, you can unconfirm the selection, which undoes the parts that are already confirmed.

While the system is confirming the payment selections, the status of the supplier payment selection is Processing. If the status of a supplier payment selection is Processing or Partially Confirmed, you cannot modify, delete, or execute the payment selection. In Banking Entry Create (31.1.1) and Banking Entry Allocate (31.1.5), you cannot allocate a banking entry to a supplier payment selection with the statuses Processing or Partially Confirmed.

If an unhandled error occurs during processing, the payment selection status remains Processing. When the status is Processing, you must leave at least 30 minutes of inactivity on the selection before resuming the Confirm. This delay prevents another user from restarting the Confirm for another selection while it is still being processed in another session.

Fig. 10.51
Supplier Payment Selection Confirm



Field Descriptions

Selection Code. This field displays the payment selection code.

Execution Date. This field displays the selection execute date. The default is today's date.

Note The posting is created on the execution date you specify and not the date on which you create the Supplier Payment Selection Confirm record (system date) if these dates are different.

Payment Format. This field displays the payment format code. It is read only.

Payment Total. This field displays the total amount of the payment in the payment currency.

Status. This field displays the current status of the payment.

Bank GL Account. This field displays the bank account code, account number, and payment format being used for this selection.

Posting Year/GL Period/Posting Date. Select a posting year, GL period, and posting date for the selection. The current year, GL period, and posting date are displayed by default.

Daybook/Voucher/Layer. Select a daybook for this selection. The Layer field displays the accounting layer for this daybook.

Credit Directly on Bank. Use this field to control the status assigned to the confirmed payment selection and the corresponding GL postings.

Select: The Paid status is applied, crediting the bank account and debiting the sub-ledger and Supplier Control account.

Clear: The For Collection status is applied, crediting the account associated with the For Collection payment status, and debiting the sub-ledger and Supplier Control account.

This field is selected by default when you have defined a Paid status for the payment but not a For Collection status.

Transfer Account/Discount Account. These fields display the transfer and discount accounts defined for this payment status. The discount account is used in postings for early payment discounts. These accounts default from the supplier.

Grid Fields

Sel. Select the field to indicate the payments you want to confirm. Clear to field for payments that you do not want to confirm.

Confirmed. This field is read only and indicates payments that have been confirmed. This indicator is especially useful when you are processing a large number of payments in batches. You can see which payments are processed and confirmed, and which payments are yet to be confirmed.

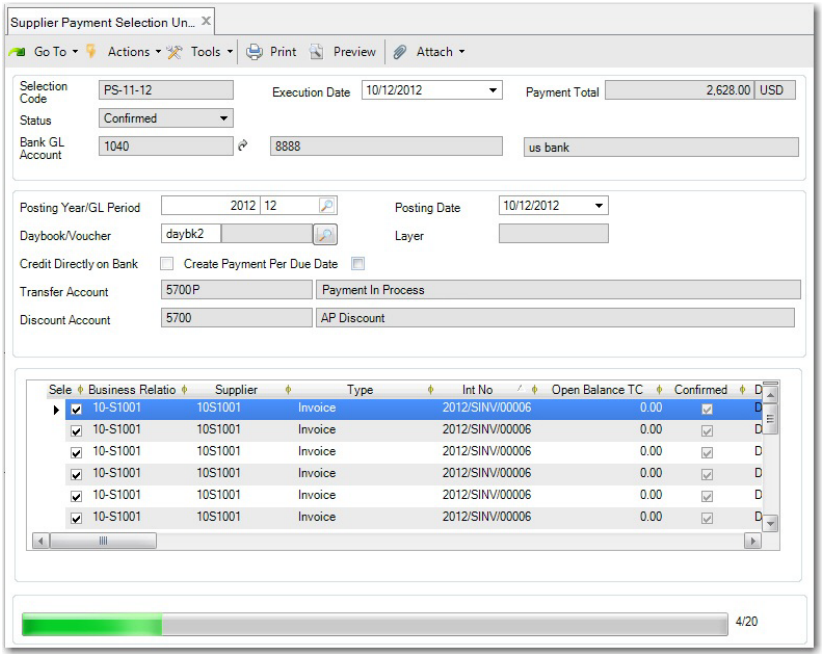
Click Confirm to generate the payment selection postings and change the payment selection status to Confirmed. The progress bar at the bottom of the window indicates the status of the confirm process.

Supplier Payment Selection Unconfirm

Use Supplier Payment Selection Unconfirm (28.9.4.8) to set a supplier payment selection back to the Initial status. Consequently, the supplier payment is set to Bounced, and the system removes the payment selection code from the supplier payment.

You can unconfirm up to 10,000 payments lines at a time. During the unconfirm process, the system groups the payment selection lines into payments, and then distributes the payments into batches. During the unconfirm process, each payment becomes a batch.

Fig. 10.52
Supplier Payment Selection Unconfirm



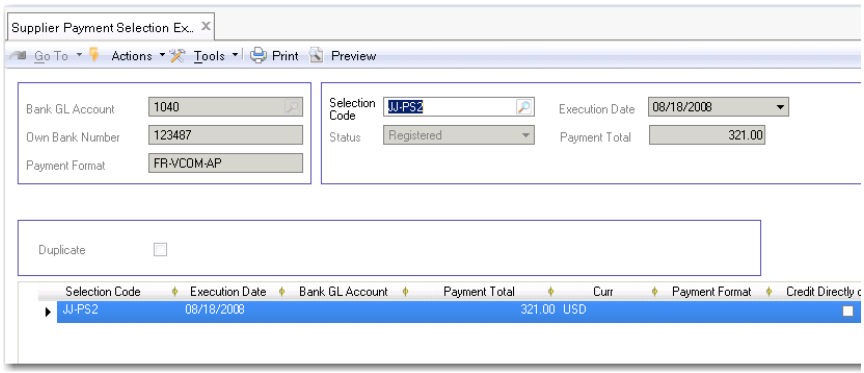
Supplier Payment Selection Execute

Use Supplier Payment Selection Execute (28.9.4.6) to convert a series of confirmed payment selections that are using the same execution bank into payment selection files for export to your bank.

The system uses data loaded into EDI eCommerce to create the file to be sent to the bank. Details about the payment file such as its location on the file system are specified when the electronic data interchange (EDI) data is loaded. EDI processing is controlled by the payment format and attribute values. In this way, electronic files for export are correctly formatted for the receiving bank. This process is described in detail in “Payment Formats” on page 256.

Note You cannot run Supplier Payment Selection Execute with an execution date that is earlier than the system date.

Fig. 10.53
Supplier Payment Selection Execute



Field Descriptions

Selection Code. Specify the code of a confirmed payment selection. Values for the other fields are filled in based on the selection you specify.

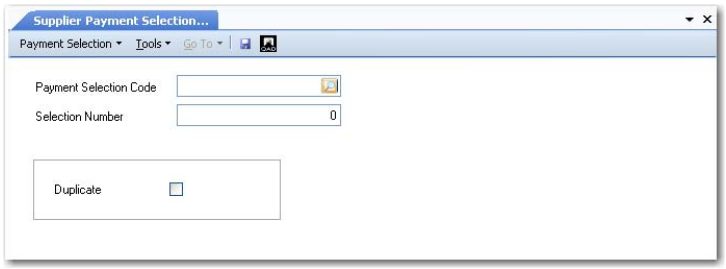
Bank GL Account/ Own Bank Number/ Payment Format/Status/ Execution Date/Payment Total. These fields all display values based on the selection code entered.

The grid displays details about the payments in the selection you are about to execute.

Supplier Payment Selection Re-execute

Use Supplier Payment Selection Re-execute (28.9.4.7) to select a previously executed payment selection file and regenerate it using the same payment selections. In cases where individual account or posting details within the selection have changed, you can regenerate the export file without removing and re-inserting the individual payment selection.

Fig. 10.54
Supplier Payment Selection Re-execute



Payment Selection Code/Selection Number. Specify the code that identifies a payment selection file.

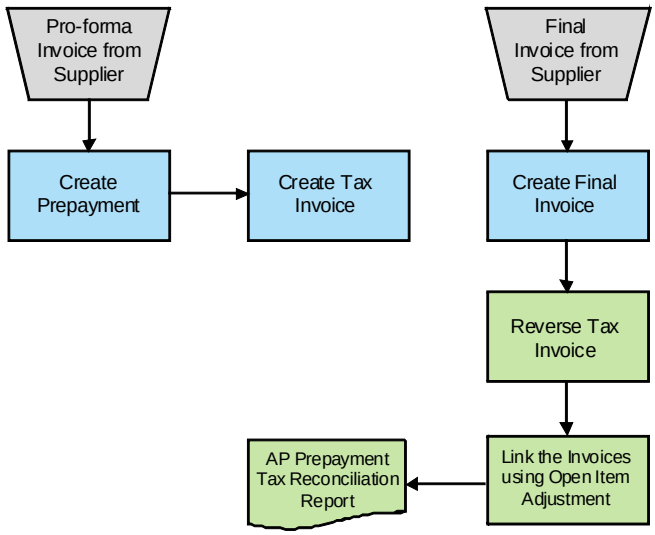
Duplicate. Select if you want the generated file to contain a field indicating that it has been executed more than once. This is a requirement of some banking systems when a file is sent more than once.

AP Prepayment Tax Reconciliation

In some countries, you must declare tax on a prepayment. This practice is common in Eastern European countries. For example, if you prepay a supplier and if the supplier subsequently does not ship goods or provide services within a certain time period, the supplier must issue a tax invoice.

The AP Prepayment Tax Reconciliation process lets you add identifiers to link prepayments, tax invoices, and final invoices and then perform reconciliations for audit purposes.

Fig. 10.55
AP Process for Prepayment Tax Reconciliation



In the AP Prepayment Tax Reconciliation process, you create supplier prepayments and record them in the system using reconciliation keys to identify them.

If the tax on the prepayments needs to be declared, you create a tax invoice for the prepayment tax amount and assign the same reconciliation key.

Before you receive the final invoice from the supplier, you can record multiple prepayments and multiple corresponding tax invoices.

When the supplier ships goods or provides services, you receive and record the final invoice. At this time, you create the final invoice in QAD EE with an identifying reconciliation key, You must then reverse the tax invoice that you created previously, run Open Item Adjustment Create to link the prepayment, final invoice, tax invoice, and tax invoice reversal so that QAD EE can track the whole process using one adjustment record.

The detailed flow is the same as that described for accounts receivable in “AR Prepayment Tax Reconciliation” on page 526.

Recording Prepayments with Reconciliation Keys

In functions that allow you to enter prepayments and process them, you can record a reconciliation key, which helps you to search and find tax invoices and prepayments for reconciliation.

The Reconciliation Key field is hidden by default and you must add it using Design Mode. You can add the Reconciliation Key field in Design Mode in the following AP-related programs:

- Supplier Payment Create/Modify/View
- Banking Entry Create/Modify/View
- Supplier Invoice Create/Modify/View

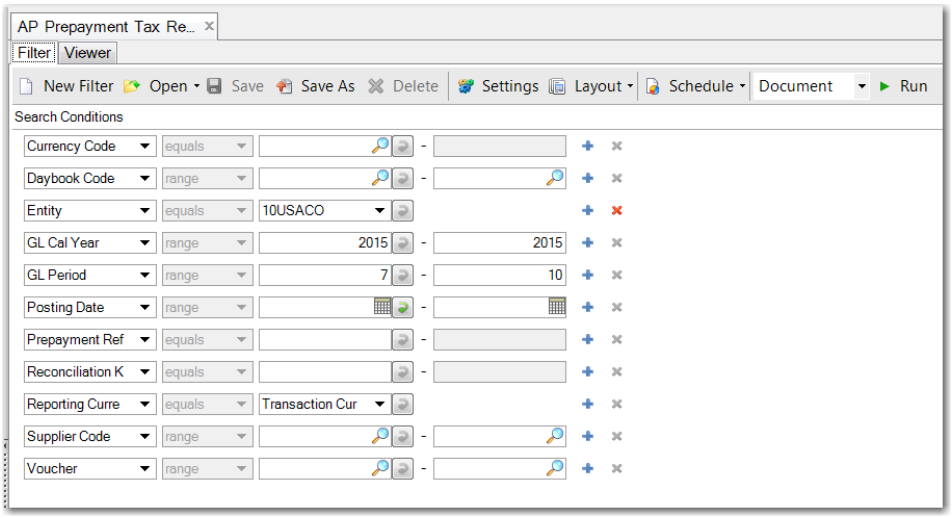
In the following programs, Reconciliation Key is a grid column that you can make visible by right-clicking on the grid headers and choosing Columns:

- Open Item Adjustment Create/Modify/View
- Supplier Opening Balance Create/Modify/View

Running the AP Prepayment Tax Reconciliation Report

The AP Prepayment Tax Reconciliation report contains output on which you can base your prepayment tax reconciliations. The report lists all transactions that meet the other search criteria. The data is grouped by daybook for each open item adjustment.

Fig. 10.56
AP Prepayment Tax Reconciliation Report, Criteria



The search criteria are:

Currency Code. Specify the currency code or which you want to run the report.

Daybook Code. Specify the daybook code or range of daybook codes for which you want to run the report.

Entity. Choose the entity for which you want to run the report. The Entity field is mandatory.

GL Cal Year. Specify the GL calendar year or range of years for which you want to run the report. The GL Cal Year field is mandatory.

GL Period. Specify the GL period or range of GL periods for which you want to run the report. The GL Period field is mandatory.

Posting Date. Specify the posting date or range of posting dates for which you want to run the report.

Prepayment Ref. Specify the prepayment reference for which you want to run the report.

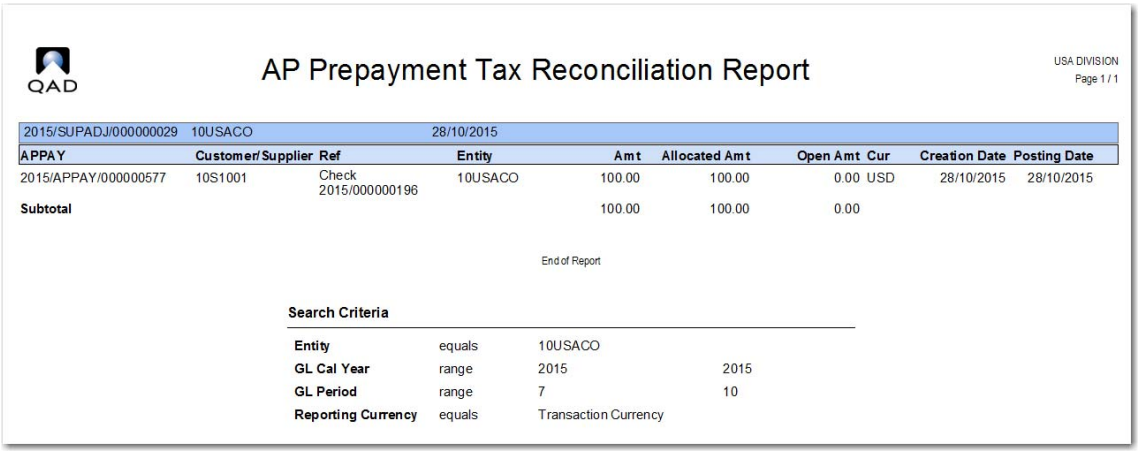
Reconciliation Key. Specify the reconciliation key for which you want to run the report.

Reporting Currency. Choose the currency in which to print the report output. The options are Base Currency, Statutory Currency, and Transaction Currency.

Supplier Code. Specify the supplier code or range of supplier codes for which you want to run the report.

Voucher. Specify the invoice voucher number or range of voucher numbers for which you want to run the report.

Fig. 10.57
AP Prepayment Tax Reconciliation Report



AP Prepayment Tax Reconciliation Report

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2015/SUPADJ/000000029 10USACO 28/10/2015

APPAY	Customer/Supplier	Ref	Entity	Amt	Allocated Amt	Open Amt	Cur	Creation Date	Posting Date
2015/APPAY/000000577	10S1001	Check 2015/000000196	10USACO	100.00	100.00	0.00	USD	28/10/2015	28/10/2015
Subtotal				100.00	100.00	0.00			

End of Report

Search Criteria

Entity	equals	10USACO	
GL Cal Year	range	2015	2015
GL Period	range	7	10
Reporting Currency	equals	Transaction Currency	

AP Bank Charges

Bank charges often apply to payment transfers that you make to your supplier to pay for goods or services. You must agree with your supplier who pays these. You can then configure the system to take these charges into account during the AP payment process. Banks keep a list of the charges that apply to payments made. These charges are dependent on the bank that you are making the payment to, the amount of money that you are paying, the payment format, and the date of the payment. If your supplier pays for these charges, you can configure the system so that the charges are automatically deducted from the payment that you make to the supplier.

Setting Up AP Bank Charges

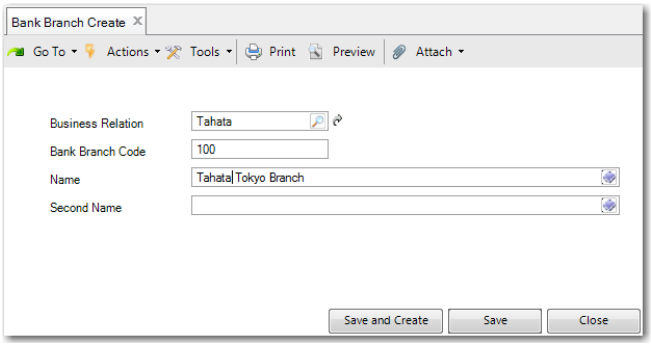
There are a number of steps to complete so that the system is configured to calculate bank charges on payments to suppliers:

- Record bank branch details.
- Record bank charges.
- Enable bank charges in your own bank’s GL account.
- Link your own bank account to payment methods, and specify which payment methods incur a bank charge.
- Configure the supplier record to show that the supplier pays the bank charge.
- Record the details of the supplier’s bank account.

Recording Bank Branch Details

Use Bank Branch Create (31.14.5), View (31.14.7), Delete (31.14.8), Modify (31.14.6), and Excel Integration (31.14.9) activities to create and update a list of valid branch codes that you can associate with a particular bank account in GL Account Create and Supplier Create. The integration activity allows you to upload a list of branch codes in an Excel file. The bank branch data is stored at system level.

Fig. 10.58
Bank Branch Create



Business Relation. The business relation representing a particular bank. It may be the bank that you transfer money from to make payments to suppliers, or it may be the supplier's bank. This field is mandatory.

Bank Branch Code. Enter a code representing the particular bank branch. This field is mandatory.

Name. Enter the name of the bank branch. This field is mandatory.

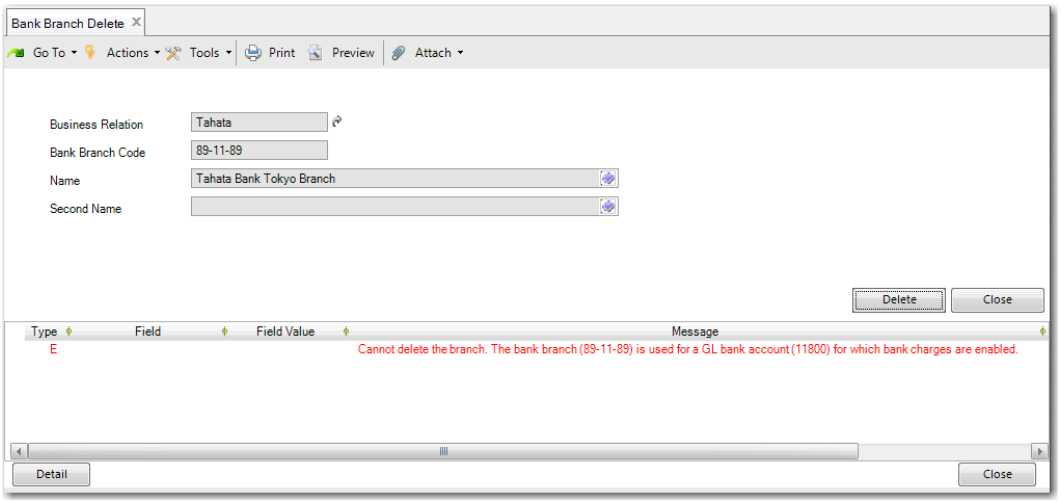
Second Name. Enter another name or a description for the bank branch.

Different banks can have the same branch code. The combination of bank branch code and business relation is a unique identifier for a particular branch.

In Bank Branch Modify, you can change the Name and Second Name fields only. It is not possible to modify the Business Relation and Bank Branch Code fields.

In Bank Branch Delete, if a branch has been linked to a bank account of yours that has Bank Charge selected in GL account, an error message is displayed and you cannot delete the bank branch. Similarly, if the bank branch is linked to a supplier bank account that is linked to one of your bank accounts that has Bank Charge selected, you cannot delete the bank branch.

Fig. 10.59
Bank Branch Delete Error Message



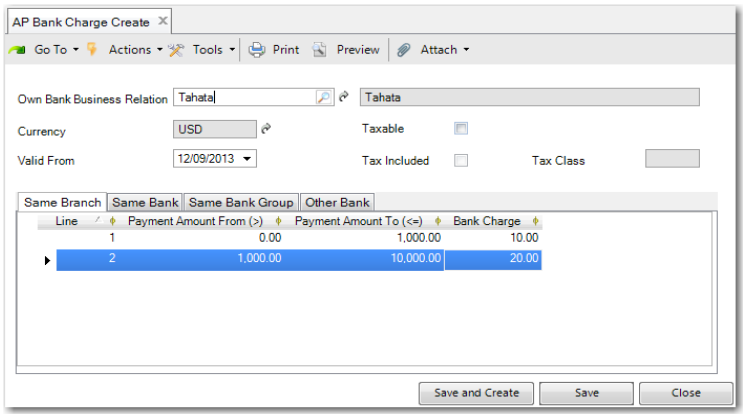
Bank Branch Excel Integration

Bank Branch Excel Integration (31.14.9) allows you to view, import or export a list of bank branches to the system from an Excel file. The file has the following fields in each row: Business Relation Code, Bank Branch Code, Name, and Second Name. To view the list of bank branches currently stored in the system, right-click the screen and choose Load Bank Branch. To import a list of bank branches, right-click in the grid and choose Import from Excel. If the business relation codes in the file do not correspond to business relations in the system, an error displays. To export the list of bank branches to Excel for maintenance, choose Export to Excel for Maintenance. You can then edit the Excel file and import it into the system again.

Recording Bank Charge Rates

Use AP Bank Charge Create (31.14.1), Modify (31.14.2), View (31.14.3), and Delete (31.14.4) to create and update the bank charge rates published by your bank. The system uses this information when calculating charges for payments.

Fig. 10.60
AP Bank Charge Create



Own Business Bank Relation. Select the business relation that represents your bank from the lookup. The lookup displays all business relations that:

- Are linked to your bank records in bank GL accounts
- Have the Bank Charge field selected in the bank GL account
- Have the same currency in the bank GL account as either the base currency or statutory currency of the current entity

Currency. Select a currency. Choose either the base currency or the statutory currency. Only payments made in this currency will have bank charges applied to them. After you choose the currency, it is not possible to modify this field when creating bank charges that are valid for this bank with different Valid From dates. It is also not possible to modify the currency of bank charges in AP Bank Charge Modify.

Valid From. Specify the date from which the bank charges are valid. You can create multiple bank charges with different dates. You cannot change the Valid From date using AP Bank Charge Modify.

Note When paying an invoice using Supplier Payment Create (28.9.3.1), the payment posting date is used to find the valid bank charge rate.

Note When paying for an invoice using Supplier Payment Selection Create (28.9.4.1), and the payment format is electronic transfer, the execution date is compared with the Valid From date in AP Bank Charge to find the valid bank charge rate. When paying for an invoice using Supplier Payment Selection Create (28.9.4.1), and the payment format is not electronic transfer, the posting date is compared with the Valid From date in AP Bank Charge to find the valid bank charge.

Taxable. Select this field when the bank charge is taxable. The tax charges that apply relate to the business relation of your bank. The Ship From zone is taken from your bank's business relation. The Ship To zone is taken from your company's business relation. For more information, see "Calculating Tax on Payments with AP Bank Charges" on page 747.

Tax Included. Select this field when the bank charge set by the bank includes bank charge tax. If this field is selected, then the tax portion of the bank charges is deducted from the bank charge stored in AP Bank Charges.

If this field is not selected, the tax is not included in the bank charge, and the system calculates the tax on the bank charge. The system then deducts the bank tax from the payment to the supplier in addition to the deduction for the bank charge.

In each case, the bank charge is posted to a bank charge account, and the tax on the bank charge is posted to a separate tax account. For more information, see "Calculating Tax on Payments with AP Bank Charges" on page 747.

Tax Class. This field is optional. This class is used in the lookup of the tax rate. For more information, see "Calculating Tax on Payments with AP Bank Charges" on page 747.

The grid contains four tabs:

- Same Branch. Use this tab to enter the rates that the bank charges for transfers to accounts within the same bank branch.
- Same Bank. Use this tab to enter the rates that the bank charges for transfers to accounts at a different branch within the same bank.
- Same Bank Group. Use this tab to enter the rates that the bank charges for transfers to accounts to a different bank within the same bank group as your bank.

- Other Bank. Use this tab to enter the rates that the bank charges for transfers to accounts in any bank group that is not your bank's bank group.

Each tab contains a grid that you can use to list the rates that the bank charges for a transfer. Each row contains a range and the charge that applies to transfers of amounts that lie within that range. Amounts greater than Payment Amount From (>) and up to and including Payment Amount To (<=) are charged the bank charge amount that appears in the corresponding row of the grid. For example, in Figure 10.60, transfers of $99.99 cost $10 and transfers of $1000.00 cost $20. As Figure 10.60 displays the Same Bank tab, these charges refer to payments made to accounts at other branches of the bank at which your company's account is located. There is validation to make sure that the Payment Amount To (<=) value of one row matches the payment amount Payment Amount From (>) value of the following row.

How the AP Bank Charge Rates are Used in a Payment

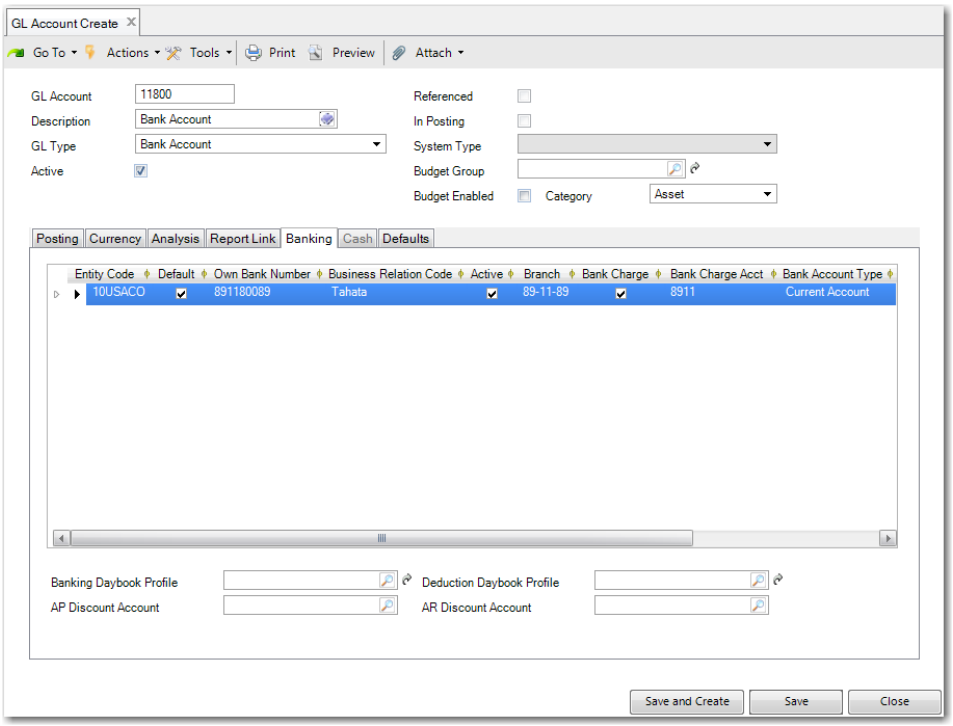
The system compares your bank details, stored on the Banking tab of GL Account Create, to those of your supplier's bank, stored on the Banking tab of Supplier Create. From this information, it identifies and checks the appropriate bank charge tab. If the bank charge amount is not found in the corresponding tab, the system checks the other tabs until it finds one with a charge listed. The order in which the system checks the tabs is Same Branch, Same Bank, Same Bank Group, and Other Bank. If there are no bank charges found, the system displays an error informing you that no bank charge is available, and requesting that you define the bank charge in AP Bank Charge Create or AP Bank Charge Modify.

Note The AP bank charge data can be used in any domain and entity where an own bank account exists that has the same business relation and currency as the bank charge table.

Setting Up Your Own Bank Account

In GL Account Create (25.3.13.1) and GL Account Modify (25.3.13.2), create or modify the details for the bank account that you use to make payments to the supplier. Figure 10.61 shows the Banking tab of GL Account Create.

Fig. 10.61
GL Account Create, Banking Tab



There are a number of fields to note on the Banking tab:

Business Relation Code. The business relation code of your bank. This field is mandatory when the Bank Charge field is selected.

Branch. Your bank branch. Define bank branches using Bank Branch Create or Bank Branch Excel Integration. This field is mandatory when the Bank Charge field is selected.

Bank Charge. Select this field if the bank account represented by this GL account will be used to pay bank charges. When you select this field and leave the Business Relation Code and Branch fields blank, an error displays. If you deselect this field and there is an associated payment format in Bank Payment Format Link (25.11.2) for this bank number, the following warning message displays: Bank number <bank_number> is associated with payment formats for which bank charges are activated.

For more information on linking the bank account to bank payment formats with bank charges, see “Linking the Account to the Payment Method” on page 742.

Bank Charge Account. A GL account, of type Standard, that the bank charges are posted to. This must be a manual account of type Standard.

Bank Account Type. Specify the account type. This information is printed on the payment file sent to the bank during the AP payment process.

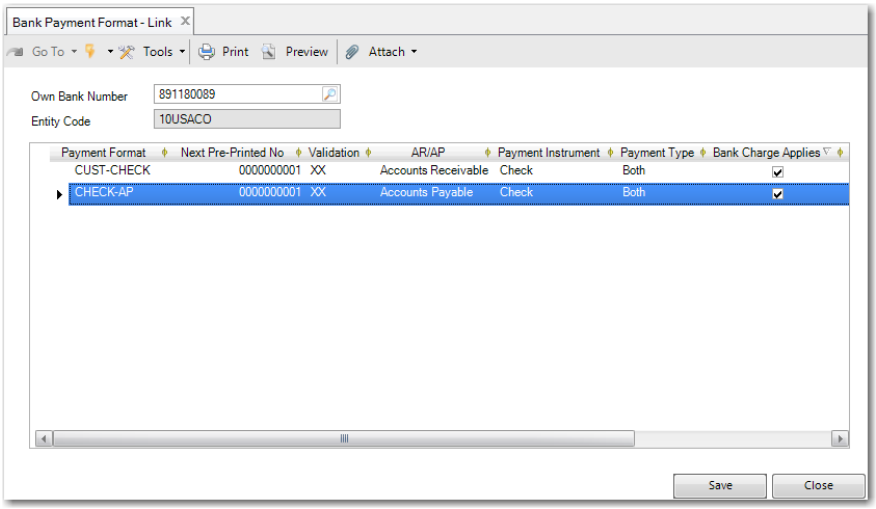
Linking the Account to the Payment Method

In Bank Payment Format Link (25.11.2), create a record for the bank account that you created in GL account. Specify the methods of payment that are acceptable for this bank account; for example, check payment. If the payment format requires a bank charge to be paid to the bank,

select the Bank Charge Applies field. The Bank Charge Applies field is only applicable to accounts that are of type Accounts Payable. The Bank Charge Applies field is hidden by default and can be displayed by right-clicking the column header, choosing Columns, and selecting the Visible option in the appropriate row. For more information about linking payment formats to bank accounts, see “Linking Payment Formats to Bank Accounts” on page 265.

Note It is only possible to edit the Bank Charge Applies field if the Bank Charge field on the Banking tab of GL Account is selected for that particular bank account.

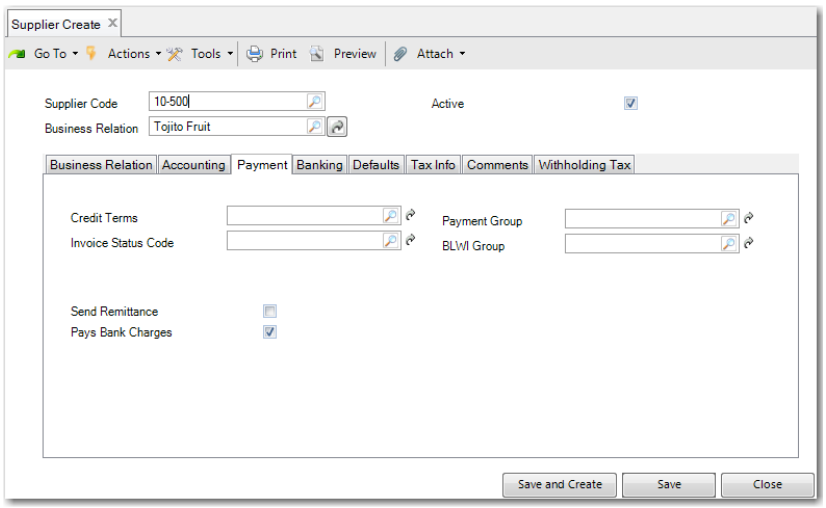
Fig. 10.62
Bank Payment Format Link



Indicating if the Supplier Pays the Bank Charges

Use the Pays Bank Charges field in the Payment tab of Supplier Create to specify whether or not the supplier is liable for bank charges resulting from payment transfers to cover invoices. This field is hidden by default and can be added using Design mode.

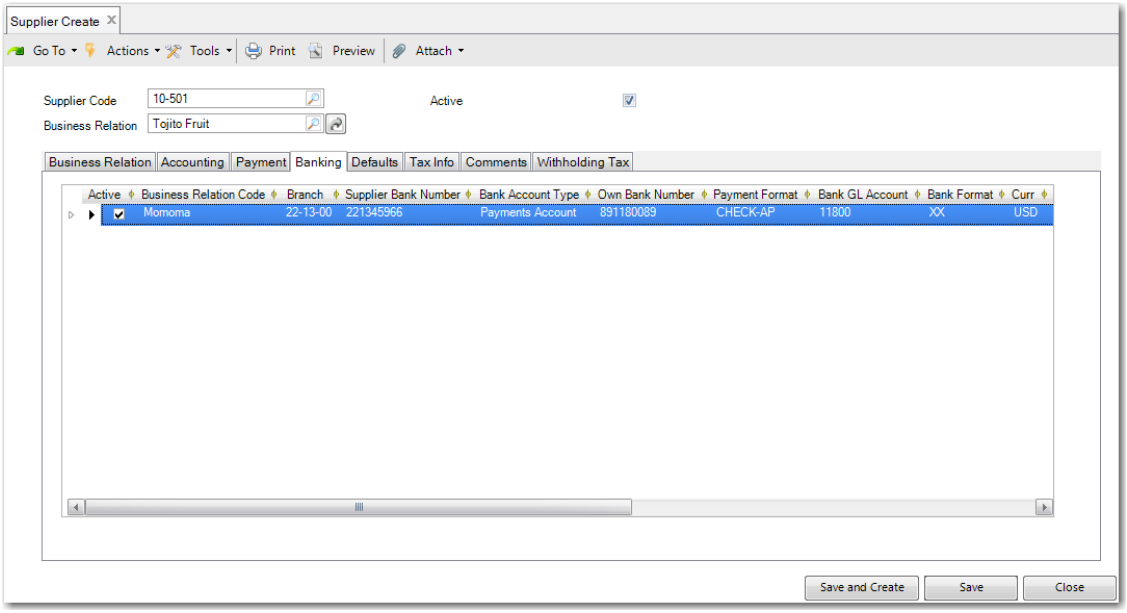
Fig. 10.63
Supplier Create: Payment Tab



Recording the Supplier's Bank Account Details

To facilitate the calculation of bank charges for payments to your supplier, record the details of the supplier's bank account. On the Banking tab of Supplier Create, enter details of the supplier's bank account and your bank account number. The system can then select the appropriate category. For example, if your bank account and your supplier's bank account are in the same bank and same branch, a charge stored in the Same Branch tab of AP Bank Charges applies. Figure 10.64 displays banking information related to the supplier.

Fig. 10.64
Supplier Create: Banking Tab



There are a number of important fields on the Banking tab:

Business Relation Code. The business relation representing the supplier's bank account. If you select Bank Charge in GL Account Create for your own bank number, then this field is mandatory.

Branch. The branch of the supplier's bank account. If you select Bank Charge in GL Account Create for your own bank number, then this field is mandatory.

Supplier Bank Number. The bank account number to which you transfer payments when paying the supplier.

Own Bank Number. The bank account number related to your bank's business relation. When you specify the own bank number, you are prompted to choose from the payment formats that are linked to the bank account. Choose a payment format that the bank charge applies to. The Entity Code, Bank GL Account, Payment Format, and Payment Instrument fields in this row automatically populate when you populate the Own Bank Number field and choose from the available payment formats. This account is the bank account that you transfer funds from to pay your supplier.

Bank Account Type. This field allows you to specify the supplier's bank account type. This information is printed on the payment file sent to the bank during the AP payment process.

Curr. Specify the currency of the account.

Own Bank Currency. This field contains the currency of the bank account number in the Own Bank Number field. When you select the bank account number, this field is automatically populated with the corresponding currency. The corresponding GL account is also displayed in the GL Account field.

Paying an Invoice Subject to Bank Charges

If you pay for an invoice using Supplier Payment Create or Supplier Payment Selection Create, the system calculates any applicable bank charges.

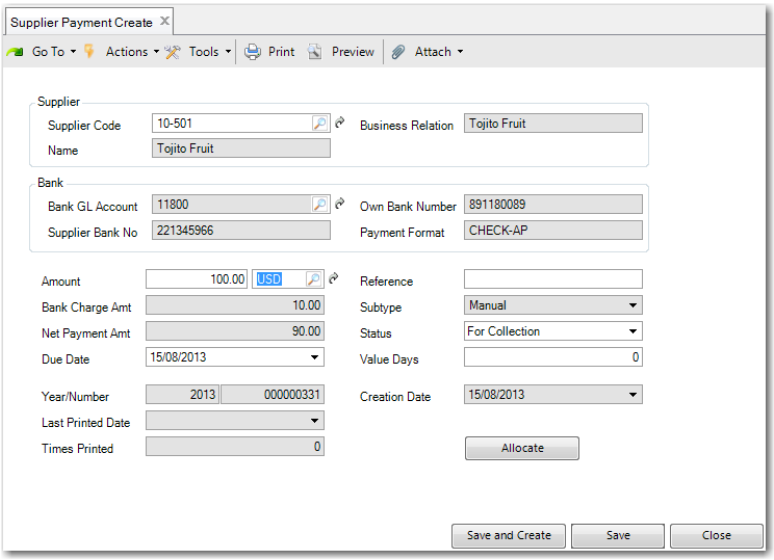
Paying multiple invoices at once allows you to reduce the number of payments that you make, and may reduce the charges that you pay to the bank.

If you are paying invoices in multiple entities, the information used to calculate the bank charges—for example, payment format, bank account, and bank charge details—is taken from the entity in which the payment is made. Similarly, the bank charges that apply to these payments are posted in the entity in which you make the payments.

AP Bank Charges in Supplier Payment

When paying an invoice using Supplier Payment Create, the payment posting date is used to find the valid bank charge rate.

Fig. 10.65
Supplier Payment Create



There are a number of fields on this screen that relate to bank charges:

Amount. The full amount that you are paying. Specify the currency of the payment also. If the currency of the payment and the currency specified in AP Bank Charges differ, then no bank charges are calculated on the invoice.

Note When payments are created, the system checks whether the bank currency, the payment currency, and the bank charge table currency are the same. It also checks that the currency is the base currency or statutory currency of the entity where the payment is made. If these conditions are satisfied, the bank charge is applied. Otherwise, the payment is processed without the bank charge.

Bank Charge Amt. The amount that your bank is charging you to transfer the payment to the supplier's bank account. The bank charge is calculated using the bank charges stored in AP Bank Charges, comparing your own bank to the supplier's bank and using the amount of the payment to calculate the appropriate charge. This field is read-only. The bank charge is calculated on the net paid amount of the payment. If the payment is eligible for a discount, or subject to a charge such as withholding tax, the bank charge is calculated after the allocated amount of the payment is calculated.

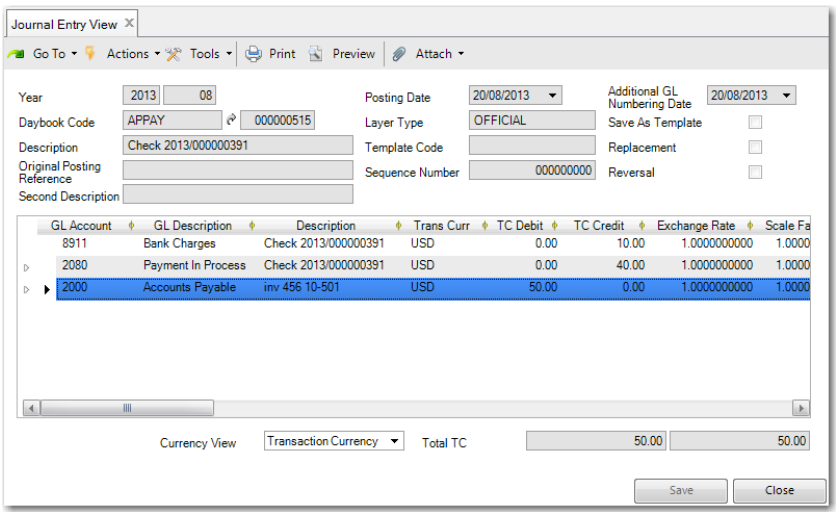
Net Payment Amt. The value of the Amount field with the Bank Charge Amount deducted. This field is read-only.

The bank charge amount is posted to the bank charge account. The net payment amount is posted to either the Supplier Payment Account or, when the payment status is Paid, to your own bank account. If there is tax charged on the bank charge, then this is posted to the tax account.

If discounts, withholding tax, or other deductions apply to a payment made to a supplier, the bank charge is calculated after the allocated amount of the payment is calculated.

You can use Journal Entry View to display the details of the accounts that the bank charge and net payment were posted to. Figure 10.66 shows how a payment appears when the payment has a status other than Paid. The bank charge is posted to an account that is specifically for bank charges. The net payment is posted to the Payment in Process account.

Fig. 10.66
Journal Entry View for Supplier Payment



When the payment status is Paid, the bank charge is posted to the bank charge account and the net payment is posted to the GL account that your company used to make the payment to the supplier. If tax applies to the bank charge, this is posted to a separate tax account. For more information on bank charge tax, see "Calculating Tax on Payments with AP Bank Charges" on page 747.

AP Bank Charges in Supplier Payment Selection

When paying an invoice by electronic transfer using Supplier Payment Selection Create, the execution date is compared with the Valid From date in AP Bank Charge to find the valid bank charge. If the payment format is not electronic transfer, the posting date is compared with the Valid From date in AP Bank Charge to find the valid bank charge. The posting is processed the same way as in Supplier Payment Create.

Calculating Tax on Payments with AP Bank Charges

In Bank Charge Create, you can specify if the bank charge is taxable by selecting the Taxable field. You can also specify if the bank charges listed in the AP Bank Charges activity include the tax, or if the tax is calculated on the bank charge and then deducted from the payment transfer in addition to the bank charge.

The system will then calculate the tax rate based on the Tax Type, Item Tax Class, Tax Usage, and Effective Date field in the Tax Rate Maintenance screen.

Configuring AP Bank Charges as Taxable

There are a number of steps to follow to apply tax to a bank charge.

- Select the Taxable field in AP Bank Charge Create.
- Specify the Tax Class. This corresponds to the Item Tax Class in Tax Rate Maintenance (29.4.1).
- Select the Tax Included field if the bank charge set by the bank includes the bank charge tax. In this case, the bank charges listed in the AP Bank Charges grid already include the tax. If the Tax Included field is not selected, then the bank charges listed in the AP Bank Charges grid do not include tax. The tax is calculated on the bank charge, deducted from the net payment amount, added to the bank charge from the AP Bank Charges grid, and displayed in the Bank Charge Amount field of the Supplier Payment. In both cases, the tax charged on the bank charge is posted to a tax account, and the bank charge is posted to a bank charge account.

When you pay an invoice using Supplier Payment Create, the system retrieves the tax type in Tax Environment Maintenance using the Tax Environment value, the Ship From zone, the Ship To zone, and the tax class of the own business bank relation. It then combines this Type with the Tax Class from AP Bank Charge to find the relevant tax rate in Tax Rate Maintenance.

- If there is an entry in Tax Rate Maintenance that corresponds to the Tax Type and the Tax Class from AP Bank Charge, then this rate is the tax rate that applies to the bank charge.
- If the Tax Class of the own bank business relation is not associated with any entry in tax environment maintenance, and there is an entry with a blank class, then this acts as a wildcard, and the rate for this entry applies to the payment.
- If there is no corresponding entry in Tax Rate Maintenance, and no entry with a blank Tax Class, then an error displays.

Including Bank Charges in Bank Payment Files

When you make payments through the electronic payment method, it is possible to include bank charge information in the files sent to the bank. You must install an electronic bank file format that is tailored to include the bank charge information. For more information on installing electronic bank file formats, see *QAD System Administration User Guide*.

Including Bank Charges in Reports

You can include information on bank charges in the following reports:

- Registered Supplier Payment Sel Report (28.9.9.10)
- Supplier Remittance Print (28.9.9.8)

Note The bank charge information is not included in the reports by default. Use Report Resource Designer (36.4.21.30) to make the bank charge information display in the report.

Realized Gain and Loss

For payments in base or transaction currencies, the system calculates the realized gain or loss in base currency and in statutory currency, and posts the difference to the relevant gain or loss system accounts. The gain or loss is the difference between the base currency (or statutory currency) value of the invoice at the time it was created and the base currency (or statutory currency) value of the invoice at the time of payment. For partial payments, this difference is prorated according to the amount paid.

When a domain uses a statutory currency, the system calculates the gain or loss twice, once for the base currency and a second time using the statutory currency, each using the most recent statutory exchange rate.

The original exchange rates for both the base currency and statutory currencies are stored in the original transaction (invoice) record and compared with the relevant exchange rate at the time of payment. The difference is then posted as a gain or loss.

See “Realized Gain and Loss” on page 576 for realized gains and losses in AR with example postings.

Printing Supplier Payment Instruments

Use the functions on the Supplier Payment Print menu (28.9.9) to print checks, promissory notes, summary statements, and drafts to be sent to the supplier as payments. You can also generate paper transfer documents to be sent to you bank to initiate payment transfers and generate reports on electronic transfers and payment selections.

Table 10.6
Supplier Payment Print (28.9.9)

Report	Description
Supplier Funds Transfer Print (28.9.9.2)	Lets you print a hardcopy instruction to be sent to the bank as an order to make a funds transfer from your bank account to the supplier's bank account.
Supplier Check Print (28.9.9.3)	Lets you print checks to be sent to the supplier for payment of outstanding amounts. To modify the layout of the supplier check, see *QAD Reporting Framework User Guide*, which describes the customization of Component 1 reports. In addition, the *Best Practices for Customization* training guide describes how to customize the business logic for reports.
Supplier Summary Statement Print (28.9.9.6)	The summary statement is sent to the supplier by a third party, and used when the third party is responsible for the collection of amounts. For example, factoring companies and banks that provide credit card services use summary statements.
Supplier Payment Selection Detail (28.9.9.7)	Generates a report for internal use that lists payment selections by range of selection code or execution date based on one or more statuses. When Detail is Yes, the invoices being paid are also listed. Payment status selection can be All, Initial, Confirmed, or Transferred.
Supplier Remittance Print (28.9.9.8)	Lets you print a remittance letter to a range of suppliers based on a generated payments. The remittance letter informs the suppliers about payments that have been made to them in executed payment selections.
Supplier Payment Selection Report (28.9.9.10)	Generates a report for internal use that contains all payment information in a payment selection file. Lets you select by payment status: Executed (Yes/No). One line per supplier.

When you print payment instruments, you can select documents to print by payment selection code or number, invoice status code, supplier, and creation date, as well as other criteria. The payment selection code is the external ID that you supply; the number is a system-generated sequential number.

Printing Supplier Checks

Supplier checks can be printed as soon as a Supplier Payment Selection for a check type Payment Format is created and confirmed. A single supplier check can also be created with the Supplier Payment Create function.

When printing checks using Supplier Check Print (28.9.9.3), you have the option to assign system pre-printed numbers that correspond with the pre-printed numbers physically on the checks. The system stores a pre-printed number with each linked AP check payment format, and you can select any AP check numbering sequence valid in the current entity.

Complete the payment selection criteria you need to select the payment you want to print. Use the following fields to configure your print run.

Bank Payment Format. Select a bank payment format from the drop-down list. This field displays all AP check formats that have been linked to bank accounts. You assign the next number in the sequence using the Next Pre-Printed No field in the Bank Payment Format Link function. When you click Apply to begin the print run, the system displays an error if you have

selected a format that does not have a next pre-printed number assigned. In this case, you can select the format in Bank Payment Format Link, assign a number, and continue with the print run. See “Linking Payment Formats to Bank Accounts” on page 265.

Open. Include only checks with an open status. When checks are For Collection, the status is open. When checks are Void, Bounced, or Paid, the status is closed and Open should be set to No in order to print them. This is important if you are not using a payment in process account but setting the status of checks to paid immediately; these checks are considered closed even though they have not been printed, and you must set Open to No to print them.

The default value for this field is Yes. When you do not have a For Collection status defined for any bank account in the current entity, the value given is No.

Open refers to the status of the checks, and applies to all scenarios. If you are setting checks immediately to the Paid status when they are created, as is common in US practice, your checks are already closed before you print them. In this case, you must clear the Open field to be able to print checks.

Preprinted Number. Use this field to define a number or range of numbers when you are reprinting an existing check.

Print Type. Select a print mode from the drop-down list.

Final Print. Use this option when you are ready to complete a print run. When you select Final Print, the system retrieves the Next Pre-Printed No field in the bank payment format you selected. You can only print new payment documents in Final Print, and once the run is complete, the Next Pre-Printed No field in the bank payment format you used is updated to the last number in the completed run plus one. The system also increases the value of the Times Printed record for the check by one.

Print Duplicate. Use this option to reprint a set of checks. The Times Printed record for the check is increased and the system prints existing checks only. The value of the Next Pre-Printed No field on the bank payment format is not updated by Print Duplicate.

Test Print. Use this option to test the run before Final Print. The system does not retrieve the Next Pre-Printed No field in the bank payment format you selected. The Times Printed record for the check is not updated, and the system prints new documents only.

These settings and their combinations are summarized in the following table.

Table 10.7
Check Print Scenarios

Print Type	Retrieve Next Pre-Printed Number from Bank Payment Format	Increase Times Printed Counter	Only New Documents	Update Next Pre-Printed Number in Bank Payment Format
Final print	Yes	Yes	Yes	Yes
Test print	No	No	Yes	No
Print Duplicate	No	No	No	No

You can use the Only New Documents field for test print and an original print run, but not for reprinting. When this field is selected, only checks with the field Times Printed set to 0 (zero) are printed, which would be exactly the set needed for a test run or when making the real check print.

Example You pay all supplier invoices from a Chase Manhattan bank account. You create an AP check payment format to process these payments (called Chase Manhattan Checks), and link the format to your Chase Manhattan account using Bank Payment Format Link.

When linking the account to the payment format, you assign a Next Pre-Printed No that matches the first number of your pre-printed checks; for example, 708001.

You create a payment selection for this month's total of 20 AP checks and select Supplier Check Print to print the payment selection. When you select Chase Manhattan Checks from the bank payment format drop-down list, the system assigns 70008001 as the number of the first check to be printed from the selection.

When you choose to run a Test Print on blank paper, the system prints the checks in the selection without retrieving the number from the payment format. After verifying that the correct checks have been printed, you run a Final Print on pre-printed paper. The system retrieves the number 70008001 from the Chase Manhattan payment format and prints checks numbered 70008001 to 70008020. The Next Pre-Printed Check No value on the payment format is updated to 70008021.

Printing and Voiding Supplier Checks

When you use Supplier Check Print to print checks, the remittance stub of the check stationery contains details of the invoices paid by the check, with one line on the check allotted per invoice. You define the number of invoice lines to be printed on the check using the Invoice per Check field in Payment Format Maintenance.

During a check print run, the preprinted check numbers of the check stationery are stored and traceable in the system to prevent fraudulent printing of checks. However, there are a number of situations in which the numbering sequence of the checks can be disrupted:

- A paper jam or other printer error occurs during printing.
- The address details on the check are incorrect, and need to be reprinted.
- The printed checks are lost in transit and must be reprinted.

In these cases, you maintain the integrity of the numbering sequence by voiding the supplier payments for the lost checks. Use Supplier Payment Mass Change to select the corresponding payments and change their statuses to Void. This creates empty check records for the voided checks with the original preprinted numbers assigned to them. At the same time, the original payment records are reset to an unprinted status (without preprinted numbers) so that you can use them for a new check print run using a new number range.

Example You are printing a payment selection of 100 checks on stationery prenumbered from 001 to 100. The printer jams at the form numbered 076. In the system, all 100 checks are marked as printed and are assigned preprinted numbers from 001 to 100. On the printer, the forms numbered 076 to 079 are scrambled, but the stationery can be reused starting from 080. To rectify the problem and reprint the last 25 checks correctly, open Supplier Payment Mass Change. Select the four payments that correspond to the scrambled forms and change their statuses to Void. The selected payments are assigned the status Void and keep the preprinted numbers 076 to 079. At the same time, four new unprinted payments are created automatically and linked to the same invoices as the voided payments. Now, you can reprint (using a print type of Duplicate) the 21 checks that were already assigned numbers 080 to 100 on forms prenumbered from 080 to 100. After that, you can print the four new checks that replace the voided checks on forms prenumbered from 101 to 104.

The check numbering sequence is also disrupted when the number of invoice lines to be printed on the page exceeds the page length.

Example Three checks are to be printed on the pages numbered 10000001, 10000002, and 10000003. The invoice lines on the first check exceed the length of page 10000001. The system does not let you print a check on two pages; instead, it prints Void on the second page, and creates a voided check record to account for this number. The print run continues with the second check on the third numbered page (10000003), and the third check on the fourth numbered page (10000004).

In this way, the numbering sequence is kept consecutive and the skipped prenumbered page is recorded.

Ultimately, if the preprinted numbers in the system are completely unsynchronized with the physical check forms that have been printed, there is also a manual way to rectify the situation. However, you must have access privileges to run the Supplier Payment Renumber activity so that you can then use Supplier Payment Mass Change to manually update the preprinted check numbers for the payment. Also, at any time, you can use Payment Format Maintenance to reset the next preprinted number that the system will use during a check print run.

Supplier Activity Dashboard

The AP module includes many additional reports and views that let you review supplier information using customizable selection criteria. These are discussed in “Accounts Payable Reports” on page 929.

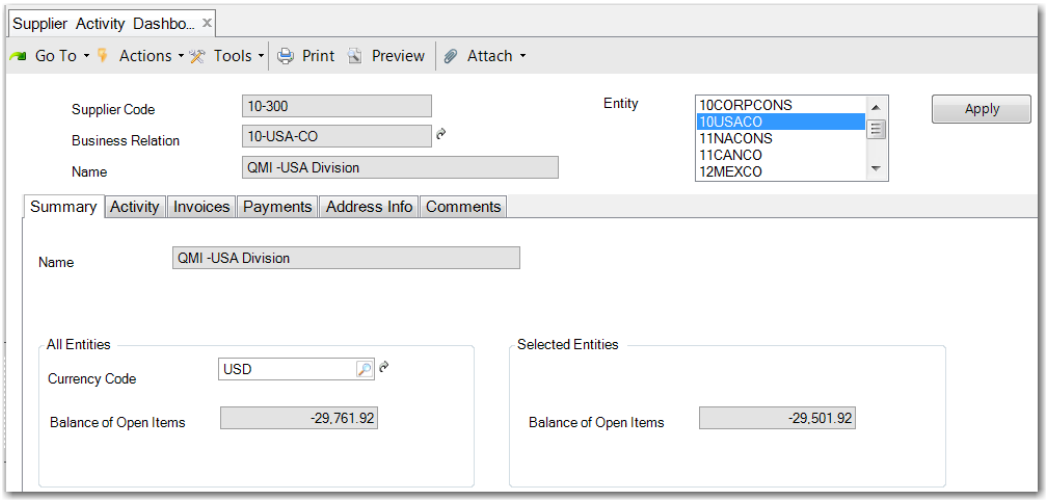
The Supplier Activity Dashboard (28.18.1) offers a comprehensive overview of all activity related to a single supplier, in a single entity or over multiple entities. The drill-down generates read-only information that includes invoices, credit notes, and payments.

You can select open or closed payments and display individual payment details, as well as total amounts for each selection you make. You can filter by currency.

The Activity tab displays all invoices and associated payments for the supplier, by default for a three-month period. Payments display as child rows beneath their associated invoices. You can view the invoice and payment information separately using the Invoices and Payments tabs. Amounts in the payment and invoice grids are displayed to two decimal places, and discount calculations support negative quantities.

You can use grid features to group and sort information by key credit-related details such as the number of weeks overdue, or see all invoices due in a certain week.

Fig. 10.67
Supplier Activity Dashboard



Field Description

Supplier Code. This field displays the code of the supplier you selected in the supplier browse.

Business Relation. This field displays the supplier business relation code and business relation name.

Entity. Select one or multiple entities for which to display AP activity for this supplier. The current entity is selected by default, and totals for the current entity display in the Summary tab. Use Ctrl+Click to select multiple entities in the list.

Currency Code. Specify a currency in which to display the information. The supplier currency is loaded by default. When you specify a different display currency, amounts are converted from the supplier currency using the default accounting exchange rate. For example, switch currencies to view the amounts in the currency of the current domain.

Note When you switch currencies, the system uses the Accounting exchange rate effective as of today.

Balance of Open Items. This field displays the total amount of supplier open items generated in all entities. Open items consist of invoices and credit notes entered directly using Supplier Invoice Create and posted invoices and credit notes from operational activity.

Balance of Open Items (Selected Entity). This field displays the total amount of supplier open items in the selected entity.

Summary Tab

This tab displays address details for the supplier, as well as the total outstanding balance to this supplier for the selected entities.

Name/Address/Telephone/Fax/E-Mail/ Website/Zip Code/City/ Country/State/County. These fields display the supplier address and contact information, deriving from the head office address in the supplier business relation.

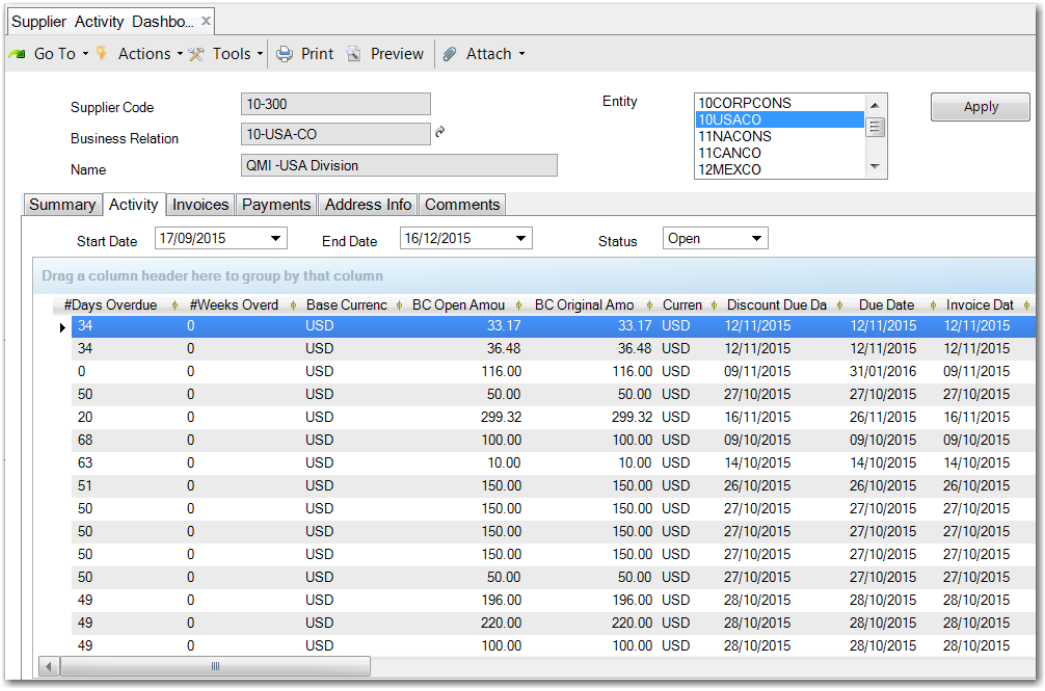
Balance. This field displays the current supplier balance, based on the total of all open items for this supplier, in the selected currency

Activity Tab

This tab lets you view supplier invoices and associated payments in one screen. Payments display as child rows beneath the invoices.

By default, open invoices for a three-month range display. You can change the start and end dates as needed and choose to look at closed invoices or both closed and open. The system refreshes the activity records if you change the Start Date, End Date or Status field values.

Fig. 10.68
Supplier Activity Dashboard, Activity Tab



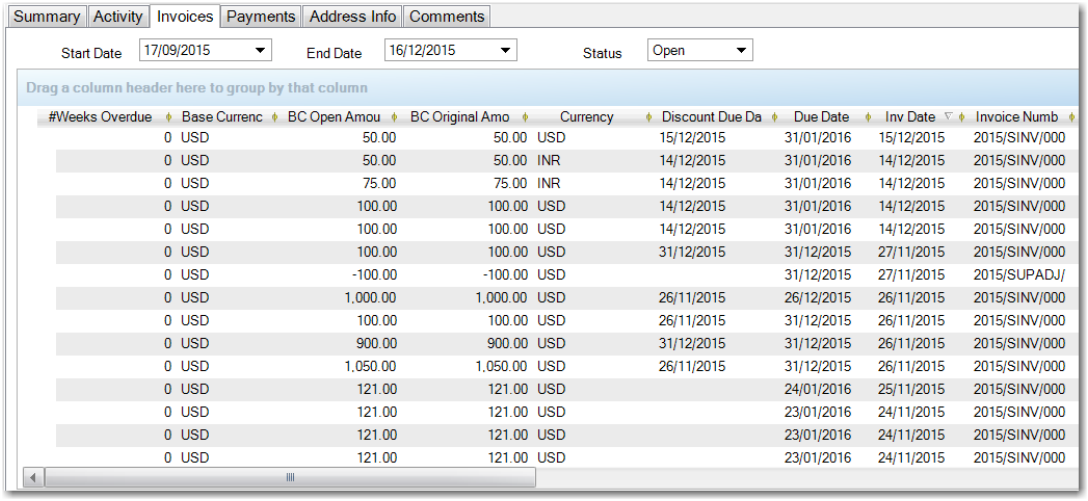
Review the information under the Invoices and Payments tabs for individual field details.

Invoices Tab

Use the Invoices tab to drill-down on selected invoices. You can modify the date range and the status of invoices to include in the view.

You can view the aging breakdown on the list of invoices by grouping on the # Weeks Overdue column, and adding a summary on the balance column.

Fig. 10.69
Supplier Activity Dashboard, Invoices Tab



#Weeks Overdue	Base Currenc	BC Open Amou	BC Original Amo	Currency	Discount Due Da	Due Date	Inv Date	Invoice Numb
0	USD	50.00	50.00	USD	15/12/2015	31/01/2016	15/12/2015	2015/SINV/000
0	USD	50.00	50.00	INR	14/12/2015	31/01/2016	14/12/2015	2015/SINV/000
0	USD	75.00	75.00	INR	14/12/2015	31/01/2016	14/12/2015	2015/SINV/000
0	USD	100.00	100.00	USD	14/12/2015	31/01/2016	14/12/2015	2015/SINV/000
0	USD	100.00	100.00	USD	14/12/2015	31/01/2016	14/12/2015	2015/SINV/000
0	USD	100.00	100.00	USD	31/12/2015	31/12/2015	27/11/2015	2015/SINV/000
0	USD	-100.00	-100.00	USD		31/12/2015	27/11/2015	2015/SUPADJ/
0	USD	1,000.00	1,000.00	USD	26/11/2015	26/12/2015	26/11/2015	2015/SINV/000
0	USD	100.00	100.00	USD	26/11/2015	31/12/2015	26/11/2015	2015/SINV/000
0	USD	900.00	900.00	USD	31/12/2015	31/12/2015	26/11/2015	2015/SINV/000
0	USD	1,050.00	1,050.00	USD	26/11/2015	31/12/2015	26/11/2015	2015/SINV/000
0	USD	121.00	121.00	USD		24/01/2016	25/11/2015	2015/SINV/000
0	USD	121.00	121.00	USD		23/01/2016	24/11/2015	2015/SINV/000
0	USD	121.00	121.00	USD		23/01/2016	24/11/2015	2015/SINV/000
0	USD	121.00	121.00	USD		23/01/2016	24/11/2015	2015/SINV/000

Field Descriptions

Invoice Number. This field displays the number of the selected invoice or credit note.

Inv Date. This field displays the invoice creation date.

Reference. This field displays the invoice reference.

Due Date. This field displays the payment due date.

Discount Due Date. This field displays the payment due date to qualify for an early payment discount.

Open. When this field is selected, the invoice is open.

Currency. This field displays the currency for the transaction.

BC, SC, and TC Original Amount. These fields displays the original invoice amount in base, statutory, and transaction currencies.

TC Hold Amount. This field displays the trade currency hold amount for the transaction.

BC, SC, and TC Open Amount. These fields displays the open (unpaid) invoice amount.

Invoice Type. This field displays the invoice type: invoice, invoice correction, credit note, credit note correction, prepayment.

OI Description. If the invoice was adjusted using open item adjustment, this field displays the description recorded in Open Item Adjustment Create (25.13.5) or Open Item Adjustment Modify (25.13.3).

See “Open Item Adjustment” on page 383 for more information.

Overdue Days. This field displays the number of days overdue, calculated by subtracting the due date from today’s date.

 # Weeks Overdue. This field displays the number of weeks overdue, calculated by subtracting the due date from today’s date and dividing by seven.

Invoice Status Code. This field displays the invoice status code assigned to the open item.

Week #. This field displays the week number in the accounting year.

Base Currency. This field displays the base currency of the domain in which the invoice was created.

Statutory Currency. This field displays the statutory currency for the transaction

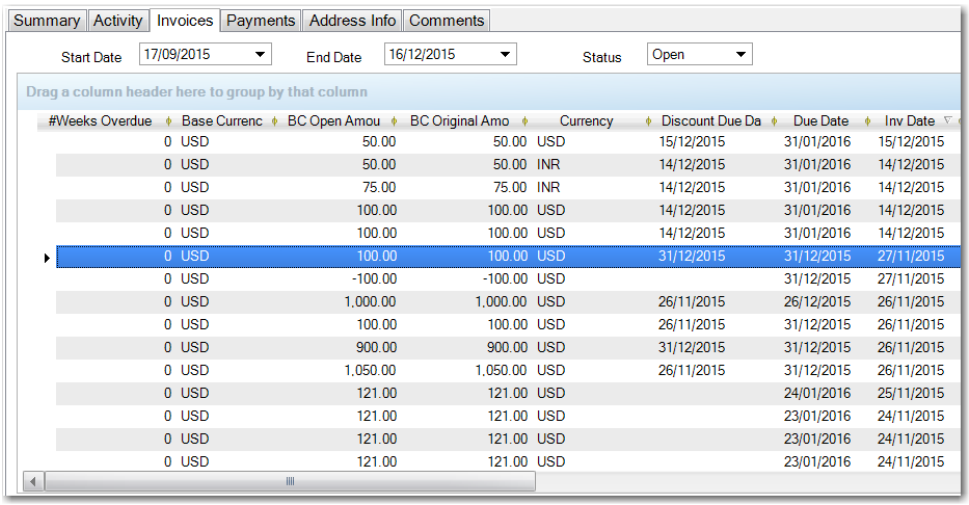
Registration Number. This field displays the invoice registration number.

Note You can also add other columns to the grid that are not displayed by default. For example, Entity Code displays the entity, which is useful when you have selected to display multiple entities. The Registration Number column identifies all supplier invoices and credit notes in the system, both initial and standard, and is an automatic number generated by entity and year.

Supplier Activity Drill Down

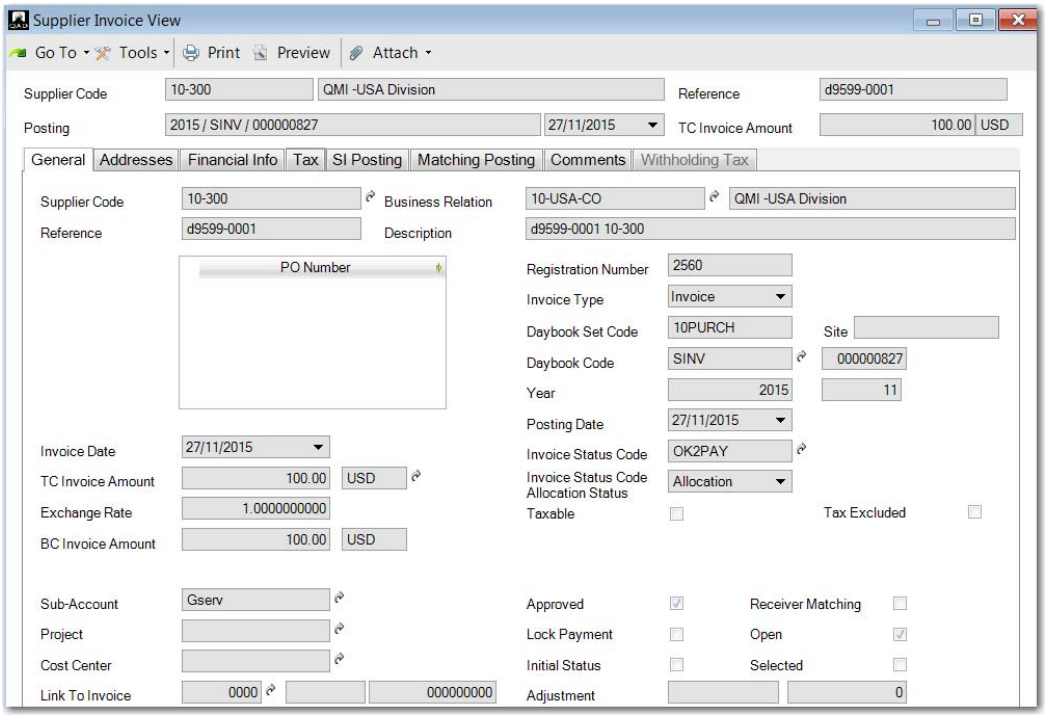
The Supplier Activity Dashboard includes the ability to drill-down to view the detailed invoice and payment records associated with the summaries displayed in the Invoices and Payments tabs. You can view read-only information for invoices, credit notes, and payments.

Fig. 10.70
Supplier Invoice Dashboard, Invoices Tab



By double-clicking on the invoice summary line shown in Figure 10.70, the system displays the corresponding supplier invoice in read-only format.

Fig. 10.71
Supplier Invoice View

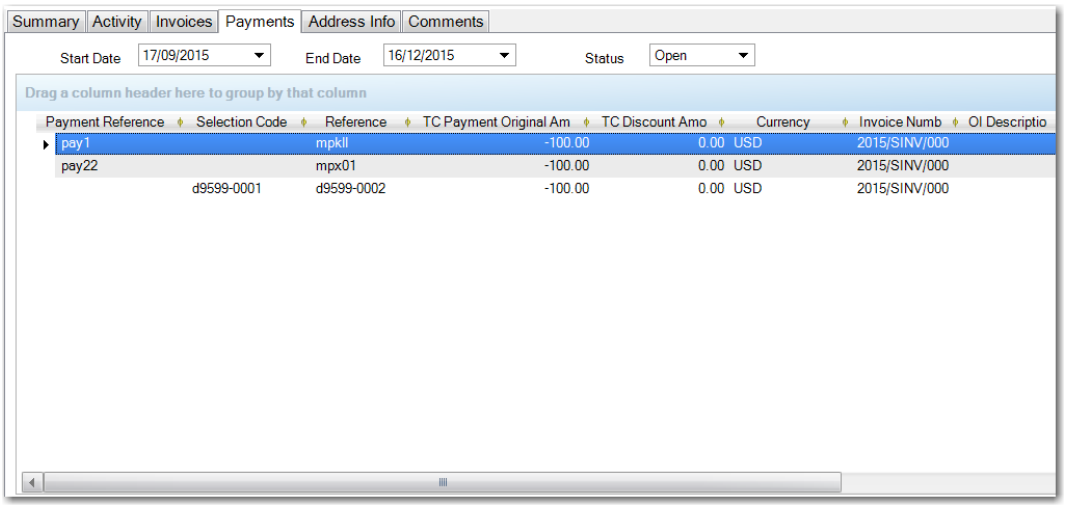


Payments Tab

Use the Payments tab to view the payments and payment selections sent to this supplier for a specified date range. Double-click a line on the grid to view the original payment.

Supplier prepayments created using Banking Entry display as payments in the Supplier Activity Dashboard.

Fig. 10.72
Supplier Activity Dashboard, Payments Tab



Field Descriptions

Payment Reference. This field displays the reference for the payment, typically the supplier's invoice number.

Selection Code. This field displays the payment selection code.

Reference. This field displays the reference text entered on the original payment.

TC Payment Original Amount. This field displays the original amount of the payment.

TC Discount Amount. This field displays the transaction currency discount amount.

Currency. This field displays the currency of the payment.

Invoice Number. This field displays the number of the invoice.

OI Description. If the invoice was adjusted using open item adjustment, this field displays the description recorded in Open Item Adjustment Create (25.13.5) or Open Item Adjustment Modify (25.13.3).

See "Open Item Adjustment" on page 383 for more information.

Status. This field displays the status associated with the payment.

Pay No. This field displays the number of the payment, which consists of a concatenation of the payment year/payment instrument/payment number.

Preprinted Number. This field displays the preprinted number associated with the payment.

Base Currency. This field displays the base currency of the domain in which the payment was created.

Statutory Currency. This field displays the statutory currency of the payment.

Note You can also add other columns to the grid that are not displayed by default. Hidden columns include Creation Date, Due Date, and Bank Import Reference.

Address Info Tab

The Address Info tab displays the address and contact details of the supplier.

Comments Tab

The Comments tab displays comments recorded for this supplier in the supplier record.

Bills Tab

The Bills tab is only displayed when the supplier is paid through a billing schedule, where multiple invoices are combined into one bill. This tab displays information about bill dates and due dates, along with other relevant information such as the currency and status of the bill.

Supplier Reports

This section describes the aging reports and the Supplier Invoice report. All available supplier reports are described in “Accounts Payable Reports” on page 929.

Supplier Invoice Register Report

The Supplier Invoice Register report (28.17.19) displays a list of supplier invoices and their posting details and receipt data, if applicable. You can, optionally, include a GL Summary section at the end of the report, which displays totals by GL account. At the end of the month, you can use the GL Summary section of the report to check the allocation of costs arising from supplier invoices.

The following are the report selection criteria:

- Supplier (From/To range)
- Entity

  You can only select entities from the current domain.
- Posting Date (From/To range)
- Supplier Type
- Purchase Type
- Currency

  If you specify a currency, the report only displays invoices with that transaction currency. If you leave the field blank, the report displays invoices in all currencies.
- Open Only

  Select Yes to include open invoices only. If you select No, the report includes both open and closed invoices.
- Include Initial

  Select Yes to include initial invoices in the report output. If you select No, the output excludes initial invoices. The default is No.
- Sort by

  The sorting options are Supplier Code or Chronological.

  If you select Supplier Code, the output is sorted by supplier code, and then by entity, daybook, and voucher.

  If you select Chronological, the output is sorted chronologically by entity, daybook, and voucher.

You can control the level of detail printed using the following options:

- Invoice Detail

  The options are Summary or Detail.
  - If you select Summary, the report only includes invoice header data.
  - If you select Detail, the report includes header and posting information.

    The posting information includes both the supplier invoice postings and the matching postings. For cross-company allocations, the report also displays the allocation posting in the target entity.

- Receipt Data (Yes/No)

  This option controls whether the report includes receipt information for invoices that are receiver matched.

  If you select Yes, the report lists matched items, quantities, and amounts for invoices that are receiver matched.

  If you select No, the report does not display receipt information.

- GL Summary (Yes/Only/No)

  This option controls whether the report includes a GL Summary section.

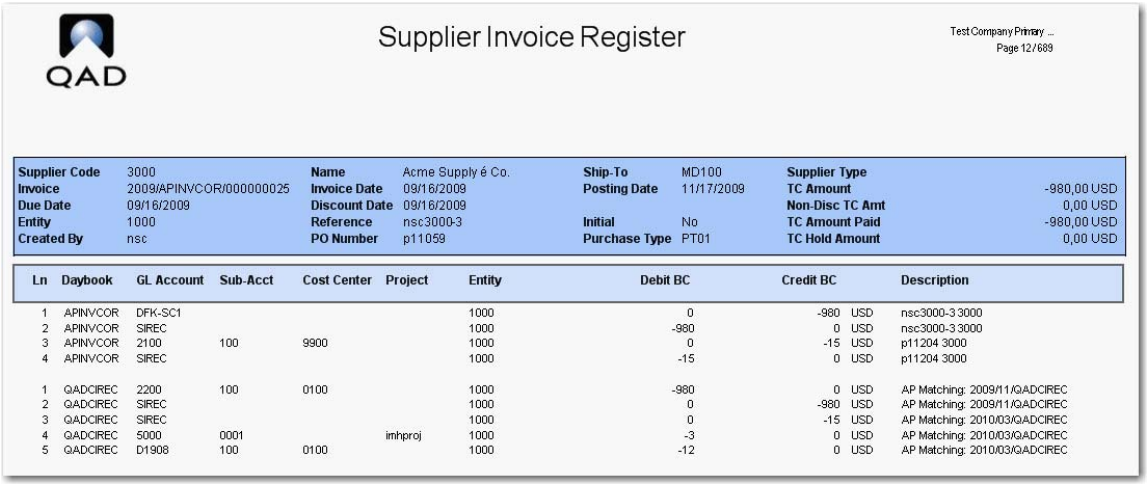
  If you select Yes, the report includes a GL Summary section, which summarizes the posting information for all invoices in the report. The GL Summary is sorted by GL account, sub-account, cost center, and project. Sub-totals are provided for all GL account, sub-account, cost center, and project combinations.

  If you select Yes, the GL Summary section is displayed at the end of the report.

  If you select Only, all other sections in the report are suppressed, and the report only contains the GL Summary section. This option lets you quickly gain an overview of the supplier invoices without having to navigate many pages of output.

  If you select No, the report does not include a GL Summary section.

Fig. 10.73
Supplier Invoice Register Report, Showing Matching Information



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Supplier Invoice Register

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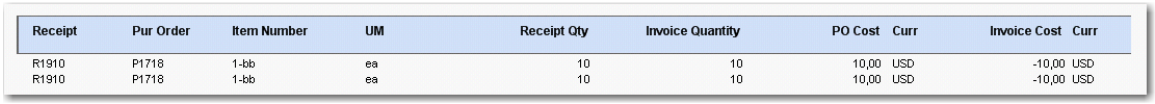
Supplier Code	3000		**Name**	Acme Supply é Co.		**Ship-To**	MD100	**Supplier Type**	
Invoice	2009/APINVCOR/000000025		**Invoice Date**	09/16/2009		**Posting Date**	11/17/2009	**TC Amount**	-980,00 USD
Due Date	09/16/2009		**Discount Date**	09/16/2009				**Non-Disc TC Amt**	0,00 USD
Entity	1000		**Reference**	nsc3000-3		**Initial**	No	**TC Amount Paid**	-980,00 USD
Created By	nsc		**PO Number**	p11059		**Purchase Type**	PT01	**TC Hold Amount**	0,00 USD

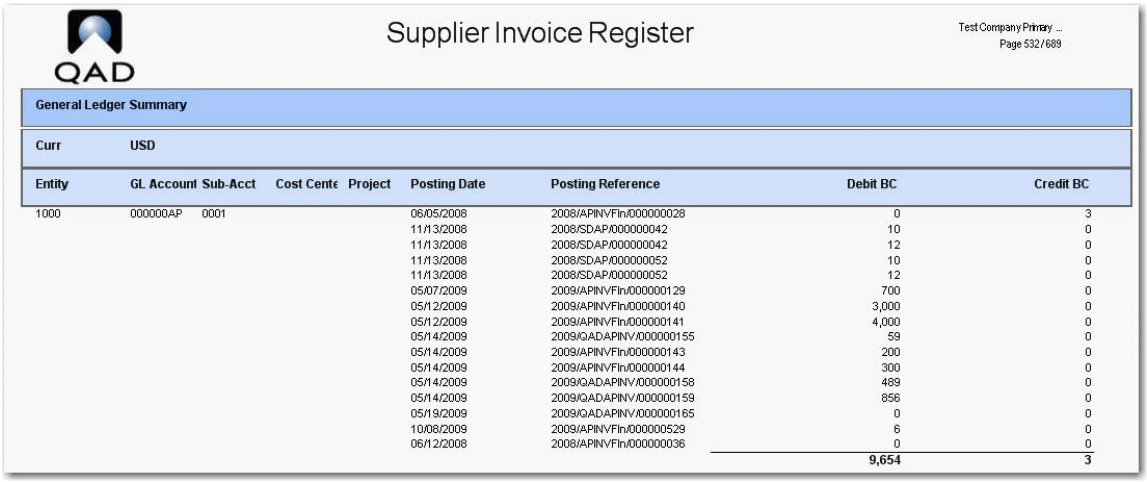
Ln	Daybook	GL Account	Sub-Acct	Cost Center	Project	Entity	Debit BC	Credit BC	Description
1	APINVCOR	DFK-SC1				1000	0	-980 USD	nsc3000-3 3000
2	APINVCOR	SIREC				1000	-980	0 USD	nsc3000-3 3000
3	APINVCOR	2100	100	9900		1000	0	-15 USD	p11204 3000
4	APINVCOR	SIREC				1000	-15	0 USD	p11204 3000
1	QADCIREC	2200	100	0100		1000	-980	0 USD	AP Matching: 2009/11/QADCIREC
2	QADCIREC	SIREC				1000	0	-980 USD	AP Matching: 2009/11/QADCIREC
3	QADCIREC	SIREC				1000	0	-15 USD	AP Matching: 2010/03/QADCIREC
4	QADCIREC	5000	0001		imhproj	1000	-3	0 USD	AP Matching: 2010/03/QADCIREC
5	QADCIREC	D1908	100	0100		1000	-12	0 USD	AP Matching: 2010/03/QADCIREC

Fig. 10.74
Supplier Invoice Register Report, Receipt Information



Receipt	Pur Order	Item Number	UM	Receipt Qty	Invoice Quantity	PO Cost	Curr	Invoice Cost	Curr
R1910	P1718	1-bb	ea	10	10	10,00	USD	-10,00	USD
R1910	P1718	1-bb	ea	10	10	10,00	USD	-10,00	USD

Fig. 10.75
Supplier Invoice Register Report, General Ledger Summary



Supplier Invoice Register

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General Ledger Summary

Curr USD

Entity	GL Account	Sub-Acct	Cost Cente	Project	Posting Date	Posting Reference	Debit BC	Credit BC
1000	000000AP	0001			06/05/2008	2008/APINVFln/000000028	0	3
					11/13/2008	2008/SDAP/000000042	10	0
					11/13/2008	2008/SDAP/000000042	12	0
					11/13/2008	2008/SDAP/000000052	10	0
					11/13/2008	2008/SDAP/000000052	12	0
					05/07/2009	2009/APINVFln/000000129	700	0
					05/12/2009	2009/APINVFln/000000140	3,000	0
					05/12/2009	2009/APINVFln/000000141	4,000	0
					05/14/2009	2009/QADAPINV/000000155	59	0
					05/14/2009	2009/APINVFln/000000143	200	0
					05/14/2009	2009/APINVFln/000000144	300	0
					05/14/2009	2009/QADAPINV/000000158	489	0
					05/14/2009	2009/QADAPINV/000000159	856	0
					05/19/2009	2009/QADAPINV/000000165	0	0
					10/08/2009	2009/APINVFln/000000529	6	0
					06/12/2008	2008/APINVFln/000000036	0	0
							9,654	3

Aging Reports

Supplier Aging Analysis Current Report

The Supplier Aging Analysis Current report (28.17.9) displays all open items created in the specified time frame. It also lists the due supplier open items by number of periods overdue at the entered date for aging calculation.

The following are the report selection criteria:

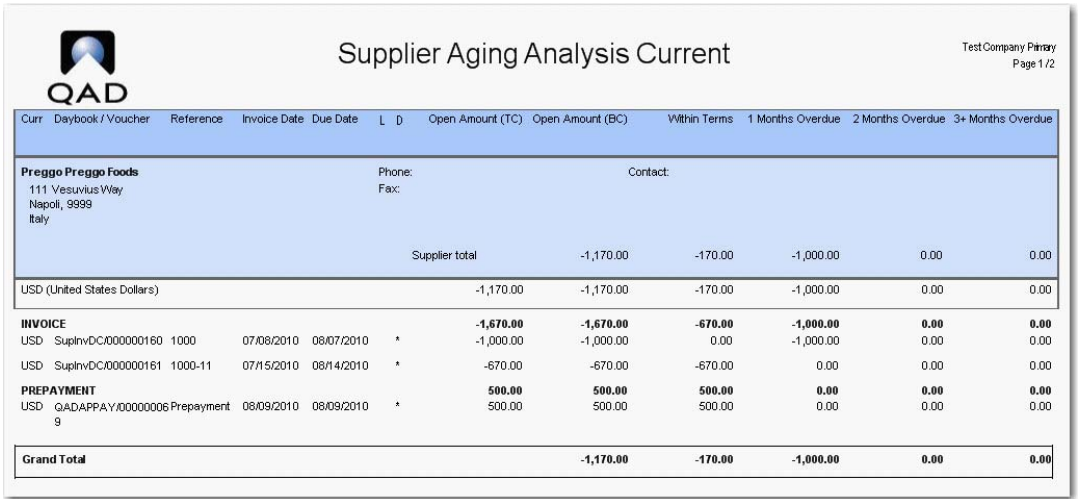
- Supplier Codes
- Business Relations
- Aging Type
- Aging Offset
- Date for Aging Calculation
- To GL Cal Year
- To GL Period
- Entity
- Control GL Account
- Supplier Balance
- Invoices within Terms
- Reporting Currency
- Summary Info By
- Sort By
- Payment Group

The report output is sorted by supplier, currency, and invoice. By selecting one of the three values in the Summary Info By field, you can display summaries by currency, GL account, or sub-account.

If you display summaries by currency, the summary is sorted by currency. If you display summaries by GL account, the summary is sorted by GL account and then by currency. If you display summaries by sub-account, the summary is sorted by sub-account and then by currency.

Figure 10.76 shows an example of a Supplier Aging Analysis Current report when the report is run for the system date.

Fig. 10.76
Supplier Aging Analysis Current Report



Supplier Aging Analysis Current

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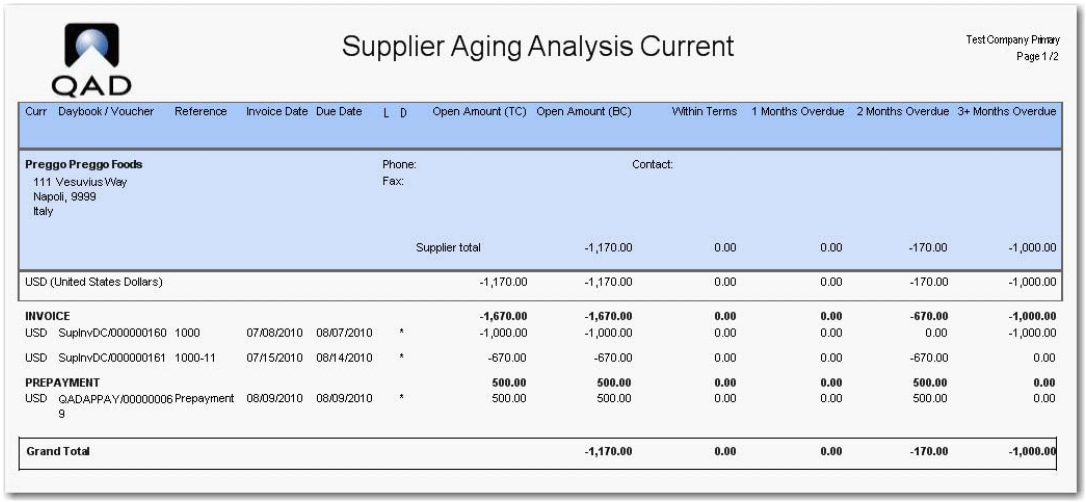
Curr	Daybook / Voucher	Reference	Invoice Date	Due Date	L	D	Open Amount (TC)	Open Amount (BC)	Within Terms	1 Months Overdue	2 Months Overdue	3+ Months Overdue
Preggo Preggo Foods 111 Vesuvius Way Napoli, 9999 Italy						Phone: Fax:		Contact:				
							Supplier total	-1,170.00	-170.00	-1,000.00	0.00	0.00
USD (United States Dollars)							-1,170.00	-1,170.00	-170.00	-1,000.00	0.00	0.00
INVOICE							**-1,670.00**	**-1,670.00**	**-670.00**	**-1,000.00**	**0.00**	**0.00**
USD	SupInvDC/000000160	1000	07/08/2010	08/07/2010	*		-1,000.00	-1,000.00	0.00	-1,000.00	0.00	0.00
USD	SupInvDC/000000161	1000-11	07/15/2010	08/14/2010	*		-670.00	-670.00	-670.00	0.00	0.00	0.00
PREPAYMENT							**500.00**	**500.00**	**500.00**	**0.00**	**0.00**	**0.00**
USD	QADAPPAY/00000006 9	Prepayment	08/09/2010	08/09/2010	*		500.00	500.00	500.00	0.00	0.00	0.00
Grand Total								**-1,170.00**	**-170.00**	**-1,000.00**	**0.00**	**0.00**

Figure 10.77 shows the report output when the report is run on the same system date, but with the Date for Aging Calculation field set to two months from the system date. Note that the credit note and invoice are now in the 2 Months Overdue column.

The prepayment was not allocated so this remains as an open item. The prepayment is aged and also appears in the 2 Months Overdue column.

Fig. 10.77
Supplier Aging Analysis Current Report, Aged Two Months



Supplier Aging Analysis Current

Test Company Primary
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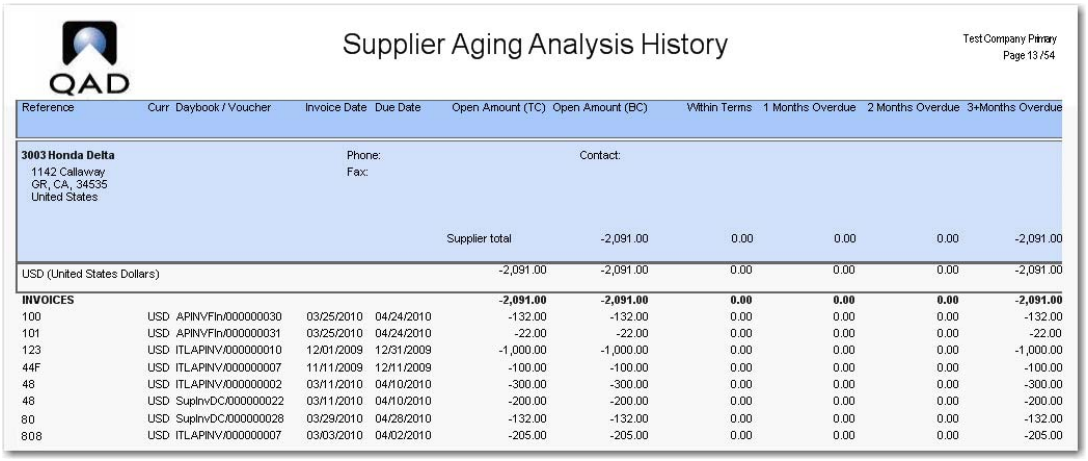
Curr	Daybook / Voucher	Reference	Invoice Date	Due Date	L	D	Open Amount (TC)	Open Amount (BC)	Within Terms	1 Months Overdue	2 Months Overdue	3+ Months Overdue
Preggo Preggo Foods 111 Vesuvius Way Napoli, 9999 Italy						Phone: Fax:		Contact:				
							Supplier total	-1,170.00	0.00	0.00	-170.00	-1,000.00
USD (United States Dollars)							-1,170.00	-1,170.00	0.00	0.00	-170.00	-1,000.00
INVOICE							**-1,670.00**	**-1,670.00**	**0.00**	**0.00**	**-670.00**	**-1,000.00**
USD	SupInvDC/000000160	1000	07/08/2010	08/07/2010	*		-1,000.00	-1,000.00	0.00	0.00	0.00	-1,000.00
USD	SupInvDC/000000161	1000-11	07/15/2010	08/14/2010	*		-670.00	-670.00	0.00	0.00	-670.00	0.00
PREPAYMENT							**500.00**	**500.00**	**0.00**	**0.00**	**500.00**	**0.00**
USD	QADAPPAY/00000006 9	Prepayment	08/09/2010	08/09/2010	*		500.00	500.00	0.00	0.00	500.00	0.00
Grand Total								**-1,170.00**	**0.00**	**0.00**	**-170.00**	**-1,000.00**

Supplier Aging Analysis History Report

The Supplier Aging Analysis History report (28.17.10) displays aging analysis payments up to the specified period.

The report selection criteria are the same as those for the Supplier Aging Analysis report.

Fig. 10.78
Supplier Aging Analysis History Report



Supplier Aging Analysis History

Test Company Primary
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Reference	Curr	Daybook / Voucher	Invoice Date	Due Date	Open Amount (TC)	Open Amount (BC)	Within Terms	1 Months Overdue	2 Months Overdue	3+Months Overdue
3003 Honda Delta 1142 Callaway GR, CA, 34535 United States				Phone: Fax:		Contact:				
				Supplier total		-2,091.00	0.00	0.00	0.00	-2,091.00
USD (United States Dollars)					-2,091.00	-2,091.00	0.00	0.00	0.00	-2,091.00
INVOICES					**-2,091.00**	**-2,091.00**	**0.00**	**0.00**	**0.00**	**-2,091.00**
100	USD	APINVFln/000000030	03/25/2010	04/24/2010	-132.00	-132.00	0.00	0.00	0.00	-132.00
101	USD	APINVFln/000000031	03/25/2010	04/24/2010	-22.00	-22.00	0.00	0.00	0.00	-22.00
123	USD	ITLAPINV/000000010	12/01/2009	12/31/2009	-1,000.00	-1,000.00	0.00	0.00	0.00	-1,000.00
44F	USD	ITLAPINV/000000007	11/11/2009	12/11/2009	-100.00	-100.00	0.00	0.00	0.00	-100.00
48	USD	ITLAPINV/000000002	03/11/2010	04/10/2010	-300.00	-300.00	0.00	0.00	0.00	-300.00
48	USD	SupInvDC/000000022	03/11/2010	04/10/2010	-200.00	-200.00	0.00	0.00	0.00	-200.00
80	USD	SupInvDC/000000028	03/29/2010	04/28/2010	-132.00	-132.00	0.00	0.00	0.00	-132.00
808	USD	ITLAPINV/000000007	03/03/2010	04/02/2010	-205.00	-205.00	0.00	0.00	0.00	-205.00

Supplier Aging Analysis by Group Current Report

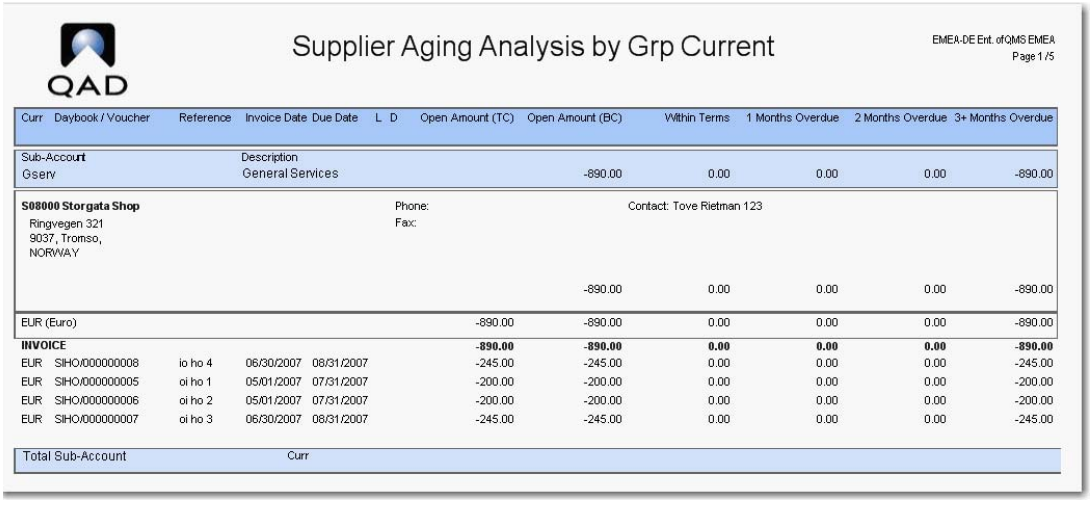
The Supplier Aging Analysis by Group Current report (28.17.11) groups aging analysis data by sub-account or project.

The report has the following selection criteria in addition to those listed for the Supplier Aging Analysis Current report:

- Sub-Account Codes
- Group By (All, Project, Sub-Account)

The output is first grouped by the value you specify in the Group By field, which can be All, Project, or Sub-account. Following this, the output is then grouped by supplier, currency, and invoice type.

Fig. 10.79
Supplier Aging Analysis by Group Current Report



Supplier Aging Analysis by Grp Current

EMEA-DE Ent. ofQMS EMEA
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Curr	Daybook / Voucher	Reference	Invoice Date	Due Date	L	D	Open Amount (TC)	Open Amount (BC)	Within Terms	1 Months Overdue	2 Months Overdue	3+ Months Overdue
Sub-Account Gserv			Description General Services					-890.00	0.00	0.00	0.00	-890.00
S08000 Storgata Shop Ringvegen 321 9037, Tromso, NORWAY				Phone: Fax:				Contact: Tove Rietman 123				
								-890.00	0.00	0.00	0.00	-890.00
EUR (Euro)							-890.00	-890.00	0.00	0.00	0.00	-890.00
INVOICE							**-890.00**	**-890.00**	**0.00**	**0.00**	**0.00**	**-890.00**
EUR	SIHO/000000008	io ho 4	06/30/2007	08/31/2007			-245.00	-245.00	0.00	0.00	0.00	-245.00
EUR	SIHO/000000005	oi ho 1	05/01/2007	07/31/2007			-200.00	-200.00	0.00	0.00	0.00	-200.00
EUR	SIHO/000000006	oi ho 2	05/01/2007	07/31/2007			-200.00	-200.00	0.00	0.00	0.00	-200.00
EUR	SIHO/000000007	oi ho 3	06/30/2007	08/31/2007			-245.00	-245.00	0.00	0.00	0.00	-245.00
Total Sub-Account				Curr								

Supplier Aging Analysis by Group History Report

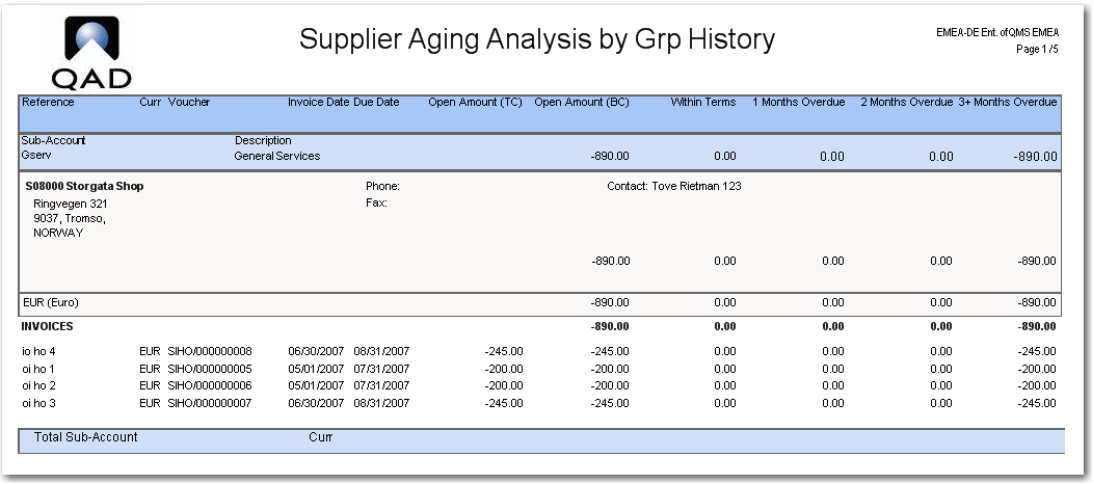
The Supplier Aging Analysis by Group History report (28.17.12) groups aging analysis backwards data by sub-account, purchase code, or project.

The report has the following selection criteria in addition to those listed for the Supplier Aging Analysis Current report:

- Sub-Account Codes
- Group By (All, Project, Sub-Account)

The report output is grouped using the same method specified for the Supplier Aging Analysis by Group report.

Fig. 10.80
Supplier Aging Analysis by Group History Report



QAD

Supplier Aging Analysis by Grp History

EMEA-DE Ent. ofQMS EMEA
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Reference	Curr	Voucher	Invoice Date	Due Date	Open Amount (TC)	Open Amount (BC)	Within Terms	1 Months Overdue	2 Months Overdue	3+ Months Overdue
Sub-Account		Description								
Gserv		General Services				-890.00	0.00	0.00	0.00	-890.00
S08000 Storgata Shop				Phone:		Contact: Tove Rietman 123				
Ringvegen 321				Fax:						
9037, Tromso,										
NORWAY										
						-890.00	0.00	0.00	0.00	-890.00
EUR (Euro)						-890.00	0.00	0.00	0.00	-890.00
INVOICES						**-890.00**	**0.00**	**0.00**	**0.00**	**-890.00**
io ho 4	EUR	SIHO/000000008	06/30/2007	08/31/2007	-245.00	-245.00	0.00	0.00	0.00	-245.00
oi ho 1	EUR	SIHO/000000005	05/01/2007	07/31/2007	-200.00	-200.00	0.00	0.00	0.00	-200.00
oi ho 2	EUR	SIHO/000000006	05/01/2007	07/31/2007	-200.00	-200.00	0.00	0.00	0.00	-200.00
oi ho 3	EUR	SIHO/000000007	06/30/2007	08/31/2007	-245.00	-245.00	0.00	0.00	0.00	-245.00
Total Sub-Account			Curr							

Chapter 11

Evaluated Receipts Settlement

Evaluated Receipts Settlement (ERS) lets you automatically generate supplier invoices and receiver matching records based on completed purchase order or fiscal receipts.

Introduction 766
Introduces ERS functions and concepts.

Set Up ERS 767
Set up ERS by setting controls and adding required records.

ERS and Ordering 771
Describes the effect of ERS on order processing.

ERS Processor 776
Generate supplier invoices and the corresponding receiver matching for PO receipts.

ERS Invoice Certification 785
Generate supplier invoices with a digital signature for regulatory purposes.

ERS Fields Summary 786
Lists the fields that display when ERS is activated and the programs affected.

Introduction

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

You can use the ERS Processor program to generate supplier invoices and receiver matching for purchase orders, scheduled orders, blanket orders, and pending invoices generated due to supplier consignment inventory consumption. If fiscal receiving is selected in Purchasing Control (5.24), you can create supplier invoices and receiver matching for fiscal receipts.

If you specify an operational allocation code on a purchase order, use ERS to split the posting lines for the invoice and receiver matching across several GL accounts. See “Operational Allocation Codes” on page 211.

ERS can process receipts across multiple entities and sites within a domain, where the entity that recorded the purchase order and incurred the AP liability is different than the receiving entity. In this case, ERS automatically creates cross-company postings.

You activate and set ERS processing options using ERS Control (28.10.24). ERS Control contains the ERS Option field, which determines the default ERS processing setting for PO receiver lines. The ERS Option for each PO line determines how, or if, a supplier invoice and receiver matching record should be created for that line. Depending on the value of the ERS option set at each PO line, the ERS Processor:

- Does not create a supplier invoice for the line.
- Creates an initial supplier invoice with no postings and taxes, and a corresponding initial receiver matching record for the line.
- Creates a confirmed supplier invoice and corresponding receiver matching record for the line.

You can run the ERS Processor in two modes: update mode and audit mode. Update mode creates final supplier invoices and the corresponding final receiver matching records. Audit mode generates an audit report indicating the pending invoices that would be created if the ERS Processor were run in update mode for the same criteria. In addition, the ERS Processor generates an error report listing receivers for which it could not create supplier invoice records due to validation errors.

Some countries use a process called fiscal receiving, in which a fiscal clerk must confirm the legal shipping documents to complete the receiving process. This process is required in addition to the physical receipt of goods by a warehouse clerk.

If fiscal receiving is activated by selecting Fiscal Confirm Required in Purchasing Control (5.24), ERS lets you create matched supplier invoices and credit notes or invoice corrections using fiscal receipts, and not PO receipts.

Fiscal receiving is used to record and reconcile the legal (fiscal) document and associated tax information. The Fiscal Confirm function is the final step in the receiving process, and the pending vouchers created by this process can subsequently be used by ERS to generate supplier invoices and receiver matching.

The ERS Processor contains two different tabs: By Receiver and By Legal Document. However, only one of the tabs ever displays at one time. If the Fiscal Confirm Required field is selected in Purchasing Control, the ERS Processor displays the By Legal Document tab. If the Fiscal Confirm Required field is cleared in Purchasing Control, the ERS Processor displays the By Receiver tab. By default, the Fiscal Confirm Required field is cleared.

Benefits of ERS

ERS offers several benefits to customers and suppliers, such as reduced clerical workload, lower costs, and reduced error rate. Several factors make an ERS system work efficiently:

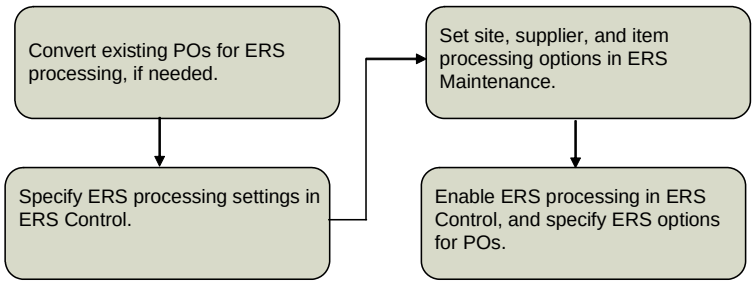
- Trading partners must agree on price.
- Customers must issue purchase authorization.
- Suppliers must provide accurate shipping information.
- Customers must enter accurate receipts.

When a problem occurs, the department responsible for the related function—not accounts payable or accounts receivable—should solve it as soon as possible. For example, shipping/receiving should resolve problems with quantity, part number, or defects. Purchasing should resolve problems related to price discrepancies.

Set Up ERS

Set up ERS by setting control programs and adding required records. If you already have open purchase orders, you must also convert them to enable ERS processing. Figure 11.1 summarizes the process.

Fig. 11.1
ERS Set Up Flow.



Run ERS Conversion

If you decide to implement ERS in a new database, this step is not required. If you have existing open purchase orders and you want ERS processing to apply to them, you must run a utility program to set the processing option.

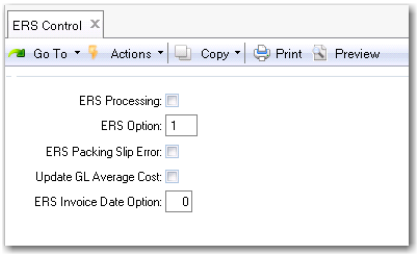
Choose ERS Purchase Order Conversion (36.25.62) from the Miscellaneous Utilities menu. The system prompts you to enable or disable ERS.

- Enter E to set ERS option 0—ERS enabled for all purchase orders.
- Enter D to set ERS option 1—ERS disabled for all purchase orders.

Set Up ERS Control

Use the fields in ERS Control (28.10.24) to activate and deactivate ERS processing, and to set options that affect ERS processing.

Fig. 11.2
ERS Control



ERS Processing. Select the field to activate ERS.

If you select this field, a pop-up window containing ERS processing options opens when you create a purchase order header and for each order line in Purchase Order Maintenance, Blanket Order Maintenance, and Supplier Scheduled Order Maintenance.

If you clear this field, ERS is deactivated.

If you select this field, you are prompted to run ERS Conversion. Answer Yes to run the ERS conversion utility. The ERS conversion utility must run and complete successfully for this field to remain selected. If the ERS conversion utility is not run or does not complete successfully, the field is cleared.

ERS Option. Specify the default value for the ERS Option field that displays in the Purchase Order, Blanket Order, or Supplier Scheduled Order Maintenance header.

The order header value, in turn, determines how defaults are set for each line on the order. Valid values for the header ERS Option are:

Blank: The system determines the default ERS option for the line using settings in ERS Maintenance.

0: The ERS option for the line defaults to 0. When the ERS option for a line is set to 0, the system determines the ERS option when you run the ERS Processor, and uses the most current value from ERS Maintenance.

1: The ERS option for the line defaults to 1, and ERS processing is disabled for that order line.

If the ERS Option is blank on a purchase order header, the system determines the line value by looking for a corresponding ERS Maintenance record.

ERS Packing Slip Error. Specify the action that ERS should take when processing receivers that have a blank packing slip number.

If you select this field, ERS does not create a supplier invoice and receiver matching record for a receiver with a missing packing slip number. The ERS Processor prints an error for all lines on a Purchase Order eligible for ERS processing where the packing slip is blank.

If you clear the field, ERS processes receivers with blank packing slip numbers. In these cases, ERS creates a supplier invoice with the receiver ID as the invoice reference number.

Important It is recommended to set up a manual procedure in your receiving department for recording the packing slip if the ERS Packing Slip Error field is selected and you are using ERS processing. Otherwise, the system generates many error lines when the ERS Processor is run. You can correct the errors manually by entering a supplier invoice for the PO or by reversing the receipt entered and receiving the product with a packing slip.

Update GL Average Cost. Specify how ERS should process supplier invoices in an average costing environment.

Select the field if you want ERS to update the item cost at processing time.

Clear the field if you do not want ERS to update the item cost.

During receiver matching where average costing is used, you can update the cost of an item.

ERS Invoice Date Option. Specify how ERS calculates the supplier invoice date.

0 (zero): Use the receipt date of the receiver as the supplier invoice date.

1: Use the shipment date of the receiver as the supplier invoice date.

Set Up ERS for Suppliers, Sites, and Items

You can use ERS Maintenance to set the default ERS processing options for a PO line, which determine:

- Whether to process the line using ERS
- When applicable, whether ERS should generate confirmed or initial invoices for the line

The ERS Processor searches ERS Maintenance for default settings for the supplier, site, and item combination associated with a PO line to determine how it should process the line. You can define default settings in ERS Maintenance for a particular supplier, site, item number, or any combination of these, such as:

- Supplier, site, and item
- Supplier and site
- Supplier and item
- Supplier
- Site

When determining the ERS option for a PO line, the system looks for a corresponding ERS Maintenance record or combination of ERS Maintenance records, in the following order:

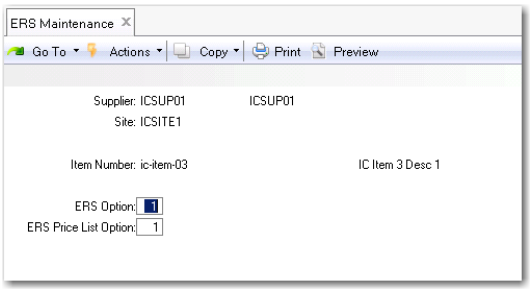
- Supplier/site/item record
- Supplier/site record
- Supplier/item record and a separate site record
- Supplier record and a separate site record

The system sets the default ERS option for the line based on the first ERS maintenance record or combination of records that it finds. When a combination of records with different ERS options is found, the system sets the ERS option to the lowest value in the combination. If no records or record combinations are found, the system sets the ERS option to 1, disallowing ERS processing for that line.

When the Fixed Price field is set to No on a PO line, the ERS Processor automatically updates the purchase price on that line based on the ERS Price List Option setting for the line.

Note When Fixed Price is Yes on a PO, the ERS Processor uses the purchase prices recorded on the order and does not attempt to reset them, regardless of how ERS Price List Option is set.

Fig. 11.3
ERS Maintenance (28.10.1)



Supplier. Specify a supplier for which to define default ERS settings.

You can then set ERS processing options for the supplier alone, for the supplier and site combination, or for a supplier, site, and item combination.

The Supplier field is optional. However, if the Supplier field is blank, you must specify a value in the Site field.

Site. Specify a site for which you want to set default ERS processing options. This field is optional. However, if you do not specify a site, you must enter a value in the Supplier field.

You can set ERS processing options for the site alone, for a supplier and site combination, or for a supplier, site, and item combination.

Item Number. Enter an item to make the ERS processing options specific to this supplier and item, or to a supplier, site, and item combination.

When the system determines the default ERS Option and ERS Price List Option for purchase order or scheduled order lines, it first checks if ERS Maintenance contains a default value for the supplier, site, or item combination.

ERS Option. Specify whether the ERS Processor should create supplier invoices and receiver matching for purchase order lines with the supplier, site, and item combination, and if created, whether to create initial or confirmed invoices.

The options are:

1: Disallow ERS processing for the combination specified.

2: Create an initial invoice and receiver matching record for pending invoices with the specified combination of supplier, site, and item. This option adds a degree of security because the invoice created must be approved using a separate process.

3: Create a confirmed supplier invoice and receiver matching record for receipts with the specified combination of supplier, site, and item.

Note When ERS Conversion is run, it sets this field for each supplier and site in the current domain.

ERS Price List Option. When using PO price lists, specify the effective date the ERS Processor should use when retrieving the relevant price list.

The options are:

1: Use the receipt date.

2: Use the ship date.

3: Use the order date, which varies by the order type.

- For individual purchase orders, the order date is used.
- For blanket orders, the order date of release is used.
- For scheduled orders, the order date on the main order is used.

Note The ERS Processor uses the ERS Price List Option field if a price list is specified for the order, and if the Fixed Price field on the order line is set to No.

ERS and Ordering

When ERS is set up and activated, it affects how you:

- Create a purchase order.
- Issue a blanket order.
- Issue a scheduled order.
- Receive purchased items.

See “ERS Fields Summary” on page 786 for a complete list of programs and fields affected by ERS.

Purchase Orders with ERS

Three fields in Purchase Order Maintenance (5.7) affect ERS processing:

- Fixed Price
- ERS Option
- ERS Price List Option

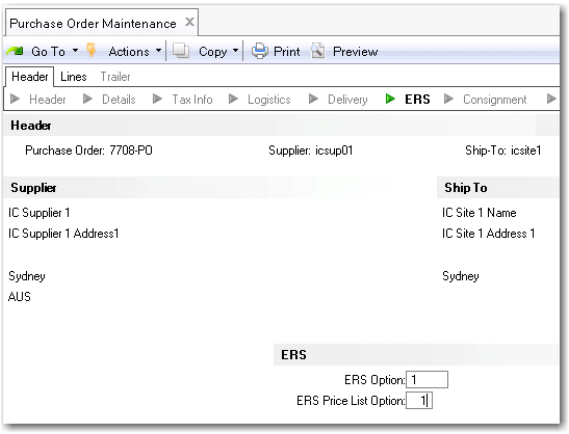
Note The ERS Option and ERS Price List Option fields display in a pop-up only when ERS is active.

For more information on purchase orders, see *QAD Purchasing User Guide*.

PO Header

The Fixed Price field is part of the standard header in Purchase Order Maintenance, but it functions differently when you are using ERS.

Fig. 11.4
Setting the PO Header ERS Option



Fixed Price. Specify the default for Fixed Price for line items. The value for this field defaults from Supplier Maintenance (2.3.1).

- If the item price is fixed, the ERS Processor takes the price from the purchase order.
- If item price is not fixed, the ERS Processor refers to the relevant price list.
- If there is no price list, the ERS Processor looks for a supplier-item quoted price defined in Supplier Item Maintenance.
- If there is no supplier quoted price, the ERS Processor looks for the GL material cost in the item master.

ERS Option. Specify when the system should determine the ERS option for an order. The value for this field defaults from the ERS Option field of ERS Control.

The header value determines how the default ERS Option is set on each line item on the order.

Depending on the value of the ERS option set at each PO line, the ERS Processor:

- Does not create a supplier invoice for that line.
- Creates an initial supplier invoice with no postings and taxes, and a corresponding initial receiver matching record for the line.
- Creates a confirmed supplier invoice and corresponding receiver matching record for the line.

The following are valid values for the header ERS Option:

Blank (the default): Determine the ERS option when the PO line is created.

0: Determine the ERS option at ERS processing time.

1: Disallow ERS processing.

ERS Price List Option. Specify how the ERS Processor should determine the effective date to use for price lists for lines on this purchase order. The options are:

0: Determine the ERS price list option at ERS processing time.

1: Use receipt date as the effective date when accessing a price list.

2: Use the ship date.

3: Use the order date.

Note For blanket orders, the order date is the release date. For scheduled orders, the order date refers to the scheduled order itself, not the various releases.

Specifying 1 or 2 may potentially lead to purchase price variances.

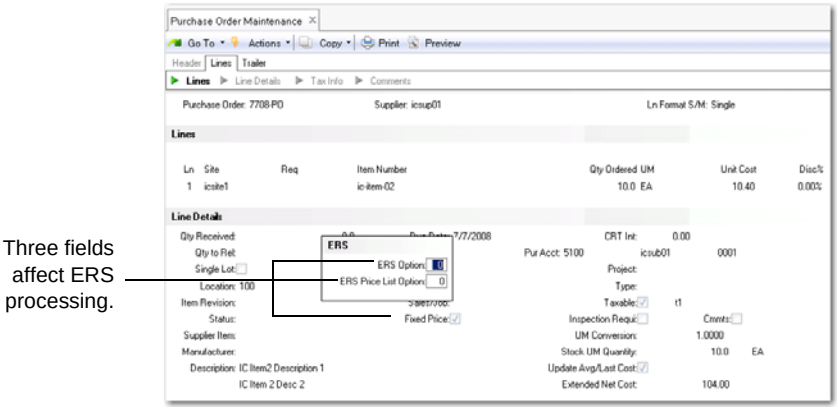
PO Lines

When Fixed Price is Yes on a PO line, the invoice price for that line item is based on the purchase price recorded on the order.

When Fixed Price is No on a PO line, the ERS Processor automatically updates the invoice price for that line based on the sequence described for the Fixed Price field on page 772.

If the ERS Processor cannot find a price for an order line for which Fixed Price is set to No, it generates an error and does not create a supplier invoice and receiver matching record for the line.

Fig. 11.5
Setting the Line ERS Option



ERS Option. Specify when the system should determine the ERS option for this line item.

The default line item ERS Option depends on the header ERS Option. If the header field is 0 (zero) or 1, the line item value is set to 0 or 1. If the header value is blank, the system determines the ERS option during line entry using the defaults set in ERS Maintenance.

Note You can modify the default line item ERS option, but only by specifying 1 to disable ERS processing or specifying a lower value. For example, if the system determines that the default line item ERS option is 2, you can change it to 1 or 0. You cannot, however, change it to 3.

Note If you change the ERS Maintenance (28.10.1) settings that affect an individual purchase order, you must manually update the order based on the new settings, unless the order line has an ERS option of 0.

ERS Price List Option. Specify the price list option that the system uses to determine the ERS price list option for the current line. The options are:

1: Use the receipt date.

2: Use the ship date.

3: Use the order date.

If the ERS Price List Option in the order header is set to 1, 2, or 3, that value defaults to the PO line.

If the ERS price list option on the PO header is 0, ERS uses the value in the ERS Option field of the order header.

- If ERS Option in the header is blank, the ERS Price List Option for the line defaults from the same field in ERS Maintenance for the corresponding supplier, site, and item combination.
- If ERS Option in the header is 0, the ERS Price List Option for the line defaults from the same field in ERS Maintenance when the ERS Processor is run.

Fixed Price. The value for this field defaults from the PO header. However, you can update the value for each line item.

Blanket Orders with ERS

A blanket order is an agreement to purchase items at a specified price during a specified period, with exact delivery dates to be determined later. When an item on the blanket order is released, a purchase order is created, using the blanket order as a template.

Create a blanket purchase order in Blanket Order Maintenance (5.3.1). Set ERS values for a blanket order just as you would for a discrete purchase order.

When items on a blanket order for which ERS is active are released, the default ERS values for the purchase orders are determined using the blanket order.

Note If the ERS Maintenance (28.10.1) settings that affect a blanket order are changed, you must manually update the blanket order using the new settings. You must also manually update any purchase orders based on the blanket order. See “Purchase Orders with ERS” on page 771.

For more information on blanket orders, see *QAD Purchasing User Guide.*

Scheduled Orders with ERS

A scheduled order is like a purchase order with line items that have multiple delivery dates. Line items also have short-term shipping schedules specifying exact quantities and delivery instructions, as well as long-term planning schedules showing upcoming orders. For more information, see *QAD Scheduled Order Management User Guide*.

Create a scheduled order in Scheduled Order Maintenance (5.5.1.13). Set ERS values for the scheduled order just as you would for a discrete purchase order.

See “Purchase Orders with ERS” on page 771.

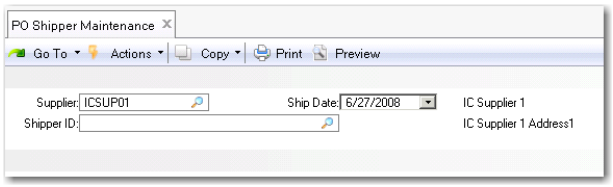
Note If the ERS Maintenance (28.10.1) settings that affect a scheduled order are changed, you must manually update the scheduled order based on the new settings.

ERS-Eligible Shipper Receipts

Use PO Shipper Maintenance (5.13.14 or 5.5.5.5) or PO Fiscal Receiving (5.13.16) to create purchase order shippers. ERS processing does not take place until the shipper is received. Use PO Shipper Receipt (5.13.20 or 5.5.5.11) to receive shippers created in PO Shipper Maintenance or PO Fiscal Receiving.

For more information on PO Shippers, see *QAD Purchasing User Guide*.

Fig. 11.6
PO Shipper Maintenance (5.13.14)



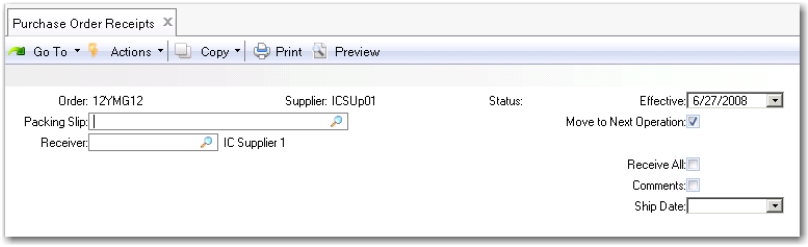
Ship Date. Enter the date items are shipped.

Note PO Fiscal Receiving does not have a Ship Date field. If you are using shipping dates in ERS processing, use PO Shipper Maintenance to create purchase order shippers.

Receiving a Purchase Order with ERS

Receive purchase orders in Purchase Order Receipts (5.13.1).

Fig. 11.7
Purchase Order Receipts (5.13.1)



Ship Date. Used when the ERS Price List Option specifies the ship date as the effective date for a price list. If this option is active and the Ship Date field is blank, ERS uses the receipt date. See “Set Up ERS for Suppliers, Sites, and Items” on page 769.

Packing Slip. ERS uses the packing slip number as the invoice number for the invoice created by the ERS Processor. If you leave this field blank, processing depends on the setting in ERS Packing Slip Error in ERS Control:

- If Yes, the ERS Processor does not create an invoice and adds the order to a list of errors.
- If No, the ERS Processor creates an invoice with the receiver ID as the invoice number.

See “Set Up ERS Control” on page 768.

ERS and Fiscal Receiving

The Fiscal Receiving function is used to record fiscal and tax information for legal documents.

When fiscal receiving is activated, ERS must create supplier invoices and receiver matching based on fiscal receipts.

The Fiscal Receiving function verifies that the legal document header total and the calculated line total are balanced, and takes tax amounts, discounts, and other charges into account. In addition, when creating pending vouchers for a single legal document, the Fiscal Receiving function checks that:

- The purchase order suppliers are the same.

- The purchase order credit terms are the same.
- The purchase order ship-tos are the same.
- The Discount Tax at Payment or Discount Tax tax rate settings are the same for all tax lines on the whole legal document or supplier invoice.
- The purchase order header site belongs to the current entity.
- Within a pending voucher, the receipt quantities must all have the same sign—the signs must all be negative for a credit note and the signs must all be positive for an invoice.

Note For information on fiscal receiving and ERS for legal documents subject to withholding tax, see *QAD Global Tax Management User Guide*.

ERS Processor

Run the ERS Processor (28.10.13) to generate supplier invoices and their corresponding receiver matching for PO receipts. You can only run one instance of the ERS Processor at a time.

The ERS Processor contains two different tabs: By Receiver and By Legal Document. However, only one of the tabs ever displays at one time.

The By Receiver tab lets you specify ranges of suppliers, sites, and receivers to retrieve receipts for which you want to create supplier invoices and receiver matching. The processor then retrieves a group of receipts that meet your selection criteria. If the Fiscal Confirm Required field is cleared in Purchasing Control, the ERS Processor displays the By Receiver tab. See “Processor Flow for Receipts” on page 776.

The By Legal Document tab displays if the Fiscal Confirm Required field is selected in Purchasing Control. You can then use the tab to search for fiscal receipts for which to generate supplier invoices and receiver matching. The ERS Processor creates matched supplier invoices from fiscal receipts grouped by legal document number and effective issue date. See “Process Flow for Legal Documents” on page 780.

The ERS Processor lets you specify ranges of suppliers, sites, and receivers (or fiscal receipts) to retrieve receipts for which you want to create supplier invoices and receiver matching. The processor then retrieves a group of receipts that meet your selection criteria.

Note The ERS Processor can only process records created at sites you are authorized to access.

The ERS Processor opens the selected group of receipts, creates the relevant supplier invoice records and receiver matching, and makes the appropriate journal entries, just as if the invoices were entered manually.

Note When no other user is using ERS Processor, use the utility Close All Running ERS (36.25.97) to release a user lock.

Processor Flow for Receipts

The ERS Processor selects all pending invoices linked to a receipt that has been selected for processing.

Note Lines that generated errors when processed are highlighted in red in the ERS Processor.

Depending on the value of the ERS option set for each PO line, the ERS Processor creates an initial supplier invoice with no postings and taxes, and a corresponding initial receiver matching record, or creates a confirmed supplier invoice and corresponding receiver matching record for the line. For each receipt that it validates for processing, the ERS Processor creates a single supplier invoice for all pending invoices linked to the receipt.

The ERS Processor calculates the price when it creates a receiver matching line.

- If an item's price is fixed, the ERS Processor takes the price from the purchase order.
- If the price is not fixed, the ERS Processor refers to the relevant price list.
- If there is no price list, the system looks for a supplier quoted price.
- If there is no supplier quoted price, the system looks for an item price.

If the price has changed relative to the original order price, the ERS Processor also recalculates the associated tax details.

When the ERS Processor updates the supplier invoice with the correct invoice amount from receiver matching and sets the receiver matching to Confirmed, the system generates a number of postings.

The ERS Processor normally creates a single supplier invoice for each purchase order receipt. However, if a PO receipt contains some PO lines with the option to create confirmed pending invoices and other PO lines with the option to create initial invoices, ERS creates two separate supplier invoices for the same purchase order receipt. In this case, one supplier invoice is created with the Initial status and the second invoice is created with the Confirmed status.

ERS posts the supplier invoice amount to the daybook from the daybook set defined for the corresponding purchase order.

Fig. 11.8
ERS Processor Flow

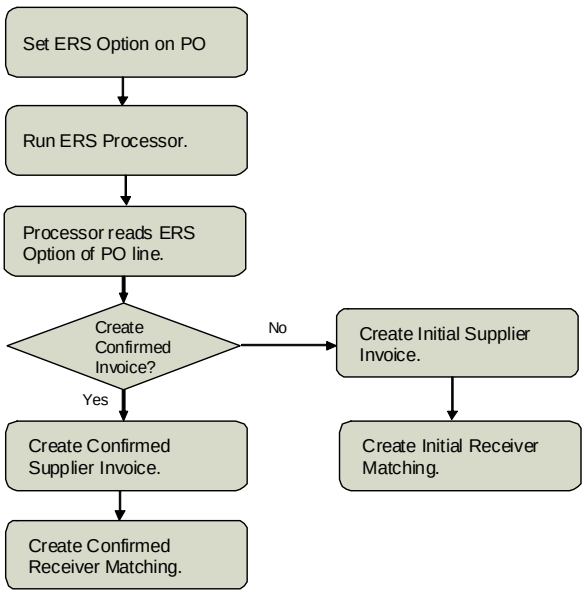
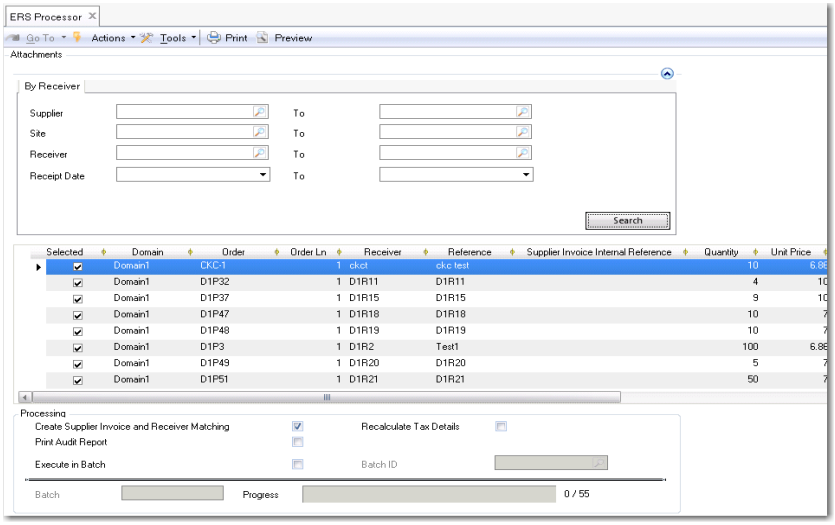


Fig. 11.9
ERS Processor (28.10.13), By Receiver Tab



Supplier From/To. Specify a range of supplier codes for which to retrieve receipts.

Site From/To. Specify a range of sites for which to retrieve receipts.

Receiver. Specify a range of receiver numbers to retrieve from.

Receipt Date. Specify a range of dates for which to retrieve receipts.

Grid

Note All column values except Select are read only and cannot be modified.

Selected. Select the field to indicate which receipts to process.

ERS removes unselected lines from the grid when you click the Process button.

Order. This field displays the list of received orders that meet the selection criteria and have not yet been processed.

Order Line. This field displays the order line associated with the received order. Each order line generates a separate pending invoice.

Receiver. This field displays the receiver ID assigned to the order when it was recorded as received.

Reference. If a packing slip has been recorded for the PO receipt, it is displayed in this field. Otherwise, the field displays the receiver number.

Supplier Invoice Internal Reference. This read-only field displays the registration number for the supplied invoice created by ERS. The system generates a registration number for all invoices and credit notes, based on the entity and year.

Quantity. This field displays the quantity of items ordered.

Unit Price. This field displays the unit price of the item ordered.

Extended Price. This field displays the extended cost, which is calculated as the number of items multiplied by the fixed price or the price on the price list, as applicable.

Curr. This field displays the currency in which the order was made.

ERS Option. This field displays the ERS option set for the line.

Print Audit Report. Select the field to print an audit report detailing the receipts processed. The report provides an overview of processed receipts and lists validation errors, if the ERS Processor ran with errors. See “ERS Audit Report” on page 785.

Create Supplier Invoices and Receiver Matching? Select the field if you want the ERS Processor to create supplier invoices and receiver matching during the run.

Clear the field to run the ERS Processor in audit mode, during which no invoices or receiver matching records are created.

If you select the Print Audit Report field and run the ERS Processor in audit mode, the audit report lists the receipts that would be processed if the processor were run in update mode for the same group of receipts.

Execute in Batch. Select the field to process a group of receipts in batch.

Batch ID. Choose an ID for the batch from the lookup. You must first have defined the batch ID to use in Batch ID Maintenance (36.14.1).

When you run the ERS Processor with the Execute in Batch field selected and the batch ID specified, ERS creates a record in Batch Request Details Maintenance (36.14.3) to run the ERS program with the parameters specified in ERS.

For more information on batch processing, see *QAD System Administration User Guide*.

Recalculate Tax Details. When you select this field, the system recalculates tax rates for each line in the grid, based on the taxable, tax class, tax usage, and tax environment values selected for each line. This option ensures that any changes in tax rate between the point when the PO receipt was created and when it is matched are accounted for by the system. If you do not select this field, the system uses the original tax rates applied when the PO Receipt was created, without recalculating.

Effective Issue Date. This field is only populated when you use the grid to process fiscal receipts.

Invoice Status Code

When creating an initial receiver matching record for a supplier invoice, ERS assigns any invoice status code recorded for the supplier that has the Initial Status field set to Yes in the Invoice Status Code functions (36.1.11).

If no initial invoice status code is recorded for the supplier, the system uses the first initial invoice status code defined in Invoice Status Code Create.

When creating a confirmed receiver matching record for a supplier invoice, ERS assigns any “after matching” invoice status code linked to the initial status code assigned to the initial supplier invoice.

If no “after matching” invoice status code is linked to the initial invoice status code, the system uses the first invoice status code defined in Invoice Status Code Create that has a value recorded in the Status After Match field.

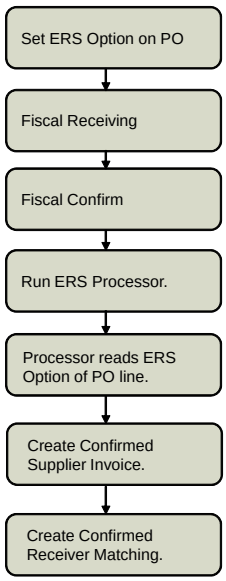
See “Invoice Status Codes” on page 246 for more information on defining and using invoice status codes.

Process Flow for Legal Documents

Use the By Legal Document tab to search for fiscal receipts for which to create supplier invoices and receiver matching. The By Legal Document tab is only available when fiscal receiving is activated in Purchasing Control (5.24).

Important When you run the ERS Processor for legal documents, you must always use ERS option 3 where the system creates a confirmed supplier invoice and receiver matching record for pending invoices. You cannot use option 1 (disallow ERS processing) or option 2 (create an initial invoice and receiver matching record).

Fig. 11.10
ERS Flow for Legal Documents



When fiscal receiving is activated, the ERS Processor combines fiscal receipts into a single supplier invoice, provided that the fiscal receipts have the same legal document number, the same effective issue date, the same supplier, and the same purchase order project code for the AP control account.

You can specify ranges of suppliers, sites, legal documents, and legal document issue dates to search for fiscal receipts. The processor then retrieves a group of receipts that meet your selection criteria. Selections are always based on the full legal document; you cannot create partial selections.

The ERS Processor creates matched supplier invoices as confirmed (non-initial status) supplier invoices. ERS can create one or more supplier invoices for a single legal document. The matched supplier invoices are created based on the confirmed legal (fiscal) document price, and not the PO price. The ERS Processor assigns the invoices the same due date as the confirmed legal (fiscal) document for which the invoice was created, and the tax values and postings are created based on the confirmed fiscal receipt lines.

Note When creating supplier invoices, ERS stores the legal document number in the Reference field in the supplier invoice record, and stores the legal document effective issue date in the Supplier Invoice Date field.

When creating supplier invoices and receiver matching based on legal (fiscal) documents, the ERS Processor creates AP rate variances when there is a difference between the fiscal price and the PO price. Similarly, the ERS Processor creates AP usage variances when there is a difference between the physical receipt quantity and the fiscal receipt quantity.

Legal documents are always denominated in the base currency. However, when fiscal receiving is activated, the ERS Processor creates supplier invoices or credit notes in both the base and transaction currencies. ERS uses the fiscal receiving exchange rate to convert the invoice amount from the base currency to the transaction currency.

Example

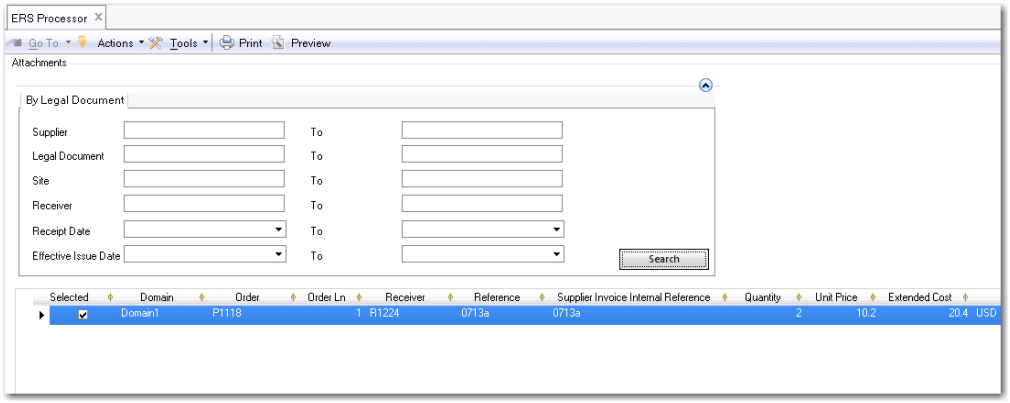
You create a PO for 10 items at 100.00 USD each. The total is 1000.00 USD.

The legal document must always be denominated in the base currency, which, in this example, is the Brazilian Real (BRL). The legal document is created in Brazilian Real, and the total amount is 1780.00 BRL. The exchange rate used during legal document creation is 1 BRL = 0.5618 USD.

You run the ERS Processor the next day when a different daily exchange rate is in effect. On that day, 1 BRL equals 0.900 USD.

ERS creates a supplier invoice for 1780.00 BRL (1000.00 USD) because ERS always uses the legal document exchange rate.

Fig. 11.11
ERS Processor, By Legal Document Tab



The Supplier, Site, Receiver, and Receipt Date fields are described in “Processor Flow for Receipts” on page 776.

Legal Document. Specify a range of legal documents for which to search for fiscal receipts.

Effective Issue Date. Specify a range of issue dates for which to search for fiscal receipts. The effective issue date is the date on which the legal document is issued from the supplier.

Grid

Effective Issue Date. When using ERS to process fiscal receipts, this field displays the date on which the legal document was issued from the supplier.

The remainder of the grid fields are described in “Processor Flow for Receipts” on page 776.

Legal Documents for Logistics Charges

You can also use ERS to create supplier invoices for legal documents that include logistics charges and trailer expenses for both domestic purchases and imported goods.

Important The ability to process legal documents for logistics charges in ERS is only available in QAD Enterprise Applications if you have also installed the QAD Internationalization Extensions package for Brazil.

Logistics Charges for Domestic Goods

If you purchase goods domestically, the logistics charges for material deliveries are often billed separately in a legal document that includes taxes. Alternatively, the supplier can issue a combined legal document that includes both material and logistics charge lines.

When you use Fiscal Receiving to fiscally receive the carrier’s legal document and confirm the receipt, the system creates a pending invoice based on the legal document.

When you run the ERS Processor by legal document to process the pending invoice, the system creates a matched supplier invoice for the legal document logistics charges.

If the legal document includes both material and logistics charge lines and you run the ERS Processor for the pending invoice, the system creates a matched supplier invoice for the combined material and logistics charges if the material supplier is named as the logistics supplier in the purchase order. Otherwise, the system creates separate material and logistics charge invoices.

Logistics Charges for Imported Goods

When importing goods, an import agent can handle the import process and incur certain logistics charges on behalf of the customer. The import agent charges the customer for managing the import and for acting as an intermediary between the customer and the foreign material supplier.

If the legal document contains logistics charge lines only, the ERS Processor creates supplier invoices for the logistics charges and creates the associated AP, matching, and tax postings.

If the purchase order is in a foreign currency, ERS creates a foreign currency supplier invoice, even though the legal document is in base currency. The system uses the exchange rate from the legal document and not from the pending invoice.

If the legal document for the imported goods contains combined materials and logistics charge lines, the ERS processor:

- Creates supplier invoices for the material lines in the name of the material supplier.
- Creates supplier invoices for the logistics lines in the name of the import agent.
- Creates the relevant AP, matching, and tax postings.

ERS and PO Returns for Legal Documents

Use Purchase Order Returns (5.13.7) to process supplier returns for legal documents, including items for which logistics charges apply.

When purchase order line items with associated logistics charges are returned using Purchase Order Returns, the system does not reverse the accrued value of the logistics charges. Some logistics charges, like freight or insurance, could be payable to a third-party supplier regardless of whether the items are returned.

When you process a return for purchase order line items with associated logistics charges in Purchase Order Returns, the system creates the following GL transactions:

- Debit the inbound expense account for the accrual value.
- Credit inventory for the same amount

When the purchase order return is processed, the system generates a separate legal document for the returned materials. The legal document for the material return is linked to the original legal document.

Run the ERS Processor by legal document to generate a supplier credit note for the returned materials. ERS does not create a credit note for the logistics charges associated with the returned materials.

ERS and Reversing Legal Documents

If you use ERS to process legal documents, you can reverse the invoices that ERS created.

If you reverse an invoice that ERS created from a legal document, you cannot directly replace the reversed invoice in Accounts Payable. For supplier invoices created by ERS where Fiscal Confirm Required is activated in Purchasing Control, the Create Replacement field is unavailable if you try to reverse the invoice in Supplier Invoice Reverse.

To reverse and replace an ERS invoice created from a legal document, reverse the invoice using Supplier Invoice Reverse, unconfirm the associated legal document, and then make the required corrections. Then, reconfirm the legal document and generate a replacement supplier invoice using ERS.

Note For legal documents that reference multiple supplier invoices, reverse all the supplier invoices before you can unconfirm the legal document.

ERS and Tax Calculation

Taxes for ERS invoices are calculated using the tax settings for each receiver line, and the resulting tax is stored by line.

If the ERS Price List option in ERS Maintenance specifies a price for the supplier invoice that is different from the price used for the order, variances occur that affect the calculation of taxes. If you select the Recalculate Tax Details field in the ERS Processor window and any price variances have occurred, the tax is recalculated.

The ERS Invoice Date option determines the supplier invoice date set by ERS and the invoice date, and, therefore, the due date resulting from the application of the credit terms. The supplier invoice date is also the tax date used by ERS for tax calculation.

When fiscal receiving is activated, ERS creates supplier invoices with the same tax date and total amount as the confirmed legal (fiscal) document header.

ERS Postings

Example You order 10 units of Item A, which has a unit price of 6 USD. Two different tax rates of 10% and 2% apply, and tax is accrued at receipt.

Receipt Postings

When the items are received and a receipt is recorded, the system makes the following postings to the daybook for PO receipts:

Account	Debit	Credit
Inventory	60.00	
PO Receipts		60.00
AP Tax	7.20	
PO Receipts		7.20
Total	67.20	67.20

Invoice Postings

When ERS is run, it generates a supplier invoice for the receipt and makes the following automatic postings. ERS uses the invoice daybook linked to the daybook set associated with the corresponding purchase order.

Account	Debit	Credit
Accounts Payable		67.20
Unmatched Invoices	67.20	
Total	67.20	67.20

Matching Postings

Account	Debit	Credit
PO Receipts	60.00	
AP Tax	7.20	
Unmatched Invoices		67.20
Total	67.20	67.20

Multiple Sites and Entities

ERS can process receipts from multiple entities and sites, where the entity that incurs the AP liability is different than the entity where the receipt was created. In this case, the system automatically creates cross-company postings.

Important ERS does not process receipts from multiple domains or databases.

ERS Audit Report

The ERS audit report, which is produced when you select the Print Audit Report option in the ERS Processor, provides an overview of processed receipts and lists validation errors, if the ERS Processor ran with errors.

The ERS audit report generates errors in the following situations:

- No price is available for an item.
- Purchase orders have already been invoiced.
- Credit terms are invalid.
- No packing slip number is entered on the receipt screen, and the ERS Packing Slip Error field of ERS Control (28.10.24) is set to Yes.

ERS Invoice Certification

In countries such as Portugal, it is a legal requirement to provide a digital signature for each invoice. This signature verifies that invoice creation sequence and invoice data are not altered after invoice creation. The signature is generated using OpenSSL. This requirement applies to supplier invoices just as it does to customer invoices. For full details of the invoice certification requirement and how the functionality is implemented on the customer side, see “Invoice Certification” on page 496.

Note Enable invoice certification in Domain Modify (36.1.1.1.2).

In ERS Processor (28.10.13), when you click Process, an invoice is created and a digital signature is then also created. The data used to create the signature is taken from the current invoice, but the signature of the previous invoice is also included. The order of the invoices is determined based on the company, posting year, daybook, and voucher of the invoice. Digital signatures are only created for non-initial invoices.

To view the signature on created invoices, go to Supplier Invoice View (28.1.1.3). Seven grid fields store invoice certification information for each invoice. These grid fields are not visible by default and must be added to the screen.

Creation Time. Displays the time of the creation of the digital signature.

Invoice Certificate. Displays the invoice certificate number.

Invoice Certification Key. Displays the key used to create the signature, date time year, daybook and amount. You cannot change the amount after generation.

Signature Current Invoice. Displays the signature of the current invoice.

Signature Previous Invoice. Displays the signature of the previous invoice.

Signature. Displays the short signature used on certain reports.

Version. Displays the version of the open SSL key generated.

ERS Fields Summary

When ERS is activated, ERS fields appear in most screens relating to purchase orders, blanket orders, scheduled orders, and invoices. Table 11.1 lists the fields that display and the programs affected. In addition, some existing fields are used in specific ways by ERS.

Table 11.1
ERS Fields Summary

Field	Menu No.	Program
ERS Items Only	5.13.5	Purchase Receipt Report
ERS Option	1.1.15	Site Report
	2.3.2	Supplier Browse
	2.3.4	Supplier Data Report
	5.3.1	Blanket Order Maintenance
	5.3.3	Blanket Order by Order Report
	5.5.1.13	Scheduled Order Maintenance
	5.5.1.14	Scheduled Order Inquiry
	5.5.1.15	Scheduled Order Report
	5.5.3.13	Schedule Report
	5.5.3.17	Schedule Authorization Report
	5.7	Purchase Order Maintenance
	5.8	Purchase Order Browse
	5.9.1	Purchase Orders by Order Report
	5.9.2	Purchase Orders by Supplier Report
	5.13.2	Purchase Receipt Document Print
	5.13.5	Purchase Receipt Report
	28.10.24	ERS Control
	28.10.1	ERS Maintenance
ERS Packing Slip Error	28.10.24	ERS Control
ERS Price List Option	28.10.1	ERS Maintenance
	5.3.1	Blanket Order Maintenance
	5.3.3	Blanket Order by Order Report
	5.5.1.13	Scheduled Order Maintenance
	5.5.1.14	Scheduled Order Inquiry
	5.5.1.15	Scheduled Order Report
	5.5.3.13	Schedule Report
	5.5.3.17	Schedule Authorization Report
	5.7	Purchase Order Maintenance
	5.8	Purchase Order Browse
	5.9.1	Purchase Orders by Order Report
	5.9.2	Purchase Orders by Supplier Report

Field	Menu No.	Program
ERS Processing	28.10.24	ERS Control
ERS Voucher Date Option	28.10.24	ERS Control
Ship Date	5.5.5.5 5.13.1 5.13.14	PO Shipper Maintenance Purchase Order Receipts Shipper Maintenance
Update GL Average Cost	28.10.24	ERS Control

Chapter 12

Banking and Cash Management

The following topics describe how to process bank transactions, import bank statements, and create electronic payments in country-specific formats.

Overview 790
Introduces banking and cash management concepts.

Banking Setup 791
Describes the setup steps for manual banking processes.

Using Banking Functions 795
Introduces the banking entry functions.

Banking Entry Flow 799
Illustrates and describes the banking entry workflow.

Electronic Banking Setup 816
Describes the setup required for electronic banking.

Electronic Processing 819
Process electronic banking transactions.

EDI Advanced Banking for Accounts Receivable 843
Describes the accounts receivable process in which the bank acts as an intermediary to collect cash from customers.

EDI Advanced Banking for Accounts Payable 855
Describes the accounts payable process in which the bank acts as an intermediary to collect cash from customers.

Using Petty Cash 863
Record petty cash transactions.

Cash Flow Reporting 868
Forecast monthly cash projections.

Overview

The Banking and Cash Management functions let you process banking transactions and allocations to open items, payments, or GL accounts. The process also supports discounts, prepayments, and multiple currencies.

The functional stages in the banking and cash management flow are represented by the following processes:

- Set Up Banking
- Using Banking Functions
- Electronic Processing
- EDI Advanced Banking for Accounts Receivable
- Petty Cash
- Cash Flow Reporting

Set Up Banking

To store your bank account number in the system, you must first apply a validation format to the account number. The validations depend on the country where your bank is located. Therefore, before you create your bank account, ensure that the correct validation format is available for your account number. See “Define Bank Account Formats” on page 791.

To use banking functions, you must first define the bank accounts for your entity. See “Define Own Bank Number” on page 794.

Using Banking Functions

When customer and supplier payments have been processed by your bank, you use banking functions to complete the AR and AP cycles.

The Banking Entry function completes most of the payment cycles and supports all major international banking standards. Banking Entry also manages the manual and automatic entry and allocation of bank statements, including:

- Entering a bank statement using banking entries
- Allocating the incoming and outgoing transactions on the statement lines to AR and AP open items, GL accounts, payment selections, and payments
- Handling exchange rate conversions during allocation

See “Using Banking Functions” on page 795.

Electronic Processing

The electronic banking in Financials lets you import bank statements from external systems. You can also convert transaction data contained in electronic bank files into automatic customer and supplier payments.

See “Electronic Banking Setup” on page 816 and “Electronic Processing” on page 819.

EDI Advanced Banking for Accounts Receivable

Financials EDI Advanced Banking supports business cases where your bank acts as an intermediary to collect cash from customers. An example of EDI Advanced Banking is *Boleto Bancários*, which is a significant payment collection system in Brazil.

“EDI Advanced Banking for Accounts Receivable” on page 843.

Petty Cash

The Petty Cash functions lets you maintain daily cash movements and provide cash account reports as receipts for cash in and cash out transactions using the company’s cash on hand. See “Using Petty Cash” on page 863.

Cash Flow Reporting

A Cash Forecast report presents information on open items, bank and cash accounts, loans and deposits, and accruals. The report generated also provides detailed analysis per period and currency. See “Cash Flow Reporting” on page 868.

Banking Setup

Define Bank Account Formats

Use Bank Account Format Maintain (25.11.4) to view an international account number format to apply to the bank accounts you create. You can also define new number formats, which must comply with the banking system of the country in which you are doing business, or with your customer or supplier banking systems.

Account number formats consist of segments of characters of specific lengths. For example, a standard Italian bank account number consists of a single check character, followed by 5 characters for the bank code, 5 characters for the branch code, and 12 characters for the account number. A valid Italian account number is, therefore:

```
1 22222 33333 444444444444
```

You define account numbers in two areas:

- On the Banking tab of the GL account for your bank. Bank accounts must be assigned a valid account number and linked to a payment format in Bank Payment Format Link in order to be used in customer and supplier payments.
- On the Banking tab of customers and suppliers. You enter the account number of your own bank and also the account number of the customer and suppler in order to set up automatic payment processes for customers and suppliers.

In both cases, you must select a bank account format and enter an account number. The number you enter is validated against the format you select, both for the number of characters in each segment and for the sequence of segments.

A number of formats are supplied with the system; these cannot be deleted.

Table 12.1
System-Supplied Bank Account Formats

Bank Account Format Code	Format Description	Format
NL	Dutch Bank Account Format	10-digit account number. When there are 9 digits, the system inserts leading zeros to complete the number. Check digit validation.
IT	Italian Bank Account Format	23 digits. 1 check character (CIN), 5- digit bank code (ABI), 5-digit branch code (CAB), 12 alphanumerical account number. Check digit validation.
FR	French Bank Account Format	23 digits. 5-digit bank code, 5-digit branch code, 11 alphanumeric account number, 2 check digits. The account number can only contain characters from the ranges 0-9 and A-Z. Check digit validation.
ES	Spanish Bank Account Format	20 digits. 4-digit bank code, 4-digit branch code, 2 check digits, 10-digit account number. Check digit validation.
DE	German Bank Account Format	18 digits. 8-digit branch code (Bankleitzahl) followed by a 10-digit account number (Konto). If one of the segments has less than the specified number of digits, the system inserts leading zeros to complete the number.
CZ	Czech Bank Account Format	20 digits. 6-digit prefix, 10-digit account number, 4-digit bank code.
BE	Belgian Bank Account Format	12 digits. 3-digit bank code, 7-digit account number, 2 check digits. Check digit validation.
AU	Australian Bank Account Format	15 digits. 6-digit BSB (Bank/State/Branch), 9-digit account number.
AT	Austrian Bank Account Format	16 digits. 5-digit branch code (Bankleitzahl), 11-digit account number (Konto). If one of the segments has less than the specified number of digits, the system inserts leading zeros to complete the number.
IBAN	International Bank Account Format	A generic international bank format used frequently by European banks. This format has one segment of a maximum of 40 characters. IBAN account numbers start with two characters, indicating the ISO country code, followed by two numeric check digits (IBAN check) and followed by the domestic bank account number in a single string (without any separation characters for the segments).
XX	No Validation	No restriction.

All preloaded formats, except the IBAN and XX formats, validate the account number entered. The NL, IT, FR, ES, and BE formats, however, also apply check digit validation to the account number you enter. Check digit validation is used by banks as an additional security feature to validate numbers. The validation usually consists of a calculation within the number itself. For example, the check digit validation for Belgian account numbers is as follows:

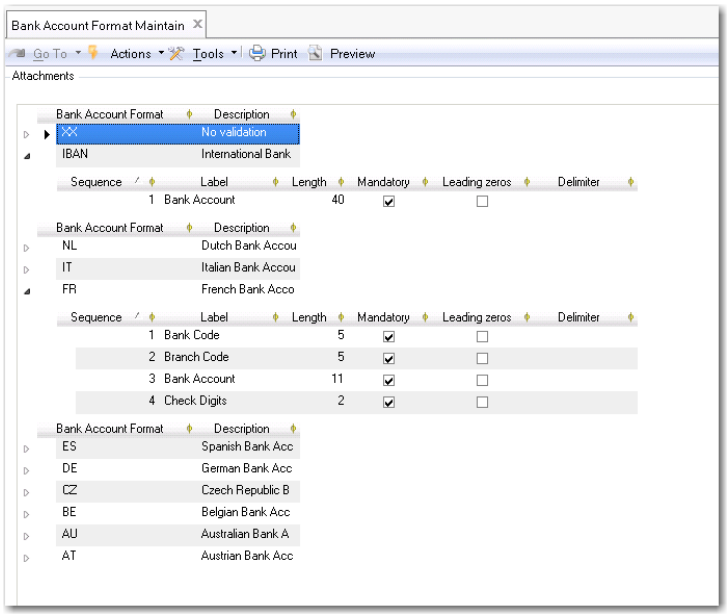
- When you divide the first 10 digits of the account number by 97, the remainder must be equal to the last two digits of the account number.
- When there is no remainder (the number is cleanly divisible by 97), the last two digits of the account number should be 97.

Example A correctly entered Belgian account number is, therefore, 970097000097. When you divide by 97 there is no remainder, and the last two digits are 97. An incorrect account number is 979797979800. The remainder when divided by 97 is .0309, which is not equal to the last two digits of the account number.

Important When you create your own format, you cannot define and apply check digit validation.

You must apply a format to every account number that you enter. The XX format lets you enter an unvalidated account number. Use the unvalidated format when you want to store your account number, but no format is available for your particular banking system.

Fig. 12.1
Bank Account Format Maintain



Field Descriptions

Bank Account Format. Enter an alphanumeric code (maximum 20 characters) to identify the bank format.

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

Segment Details

Sequence. This field displays the sequence number of the segments in the account number and indicates the order in which the segments are to be completed.

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

Length. Specify the number of characters in the segment.

Mandatory. Select this field to make this segment mandatory. Mandatory segments must be completed in order to validate the account number.

Leading Zeros. Select this field if the segment is a numeric field that must be zero padded automatically during incomplete input.

For example, a five-digit segment has the Leading Zeros field set to Yes. If you enter 23 for that segment, it is stored as 00023. Conversely, if the same five-digit segment has the Leading Zeros field set to No, and you enter 23 in that segment, it is stored as 23.

Delimiter. Enter a delimiter character to separate the format segments, if necessary. Account numbers in certain systems use segment delimiters, such as \, /, or – (for example, 1111/2222/3333/4444). This delimiter character is placed automatically after the segment for which it is defined

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

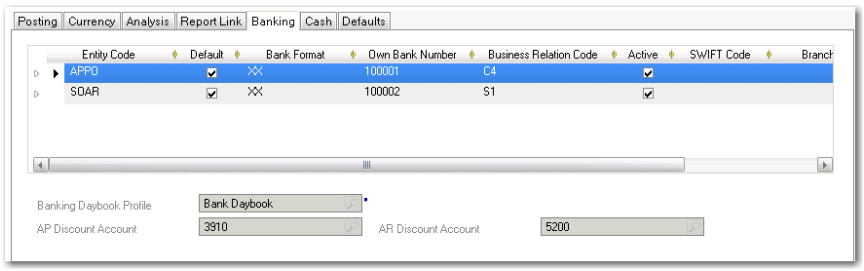
Define Own Bank Number

In order to process banking transactions, you need to set up your own bank number, which is the account number for the entity in which you are currently working. The entity bank consists of:

- The bank GL account to which the postings are made
- The own bank account number for the entity, where payments from customers are received and from where payments to suppliers are made
- The business relation, which contains the address and tax information for your bank

To create an own bank account number, you need to create a GL account of type Bank Account, and link it to your current working entity. When the account you create is of type Bank Account, the Banking Tab in Account Create is enabled so that you can specify the additional details required. See “Banking Tab” on page 100 for more details on these fields.

Fig. 12.2
GL Account Create, Banking Tab



Using Banking Functions

When customer and supplier payments have been processed by your bank, you use banking functions to complete the AR and AP cycles. You can also create bank statements using Banking Entry.

When you have created the bank statement, you create statement lines to allocate to payments to and from the account. When you save the statement, you generate postings to the sub-ledger and update the accounts. Finally, Banking Entry displays an immediate bank account balance, and you can list activity on the account using different GL transaction reports. The Petty Cash report also details cash movements on the account for period ranges.

Bank Statements and Banking Entries

You process bank statements in three distinct steps:

- Import or create the bank statement.
- Allocate statement lines.
- Save the allocations in the general ledger and in the relevant sub-ledgers.

Creating Bank Statements

Generally, a bank statement consists of multiple statement lines. Each line is an incoming or outgoing transaction on the bank account. You can create statements manually or automatically. See “Electronic Banking Setup” on page 816 for information on importing bank statements electronically.

In the manual process, you create banking entries to match the information received in hard copy from the bank. Each statement has one of the following statuses:

Unallocated: No statement lines are allocated.

Partially Allocated: Some (but not all) statement lines are allocated.

Allocated: All statement lines are allocated.

Each statement line has one of the following statuses:

Unallocated. No allocation is performed for this line.

Partially Allocated: Part of the line is allocated, but not the total amount. A statement line cannot be saved in this state.

Allocated: The line is allocated, but not yet saved to the database.

Allocated and Posted: The line is allocated, and successfully saved to the database.

Allocating Statement Lines

Each statement line must be allocated to:

- Customer or supplier open item (including prepayments)
- GL account
- Customer or supplier payment selection
- Customer or supplier payment

Note You can only allocate payments with a status of For Collection to a bank statement line.

To manually allocate, you select an allocation method for each statement line. A statement line can only be fully allocated or not allocated at all.

Note When you save a banking entry for which some lines are not allocated and others fully allocated, the system assigns a status of Partially Allocated to the whole entry for browse purposes. However, you must either fully allocate each line within the entry (or leave the line unallocated), because you cannot save an entry for which an individual line is partially allocated.

Posting Bank Statements

Accounting practice requires you to reconcile your bank statement with payments in and out of the account, and to post those in the general ledger.

You reconcile your statement lines by allocating to customer and supplier payments. When you have fully allocated the amounts on the statement, you register the statement by saving the banking entry. When allocated statement lines are saved, the system generates GL postings and updates the appropriate sub-ledgers. Each bank statement line is assigned its own posting number.

Once posted, statement lines receive the status Allocated and Posted.

Banking Entry

The Banking Entry (31.1) function is the single entry point for creating, maintaining, and allocating statements. You can modify existing bank statements, depending on their status. You can also add new lines to an allocated statement.

The system lets you reconcile a banking entry line created in one entity with open items created in another entity. In order to process this intercompany transaction, intercompany accounts must be defined in Domain Create for the domains involved in the transaction. For more information on processing intercompany transactions, see “Intercompany and Cross-Company Transactions” on page 418.

Depending on your organization’s business procedure and your access rights, you can use banking entry in different ways:

- Create the statement and allocate some or all of the lines. You can save the statement in final or draft format.
- Create the statement without allocation and save it. Then, use Banking Entry Allocate (31.1.5) as a separate activity to allocate the lines.

This flexibility supports segregation of duties if one individual creates the statement lines from a paper copy, and another person performs the actual linking to accounts, invoices, and payments. You can assign these activities to different roles using Role Permissions Maintain. If you do not have access to the Banking Entry Allocate activity, you cannot use the allocation features in Banking Entry.

For more information on roles and permissions, see *QAD Security and Controls User Guide*.

You can modify the following fields on Not Allocated or Partly Allocated statements:

Bank Statement Number

Opening Balance

All line information

You can only delete statements that have a status of Not Allocated.

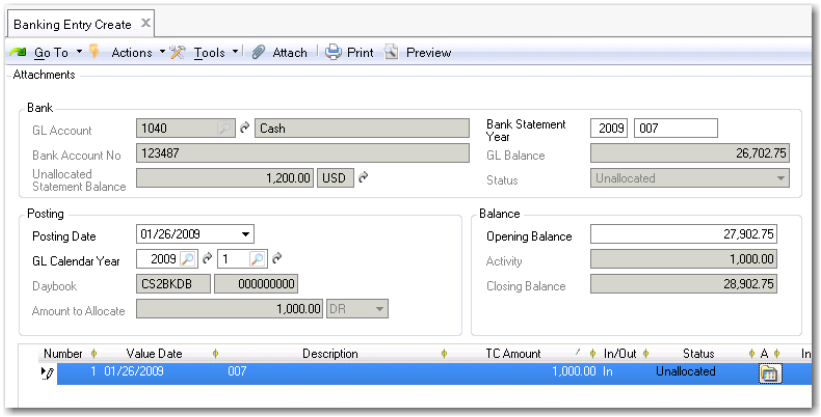
Banking entries can be saved in draft format when Draft Instances is selected in Change System Settings (36.24.5.1). When you save a record in draft format, none of the system validations are performed. You can then return later to complete the record by choosing the Banking Entry Browse Drafts activity and selecting the record you want to finish from the list. For more information on drafts, see *Introduction to QAD Enterprise Applications User Guide*.

For more information on Change System Settings, see *QAD System Administration User Guide*.

Banking Entry Create Function

Use Banking Entry Create (31.1.1) to create statements and lines, and, optionally, complete the allocation to accounts, customer or supplier open items, payments, and payment selections.

Fig. 12.3
Banking Entry Create



Field Descriptions

GL Account. Specify the bank GL account, which must be of type Bank Account.

Bank Statement Year. This field indicates the current GL calendar year and the number of this statement. The statement number increments from the statements previously created, and you can modify this number. The sequence of statements does not have to be consecutive. This allows you to distribute the statement entry workload over multiple users.

Bank Account No. The system displays the bank account number that corresponds to the bank GL account. This read-only field is automatically populated using the GL account definition.

GL Balance. This field displays the current balance for this account.

Unallocated Statement Balance. This field displays the total amount of all statements that have been created for the bank account, but have not yet been posted. This field combines with the GL balance to provide a preview of the GL balance after all statements are allocated. This amount is the actual balance of the bank account.

Status. This read-only field indicates the statement status: Not Allocated, Partially Allocated, or Allocated.

The following fields display in the Posting frame:

Posting Date. This field defaults to the current date. The posting date must be within the limits of the GL period specified.

Note You cannot allocate a banking entry to a payment if the posting date of the payment is later than the posting date of the banking entry.

GL Calendar Year. This field indicates the GL calendar year/GL period in which the banking entry postings are created.

Daybook/Number. This field indicates the posting daybook linked to the bank GL account. It must be an internal daybook of type Banking Entries. The consecutive posting numbering sequence is generated by the system for each line allocation (read-only field).

Amount to Allocate. This field indicates the amount to allocate in this banking entry, as a credit or debit. This amount corresponds to the amount you enter in the grid.

The following fields display in the Balance frame:

Opening Balance. This field indicates the opening balance of the bank account, as it appears on the statement.

Activity. This field displays the total of the transaction currency amounts for all statement lines in this entry.

Closing Balance. This field displays the Closing Balance for the account when the movements have been added to or subtracted from the Opening Balance.

Enter the statement line information in the grid.

Number. This field displays the system-generated sequence number for the line, which you can modify.

Value Date. Specify the bank date of the transaction. This field defaults to the system date for the first line and to the value date of the previous line for all subsequent lines, but can be modified.

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

TC Amount. Enter the movement amount in transaction currency.

In/Out. Select In or Out for payments into or out of the account. Payments in correspond to customer payments, and payments out to supplier payments.

Status. This field indicates the status of the transaction. By default, the transaction is unallocated.

Allocate. Click the icon to select an allocation method.

Allocate to Invoice: Use this method to allocate this movement to an open invoice. The system displays Bank Entry Allocate, in which you search for invoices, allocate to a GL account, allocate to a payment selection, or create a prepayment.

Allocate to Payment Selection: This option displays the payment selection search screen.

Allocate to Payment: This option displays a customer and supplier payment lookup.

Allocate to GL Account: This option displays Journal Entry Create, in which you select a GL account to which you allocate the movement.

See “Allocating Bank Entry Lines” on page 799.

Information. Enter additional information about the entry.

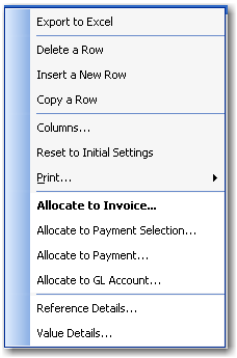
Scale Factor. This field indicates the scaling factor applying to the transaction currency, if any.

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

Banking Entry Flow

Banking entry begins with the creation of a statement line. After you have entered a line, right-click in the line to display the additional options.

Fig. 12.4
Banking Entry Options



Available options include:

- Allocate to Invoice
- Allocate to Payment Selection
- Allocate to Payment
- Allocate to GL Account
- Reference Details
- Value Details

Allocating Bank Entry Lines

When you have completed the fields, click Save to save the banking entry.

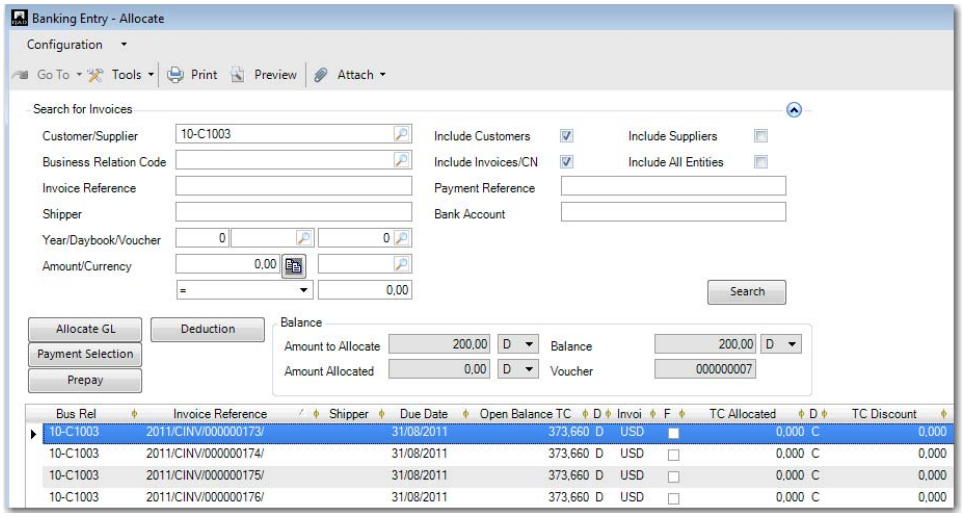
The system then lets you allocate the banking entry. For example, a banking entry can be a record of a payment on an outstanding amount to a supplier. You can allocate the amount against a single open item or across a number of open items for the supplier.

You must allocate the full amount of the entry in order to post the statement in the general ledger. You can, however, save banking entries in an unallocated or partially allocated state, and use Banking Entry Allocate (31.1.5) to complete the allocation process at a later stage. See “Banking Entry Allocate” on page 816.

Allocate to Invoice

Use this option to select invoices to which you want to allocate the entry amount.

Fig. 12.5
Banking Entry, Allocate to Invoice



Field Descriptions

Search for Invoices

Use the following search criteria to retrieve the customer or supplier invoices:

Customer/Supplier. Choose a specific customer or supplier, depending on the field selected. If multiple fields or no fields are selected, this field is unavailable.

Business Relation Code. Select open items for the specified business relation. You can further refine the search using the Include Customers and Include Suppliers fields. Any combination of the fields is valid when a business relation is selected.

Include Customers. If you select this field and have specified a business relation, only the open items of customers linked to that business relation display. If you select this field and have not specified a business relation, the Customer/Supplier field shows customers only.

This field is selected by default if the amount to allocate is positive.

Include Suppliers. If you select this field and have specified a business relation, only the open items of suppliers linked to that business relation display. If you select this check box and have not specified a business relation, the Customer/Supplier selection field shows suppliers only.

This field is selected by default if the amount to allocate is negative.

Include Invoices/CN. Select this field to include invoices and credit notes in the results.

Include All Entities. Select this field to extend the search to all entities defined in the system. Whenever an open item for another entity is selected, a cross-company posting is triggered.

Invoice Reference. Specify a payment reference that appears on the invoice.

Customer Shipper. For selecting customer invoices created from Invoice Post and Print, specify a shipper reference number.

Payment Reference. Specify an optional payment reference number for selecting invoices to allocate. If you are in the Single Euro Payments Area (SEPA), this reference is a SEPA reference number.

Bank Account. Enter a customer or supplier bank account number.

Year/Daybook/Voucher. Specify a GL calendar year, daybook, or voucher number. Any combination of the three subfields can be used. Click the lookup to select a daybook type.

Amount, Currency. Use the Amount and Currency fields to search for specific open balance amounts in a specific currency. Use the Copy Allocation Amount button to copy the original allocation amount into this field.

Use the operators to specify an amount range within which to search:

- When the operator is set to =, the system searches for the open balances that equal the value in the Amount field.
- When the operator is set to <= or >=, the system searches for open balances higher or lower than the value in the Amount field.

Example When the amount is set to <= $1000, the search returns open items with amounts less than $1000.

Amount to Allocate. This amount defaults from the statement line.

Amount Allocated. This field displays the amount to allocate.

Balance. This field displays the difference between the amount to be allocated and the amount on this invoice as a credit or debit.

Voucher. This field displays the reference number for this allocation.

Bill Year/Number. Enter the year and number of the bill that this amount belongs to. This field is added using Design Mode.

Click Search to display all items that meet the search criteria in the grid.

Grid

Business Relation Code. This field displays the business relation of the customer or supplier for whom the open item was created.

Invoice Reference. This field displays the invoice reference number.

Shipper. This field displays a shipper reference number that appears on invoices created through Invoice Post and Print.

Due Date. This field displays the due date of the open item.

Amounts can be positive or negative. To obtain the most current view of the movement, the amounts must always be interpreted in combination with the Debit/Credit (D/C) indicator.

Allocation Type. This field displays the type of allocation being performed.

Open Balance. This field displays the current open balance in the transaction currency.

Debit/Credit. This field indicates whether the open item is a debit or credit.

Invoice Currency. This field displays the open item currency.

Full Allocation. Select this field to allocate the full amount of the entry to the invoice. The result is reflected in the Amount Allocated field in the Balance area of the screen. Use the TC Allocated field to make a partial allocation.

TC Allocated. Enter the amount to allocate to the invoice. If you are not allocating the full amount, enter the partial amount here.

The system automatically splits the allocated amount into a TC Paid Amount and a TC Discount amount, based on the credit terms and the payment date.

*TC Discount = TC Allocated * Discount% / 100*

TC Paid = TC Allocated – TC Discount

The relevant rounding method is then applied to the result.

Note For invoices with tax, the payment amount also contains a tax component. If the tax rate has Discount Tax at Invoice set to Yes, the discount amount at the time of payment only applies to the tax base amount.

Debit/Credit. This field indicates whether the open item is a debit or credit.

TC Discount. This field displays the discount that applies for early payment, based on the credit terms.

You can always overwrite the discount amount proposed by the system by entering the amount yourself. Then, TC Allocated is recalculated as TC Paid + TC Discount.

TC Paid. Enter the amount to pay, excluding the discount. The system recalculates the TC Allocated amounts as TC Paid + TC Discount.

New Balance. This field displays the balance of the open item after the movement is allocated.

Debit/Credit. This field indicates whether the open item is a debit or credit.

Entity Code. This field displays the code of the entity in which the open item was created.

Cost Center/Project/Sub-Account. Click to optionally select a cost center, project, or sub-account for analysis on this allocation. This option is available for prepayments only.

Creating a Deduction

You can record a deduction if a customer pays less than the amount owed. Reasons for deductions can include rounding differences, reductions due to quality issues, perceived entitlements based on commercial agreements, damaged goods, spoilage, improper packaging or labeling, or any other reason for which a customer may pay less.

The process for entering deductions is similar to that for creating prepayments. However, unlike prepayments, you can enter many deductions for a single payment transaction. Click on the Deduction button to open Banking Entry–Deduction.

Deductions and how to record them are described in detail in “Processing Deductions” on page 539.

Allocating Payment to Invoices with Staged Credit Terms

You can allocate payment to invoices with staged credit terms using two different approaches:

- You can apply the payment at the invoice level, and the payment and allocation values are rolled down to the staged payment.
- You can apply the payment at the staged payment level, and the payment, allocation, and discount amounts are rolled up to the invoice line.

Example

Figure 12.6 shows an outstanding customer invoice for 10 USD that includes staged credit terms. The staged payment details are shown on the level 2 grid line for the invoice.

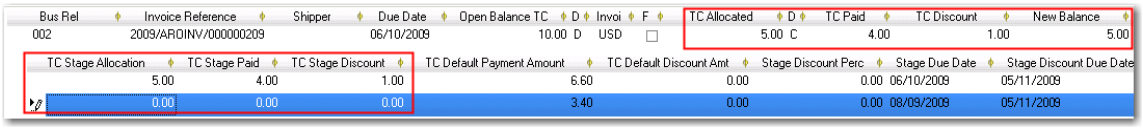
The values you enter at the staged level are rolled up to update the TC Allocated, TC Paid, TC Discount, and New Balance values at the invoice level.

Fig. 12.6
Invoice Line that Includes Staged Payments

As shown in Figure 12.7, you use the staged payment fields at level 2 and enter a TC Paid amount of 4 USD and a TC Stage Discount amount of 1 USD for the first staged payment due against the invoice. The TC Stage Allocation field at level 2 now displays 5 USD—the total amount to allocate against the invoice for that payment stage.

The TC Paid field for the invoice now displays 4 USD, the TC Allocated field displays 5 USD, the TC Discount field displays 1 USD, and the New Balance field displays 5 USD because 5 USD is being allocated to the outstanding invoice amount of 10 USD. These values indicate that the payment values for the first payment stage have been rolled up to the invoice level.

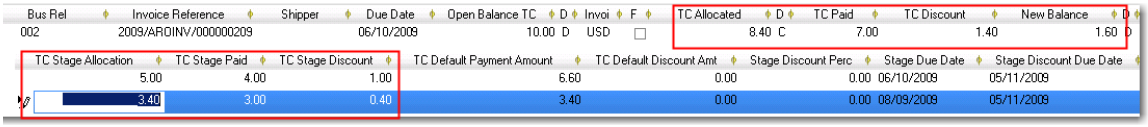
Fig. 12.7
Payment Amounts for First Staged Payment Due



As shown in Figure 12.8, you use the level 2 fields and enter a TC Paid amount of 3 USD and a TC Stage Discount amount of 0.40 USD for the second payment stage (open amount of 3.40 USD). The TC Stage Allocation field for the second payment stage now contains 3.40 USD—the total amount to allocate against the invoice for the second staged payment.

On the invoice line, the TC Paid field for the invoice now contains 7 USD, the TC Allocated field contains 8.40 USD, the TC Discount field contains 1.40 USD, and the New Balance field contains 1.60 USD—the new outstanding balance. This indicates that the paid, allocated, and discount values for the first and second staged payments have been rolled up to the invoice level.

Fig. 12.8
Payment Amounts for Second Payment Stage Due

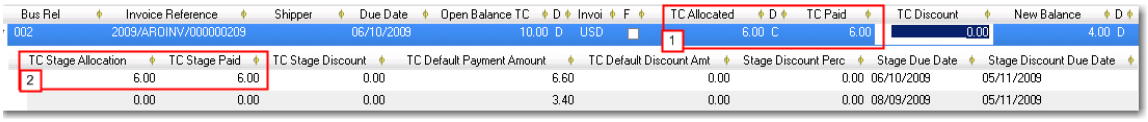


Example

You enter payment for an invoice with staged payments at the invoice line level, as opposed to the staged payment level. The invoice of 10 USD must be paid in two stages—one for 66% of the amount and the other for 34% of the amount. The stage for 66% is due first.

On the invoice line, you enter a TC Paid value of 6 USD. This value is rolled down to the staged payment level and automatically allocated against the staged payment due for 6.60 USD (66% of the invoice value). The TC Paid value you enter at the invoice line is always allocated against the first payment stage due.

Fig. 12.9
Payment Specified at Invoice Line



As shown in Figure 12.10, if you enter a TC Paid value on the invoice line that is greater than the open balance of the first staged payment, the amount over the first staged payment is applied to the staged payment with the next nearest due date.

Fig. 12.10
Payment Specified at Invoice Line, Amount Applied to Two Stages

The following are the key fields used to allocate payment to invoices with staged credit terms:

TC Stage Allocation. Enter the total payment amount to apply to the staged payment. This amount is the sum of the values in the TC Stage Paid and TC Stage Discount fields for that grid row.

TC Stage Discount. Specify the discount amount to apply to the payment stage.

TC Stage Paid. Enter the amount to deduct from the staged payment. For customer payments, this is the actual amount you received from the customer's bank, excluding discounts.

TC Default Payment Amt. This field displays the open balance for each payment stage.

TC Default Discount Amt. If the stage payment condition includes discount terms, the discount amount applicable is displayed in this field.

Stage Discount Percentage. This field displays the discount applicable for the staged payment, if any.

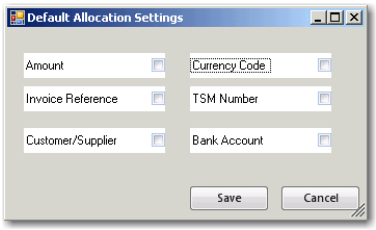
Stage Due Date. This field displays the date on which the staged payment is due. The date is calculated using the invoice date and the staged credit term details.

Stage Discount Due Date. This field displays the date on which the discount on the staged payment is due. The date is calculated using the invoice date and the staged credit term details.

Configuring the Allocation Screen

The screen that displays when you select Allocate to Invoice includes a Configuration option. Select this option to display a settings screen.

Fig. 12.11
Default Allocation Settings



Use the Default Allocation Settings window to determine which data in the bank entry line should default into the corresponding selection criteria in the allocation screen. Your settings are saved on your client computer so that the next time you create a bank statement line, the value of each selected field is copied from the line to the Filter section of the allocation screen. This can greatly streamline the allocation process.

The bank account passed to the next screen is the customer's bank account specified in the Reference Details option, and the currency is the external currency specified in the Value Details option.

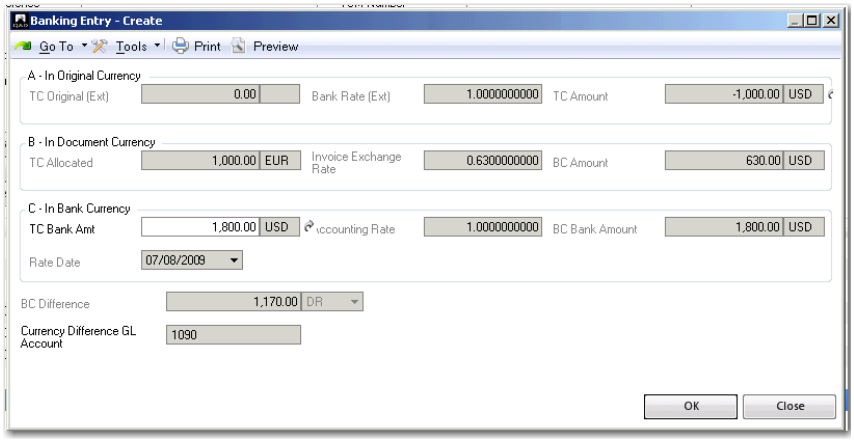
Example You select the Amount field in Default Allocation Settings. When you create a banking statement line for $10,000 and then choose Allocate to Invoice, $10,000 displays in the Search Criteria for Invoices so you can quickly find the matching invoice.

Currency Details

When allocating to an invoice or payment, you have the option to view and modify currency details for foreign currency transactions. Select the Currency Details option by right-clicking an invoice or payment line. The system manages allocations for both simple and complex currency and exchange rate combinations. Exchange rate differences are automatically posted to exchange rate gain and loss accounts.

The Currency Details window is particularly useful when the bank account is defined in a different currency than the currency of the invoice or payment to which the banking entry is allocated. In this case, the exchange rate applied by the bank may not exactly match the rates recorded in Exchange Rate Create, and you can update the values in the Bank Currency section of the window to reflect this.

Fig. 12.12
Banking Entry Allocate, Currency Details



The system processes the exchange rate differences and generates the related postings.

In the Original, Document, and Bank Currency columns, you can enter amounts and exchange rate information.

Original Values

The Original Currency fields are copied from the Value Details window that is available on Banking Entry Create.

TC Original (Ext). The value in the currency used by the business relation to pay the bank; this is not the original open item currency amount. This amount is usually in the same currency as the invoice being paid

Bank Rate (Ext). The bank converts the TC Original (Ext) amount to the currency of the bank account to which the payment was made.

TC Amount. The original amount converted to the bank account currency.

The Payment Currency is the open item (invoice or credit note) currency.

Document Values

The Document (Invoice) Currency amounts are based on the values allocated in the invoice currency, and use the original invoice exchange rate. This data is read-only.

TC Allocated. This amount (in payment currency) defaults from the allocation line.

Invoice Exchange Rate. This field displays the original exchange rate from the time at which the invoice was posted.

BC Amount. The amount in the TC Allocated field, converted to the base currency.

Bank Currency Amounts

The Bank Currency amounts reflect how the bank account posting is valued.

TC Bank Amount. The payment amount that was received in the currency of the bank account. You can modify this amount.

Accounting Rate. The accounting exchange rate used to convert the received amount to the base currency. You can modify the accounting rate.

BC Bank Amount. This field displays the converted TC bank amount. You can modify this amount.

Rate Date. This field displays the posting date of the banking entry recorded in Banking Entry Create. The system looks for an accounting exchange rate that is valid on this date.

BC Difference. This field displays the resulting exchange rate difference in the base currency.

Currency Difference GL Account. This field displays the target account for exchange rate differences (gain or loss). The currency gain and loss accounts are system type GL accounts.

All header fields are read-only, and copied from the statement and statement line information.

Currency Detail Examples

The following examples illustrate the use of the Original Currency, Document Currency, and Bank Currency sections of the Currency Details window.

Example An invoice for 200 US Dollars is paid from a bank account (459800) denominated in Euros. The base currency is also Euros.

Field	Value
A - In Original Currency	
TC Original:	200 USD
Bank Rate:	0.7471
TC Amount:	149.42 EUR
B - In Document Currency (GL 459800)	
TC Allocated:	200 USD
Invoice Exchange Rate:	0.7378
BC Amount:	147.56 EUR
C - In Bank Currency (GL 550000)	
TC Bank Amount:	149.42 EUR
Accounting Exchange Rate:	1.0
Rate Date:	1/10/2014
BC Bank Amount:	149.42 EUR

The currency rate difference in base currency is 1.86 Euros (credit). This amount is posted on GL account 750000, which is used for realized currency gains.

Example An invoice for 148 British Pounds (GBP) is paid from a bank account denominated in USD. The base currency is Euros.

Field	Value
A - In Original Currency	
TC Original:	148.00 GBP
Bank Rate:	1.73768609

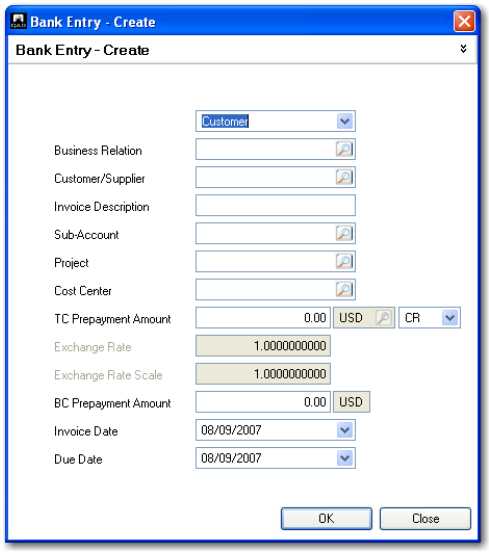
Field	Value
TC Amount:	257.18 USD
B - In Document Currency (GL 459800)	
TC Allocated:	148.00 GBP
Invoice Exchange Rate:	1.505004
BC Amount:	222.74 EUR
C - In Bank Currency (GL 550000)	
TC Bank Amount:	257.18 USD
Accounting Exchange Rate:	0.7471
Rate Date:	1/10/2014
BC Bank Amount:	192.14 EUR

The currency rate difference in base currency is 30.60 Euros (debit). This amount is posted on GL account 900000, which is used for realized currency losses.

Allocate as a Prepayment

You can create a prepayment for the entry amount instead of allocating to an invoice. The bank movement is registered as a prepayment to or from a customer or supplier. Click the Prepayment button on the Allocate to Invoice screen.

Fig. 12.13
Banking Entry, Prepayment



Field Descriptions

Prepayment Type. Choose from Customer or Supplier.

Business Relation. Specify a business relation for the customer or supplier. If you specify a customer or supplier code initially, the associated business relation is loaded into the field.

Customer/Supplier. Specify the customer or supplier code.

Invoice Description. Enter a brief description (maximum 40 characters) of the prepayment.

Sub-Account/Cost Center/Project. Click to optionally select a cost center, project, or sub-account for analysis on this prepayment.

TC Prepayment Amount. Enter the amount of the prepayment in the transaction currency.

Exchange Rate. This field displays the exchange rate to use to convert between the transaction currency and the base currency prepayment amount. This field defaults to the accounting exchange rate at the invoice date.

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

BC Prepayment Amount. This field displays the prepayment amount in base currency, based on the exchange rate applied.

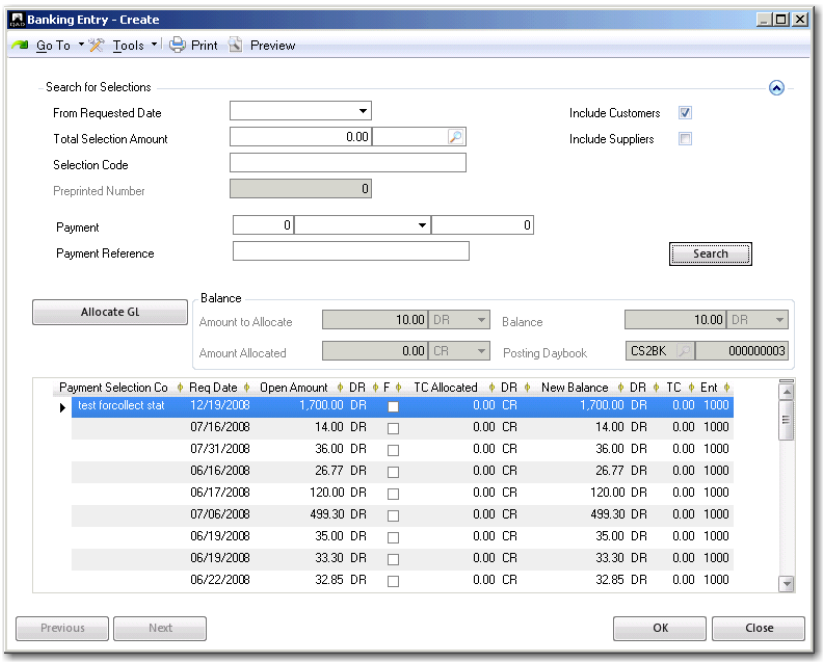
Invoice Date. This field displays the prepayment creation date.

Due Date. This field displays the due date of the prepayment.

Allocate to Payment Selection

The Allocate to Payment Selection option lets you allocate the entry amounts to a customer or supplier payment selection. Use the search criteria to retrieve the required selections.

Fig. 12.14
Banking Entry, Allocate to Payment Selection



Field Descriptions

Search for Selections

Use the following search criteria for finding payment selections:

From Requested Date. Specify a base date. The system retrieves all selections created after this date.

Total Selection Amount. Specify a selection amount and currency.

Selection Code. Use this field to retrieve selections by payment number, payment instrument, and internal payment number.

Payment Reference. Enter a payment reference number; for example, a specific check number. This applies to AR check numbers only.

Selection Code. Enter the code that identifies a payment selection.

Preprinted Number. Enter a preprinted number to select a payment payment selection that contains that number. This field is available for supplier selections only.

Include Customers/Suppliers. Select to include customer selections, supplier selections, or both. By default, the Customers field is selected for banking entries to record movements into the account, and the Suppliers field for movements out of the account.

Click Search to apply the criteria and retrieve the required selections.

Allocate GL. Click to allocate this entry amount to a GL account. If the entry amount is not completely allocated to a selection, the remaining non-allocated amount can be balanced in a posting on the GL level. See “Allocate to GL Account” on page 812.

The following fields are displayed in the Balance frame:

Amount to Allocate. This field displays the amount to be allocated to this selection. This amount defaults from the statement line.

Allocated Amount. This field displays the amount allocated when you have chosen a selection.

Balance. This field displays the difference between the amount to allocate and the selection amount.

Posting Daybook and Number. These fields display the daybook type and number for this entry posting.

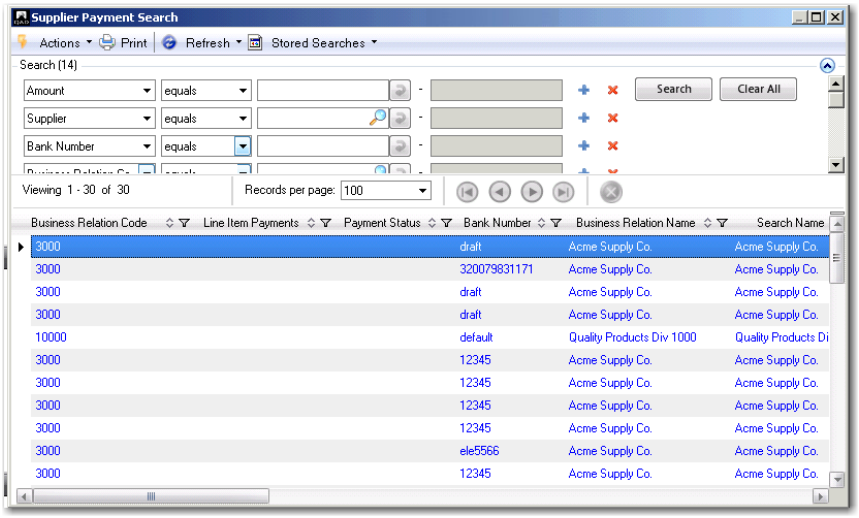
By default, the selections in the grid are not allocated. Right-click to view the detailed list of items in the selection (which are grouped by business relation). You can clear the Allocated field in the grid for items against which you do not want to allocate. For example, you normally select only those items that are being paid at this time.

Allocate to Payment

Use this allocation method to allocate the entry to a customer or supplier payment. The system displays a browse where you can specify additional payment search criteria.

Note You can only allocate payments with a status of For Collection to a bank statement line.

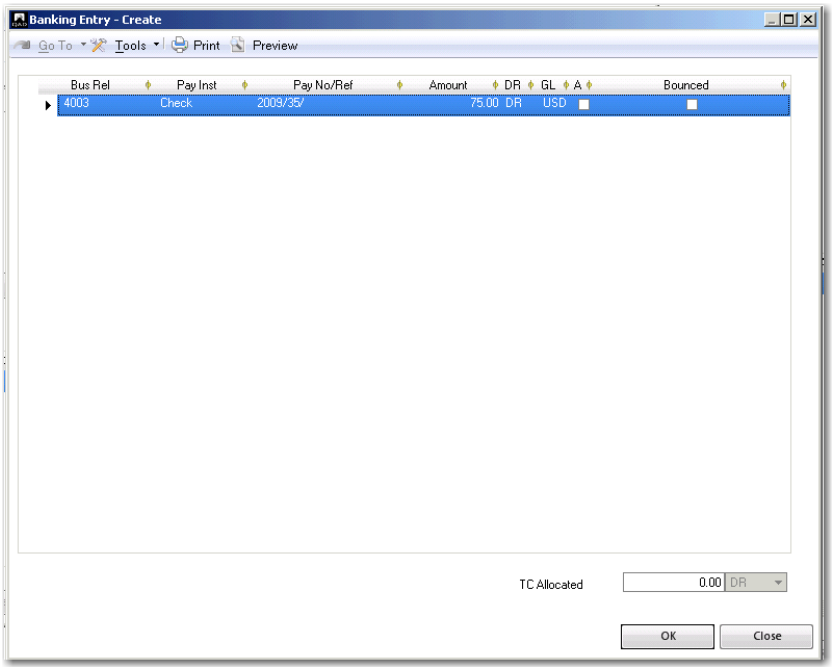
Fig. 12.15
Supplier Payment Search



The system retrieves customer payments for entries into the account, and supplier payments for entries out of the account.

Select a payment from the results list to which you want to allocate the entry amount.

Fig. 12.16
Banking Entry, Allocate to Payment



Field Descriptions

Bus Rel. This field displays the business relation associated with the customer or supplier.

Payment Instrument. This field displays the payment instrument.

Pay No/Ref. This field displays the payment number and reference, if any.

Amount. This field displays the customer or supplier payment amount.

DR/CR. This field indicates that the payment is a credit or debit.

GL Currency. This field displays the currency in which the payment was created.

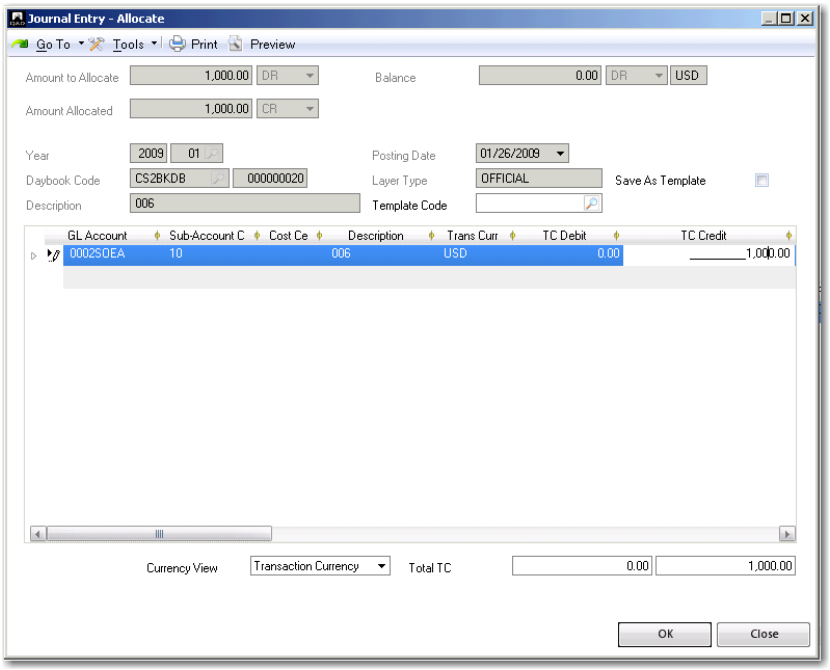
Allocated. Select this field to allocate the payment amount.

Bounced. Select this field to indicate that this is a bounced payment. Bouncing a payment has the effect of reversing the original posting on the customer or supplier payment and control accounts, and it also re-opens all the invoices paid in this payment.

Allocate to GL Account

The Allocate to GL Account option displays a Journal Entry window, in which you can allocate the banking entry amount to GL accounts.

Fig. 12.17
Banking Entry, Allocate GL



One or more posting lines can be entered. The posting lines entered are completed by the bank GL posting.

All header fields are read-only, and copied from the statement and statement line information.

In addition to the posting information, the following data is shown and updated as the posting entry proceeds:

Amount to Allocate. This amount defaults from the statement line.

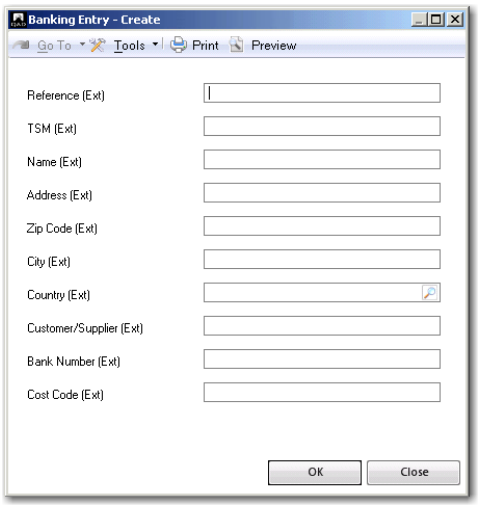
Allocated Amount. This field displays the amount allocated through the posting line entries.

Balance. This field displays the remainder of the amount to allocate.

Reference Details

Right-click a bank entry line and select the Reference Details option to display a screen in which you can enter additional allocation information for the line. This option is to record information provided to you by your bank. These details are stored by the system but not validated. The (Ext) suffix on field names denotes external information.

Fig. 12.18
Reference Details



Field Descriptions

Reference (Ext). Specify the payment reference.

TSM (Ext). Transfer with Structured Message. If a customer invoice is issued with a unique payment reference string, the bank refers to that reference and you can specify the structured payment reference in this field.

Name (Ext). Specify the name of the destination or originating party.

Address (Ext). Specify the address of the destination or originating party.

Zip Code (Ext). Specify the zip or postal code of the destination or originating party.

City (Ext). Specify the city of the destination or originating party.

Country (Ext). Specify the destination or originating country.

Customer/Supplier (Ext). Specify the customer or supplier code.

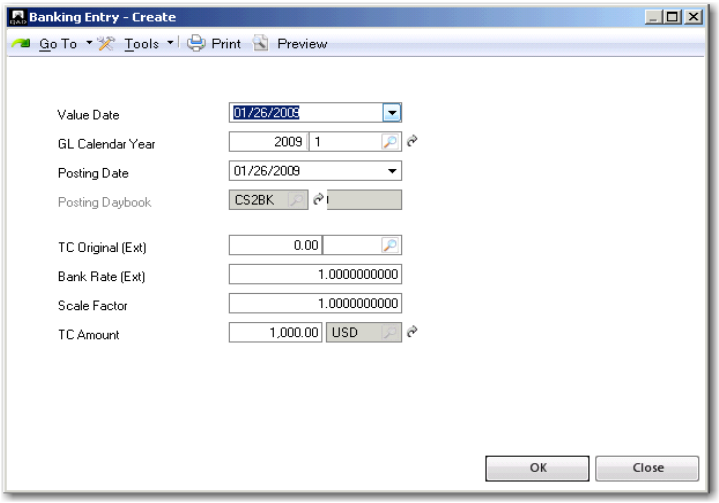
Bank Number (Ext). Specify the bank number of the other party.

Cost Code (Ext). Specify a code representing cost information.

Value Details

You can also enter additional information on value dates and “external” exchange rates provided by your bank by selecting the Value Details option. These details are used in the calculation of realized gains and losses when the bank account has a different currency than the customer or supplier payment. Right-click the entry line to display the option.

Fig. 12.19
Value Details



Field Descriptions

Value Date. This field displays the date on which the money will be available in the bank account.

GL Calendar Year. This field defaults from the statement header.

Posting Date. This field defaults from the statement header.

Posting Daybook. This field displays the daybook of the statement line in focus.

TC Original (Ext). This field displays the amount that the business relation paid to the bank and the currency of the payment. (This is not the original open item currency amount.)

Bank Rate (Ext). This field displays the exchange rate that the bank uses to convert this amount to the bank account currency in which the payment was made.

Scale Factor. This field defaults from the grid.

TC Amount. This field defaults from the grid.

You can view the value details of an existing banking entry by right-clicking the line in the banking grid and selecting the Value Details option.

Realized Gains and Losses in Banking Entry

When a foreign currency payment is saved, Banking Entry Create calculates the realized gain or loss in base currency, and posts the gain or loss to the realized gain or loss system accounts, as appropriate. The gain or loss is the difference between the base currency value of the invoice at the time it was created and the base currency value of the invoice at the time of payment. In the case of a partial payment, the difference is prorated according to the amount paid.

When a domain uses a statutory currency, the system calculates the gain or loss twice, once for the base currency and a second time using the statutory currency—each using the most recent statutory exchange rate.

Example

A domain has a base currency of Euros and a statutory currency of Polish Zloty (PLN). The company is trading with a customer in the United Kingdom and the transaction currency is GBP.

The British company buys 1000 GBP of goods from the Polish company, and tax is 20%.

The exchange rates are as follows:

From Curr	To Curr	Valid From	Valid To	Rate	Rate Type
GBP	PLN	8/1/2014	8/5/2014	4.8	Accounting
GBP	PLN	8/1/2014	8/5/2014	5.0	Statutory
GBP	PLN	8/10/2014	8/31/2014	5.1	Accounting
GBP	PLN	8/10/2014	8/31/2014	5.3	Statutory

Invoice Postings

The customer invoice is posted on August 1, 2014. The system uses the statutory exchange rate valid on the invoice date.

Account	DR (TC)	CR (TC)	DR (SC)	CR (SC)
Accounts Receivable	1200.00		6000.00	
Sales Tax		200.00		1000.00
Sales Account		1000.00		5000.00
Total	1200.00	1200.00	6000.00	6000.00

Payment Postings

A customer payment is created on August 5, 2014, and the customer receives a 2% discount for paying early.

Account	DR (TC)	CR (TC)	DR (SC)	CR (SC)
Sales Tax Payable	4.00		20.00	
Sales Discount	20.00		100.00	
Customer Payment Account	1176.00		5880.00	
Accounts Receivable		1200.00		6000.00
Total	1200.00	1200.00	6000.00	6000.00

Bank Postings

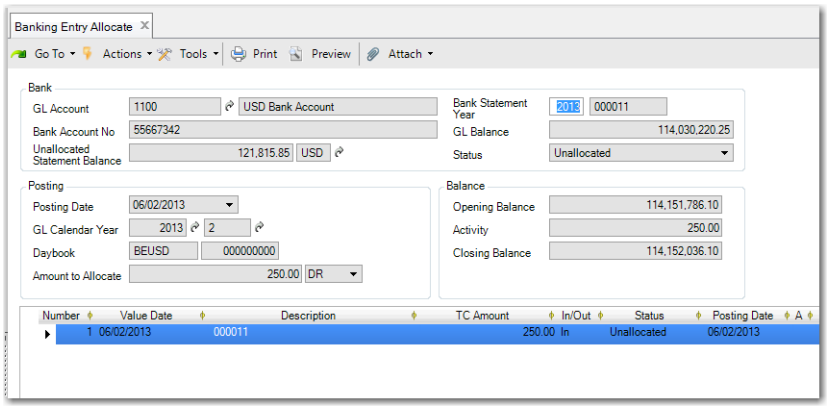
On August 12, 2014, the customer payment is allocated to the invoice in Banking Entry Create. A new statutory currency exchange rate of 5.3 becomes effective that day, and is applied to the allocated payment. This results in a realized gain in statutory currency, which is automatically posted to the Realized Gain system account.

Account	DR (TC)	CR (TC)	DR (SC)	CR (SC)
Customer Bank Account	1176.00		6232.80	
Realized Exchange Gains				353.80
Customer Payment Account		1176.00		5880.00
Total	1176.00	1176.00		6232.80

Banking Entry Allocate

Use Banking Entry Allocate (31.1.5) to browse for unallocated or partially allocated banking entries for full allocation. You can also go directly to the allocation methods by right-clicking on a grid line entry.

Fig. 12.20
Banking Entry Allocate



When you select an entry, the system displays the Banking Entry Allocate screen. This screen is similar to Banking Entry Create, but most of the header fields are read-only. Complete the allocation process by selecting one of the allocation methods for each line. This process is exactly the same as allocating during Banking Entry Create. See “Allocating Bank Entry Lines” on page 799.

Use the Currency Details and Value Details options to manage foreign currency banking entries. See “Value Details” on page 813 and “Currency Details” on page 805.

Electronic Banking Setup

This section describes the setup required before you can process transactions electronically.

This setup includes:

- Importing predefined bank format XML files for use with electronic bank payments.
- Linking payment formats to bank accounts.
- Configuring bank payment formats for use with automatic payments from bank files.
- Checking bank file extensions.

Bank File Format Import

To configure and install predefined bank formats, you use a number of EDI eCommerce functions to create a definition for the specific bank file format. For more information on the EDI eCommerce steps required, see *QAD System Administration User Guide*.

You then use Bank File Format Import (31.23) to import predefined bank format XML files for use with electronic bank payments. Each imported format file is specific to an individual bank and contains the payment information and attributes required for that bank. Once the file is imported, a payment format with the same name is displayed in Payment Format Maintenance. You can then link this format to the bank account you intend to use for electronic payments. See “Bank File Format Import” on page 264.

Payment Formats

The system also supplies functions for creating payment formats manually; however, it is expected that most users load the predefined formats that are supplied by QAD. See “Payment Formats” on page 256.

Linking Payment Formats to Bank Accounts

Use Bank Payment Format Link (25.11.2) to link payment formats to bank accounts. You select the bank account by its number, and only GL accounts for which you have defined the account number can be linked to a format.

See “Linking Payment Formats to Bank Accounts” on page 265 for detailed information.

Mapping Transaction Codes

Incoming bank files (electronic bank statements) contain transaction codes, which identify the types of payment contained in the file. These codes are mapped to the system actions Create Customer Payment, Pay Customer Payment, Pay Supplier Payment, Pay Supplier Payment Selection, Bounce Customer Payment, Bounce Supplier Payment, Create Banking Entry, Acknowledge Bank Receipt, or Other. This ensures that the correct type of automatic payment is created for each transaction.

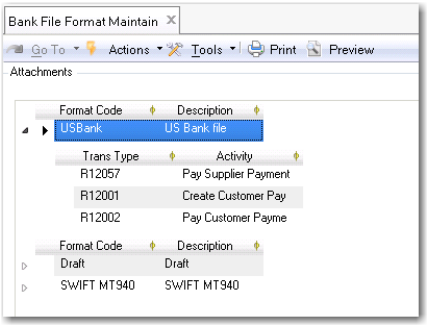
For example, Wells Fargo uses the code R057 to identify supplier payment transaction messages within the bank files. This code is mapped to the system action Pay Supplier Payment. When you import a Wells Fargo bank file, the system maps all supplier payment transaction messages to the action Pay Supplier Payment. Once the messages are validated and processed, the system performs the action to which the transaction code is mapped. In this instance, the system invokes the Pay Supplier Payment action for all messages that are coded R057. It then retrieves the original supplier payments for these transactions and changes their status from For Collection to Paid.

The system uses the payment format linked to your bank account to store the mapping information. To enable auto-generated payments, you must link a payment format containing the correct mappings to your bank account when initiating the customer or supplier payment process. For example, to process Wells Fargo bank files, you must link the payment format containing the Wells Fargo transaction mapping to your account as part of the initial setup for customer or supplier payments. This ensures that when you import Wells Fargo bank files, the system can automatically complete the payment cycle.

Use Bank File Format Maintain (31.1.9) to view and configure bank payment formats for use with automatic payments from bank files. The transactions within bank files are identified by transaction codes. In order to generate an automatic system payment from these transactions, the transaction codes must be mapped to system payment activities. These mappings are then stored with the payment format, which is linked to the bank account to be used in the payment process.

To configure new mappings, you must have access to your bank's transaction codes.

Fig. 12.21
Bank File Format Maintain



Format Code. This field displays the format code. For new formats, right-click the grid to insert a new line.

Description. This field displays the format description. For new formats, enter a brief description (maximum 20 characters).

Transaction Type. This field displays the transaction code provided by the bank. For new transaction codes, right-click the format code line and insert a child row.

Activity. This field displays the activity that is mapped to the transaction code. For new transaction codes, choose an activity from the drop-down list:

Create Customer Payment

Pay Customer Payment

Pay Supplier Payment

Pay Supplier Payment Selection

Bounce Customer Payment

Bounce Supplier Payment

Create Banking Entry

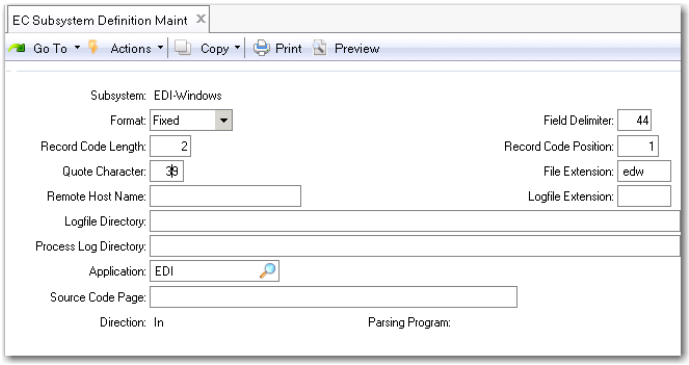
Other

Check Bank File Extensions

The system uses standard EDI eCommerce functions to select the external bank files from the location on your network where they are stored, and to save them as Financials bank files for processing.

Bank file extensions are mapped to their correct EC (Electronic Commerce) subsystem in EC Subsystem Definition Maintenance (35.13.1). The subsystem in this case is the external banking system in which the file originated. Defining the file extension here ensures that the system associates the bank file with the correct external module. These mappings are preconfigured and do not require user input.

Fig. 12.22
EC Subsystem Definition Maintenance



Electronic Processing

Ensure that the following are configured before you process transactions:

- Your bank account must be linked to a payment format that contains the bank file format used for Document Import and this in turn contains the mapping necessary for the payment you want to generate. See “Mapping Transaction Codes” on page 817.
- Multiple banks in your system may be using the same payment format but may require different transaction codes. Therefore, each combination of bank account and payment format must be unique.
- When a customer or supplier payment is being updated from For Collection to Paid, the original For Collection payment exists in the system, and the final Paid status has been configured.

The system displays an error message on the transaction line when any of these conditions are not met, and you can manually correct the process and continue with the payment.

Loading Bank Files

The system uses standard EDI eCommerce functions to select the external bank files from the location on your network where they are stored, and to save them as Financials bank files for processing.

The system uses an EDI function to complete the first stage of the import process. Select the files to be imported using Document Import (35.1). Document Import loads the files into the Financials system for processing.

For details on completing the EDI activities, see *QAD EDI eCommerce User Guide*.

You can also import bank files from Excel by using Incoming Bank File Excel Integration (31.1.12). See “Incoming Bank Files Excel Integration” for more details.

Processing Incoming Bank Files

Use the Process Incoming Bank Files function (31.1.6) to import bank files from your bank, and to generate customer and supplier payments in the system from the transaction messages contained in the files.

Process Incoming Bank Files is also used in EDI Advanced Banking. See “EDI Advanced Banking for Accounts Receivable” on page 843.

The Process Incoming Bank Files function includes the options described in the following sections.

Create Customer Payment

When the message type from the bank indicates that a customer payment has been received, the program that processes the bank file creates a customer payment.

To assign the payment format of the created payment, the system uses the EDI trading partner ID (for example, USBank) of the imported bank file to retrieve the bank file format with the same name. The same bank file format must also be specified on a unique Bank Payment Format Link (25.11.2).

When payments are created, the system also tries to allocate the payment to open items. If there is an open item for a customer with a matching daybook and voucher reference and the bank file import amount is less than or equal to the open invoice amount, by default, the bank import line payment amount is applied against the open item. If the program allocates invoices, the new payment is assigned the status For Collection or Paid, depending on the settings in Process Incoming Bank Files (31.1.6). However, when no matching invoice is found, you can also configure the system to take a different action. Using Payment Processing Configuration Maint (31.1.13), you can configure the system to create a prepayment, an unallocated banking entry, or an initial status payment, which you can then allocate manually later.

Payment Processing Configuration Maint also allows you to set a tolerance for short or over payments. You can configure the system to treat amounts within a specific amount or percentage tolerance of an outstanding invoice amount as payment of that invoice.

If the program cannot find a matching customer, an error message is raised or an unallocated banking entry is created, depending on the configuration in Payment Processing Configuration Maint.

There is also an option on the Process Incoming Bank Files screen to create the customer payments directly with status Paid (and at the same time debit the bank GL account). This option is only possible if the payment can be allocated to open invoices.

Many banks use a lockbox address to handle incoming payments. The address is checked daily and the customer checks are registered in the bank’s system before a bank file listing the checks received is sent to your company. Use this function to create new customer payments in the system to correspond with the checks listed. See “New AR Payments” on page 835.

Pay Customer Payment

When the message type from the bank indicates that a customer payment has been cleared—that is, the payment was cashed on the bank account—the program that processes the bank file searches for a customer payment with the status For Collection with a matching amount. If it finds the payment, the system sets the payment status to Paid, the bank GL account is debited, and the customer payment account is credited.

See “Processing Existing AR Payments” on page 835.

When a payment cannot be found, the system raises an error message by default. However, using Payment Processing Configuration Maint, you can also configure the system to create an unallocated banking entry instead of raising an error message.

Bounce Customer Payment

When the message type from the bank indicates that a customer payment has been bounced (payment refused), the program that processes the bank file searches for a customer payment with the status For Collection and a matching amount. If it finds the payment, the system sets the payment status to Bounced, and the linked invoices are reopened. The customer control account is debited, and the customer payment account is credited.

Pay Supplier Payment

You issue payments to your supplier, which your supplier sends to their bank. The supplier’s bank arranges a money transfer from your bank. When the message type from the bank indicates that a supplier payment has been paid from your bank account, the program that processes the bank file searches for a supplier payment with the status For Collection and with a matching amount. If it finds the payment, the system sets the payment status to Paid and the bank GL account is credited.

See “Processing Existing AP Payments” on page 835.

Pay Supplier Payment Selection

You can pay a supplier payment selection in Process Incoming Bank Files. When the bank sends a file confirming payment of a supplier payment selection, select Pay Supplier Payment Selection to pay the individual supplier payments within the supplier payment selection directly or to create a banking entry to allocate this supplier payment when the Create Banking Entry field is selected.

In the incoming bank file, make sure that the supplier payment selection code is specified in the Payment Reference field. The system can only pay a supplier payment selection that can be allocated uniquely. The payment amount in the bank file must match the payment selection amount in the system.

Bounce Supplier Payment

When the message type from the bank indicates that a supplier payment has been Bounced (payment refused), the program that processes the bank file searches for a supplier payment with the status For Collection and with a matching amount. If it finds the payment, the system sets the payment status to Bounced, and the linked invoices are reopened. The supplier control account is credited, and the supplier payment account is debited.

Create Banking Entry

This message type lets you create unallocated bank statement lines in the system.

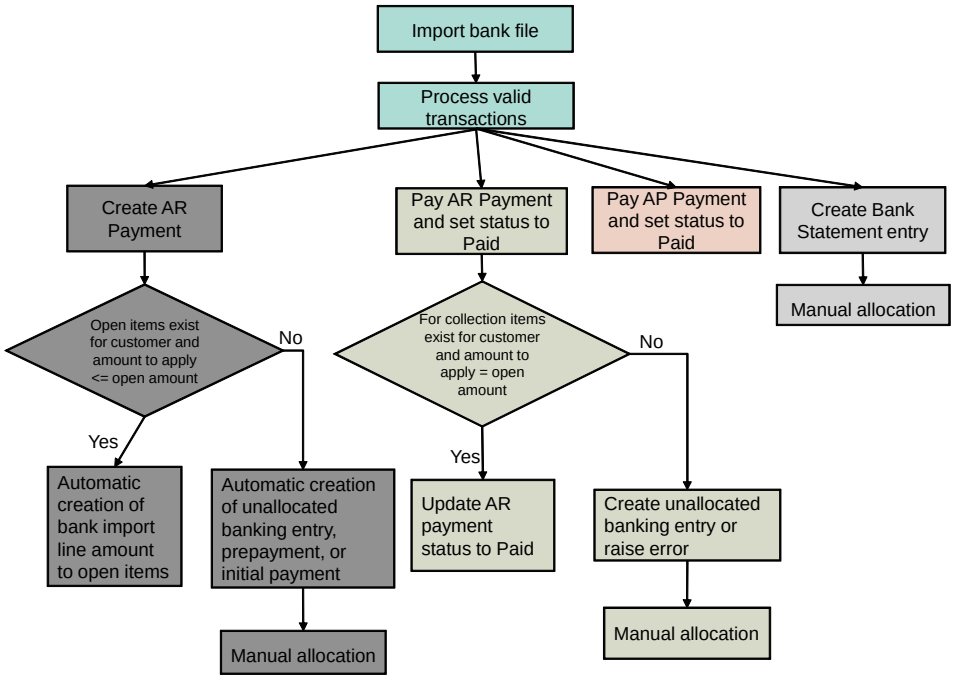
Acknowledge Bank Receipt

This message type is used in EDI Advanced Banking. See “EDI Advanced Banking for Accounts Receivable” on page 843.

Other

The Other category refers to any other message type from the bank that has no equivalent transaction in the Financials. Records of this type are not processed.

Fig. 12.23
Bank File Process Flow



To process customer and supplier payments, you must set up the bank accounts, payment formats, and payment statuses Paid/Bounced beforehand. When you use the Bank File Process to complete a payment cycle, the accounts, payment formats, and statuses required for the final stage of the process must already be configured, to enable the system to complete the payment and generate the final postings. See “Customer Payments” on page 503.

The system validates the transactions contained in the bank file by matching customer or supplier information in the transactions against customer or supplier records stored in the system.

The bank import process supports full or partial customer payments. If there is an open item for a customer with a matching daybook and voucher reference and the bank file import amount is less than or equal to the open invoice amount, the bank import line payment amount is applied against the open item.

If there is no match, you can manually select a customer, and also manually select open items to which you can then allocate the payment. For supplier transactions, when these records match an existing supplier payment with status For Collection, the payment is marked as Paid. If they do not match, you can manually select a supplier, and also manually select open payments that must be set to Paid.

One bank file can contain multiple types of transaction messages, and you can filter the messages by type, date, bank account, or action. For example, you can choose to process only new customer payments, only existing supplier payments, or all payments within a range of dates.

Optionally, the system creates a bank statement line for each processed transaction message that results in a posting on the bank account (for example, when a payment is paid) or for message types that result in the creation of a bank statement line only. The system groups the lines by the bank statement numbers provided by the bank.

Note You cannot undo the processing of a transaction message once you have clicked to process it. You can, however, reload the bank file and manually correct transaction processes that produced errors during the initial processing run.

Payment Processing Configuration Maint

Using Payment Processing Configuration Maint (31.1.13), you can define how Process Incoming Bank Files (31.1.6) is to process bank files containing the action types:

- Create Customer Payment
- Pay Customer Payment

Example By default, when the action is to create a customer payment and no invoice can be matched, the system creates an initial customer payment by default. However, using Payment Processing Configuration Maint, you can configure the system to create an initial customer payment, a prepayment, or an unallocated banking entry. You can allocate the payment manually later.

When you process an incoming bank file to create a customer payment with a deduction, the system allocates the deduction amount to the GL account when the deduction amount is within the write-off limit. When the deduction amount is larger than the write-off limit, the system creates a deduction line with Pending status. The deduction settings only apply to the Create Customer Payment action type.

Note To use a deduction category, you must specify a deduction credit term for the relevant domain in Domain Create (36.1.1.1.1) or Domain Modify (36.1.1.1.2).

When creating customer payments, you can also use this program to specify tolerance values for assigning customer payments to outstanding invoices. The difference between the payment and the outstanding amount is then written off through an automatically created journal entry. You can specify tolerance for short payments and for over payments. When a payment is outside the tolerance levels, it follows the settings on the Process Incoming Bank Files tab.

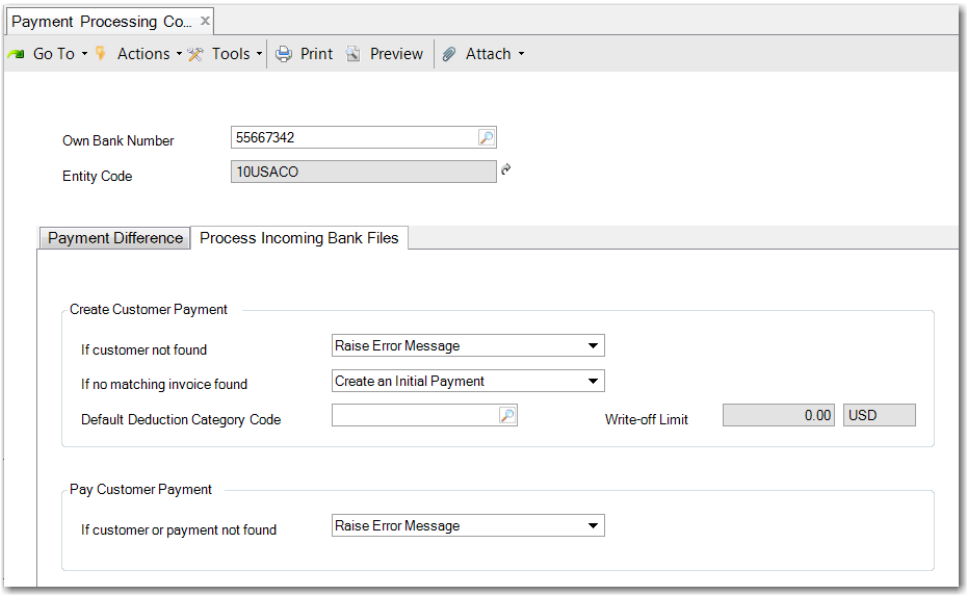
Note You can configure specific customer payment tolerance settings for each customer in Customer Modify (27.20.1.2). These settings override the settings by bank account in Payment Processing Configuration Maint.

Configure these settings for each bank account. The fields are as follows:

Own Bank Number. Enter the bank account number involved in the transactions you want to configure. Any settings you configure apply only to this bank account.

Entity Code. This field is read only. It defaults based on the value in the Own Bank Number field.

Fig. 12.24
Process Incoming Bank Files Tab



The Process Incoming Bank Files tab contains two sections. The Create Customer Payment section contains the following fields:

If customer not found. When the customer is not found by the system, you can specify what action the system is to take by selecting Raise Error Message or Create Unallocated Banking Entry.

If no matching invoice found. When no matching invoice is found by the system, you can specify system behavior by choosing Create a Prepayment, Create an Initial Payment, or Create Unallocated Banking Entry. If you choose to create a prepayment and no customer invoice is matched, the system creates a prepayment for the total payment amount. If only some of invoices can be matched, the system creates a normal customer payment, including a prepayment open item for the remaining amount.

Default Deduction Category Code. This field enables you to assign a default deduction category code for an own bank number.

Write-off Limit. The write-off limit field is read only, and defaults from deduction settings. The currency code is the domain base currency that the own bank number belongs to. The write-off amount is the amount converted to the own bank domain base currency amount.

The Pay Customer Payment section contains the following field:

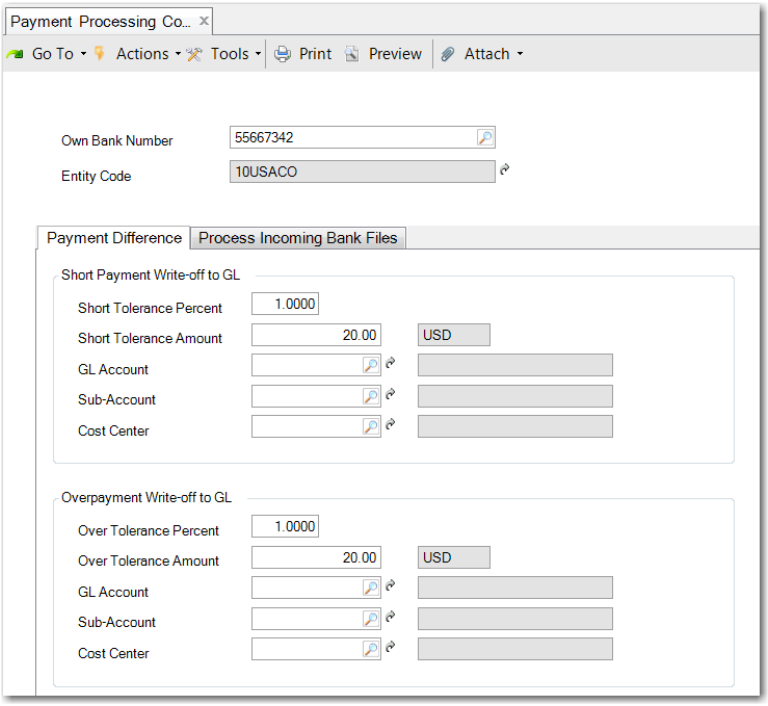
If customer or payment not found. When the customer or payment is not found by the system, you can choose one of two options for the action that the system must perform.

The options are:

- Raise Error Message

- Create Unallocated Banking Entry

Fig. 12.25
Payment Difference Tab



The Payment Difference tab contains two sections. The Short Payment Write-off to GL section contains the following fields:

Short Tolerance Percent. Enter a tolerance percent with up to four decimal places. For example, if you enter 1%, any payment that brings the total payment to 99% or more of the fully allocated invoice amount is considered a payment of that invoice. If both the percent and amount tolerances are set, the payment difference is only accepted if both conditions are met.

If the payment is outside the tolerance, the system creates an unallocated banking entry, an initial customer payment, or a prepayment (in the case of an over payment), depending on the settings.

Short Tolerance Amount. Enter a tolerance amount. For example, if the tolerance amount is 50 and the invoice amount is 5000, any payment between 4950 and 5000 is considered a payment on that invoice. If both the percent and amount tolerances are set, the payment difference is only accepted if both conditions are met.

GL Account. Enter the GL account to which to allocate the payment difference. This field is mandatory when you specify a percent or amount.

Sub-Account. Enter the sub-account to which to allocate the payment difference. This field is mandatory when the tolerance percentage or amount is larger than zero.

Cost Center. Enter the cost center to which to allocate the payment difference. This field is mandatory when the tolerance percentage or amount is larger than zero.

The Overpayment Write-off to GL section contains the following fields:

Over Tolerance Percent. Enter a tolerance percent with up to four decimal places. For example, if you enter 1%, any payment that brings the total payment to 101% or less of the fully allocated invoice amount is considered a payment of that invoice. If both the percent and amount tolerances are set, the payment difference is only accepted if both conditions are met.

Over Tolerance Amount. Enter a tolerance amount. For example, if the tolerance amount is 50 and the invoice amount is 5000, any payment between 5000 and 5050 is considered a payment on that invoice. If both the percent and amount tolerances are set, the payment difference is only accepted if both conditions are met.

GL Account. Enter the GL account to which to allocate the payment difference. This field is mandatory when the tolerance percentage or amount is larger than zero.

Sub-Account. Enter the sub-account to which to allocate the payment difference. This field is mandatory when the tolerance percentage or amount is larger than zero.

Cost Center. Enter the cost center to which to allocate the payment difference. This field is mandatory when the tolerance percentage or amount is larger than zero.

Process Incoming Bank Files Function

Use Process Incoming Bank Files (31.1.6) to select imported bank files, and to process the transactions contained in the files.

Use the search criteria in the Filter area to select the transactions contained in the file by transaction type, transaction date, upload date, or bank account number. The system loads these transactions into the transaction grid.

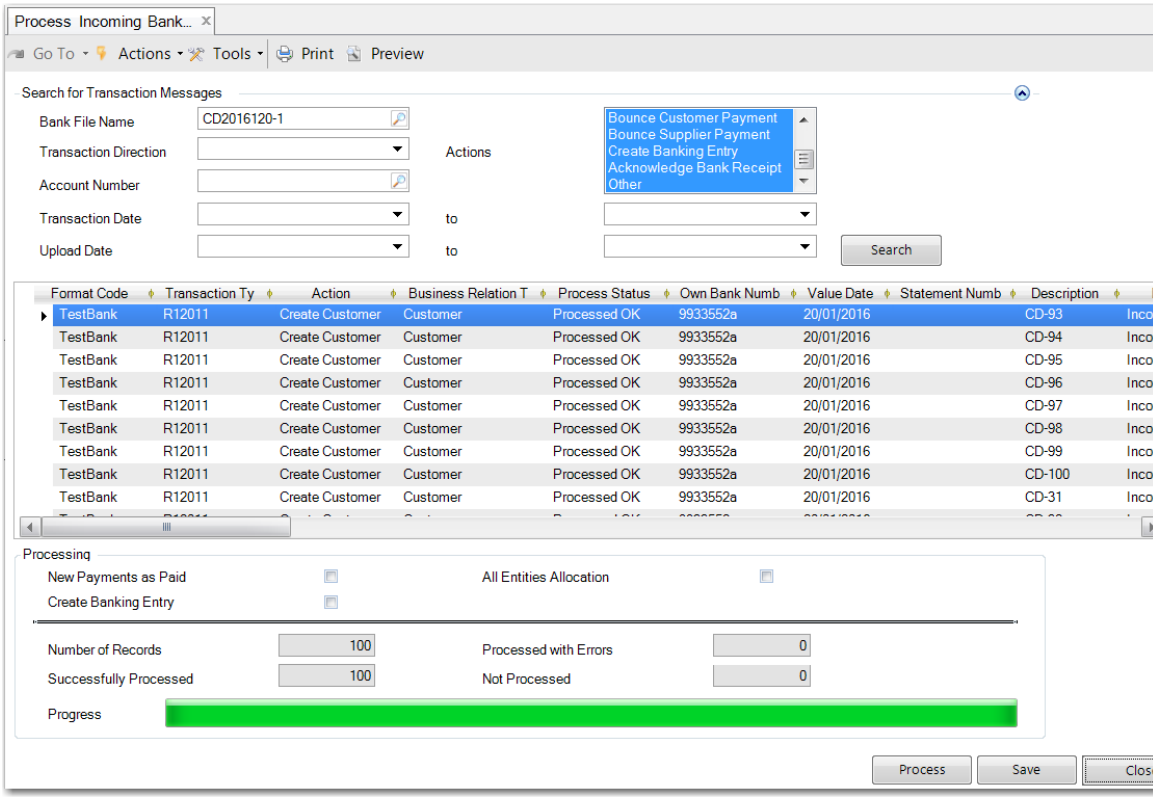
Each transaction displays the following information:

- Customer or supplier details, including name, business relation, address, and bank accounts
- Bank format in use
- Transaction code
- Value date
- Payment amount in transaction currency, and exchange rates if the original payment currency is different from the currency used by the bank
- Invoice details, if supplied by the bank
- Action to be performed on the processed transaction
- Processing status
- Batch

You then click Process to process these transactions and automatically generate the corresponding customer or supplier payment activity. Process Incoming Bank Files processes files in batches of up to 200 lines. The values in the Successfully Processed and Processed with Error fields at the bottom of the screen are updated after each batch is processed. You specify the batch size to use in the Bank File Batch Size field in System Maintain. See *QAD System Administration User Guide*.

When the system cannot match the payment information in the transactions with payment records for the customer or supplier, an error message is displayed in the transaction line on the grid. You can then manually specify a customer, supplier, or payment in order to complete the processing.

Fig. 12.26
Process Incoming Bank Files



Field Descriptions

Search for Transaction Messages

Bank File Name. Enter the name and location of the bank file, or select the file using the lookup.

Transaction Direction. Choose the transaction direction.

Incoming: Payments to your bank account from customers.

Outgoing: Payments from your bank account to suppliers.

All: All payments.

Account Number. Specify your bank account number. The system retrieves transactions involving this account only.

Transaction Date. Enter one or a range of dates for when the transactions occurred.

Upload Date. Enter one or a range of dates during which bank files were uploaded.

Actions. Retrieve transactions by their related actions. You map transaction types to corresponding payment actions using Bank File Format Maintenance.

Create Customer Payment

Pay Customer Payment

Pay Supplier Payment

Pay Supplier Payment Selection

Bounce Customer Payment

Bounce Supplier Payment

Create Banking Entry

Other

Acknowledge Bank Receipt

Click Search to add transactions to the grid.

Grid

The grid displays information on each transaction. You can use certain fields to manually select customer or supplier records when automatic processing of the transaction line has failed.

Sequence. This field displays a maximum of nine characters for the sequence number of the bank file.

Format Code. This field displays the format of the imported bank file. The Bank File Format also matches with the Trading Partner code used in EDI during the upload of the bank file with Document Import.

Transaction Type. This field displays code provided by the bank for the transaction type, and configured using Bank File Format Maintain. The transaction type indicates to the system what action it should take.

Action. This field displays the action to be performed on the transaction. It is also configured using Bank File Format Maintain.

Result Action. This field displays the action that was performed on the transaction. The action to perform in certain error cases can be configured in Payment Processing Configuration Maint. Therefore, the outcome can be different from the initially intended action; for example, create customer payment can result in an unallocated banking entry.

Is Different Action. This field indicates whether the action taken was different from the initially requested action specified in the bank file.

Business Relation Type. This field displays the business relation type, Customer or Supplier.

Process Status. This field displays the current status of the transaction processing. The possible values are: Not Processed, Processed OK, and Processed with Errors. When a different result action occurred based on the settings in Payment Processing Configuration Maint, the status is also set to Processed OK.

Own Bank Number. This field displays the own bank account number linked to the payment format used for this payment process.

Value Date. This field displays the date on which the bank processed the payment.

When creating banking entries, this date is used as the banking entry detail line date. It is also used as the posting date for GL transactions.

Statement Number. This field displays the number of the bank statement if supplied by the bank.

All lines with the same bank statement number are grouped in one banking entry.

Description. This field displays the transaction description supplied by the bank.

When creating banking entries, this description is used as the banking entry detail line description.

Direction. This field displays the transaction direction. The values are:

In: Used for inflow to your bank account (typically, payments from customers).

Out: Used for outflow from your bank account (typically, payments to suppliers).

Amount TC. This field displays the transaction amount of the payments (not invoices) in bank currency.

Currency. This field displays the currency in which the bank performed the transaction.

Original Amount TC. This field displays the amount of the original AR or AP payments in the payment currency.

Original Currency. This field displays the currency of the original AR or AP payment.

Exchange Rate. This field displays the exchange rate applied between the original currency and the bank currency.

Exchange Scale. This field displays the scale factor for the exchange rate above, if any is applied.

Original Transaction Date. This field displays the date on which the customer or supplier made the payment.

Customer Code. This field displays the customer code. If the customer code in the bank file does not match a customer record in the system, and if neither the customer name nor the customer bank account matches an existing customer record in the system, an error is displayed for the transaction. In this case, you can click to manually select a customer code to complete the transaction processing.

Customer Name. This field displays the customer name associated with the transaction.

If the customer name in the bank file does not match the customer record in the system, and neither the customer code nor the customer bank account matches an existing customer record in the system, an error is displayed for the transaction. In this case, you can click to manually select a customer to complete the transaction processing.

If a new name for an existing customer is used in a bank file, the system automatically enters the name and address details used in the bank file into a new remittance address for the business relation record of the customer.

Example The customer name in the system is Auto Trader, and the customer name used in the bank file is Auto Traders. Use the customer browse to select this customer record. The system automatically enters Auto Traders and related address details as a new remittance address in the business relation for the customer Auto Trader. This ensures a future match between the bank file and the system records. See “Payment Tab” on page 275.

Supplier Code. This field displays the supplier code used in the bank file.

If the supplier code in the bank file does not match a supplier record in the system, and if neither the supplier name nor the supplier bank account matches an existing supplier record in the system, an error is displayed for the transaction. In this case, you can click to manually select a supplier code to complete the transaction processing.

Supplier Name. This field displays the supplier name used in the bank file.

If the supplier name in the bank file does not match the supplier record in the system, and neither the supplier code nor the supplier bank account matches an existing supplier record in the system, an error is displayed for the transaction. In this case, you can click to manually select a supplier to complete the transaction processing.

Address Line. This field displays the first line of the customer or supplier address used in the bank file.

Address City. This field displays the city of the customer or supplier address used in the bank file.

Address Zip. This field displays the postal code of the customer or supplier address used in the bank file.

Address Country. This field displays the country of the customer or supplier address used in the bank file.

Bank Number. This field displays the bank account number used in the bank file.

If the account number does not match a bank account number in the system and neither the customer or supplier code nor the customer or supplier bank account matches an existing customer or supplier record in the system, an error is displayed for the transaction. In this case, you can click to manually select a bank account number to complete the transaction processing.

Payment Number. This field displays the customer or supplier payment number used in the bank file.

For transactions that change the status of an existing payment, this field is used to locate the payment in the system.

If this payment number does not match the payment number in the system, an error is displayed for the transaction. In this case, you can click to manually select a payment number to complete the transaction processing.

The search logic for existing payments is as follows:

a If the payment number is available in the bank file, the system searches for a payment with a payment reference that matches the payment number supplied by the bank.

If a payment is found, it is used. Otherwise, the system continues to step b.

b If a payment reference is included in the bank file, the system searches for a payment with the same payment reference as that supplied by the bank.

If a payment is found, it is used. Otherwise, the system continues to step c.

c The system searches for the payment based on the customer or supplier and the amount in the bank file. The bank file amount must be less than or equal to the open item amount for the payment and open item to be matched.

Payment Reference. This field displays the payment reference used in the bank file.

For transactions that change the status of an existing payment, this field is used to locate the payment in the system.

If this payment reference does not match the payment reference in the system, an error is displayed for the transaction. In this case, you can click to manually select a payment reference to complete the transaction processing. See “Payment Number” on page 830 also.

If you are using EDI Advanced Banking, this field contains the bank title number. See “EDI Advanced Banking for Accounts Receivable” on page 843.

Invoices. This field displays the invoices paid with this transaction.

For transactions that create a new customer payment, this field is used to find the related invoices in the system

This field can contain a list of all customer invoices that are included in a new customer payment. This list is only used after the system succeeds in finding the customer, based on the name, code, or bank account. Then, the system starts looking for open invoices.

The invoice list is a comma- or blanks-separated list of customer invoice numbers, ideally containing the daybook and voucher number of each invoice. However, the invoice number alone works if the number is unique. The system compares this list with the customer invoice CI Text field, and with the combination of daybook and voucher number.

If these invoices do not match the original invoices in the system, an error is displayed for the transaction. A customer payment with status Initial is created, and you can click to manually select invoices to complete the transaction processing.

If you are using EDI Advanced Banking, this field contains the internal reference number. See “EDI Advanced Banking for Accounts Receivable” on page 843.

Info. When creating banking entries, the Info field text is copied to the Banking Entry Create detail line information. See Figure 12.18, “Reference Details,” on page 813.

Cost. Use this field in custom developments when bank charges are to be allocated to a expense GL account.

Batch Number. When the imported bank file contains transactions to allocate to open items, this field displays the lock box batch ID of the imported transactions. The batch ID is also subsequently referenced in the Customer Activity Dashboard and the Supplier Activity Dashboard. The batch ID is also included in the Imported Bank File report.

If the lock box ID is unavailable, this field displays the filename of the imported bank file.

Reference. This field contains the transaction reference number.

TC Discount Amount. This field displays the TC discount amount on this transaction, if any.

TC Interest Amount. This field displays the TC interest amount on this transaction, if any.

Process Date. This field indicates the date on which the transaction was processed.

Create Banking Entry. This field saves the setting of the corresponding field on the processing screen as it is set at the time of processing.

New Payments As Paid. This field saves the setting of the corresponding field on the processing screen as it is set at the time of processing.

Processing Area

New Payments as Paid / New Payments as For Collection. This field displays the number of new payments created with Paid and For Collection statuses.

Create Banking Entry. Select this field to automatically create new banking entries for the new AR payments, and to link AR and AP Paid payments to banking entry lines. This field only applies for actions that result in a payment being paid. The actions are:

- Create Customer Payment (when the New Payments as Paid field is selected)
- Pay Customer Payment
- Pay Supplier Payment

All Entities Allocation. Select this field to process payments in other entities in the current domain. The system retrieves open items from all entities and displays the oldest invoice first. When an invoice belonging to another entity is paid with a payment, the system uses the domain cross-company accounts to create a cross-company payment.

Number of Records. This field displays the number of records selected for processing.

Successfully Processed. This field displays the number of records successfully processed. This value is updated after each batch is processed.

Important When all batches are processed, the number of successfully processed records may change in some cases. These cases can occur if the system attempts to save a processed batch, and one of the underlying components fails to validate. The system rolls back the whole batch, and the values in the Successfully Processed and Processed with Errors fields are then updated accordingly.

Processed with Errors. This field displays the number of transactions processed with errors. This value is updated after each batch is processed.

When all batches are processed, the number of records processed with errors may change in some cases, as described for the Successfully Processed field.

Not Processed. This field indicates the number of lines that were not processed. Lines that are not processed are those within a batch that are not processed because of errors on other lines.

Progress. This field displays the percentage of transactions processed and a progress indicator.

Save. Click to save this session when processing is finished.

Stop. Click to interrupt the current processing.

Process. Click to process the selected transactions.

Close. Click to close the current window.

Errors in Transaction Processing

The system processes transaction messages automatically when there is a complete match between the bank file and the system records for the following data:

- Customer or supplier identification. The identification can be a name, a code, or a bank number.

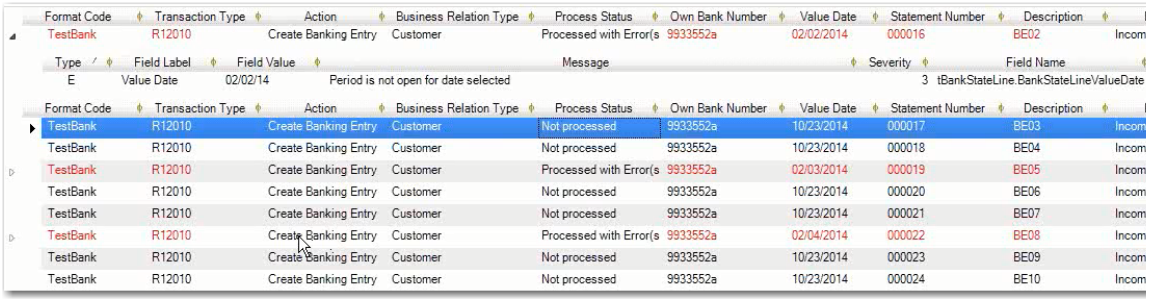
- Payment number or payment reference. For message types that change the status of a payment to Paid or Bounced, the system must be able to locate the original payment.
- Invoice reference list. For the Create Customer Payment message type, the list of paid invoices or credit notes is added.
- Amount. For message types that change the status of a payment to Paid or Bounced, the amount must match the original payment amount.

  For the message type Create Customer Payment, the amount must equal the open balances total for invoices specified in the Invoice Reference List.
- Currency. The transaction message currency must match the currency of the original payment.

When one of these values does not match, the transaction line is displayed in red on the grid and the error is detailed.

For the Create Customer Payment message type, when the customer record exists, but the invoice reference list or amount does not match, the system creates a customer payment with the status Initial. However, if you have changed this setting in Payment Processing Configuration Maint, the system may create a prepayment or an unallocated banking entry.

Fig. 12.27
Bank File Process Error Message



Format Code	Transaction Type	Action	Business Relation Type	Process Status	Own Bank Number	Value Date	Statement Number	Description	
TestBank	R12010	Create Banking Entry	Customer	Processed with Error(s	9933552a	02/02/2014	000016	BE02	Incom

Type	Field Label	Field Value	Message	Severity	Field Name
E	Value Date	02/02/14	Period is not open for date selected	3	tBankStateLine.BankStateLineValueDate

Format Code	Transaction Type	Action	Business Relation Type	Process Status	Own Bank Number	Value Date	Statement Number	Description	
TestBank	R12010	Create Banking Entry	Customer	Not processed	9933552a	10/23/2014	000017	BE03	Incom
TestBank	R12010	Create Banking Entry	Customer	Not processed	9933552a	10/23/2014	000018	BE04	Incom
TestBank	R12010	Create Banking Entry	Customer	Processed with Error(s	9933552a	02/03/2014	000019	BE05	Incom
TestBank	R12010	Create Banking Entry	Customer	Not processed	9933552a	10/23/2014	000020	BE06	Incom
TestBank	R12010	Create Banking Entry	Customer	Not processed	9933552a	10/23/2014	000021	BE07	Incom
TestBank	R12010	Create Banking Entry	Customer	Processed with Error(s	9933552a	02/04/2014	000022	BE08	Incom
TestBank	R12010	Create Banking Entry	Customer	Not processed	9933552a	10/23/2014	000023	BE09	Incom
TestBank	R12010	Create Banking Entry	Customer	Not processed	9933552a	10/23/2014	000024	BE10	Incom

You can use the customer, supplier, bank number, invoice, or payment number lookups on the grid to manually select the correct value and process the transaction message.

The system also displays errors for the following occurrences:

- The customer bank account number is not defined for this customer.
- Your bank account number has not been linked to this customer.
- Your bank account is not linked to the payment format that contains the mapping for this transaction code.
- The correct payment status has not been defined for this customer.

The system does not process a transaction for which there is an error. When you process transactions in batch and an error is encountered, none of the transactions in the batch are processed.

Lines that process with errors are red in color and identified by an arrow to the left of the line, as displayed in Figure 12.27. To view the error message associated with the line, click the arrow. The message indicates why the line failed to process. You can manually configure the missing or incorrect data and load the file again for reprocessing.

Note Where the action taken for a bank line is different from the specified action, an information message is returned, indicating that a manual step is required later.

Multiple Invoice Lines

When importing the same payment for multiple open items (invoices and credit notes), Process Incoming Bank Files searches the system for the relevant matching open items, and allocates payment against all the lines using a single payment transaction. The system matches imported bank file payments and the corresponding open items by matching the bank numbers and payment references.

Example

An imported bank file for the customer Alderon contains a single check payment for two invoices.

Payment	Check Reference: 2014/7890	Amount: 870.00 USD
Invoices	2014/ARINV/0000328	Amount: 320.00 USD
	2014/ARINV/0000329	Amount: 550.00 USD

When the file is imported, the details are stored in the system as follows:

Customer	Payment Reference	Amount	Allocated To
Alderon	Check Reference: 2014/7890	320.00 USD	2014/ARINV/0000328
Alderon	Check Reference: 2014/7890	550.00 USD	2014/ARINV/0000329

The payments are automatically processed by Process Incoming Bank Files, and grouped into one transaction because both payments have the same check reference, 2014/7890. The single payment is allocated to both open invoices.

Customer	Check Reference	Amount	Allocated To
Alderon	Check Reference: 2014/7890	870.00 USD	2014/ARINV/0000328 and 2014/ARINV/0000329

Example

An imported bank file for the customer Alderon contains a single check payment for both an open invoice and an open credit note.

Payment	Check Reference: 2014/7899	Amount: 1000.00 USD
Open Items	2014/ARINV/0000330	Amount: 1300.00 USD
	2014/ARCN/0000079	Amount: -300.00 USD

When the file is imported, the details are stored in the system as follows:

Customer	Payment Reference	Amount	Allocated To
Alderon	Check Reference: 2014/7899	1300.00 USD	2014/ARINV/0000330
Alderon	Check Reference: 2014/7899	-300.00 USD	2014/ARCN/0000079

The payments are automatically processed by Process Incoming Bank Files, and grouped into one transaction because both payments have the same check reference, 2014/7899. The single payment is allocated to both open items.

Customer	Check Reference	Amount	Allocated To
Alderon	Check Reference: 2014/7899	1000.00 USD	2014/ARINV/0000330 and 2014/ARCN/0000079

New AR Payments

You can create a new AR payment with either an Initial, For Collection, or Paid status for lockbox checks.

Bank files sometimes contain the original invoice reference for the check. In this case, when the transaction is validated and processed, the system retrieves the original invoice, allocates the check, and creates a customer payment with either a For Collection or Paid status.

Note For Collection and Paid statuses must exist in the system for this type of automatic payment.

When the customer is validated but the bank file does not contain invoice references, the system compares the amounts in all open items for this customer, retrieving the oldest open item first. If one or a combination of open item amounts matches the amount of the check, the system allocates the check and creates a customer payment. You can optionally assign a For Collection or Paid status to this payment.

When the customer is not validated and the bank file does not contain invoice references, you can manually select a customer to complete the transaction process. The system creates a customer payment with an Initial status, which you then process as normal.

Processing Existing AR Payments

The system uses the check number to retrieve the original customer payment and change its status to Paid. When the check number is not available in the bank file (for example, the bank has not included this value in the file), the system then identifies payments that have a status of For Collection and are of the same amount as the check that has been paid. Once these conditions are met, the For Collection payment is automatically updated to Paid. For an example of this type of payment, see “Customer Payments” on page 503.

Processing Existing AP Payments

The system checks the bank file for the preprinted check number of the supplier check. When this is not available, the system searches for a For Collection or Conditional Collection payment for the same amount as the check, and changes its status to Paid. For an example of this type of payment, see “Supplier Payment Selections” on page 718.

Imported Bank File Report

The Imported Bank File Report (31.1.11) displays details on the status and allocation of imported bank files or batches of files. The level of detail—summary or detail—included in the report enables it to be used for audit purposes and for troubleshooting. The following are the report parameters:

Bank File Name. Enter the name of an imported bank file you want to report on. You must complete at least one of the Bank File Name, Batch ID, or File Processing Date selection criteria; you cannot leave all three fields blank.

Batch ID. Enter the batch ID of an imported bank file you want to report on. You must complete at least one of the Bank File Name, Batch ID, or File Processing Date selection criteria; you cannot leave all three fields blank.

File Processing Date. Enter a date range for the bank files to report on. You must complete at least one of the Bank File Name, Batch ID, or File Processing Date selection criteria; you cannot leave all three fields blank.

Entity. Specify an entity.

Own Bank Number. Enter the bank number. The bank number should be for the selected entity.

Action Type. Choose from Create Customer Payment, Pay Customer Payment, Pay Supplier Payment, Pay Supplier Payment Selection, Bounce Customer Payment, Bounce Supplier Payment, Create Banking Entry, Acknowledge Bank Receipt, Other.

Line Status. Choose from Processed OK, processed with Error, not Processed.

Show Payment Details. Choose Yes or No. If you select Yes, the report displays the payment details for customer and supplier payments, and for banking entries allocated to payments.

Show Processing Info. Choose from All Lines, Error Lines Only, None. If you choose None, only payment information is displayed.

Processing Info Level. When you choose to show processing information, you can choose the level of detail to show; Full Detail or Summary.

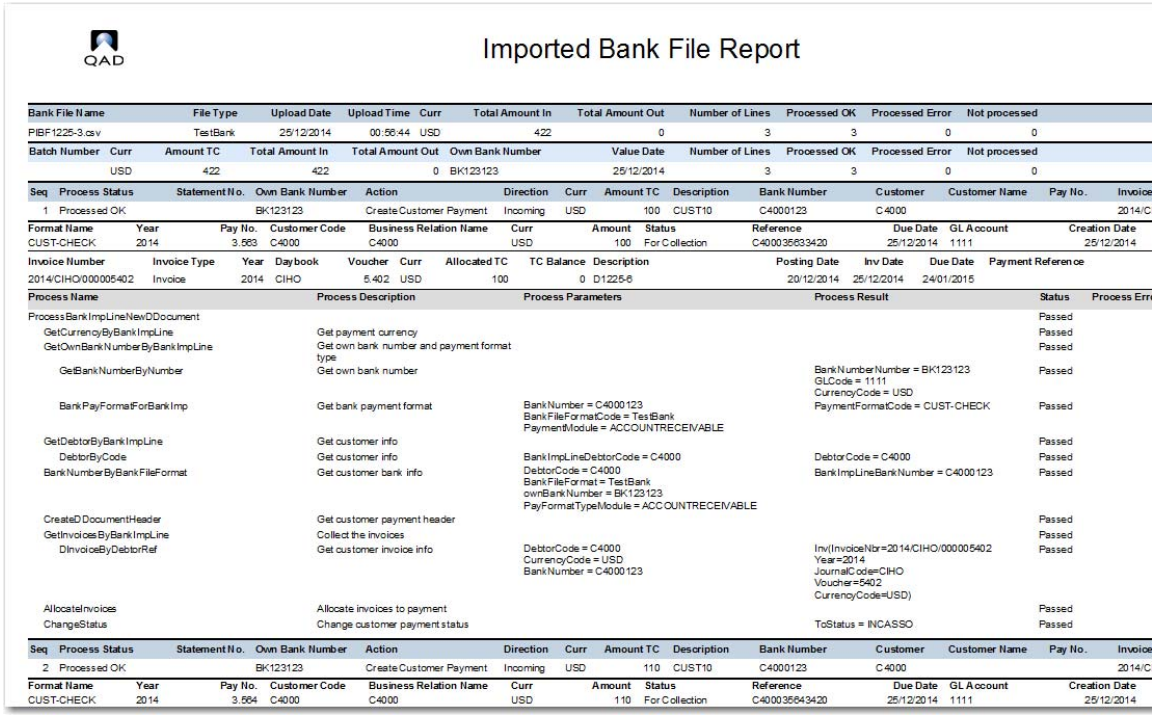
User ID. To search for bank files imported by a particular user, enter the user ID.

Result Action. You can run a report based on the action taken by the Process Incoming Bank Files Function. Choose from Create Customer Payment, Pay Customer Payment, Pay Supplier Payment, Pay Supplier Payment Selection, Bounce Customer Payment, Bounce Supplier Payment, Create Banking Entry, Acknowledge Bank Receipt, Other, Create Prepayment, Create Initial Customer Payment.

Is Different Action. Choose Yes or No. If you select Yes, the report displays those records where the resulting action is different to the one specified by the record.

Note To display the detail processing log on summary level or detail level, you must activate the Process Incoming Bank File Log. You can activate this log on the General tab of Domain Modify (36.1.1.1.2).

Fig. 12.28
Imported Bank File Report



Imported Bank File Report

Bank File Name	File Type	Upload Date	Upload Time	Curr	Total Amount In	Total Amount Out	Number of Lines	Processed OK	Processed Error	Not processed
PIBF1225-3.csv	TestBank	25/12/2014	00:56:44	USD	422	0	3	3	0	0

Batch Number	Curr	Amount TC	Total Amount In	Total Amount Out	Own Bank Number	Value Date	Number of Lines	Processed OK	Processed Error	Not processed
	USD	422	422	0	BK123123	25/12/2014	3	3	0	0

Seq	Process Status	Statement No.	Own Bank Number	Action	Direction	Curr	Amount TC	Description	Bank Number	Customer	Customer Name	Pay No.	Invoice
1	Processed OK		BK123123	Create Customer Payment	Incoming	USD	100	CUST10	C4000123	C4000			2014/C

Format Name	Year	Pay No.	Customer Code	Business Relation Name	Curr	Amount	Status	Reference	Due Date	GL Account	Creation Date
CUST-CHECK	2014	3.563	C4000	C4000	USD	100	For Collection	C400035633420	25/12/2014	1111	25/12/2014

Invoice Number	Invoice Type	Year	Daybook	Voucher	Curr	Allocated TC	TC Balance	Description	Posting Date	Inv Date	Due Date	Payment Reference
2014/CIHO/000005402	Invoice	2014	CIHO	5.402	USD	100	0	D1225-6	20/12/2014	25/12/2014	24/01/2015	

Process Name	Process Description	Process Parameters	Process Result	Status	Process Err
ProcessBankImpLineNewDDocument				Passed	
GetCurrencyByBankImpLine	Get payment currency			Passed	
GetOwnBankNumberByBankImpLine	Get own bank number and payment format type			Passed	
GetBankNumberByNumber	Get own bank number		BankNumberNumber = BK123123 GLCode = 1111 CurrencyCode = USD	Passed	
BankPayFormatForBankImp	Get bank payment format	BankNumber = C4000123 BankFileFormatCode = TestBank PaymentModule = ACCOUNTRECEIVABLE	PaymentFormatCode = CUST-CHECK	Passed	
GetDebtorByBankImpLine	Get customer info			Passed	
DebtorByCode	Get customer info	BankImpLineDebtorCode = C4000	DebtorCode = C4000	Passed	
BankNumberByBankFileFormat	Get customer bank info	DebtorCode = C4000 CurrencyCode = USD BankNumber = C4000123	BankImpLineBankNumber = C4000123	Passed	
CreateDDocumentHeader	Get customer payment header			Passed	
GetInvoicesByBankImpLine	Collect the invoices			Passed	
DInvoiceByDebtorRef	Get customer invoice info	DebtorCode = C4000 CurrencyCode = USD BankNumber = C4000123	Inv(InvoiceNbr=2014/CIHO/000005402 Year=2014 JournalCode=CIHO Voucher=5402 CurrencyCode=USD)	Passed	
AllocateInvoices	Allocate invoices to payment			Passed	
ChangeStatus	Change customer payment status		ToStatus = INCASSO	Passed	

Seq	Process Status	Statement No.	Own Bank Number	Action	Direction	Curr	Amount TC	Description	Bank Number	Customer	Customer Name	Pay No.	Invoice
2	Processed OK		BK123123	Create Customer Payment	Incoming	USD	110	CUST10	C4000123	C4000			2014/C

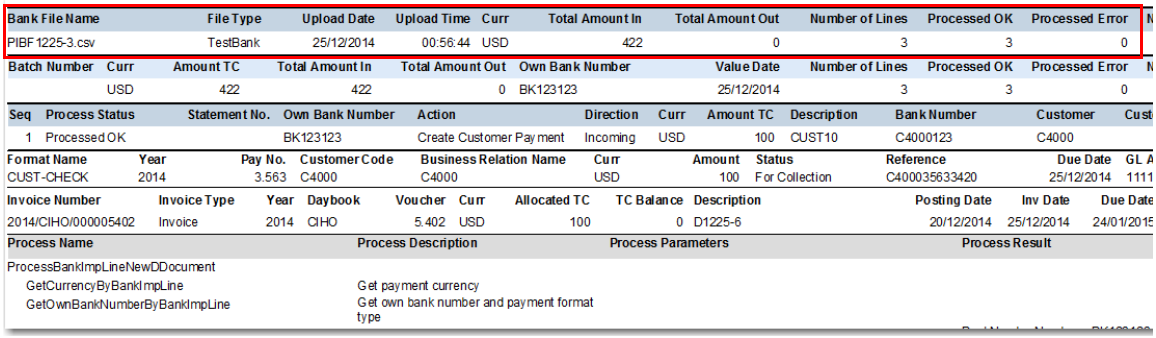
Format Name	Year	Pay No.	Customer Code	Business Relation Name	Curr	Amount	Status	Reference	Due Date	GL Account	Creation Date
CUST-CHECK	2014	3.564	C4000	C4000	USD	110	For Collection	C400035643420	25/12/2014	1111	25/12/2014

The report displays different types of detail, depending on whether the record was a successfully processed customer payment, supplier payment, or banking entry, or if the record was unprocessed or processed with errors. The report contains up to five sections.

Bank File Name

The bank file name section displays details of the imported bank file, including an overview of the processing result.

Fig. 12.29
Imported Bank File Report, Bank File Information



Bank File Name	File Type	Upload Date	Upload Time	Curr	Total Amount In	Total Amount Out	Number of Lines	Processed OK	Processed Error	N
PIBF1225-3.csv	TestBank	25/12/2014	00:56:44	USD	422	0	3	3	0	

Batch Number	Curr	Amount TC	Total Amount In	Total Amount Out	Own Bank Number	Value Date	Number of Lines	Processed OK	Processed Error	N
	USD	422	422	0	BK123123	25/12/2014	3	3	0	

Seq	Process Status	Statement No.	Own Bank Number	Action	Direction	Curr	Amount TC	Description	Bank Number	Customer	Cust
1	Processed OK		BK123123	Create Customer Payment	Incoming	USD	100	CUST10	C4000123	C4000	

Format Name	Year	Pay No.	Customer Code	Business Relation Name	Curr	Amount	Status	Reference	Due Date	GL A
CUST-CHECK	2014	3.563	C4000	C4000	USD	100	For Collection	C400035633420	25/12/2014	1111

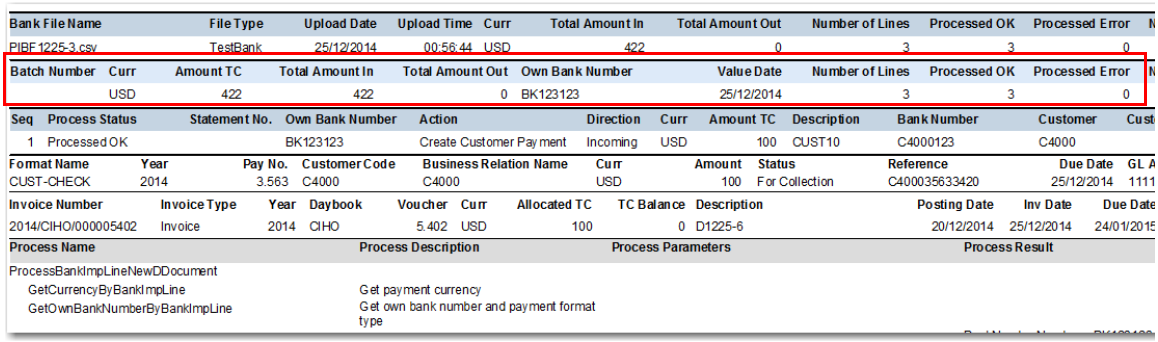
Invoice Number	Invoice Type	Year	Daybook	Voucher	Curr	Allocated TC	TC Balance	Description	Posting Date	Inv Date	Due Date
2014/CIHO/000005402	Invoice	2014	CIHO	5.402	USD	100	0	D1225-6	20/12/2014	25/12/2014	24/01/2015

Process Name	Process Description	Process Parameters	Process Result
ProcessBankImpLineNewDDocument			
GetCurrencyByBankImpLine	Get payment currency		
GetOwnBankNumberByBankImpLine	Get own bank number and payment format type		

Batch Number

This section of the report identifies the batch number of the bank file you have imported. This section also contains other details such as the currency, total amounts involved, and own bank account number.

Fig. 12.30
Imported Bank File Report, Batch Information



Bank File Name	File Type	Upload Date	Upload Time	Curr	Total Amount In	Total Amount Out	Number of Lines	Processed OK	Processed Error
PIBF1225-3.csv	TestBank	25/12/2014	00:56:44	USD	422	0	3	3	0

Batch Number	Curr	Amount TC	Total Amount In	Total Amount Out	Own Bank Number	Value Date	Number of Lines	Processed OK	Processed Error
	USD	422	422	0	BK123123	25/12/2014	3	3	0

Seq	Process Status	Statement No.	Own Bank Number	Action	Direction	Curr	Amount TC	Description	Bank Number	Customer
1	Processed OK		BK123123	Create Customer Payment	Incoming	USD	100	CUST10	C4000123	C4000

Format Name	Year	Pay No.	Customer Code	Business Relation Name	Curr	Amount	Status	Reference	Due Date
CUST-CHECK	2014	3.563	C4000	C4000	USD	100	For Collection	C400035633420	25/12/2014

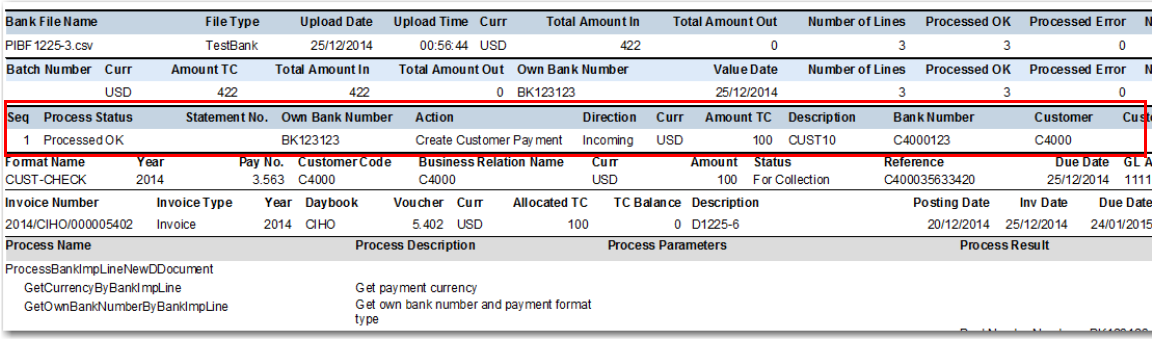
Invoice Number	Invoice Type	Year	Daybook	Voucher	Curr	Allocated TC	TC Balance	Description	Posting Date	Inv Date	Due Date
2014/CIHO/000005402	Invoice	2014	CIHO	5.402	USD	100	0	D1225-6	20/12/2014	25/12/2014	24/01/2015

Process Name	Process Description	Process Parameters	Process Result
ProcessBankImpLineNewDDocument			
GetCurrencyByBankImpLine	Get payment currency		
GetOwnBankNumberByBankImpLine	Get own bank number and payment format type		

Sequence

For each line in the bank file, a sequence line displays details of how the line was processed. It indicates other details such as whether the line processed successfully, which bank account was involved, and the action type that was taken as a result of processing the line.

Fig. 12.31
Imported Bank File Report, Line Information



Bank File Name	File Type	Upload Date	Upload Time	Curr	Total Amount In	Total Amount Out	Number of Lines	Processed OK	Processed Error
PIBF1225-3.csv	TestBank	25/12/2014	00:56:44	USD	422	0	3	3	0

Batch Number	Curr	Amount TC	Total Amount In	Total Amount Out	Own Bank Number	Value Date	Number of Lines	Processed OK	Processed Error
	USD	422	422	0	BK123123	25/12/2014	3	3	0

Seq	Process Status	Statement No.	Own Bank Number	Action	Direction	Curr	Amount TC	Description	Bank Number	Customer
1	Processed OK		BK123123	Create Customer Payment	Incoming	USD	100	CUST10	C4000123	C4000

Format Name	Year	Pay No.	Customer Code	Business Relation Name	Curr	Amount	Status	Reference	Due Date
CUST-CHECK	2014	3.563	C4000	C4000	USD	100	For Collection	C400035633420	25/12/2014

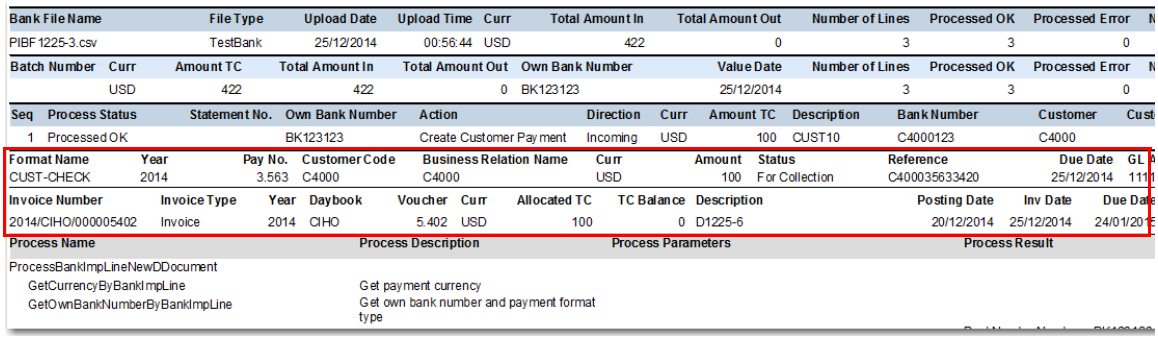
Invoice Number	Invoice Type	Year	Daybook	Voucher	Curr	Allocated TC	TC Balance	Description	Posting Date	Inv Date	Due Date
2014/CIHO/000005402	Invoice	2014	CIHO	5.402	USD	100	0	D1225-6	20/12/2014	25/12/2014	24/01/2015

Process Name	Process Description	Process Parameters	Process Result
ProcessBankImpLineNewDDocument			
GetCurrencyByBankImpLine	Get payment currency		
GetOwnBankNumberByBankImpLine	Get own bank number and payment format type		

Bank File Processing Result

The bank file processing result area contains two parts. The Format Name line contains header information, such as the business relation name, currency, amount, and payment reference. The second line contains the details of the payment, as displayed in Figure 12.32. You can hide this line using the report filter by setting Show Payment Detail to No.

Fig. 12.32
Imported Bank File Report, Processing Result



Bank File Name	File Type	Upload Date	Upload Time	Curr	Total Amount In	Total Amount Out	Number of Lines	Processed OK	Processed Error
PIBF1225-3.csv	TestBank	25/12/2014	00:56:44	USD	422	0	3	3	0

Batch Number	Curr	Amount TC	Total Amount In	Total Amount Out	Own Bank Number	Value Date	Number of Lines	Processed OK	Processed Error
	USD	422	422	0	BK123123	25/12/2014	3	3	0

Seq	Process Status	Statement No.	Own Bank Number	Action	Direction	Curr	Amount TC	Description	Bank Number	Customer
1	Processed OK		BK123123	Create Customer Payment	Incoming	USD	100	CUST10	C4000123	C4000

Format Name	Year	Pay No.	Customer Code	Business Relation Name	Curr	Amount	Status	Reference	Due Date
CUST-CHECK	2014	3.563	C4000	C4000	USD	100	For Collection	C400035633420	25/12/2014

Invoice Number	Invoice Type	Year	Daybook	Voucher	Curr	Allocated TC	TC Balance	Description	Posting Date	Inv Date	Due Date
2014/CIHO/000005402	Invoice	2014	CIHO	5.402	USD	100	0	D1225-6	20/12/2014	25/12/2014	24/01/2015

Process Name	Process Description	Process Parameters	Process Result
ProcessBankImpLineNewDDocument			
GetCurrencyByBankImpLine	Get payment currency		
GetOwnBankNumberByBankImpLine	Get own bank number and payment format type		

Bank File Processing Log

This part of the report is only visible when logging is enabled for the domain in Domain Modify. It displays details of the processes that have run for this bank line, along with the result of the process. You can control whether this section is displayed using the Show Processing Info filter criteria. You can choose to display results for no lines, all lines, or only those that contain errors.

The Processing Info Level filter criteria enables you to specify whether to display processing information at summary or detailed level. In Figure 12.33, the processing info level is set to detailed.

Fig. 12.33
Imported Bank File Report, Log with Details/Summary

Format Name	Year	Pay No.	Customer Code	Business Relation Name	Curr	Amount	Status	Reference	Due Date	GL
CUST-CHECK	2014	3.876	C4000	C4000	USD	100	For Collection	C400038761681	13/01/2015	111

Invoice Number	Invoice Type	Year	Daybook	Voucher	Curr	Allocated TC	TC Balance	Description	Posting Date	Inv Date	Due Dat
2014/CIHO/000005501	Invoice	2014	CIHO	5.501	USD	100	0	I0113	11/12/2014	11/12/2014	10/01/201

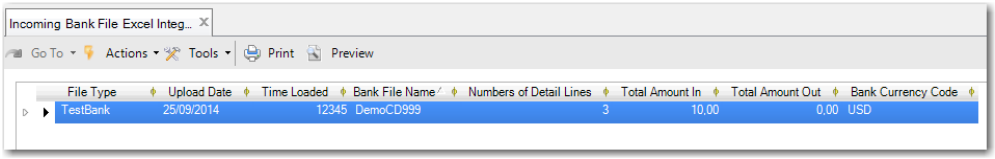
Process Name	Process Description	Process Parameters	Process Result
ProcessBankImpLineNewDDocument			
GetCurrencyByBankImpLine	Get payment currency		
GetOwnBankNumberByBankImpLine	Get own bank number and payment format type		
GetBankNumberByNumber	Get own bank number		BankNumberNumber = BK12312 GLCode = 1111 CurrencyCode = USD
BankPayFormatForBankImp	Get bank payment format	BankNumber = C4000123 BankFileFormatCode = TestBank PaymentModule = ACCOUNTRECEIVABLE	PaymentFormatCode = CUST-C
GetDebtorByBankImpLine	Get customer info		
DebtorByCode	Get customer info	BankImpLineDebtorCode = C4000	DebtorCode = C4000
BankNumberByBankFileFormat	Get customer bank info	DebtorCode = C4000 BankFileFormat = TestBank ownBankNumber = BK123123 PayFormatTypeModule = ACCOUNTRECEIVABLE	BankImpLineBankNumber = C40
CreateDDocumentHeader	Get customer payment header		
GetInvoicesByBankImpLine	Collect the invoices		
DInvoiceByDebtorRef	Get customer invoice info	DebtorCode = C4000 CurrencyCode = USD BankNumber = C4000123	Inv(InvoiceNbr=2014/CIHO/0000 Year=2014 JournalCode=CIHO Voucher=5501 CurrencyCode=USD)
AllocateInvoices	Allocate invoices to payment		
ChangeStatus	Change customer payment status		ToStatus = INCASSO

Incoming Bank Files Excel Integration

Although the EDI interface is primarily used to import bank files, you can also import a bank file through Excel Integration.

Incoming Bank File Excel Integration (31.1.12) lets you export a file template to Excel, complete the template with bank file data, and import the file back into the system. When the file imports successfully, you can save the file and then run Process Incoming Bank Files to process it.

Fig. 12.34
Incoming Bank Files Excel Integration



The fields in the Excel template file are as follows:

tBankImport.BankImpFileType. Corresponds to the File Type field. This field contains the file type.

tBankImport.BankImpLoadedDate. Corresponds to the Upload Date field and contains the bank file upload date. This field is mandatory.

tBankImport.BankImpLoadedTime. Corresponds to the Time Loaded field and contains the time the bank file was uploaded. This field is mandatory.

tBankImport.BankImpFileName. Corresponds to the Bank File Name field.

tBankImport.BankImpLinesCount. Corresponds to the Numbers of Detail Lines field.

tBankImport.BankImpTotalAmountInTC. Corresponds to the Total Amount In field and displays the total amount in of the bank file.

tBankImport.BankImpTotalAmountOutTC. Corresponds to the Total Amount Out field and displays the total amount out of the bank file.

tBankImport.BankImpCurrencyCode. Corresponds to the Bank Currency Code field.

tBankImportLine.BankImpLineSeq. Corresponds to the Sequence field and contains the bank file line sequence. This field is mandatory.

tBankImportLine.BankImpLineFileFormatCode. Corresponds to the Format Code field and contains the bank file line format code. This field is mandatory.

tBankImportLine.BankImpLineTransType. Corresponds to the Transaction Type field. This field is mandatory.

BankImportLine.BankImpLineAction. Corresponds to the Action field and displays the line action specified by the bank file line. Actions include Create Customer Payment, Pay Customer Payment, Pay Supplier Payment, Pay Supplier Payment Selection, Bounce Customer Payment, Bounce Supplier Payment, Acknowledge Bank Receipt, Other, and Create Banking Entry. This field is mandatory.

tBankImportLine.BankImpLineBusRelType. Corresponds to the Business Relation Type field. Types include Supplier and Custom This field is mandatory.

tBankImportLine.BankImpLineProcessedStatus. Corresponds to the Process Status field. Process statuses include Not Processed, Processed OK and Processed with Error(s). Assign the initial value Not Processed to the new line. This field is mandatory.

tBankImportLine.BankImpLineOwnBankNumber. Corresponds to the Own Bank Number Bank field. This field is mandatory.

tBankImportLine.BankImpLineValueDate. Corresponds to the Value Date field.

tBankImportLine.BankImpLineStatNumber. Corresponds to the Statement Number field.

tBankImportLine.BankImpLineDescription. Corresponds to the Description field and contains the bank file line description.

tBankImportLine.BankImpLineInOut. Corresponds to the Direction field and indicates the bank file line direction; either incoming or outgoing. This field is mandatory.

tBankImportLine.BankImpLineAmountTC. Corresponds to the Amount TC field and displays the bank file line amount.

tBankImportLine.BankImpLineCurrencyCode. Corresponds to the Currency field and displays the currency of the bank file line.

tBankImportLine.BankImpLineOrigAmountTC. Corresponds to the Original Amount TC field and displays the bank file line original amount.

tBankImportLine.BankImpLineOrigCurrCode. Corresponds to the Original Currency field and displays the bank file line original currency.

tBankImportLine.BankImpLineExchangeRate. Corresponds to the Exchange Rate field and displays the exchange rate of the bank file line.

tBankImportLine.BankImpLineRateScale. Corresponds to the Exchange Scale field and displays the exchange scale of the bank file line.

tBankImportLine.BankImpLineOrigTransDate. Corresponds to the Original Transaction Date and displays the original transaction date of the bank file line.

tBankImportLine.BankImpLineDebtorCode. Corresponds to the Customer Code field and contains the customer code of the bank file line.

tBankImportLine.BankImpLineCreditorCode. Corresponds to the Supplier Code field and displays the supplier code of the bank file line.

tBankImportLine.BankImpLineDebtorName. Corresponds to the Customer Name field and displays the customer name of the bank file line.

tBankImportLine.BankImpLineCreditorName. Corresponds to the Supplier Name field and displays the supplier name of the bank file line.

tBankImportLine.BankImpLineAddressLine. Corresponds to the Address Line field and displays the address of the bank file line.

tBankImportLine.BankImpLineAddressCity. Corresponds to the Address City field and displays the city of the bank file line.

tBankImportLine.BankImpLineAddressZip. Corresponds to the Address Zip field in the program help and displays the bank file line zip code.

tBankImportLine.BankImpLineAddressCountry. Corresponds to the Address Country field and contains the country of the bank file line.

tBankImportLine.BankImpLineBankNumber. Corresponds to the Bank Number field and displays the bank number of the bank file line.

tBankImportLine.BankImpLinePaymentNbr. Corresponds to the Payment Number field and displays the payment number that the bank file line pays.

tBankImportLine.BankImpLinePaymentRef. Corresponds to the Payment Reference field and displays the payments that link to the bank file line.

tBankImportLine.BankImpLineInvRefList. Corresponds to the Invoices field in the program help and displays the invoices that link to the bank file line.

tBankImportLine.BankImpLineInfo. Corresponds to the Info field and contains the bank file line information.

tBankImportLine.BankImpLineCost. Corresponds to the Cost field and displays the cost of the bank file line.

tBankImportLine.BankImpLineBatchNbr. Corresponds to the Batch Number field and displays the batch number that a bank file line belongs to in the processing. This field is to be left blank.

tBankImportLine.BankImpLineReference. Corresponds to the Reference field and displays the reference entered by the user to identify a bank file line.

tBankImportLine.BankImpLineDiscAmtTC. Corresponds to the TC Discount Amount field and displays the discount amount of bank file line.

tBankImportLine.BankImpLineIntAmtTC. Corresponds to the TC Interest Amount field and displays the interest amount of bank file line.

tBankImportLine.BankImpLineResultAction. Corresponds to the Result Action field in the program grid and displays the resulting action after processing. Leave this field blank.

tBankImportLine.BankImpLineProcessDate. Corresponds to the Process Date field and displays the date that bank file line is processed. You cannot edit this field.

tBankImportLine.BankImpLineIsCreateBE. Corresponds to the Create Banking Entry field.

tBankImportLine.BankImpLineIsPayDDoc. Corresponds to the New Payments as Paid field; creates a payment for the banking entry line and changes the status to paid.

tBankImportLine.BankImpLineDeductionCatCode. Corresponds to the Deduction Category Code field. This is an optional field. When the file from the bank does not send a deduction category code in the file, the system uses the default deduction category from own bank number in Payment Processing Configuration Maint (31.1.13). When no default deduction category is defined, the customer payment cannot be created.

tBankImportLine.BankImpLineDeductionCatAmtTC. Corresponds to the TC Deduction Amount field.

Note In a BankImpLine, the deduction must be on the same line as the invoice. You cannot include a separate line for deduction. The BanklmpLine payment amount is the net amount.

tBankImportLine.BankImpLineDeductionCatDesc. Corresponds to the Deduction Description field. A deduction description is mandatory.

If this field is blank, the system uses the payment reference, BankImpLine description, or bank file name as a description, in this order of priority.

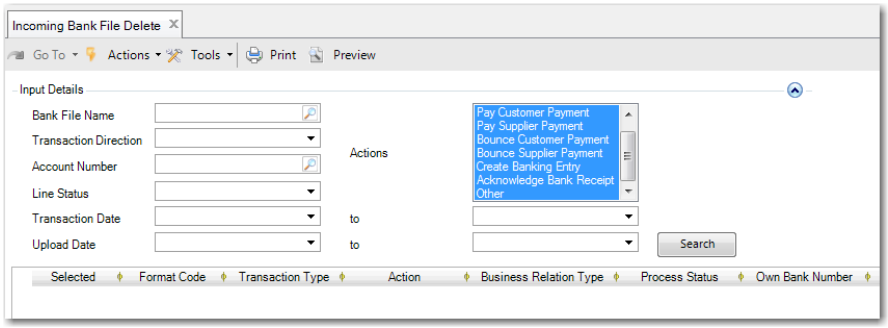
tBankImportLine.tlIsProcessed. Corresponds to the Is Processed field and indicates whether a bank file line is processed. Do not change this field.

tBankImportLine.tlIsDifferentAction. Corresponds to the Is Different Action field and indicates whether the result action is different. Do not change this field.

Incoming Bank File Delete

Incoming Bank File Delete (31.1.14) enables you to delete old data from Process Incoming Bank Files.

Fig. 12.35
Incoming Bank File Delete



Use the Input Details search criteria to filter for the records you want and click Search. The grid populates with the individual records returned by your search. In the Selected column, select the field to indicate that the record is to be deleted. You can then delete the records.

EDI Advanced Banking for Accounts Receivable

Financials EDI Advanced Banking supports business cases where your bank acts as an intermediary to collect cash from customers. In these cases, the supplier notifies the bank of the invoice or staged payment details (including the amount, due date, and early or late payment conditions) shortly after the invoice is issued to the customer. The bank then starts a process in which a document is issued to notify the customer that the invoice or staged payment must be paid through the bank. An example of EDI Advanced Banking is *Boleto Bancários*, which is a significant payment collection system in Brazil.

To start the EDI Advanced Banking flow for Accounts Receivable, you (the supplier) select open customer invoices and staged payments, and create a payment selection at status Initial. The payment selection status is set to Initial because you are creating a payment order to your bank to collect a specified amount at a future date, and no GL entries or updates to AR open balances are required at this time.

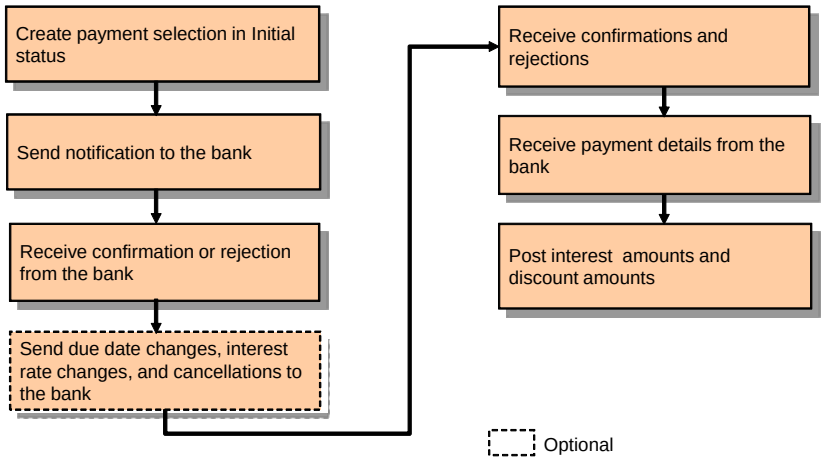
If required, you can modify the unexecuted Initial payment selection to update due dates or interest rates, or to remove lines.

You then execute the payment selection. EDI eCommerce then sends the resultant file to the bank to notify it of payments to collect. The bank then notifies you regarding whether it accepts or rejects the payment requests.

If you need to cancel invoices from the executed payment selection or change due dates or the interest rate, you can modify the Initial payment selection to cancel or update lines. During this process, you must move the canceled or updated lines to an unexecuted Initial payment selection, and execute the payment selection to inform the bank of the changes.

When the bank notifies you that it has received payment from your customers, the system creates a new payment with the status For Collection or Paid, and updates AR open balances. The system also posts discounts allowed for early payment and posts interest received if the customers do not pay by the due date.

Fig. 12.36
EDI Advanced Banking, AR Flow



Each step in the EDI Advanced Banking flow for Accounts Receivable is described in detail in the following sections.

Setting Up Interest Accounts

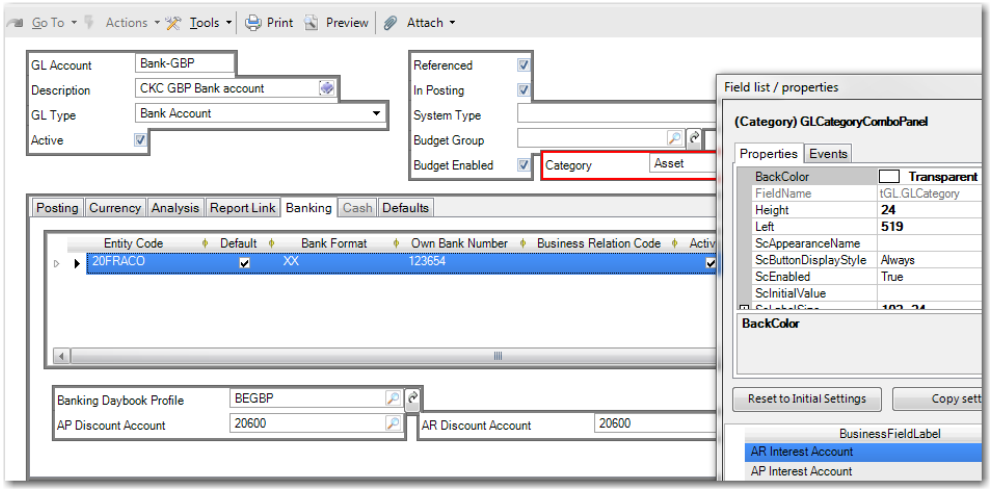
In the EDI Advanced Banking flow, the bank, as a collecting agent, determines and calculates late payment interest. The interest is not applied by the supplier, as in the case of finance charges. The system does not check if interest is due or missing, and instead records interest received in incoming files from the bank and posts it to the relevant interest accounts. See “Calculating Finance Charges” on page 583 for more information on finance charges.

Before you use EDI Advanced Banking, you must use GL Account Create to define standard accounts for interest charges. You can use the same account for both AR and AP interest charges, or you can use a separate account for each.

In the Banking tab of GL Account Modify, you must then associate the interest account or accounts with the bank account that you are using for EDI Advanced Banking. The AR Interest Account and AP Interest Account fields are hidden by default, but you can activate them using design mode. For more information on design mode, see *QAD System Administration User Guide*.

If you do not activate the AR Interest Account and AP Interest Account fields and specify interest accounts, the system uses the discount accounts defined in the Banking tab of the GL account record for the interest postings.

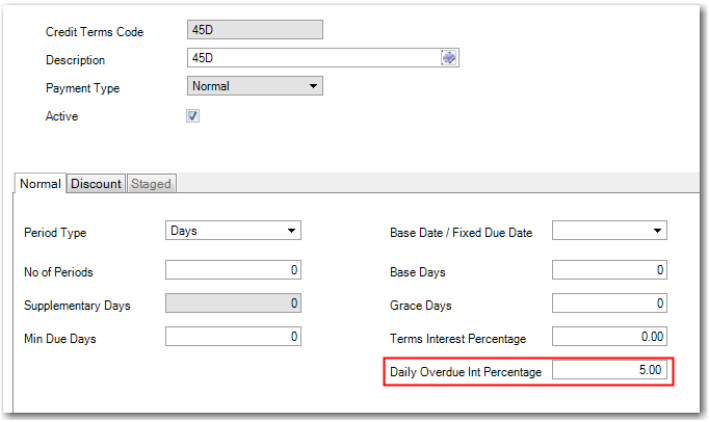
Fig. 12.37
GL Account Modify, Add Interest Accounts in Design Mode



Setting Up Interest Rates

If interest is applied for late payments, you must set up a credit term and specify the interest rate in the Daily Overdue Int Percentage field in the Credit Terms record. The system uses the value defined in this field to quote the rate in the EDI message if referenced in the invoice or staged payment.

Fig. 12.38
Credit Terms Modify



Creating a Payment Selection with the Initial Status

Select open customer invoices and create a payment selection with the Initial status. This payment selection does not create GL entries or update AR open balances. You can create a customer payment selection in the Initial status for both full invoice amounts and staged invoice payments.

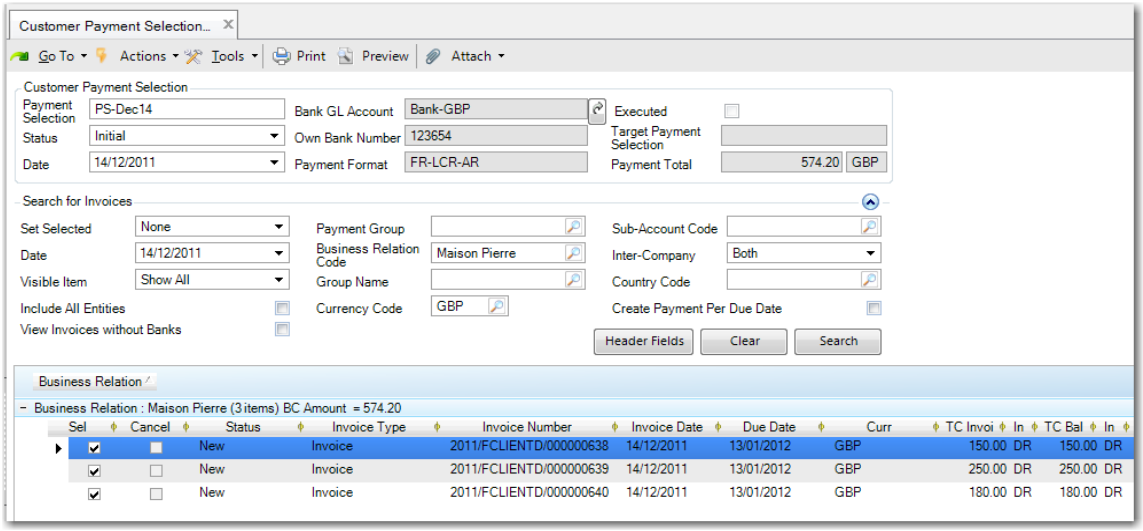
A payment can be subject to a discount or an interest charge; both never apply simultaneously.

Important The payment total is for information purposes only, and is the total of the invoices you select, net of discount. The actual amount you receive from the customer may be net of the discount amount or may be the gross amount. You may also receive the gross amount plus interest if the customer paid late and interest is applied and collected.

When you create a customer payment selection in the Initial status, the system generates an internal reference number for each invoice or for each payment stage of an invoice, in the case of staged payments. The internal reference number is a unique 10-digit number.

Note An invoice can only be included on one customer payment selection with the Initial status. In addition, if an invoice includes staged payments, you can only include an invoice stage on one customer payment selection with the Initial status. You can include different payment stages for the same invoice on different payment selections.

Fig. 12.39
Customer Payment Selection Create

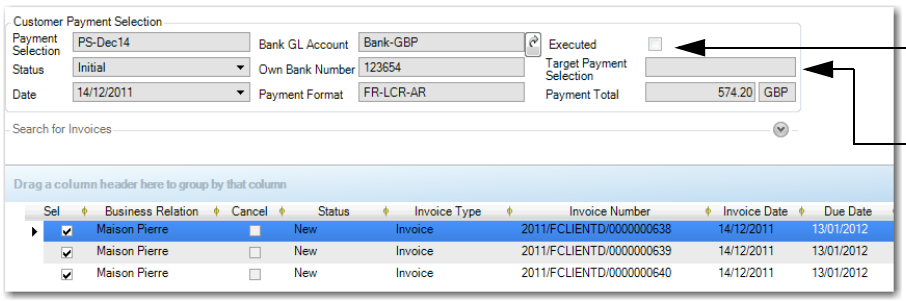


Modifying Unexecuted Payment Selections

Use Customer Payment Selection Modify to modify unexecuted payment selections with the Initial status. You can modify payment interest rates and due dates, and add and remove payment lines.

Note You can also use Customer Payment Selection Modify to modify executed payment selections with the Initial status. See “Modifying Executed Payment Selections” on page 849.

Fig. 12.40
Customer Payment Selection Modify, Unexecuted Payment



Header Fields

Executed. This field is read-only and indicates if the payment selection has been executed.

Target Payment Selection. This field is read-only when you modify an unexecuted Initial payment selection.

Grid Fields

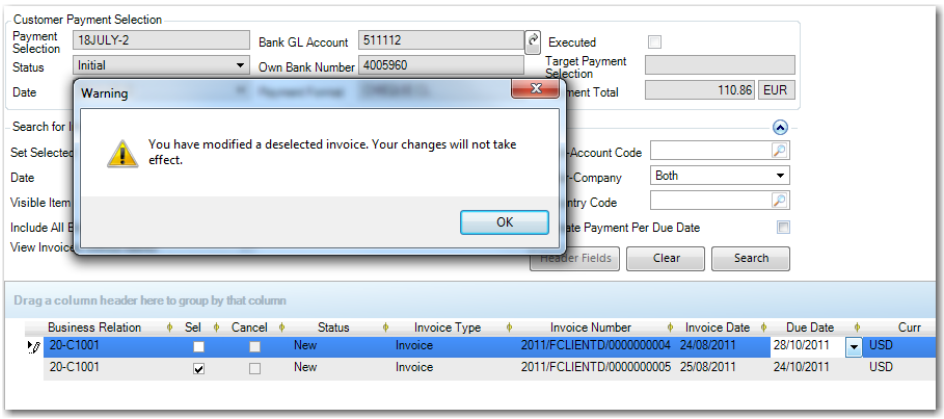
Sel. Clear this field for lines you want to remove from the payment selection.

Due Date. Specify a new due date for the invoice, if required. When you save the modified payment selection, the system updates the due date on the corresponding invoice.

Interest Rate. Specify a new interest rate for the invoice, if required.

If you modify the interest or due date for an invoice or stage, the system displays a warning message if you subsequently clear the Sel field to remove the line from the payment selection.

Fig. 12.41
Customer Payment Selection Modify, Warning Message



Adding Lines to Unexecuted Customer Payment Selections

You can use Customer Payment Selection Modify to add invoices or staged lines to previously created unexecuted customer payment selections.

In Customer Payment Selection Modify, use the fields in the Search for Invoices frame to retrieve additional invoices or stages for the payment selection. The additional invoices or stages are then appended to the grid after the lines from the original payment selection. You can then update the Sel field to indicate the new lines that you want to add to the payment selection.

Sending Notification to the Bank

Run Customer Payment Selection Execute to create the bank file and its associated data set in the format required by the bank.

The following information is included in the bank file data set:

- Legal document number
- Internal reference number
- Late interest rate
- Due date

- Payment amount.
- Limit day for the discount
- Discount percentage

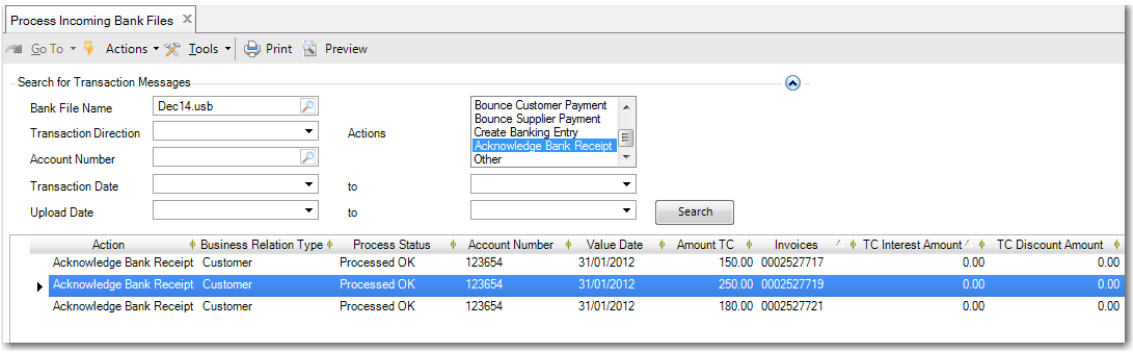
The file is sent to the bank using EDI eCommerce. For details on completing the EDI activities, see *QAD EDI eCommerce User Guide*.

Receiving Confirmation or Rejection from the Bank

The bank updates the bank file and returns it to you. You load the file into the system using EDI and process the file using Process Incoming Bank Files. Specify the bank file name to refine the selection and select Acknowledge Bank Receipt in the Actions field.

The grid in Process Incoming Bank Files contains a line for each invoice or each invoice stage, in the case of staged payments. The Invoices field in the grid displays the 10-digit internal reference number for each invoice or invoice stage.

Fig. 12.42
Process Incoming Bank Files, Acknowledgement of Bank Receipt



If the payment was accepted by the bank, the bank title reference is stored against the payment selection when the incoming bank file is processed. The bank creates a title number for each invoice or for each invoice stage, in the case of staged payments.

When the bank sends the bank title number, you must set up this instruction code in Bank File Format Maintain with the Acknowledge Bank Receipt action. See “Mapping Transaction Codes” on page 817

Note The bank title number is used in Brazil. Some payment systems may not provide this information.

Your bank replies to each notification with an acknowledgement or rejection message. If you are operating under Brazilian banking practices, you must process the acknowledgement to update the selection with the Bank Title number. You must investigate rejection messages and rectify the issue that caused the message. Re-execute the payment selection when you have addressed the issues.

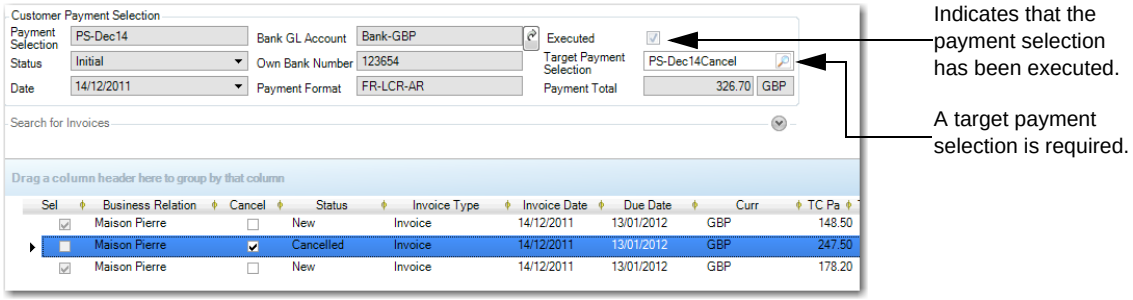
Modifying Executed Payment Selections

After you have executed the customer payment selection, you may need to cancel a line from a payment selection or modify payment details, such as the due date or interest rate. You can use Customer Payment Selection Modify to modify executed payments with the Initial status. However, the process differs from that used to modify unexecuted payment selections.

In the browse for Customer Payment Selection Modify, you can search for Initial payment selections using a variety of criteria, such as the invoice number, shipper, internal reference number, and bank title number.

When you cancel an invoice line or modify the due date or interest rate for a line, you must transfer the modified lines to an unexecuted payment selection with Initial status for the same bank account and payment method. You can also transfer the lines to a new payment selection by specifying a new code as the transfer payment selection. When you save the payment selection, the modified or canceled lines are moved to the new or existing target payment selection. If you try to save a modified payment selection and have not specified a target payment selection, an error is displayed.

Fig. 12.43
Customer Payment Selection Modify



Status. This field displays the status of the payment selection line.

New: Indicates an invoice or stage that has never been modified or cancelled from an executed payment selection.

Cancelled: Indicates an invoice or stage that was previously sent to the bank for payment, but was subsequently cancelled when the executed payment selection was modified.

Modified: Indicates an invoice or stage that was previously sent to the bank for payment, but where the interest rate or due date was modified since the payment selection was executed.

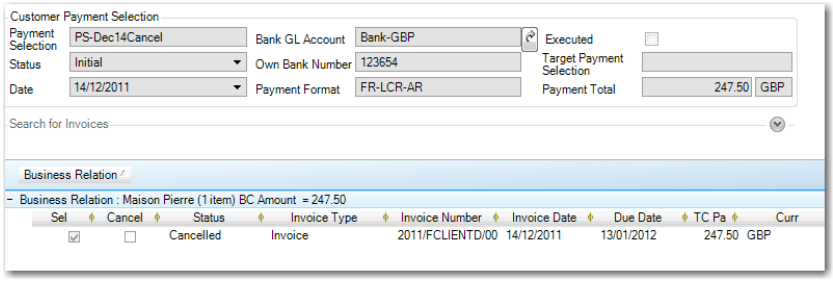
Use the following process to cancel an invoice line on a payment selection:

1. Open the payment selection in Customer Payment Selection Modify.
2. In the grid, select the Cancel field for the line or lines you want to cancel, as shown in Figure 12.43. The system updates the line status to Cancelled.
3. In the Target Payment Selection field, specify an existing unexecuted payment selection at Initial status to which to transfer the canceled lines.

   Alternatively, specify a new payment selection code to transfer the canceled lines to a new payment selection at Initial status.
4. Save the modified customer payment selection.

The canceled line is saved to the target payment selection.

Fig. 12.44
Customer Payment Selection View, Target Payment Selection



5 Run Customer Payment Selection Execute for the target payment selection to create a notification file for the bank.

This payment selection creates a notification file informing the bank that the invoices lines referenced in this selection are canceled.

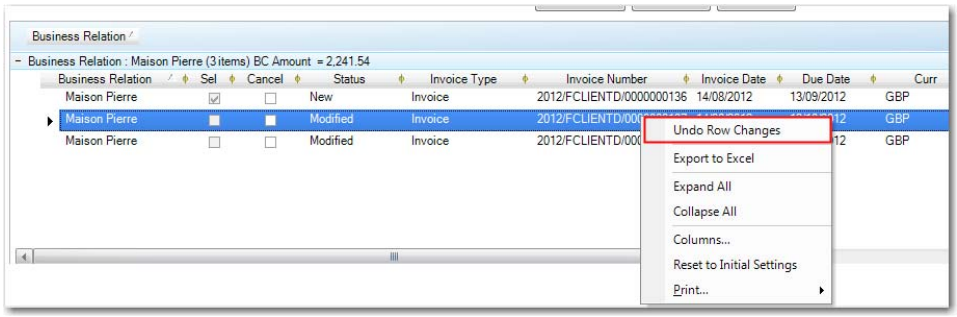
Note You do not need to run Customer Payment Selection Re-execute for the original payment selection you modified.

EDI eCommerce transfers the file to the bank.

The process for updating the due date or interest rate for an invoice line on an executed payment selection is similar to that for canceling a line. You must transfer the modified lines to a new or existing unexecuted payment selection at Initial status. If you update the due date for an invoice or staged line on a payment selection, the corresponding invoice is updated accordingly.

When you use Customer Payment Selection Modify to modify the due date or the interest rate on an executed customer payment selection, you can use a right-click menu option, Undo Row Changes, to revert to the original values on the payment line, if needed. This option is only available before you save changes to the payment line.

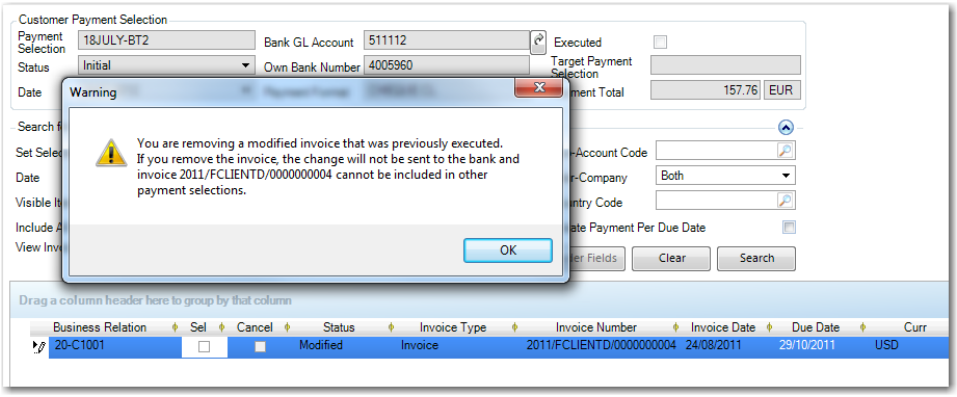
Fig. 12.45
Customer Payment Selection Modify, Undo Row Changes



Modifying a Target Payment Selection

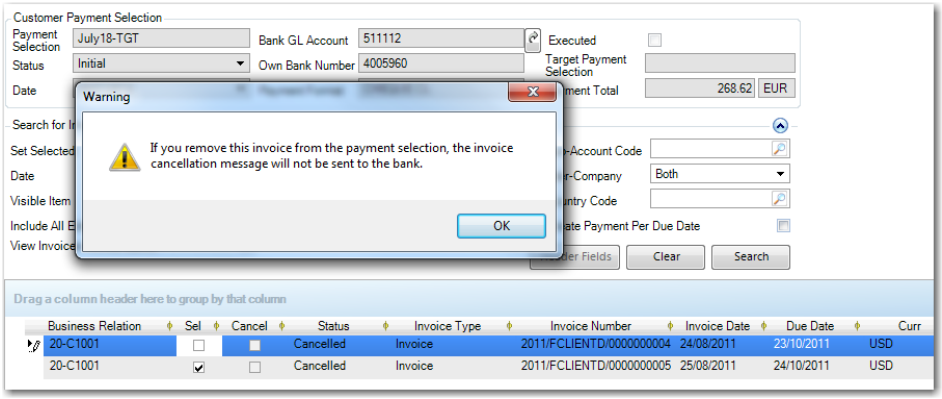
When you use Customer Payment Selection Modify to transfer modified lines from an executed payment selection to an unexecuted target payment selection, it is recommended that you do not remove the transferred lines from the target payment selection to ensure that your changes are sent to the bank. If you deselect a modified line that was previously executed from the unexecuted target payment selection, the system displays a warning message:

Fig. 12.46
Customer Payment Selection Modify, Removal Warning for Modified Lines



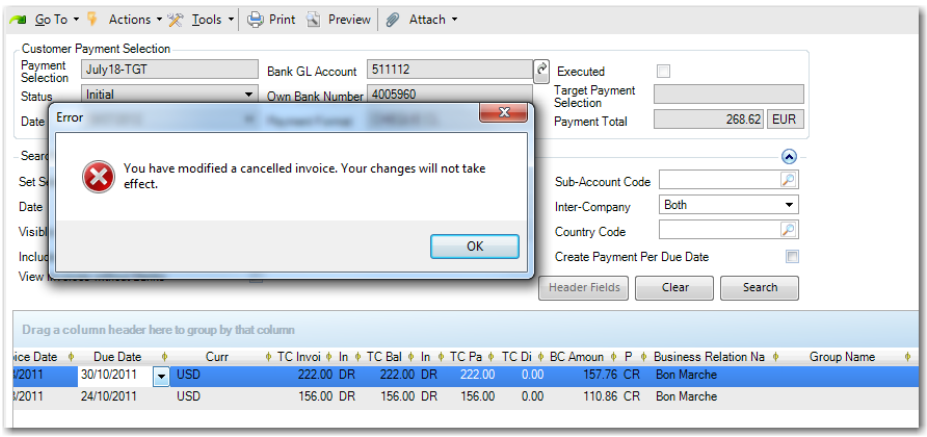
Similarly, if you deselect a cancelled line that was previously executed from an unexecuted target payment selection, the system displays a warning message:

Fig. 12.47
Customer Payment Selection Modify, Removal Warning for Cancelled Lines



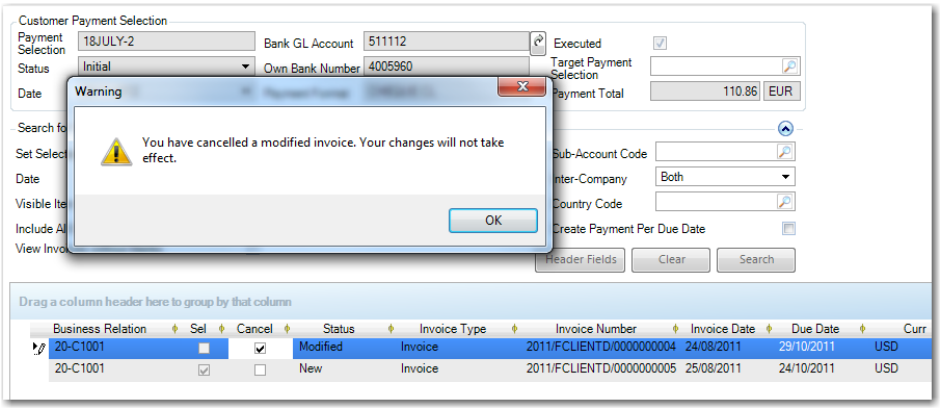
When you use Customer Payment Selection Modify to modify an invoice with the status Cancelled that was previously transferred from an executed payment selection, the system also displays a warning message:

Fig. 12.48
Customer Payment Selection Modify, Modification Warning



When you use Customer Payment Selection Modify to modify a line on an executed payment selection and then subsequently cancel the modified line before you have transferred it to a target payment selection, the system displays a warning message.

Fig. 12.49
Customer Payment Selection Modify, Cancellation Warning



Receiving Instructions

When you notify the bank regarding changes to a bank file you transferred to them previously, the bank sends messages accepting or rejecting the update.

Accept messages require no further processing. You must investigate rejection messages and rectify the issue that caused the message. Re-execute the payment selection when you have addressed the issues.

Receiving Payment Notification from the Bank

When the bank sends a bank file to notify you that it has received payment from your customers, the system creates a new payment with the status For Collection or Paid. If you select the Create New Payments as Paid field in Process Incoming Bank Files, and then process the bank file, the payment is created as Paid. Otherwise, the system creates the payment with the status For Collection. When the payment status is For Collection, the banking entry process is used to set the payment status to Paid.

The system allocates the payment to the relevant invoice or invoice stage using the unique 10-digit internal reference number. The system creates journal entries for the full payment allocated to the invoice.

Fig. 12.50
Process Incoming Bank Files, Create Payment

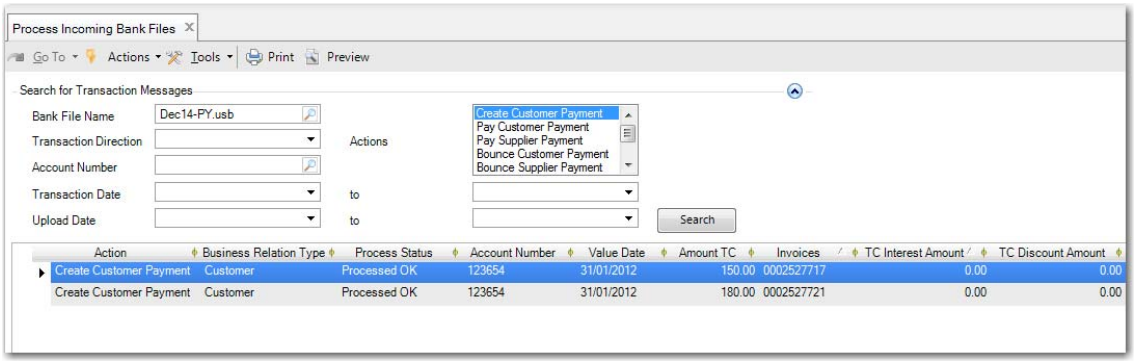
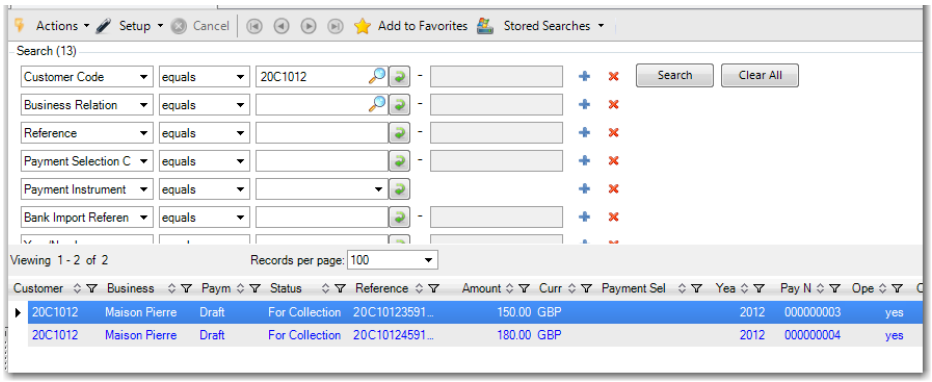


Fig. 12.51
Customer Payment View



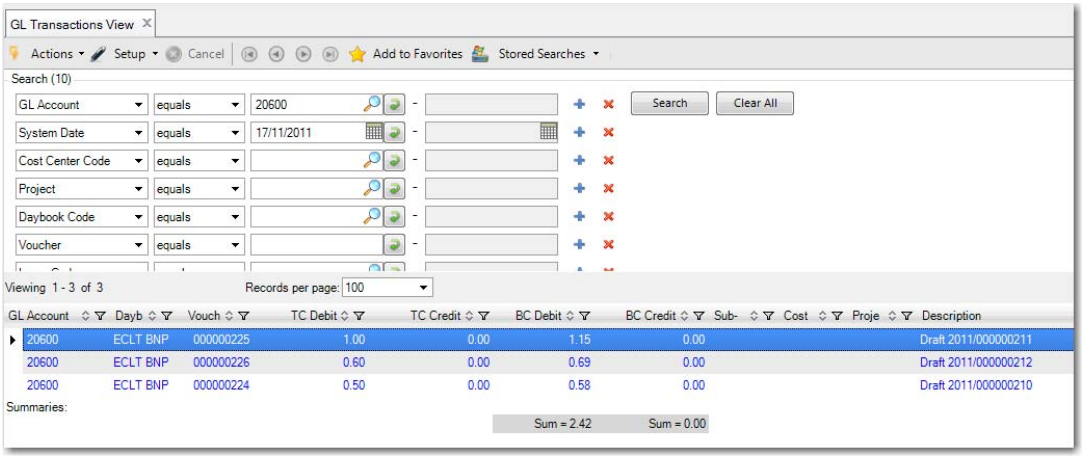
Posting Interest and Discount Amounts

Interest

The interest amount specified on an incoming bank file is posted to the interest account on the bank account of the current entity.

The TC Payment and TC Interest fields in the payment record contain the full amount of the payment and the interest amount respectively.

Fig. 12.52
GL Transactions View, Showing Interest Postings



Discount

The discount amount specified on an incoming bank file is posted to the discount account on the bank account of the current entity.

When the incoming bank file for the customer payment is processed:

- If a normal payment receipt and discount match the open amount for an invoice, the open amount is reduced to zero.
- If the payment receipt and discount amount are less than the open amount on the invoice, the open amount is reduced by the payment and discount.
- If the payment receipt (excluding interest) and discount amount are greater than the open amount on the invoice, the system does not process the payment.
- If no discount amount is specified and if the payment receipt is less than the open amount on the invoice, the open amount on the invoice is reduced by the payment.
- If no discount amount is specified and if the payment receipt (excluding interest) is greater than the open amount on the invoice, the system does not process the payment.

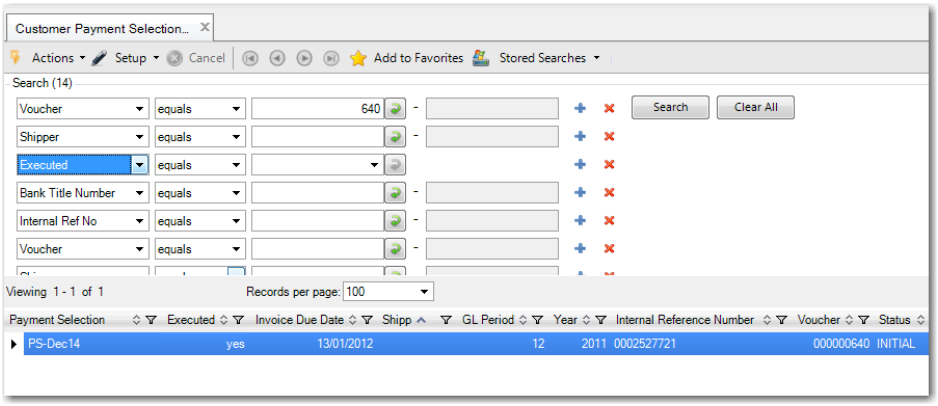
Where a payment is not automatically created, you must create a manual payment.

Customer Payment Selection Extended View

Use Customer Payment Selection Extended View to view details for payment selections. You can search using a variety of criteria, such as the shipper, voucher, internal reference number, or bank title number, and have the option to retrieve only executed or only unexecuted payment selections.

The view displays details for payment selections of all statuses. However, you can only drill-down for Initial payment selections.

Fig. 12.53
Customer Payment Selection Extended View



EDI Advanced Banking for Accounts Payable

EDI Advanced Banking is commonly used in Brazil, where *Boleto Bancários* is a significant payment collection system. The workflow in this section uses the examples of the Brazilian banking process and the *boleto bancário* document.

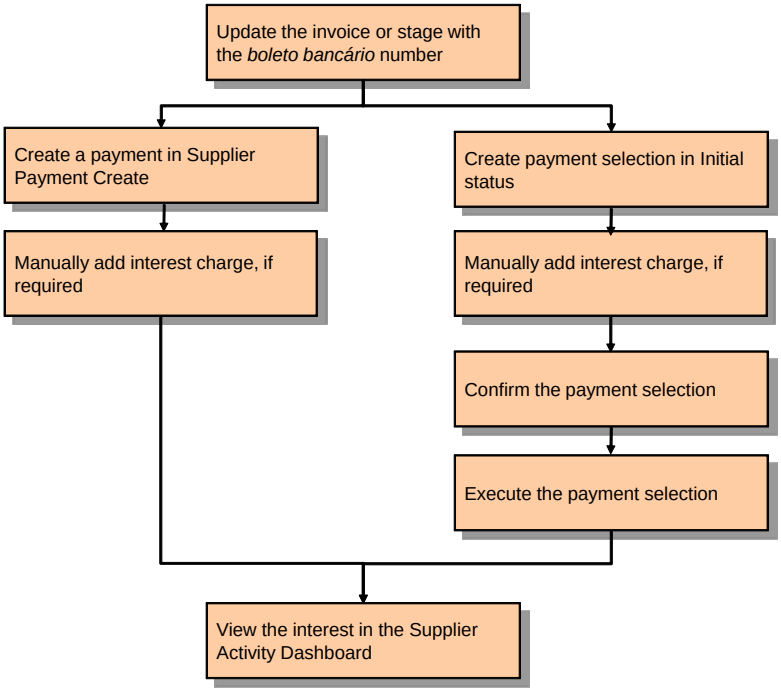
As in the process for Accounts Receivable, the EDI Advanced Banking process for Accounts Payable supports business cases where the bank acts as an intermediary to collect cash from customers. In these cases, the supplier notifies the bank of the invoice or staged payment details (including the amount, due date, and early or late payment conditions) shortly after the invoice is issued to the customer. The bank then sends a *boleto bancário* to the customer.

When you (the customer) receive the *boleto bancário* number, you must update the invoice or stage accordingly using Supplier Payment Reference Modify (28.1.1.13). See “Updating the Supplier Payment Reference” on page 856.

If applicable, you can manually include an interest amount on supplier payment lines in Supplier Payment Create (28.9.3.1) or Supplier Payment Selection Create (28.9.4.1). See “Updating the Interest Amount Manually” on page 860.

If you are using payment selections and you execute the payment selection, the system generates a bank file that includes interest and stage details. EDI eCommerce then sends the resultant file to the bank. See “Notifying the Bank of Interest and Stage Details” on page 863.

Fig. 12.54
EDI Advanced Banking, Accounts Payable Flow

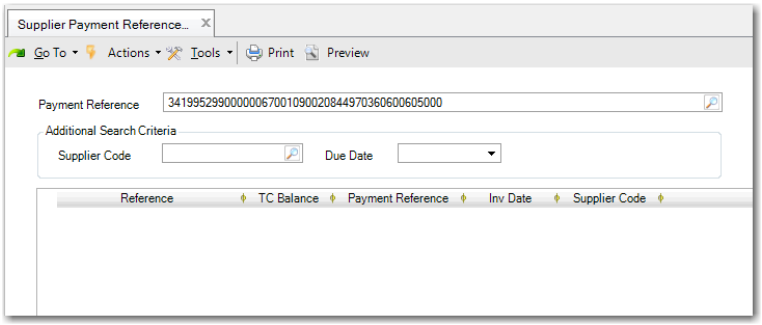


Updating the Supplier Payment Reference

Supplier Payment Reference Modify lets you record the supplier payment reference (*boleto bancário* number) on an invoice or stage.

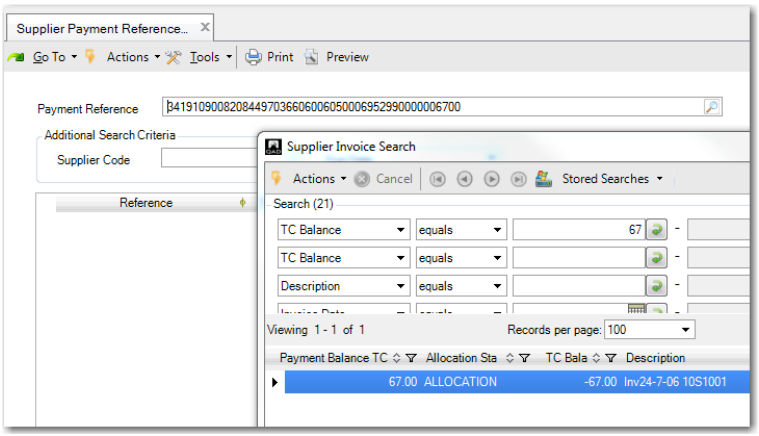
Enter the 44-digit supplier payment reference in the Payment Reference field. The last 10 digits of the reference indicate the payment amount. You also have the option to use a scanning device to scan in the supplier payment reference directly from the barcode on the printed *boleto bancário.* See “Scanning the Boleto Bancário Barcode” on page 859.

Fig. 12.55
Supplier Payment Reference Modify, Matching Invoice



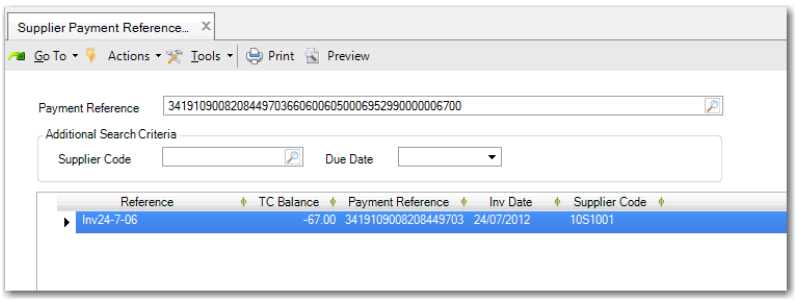
When you click the Search button in Supplier Payment Reference Modify, the system reads the last 10 digits of the number and retrieves invoices and invoice stages with matching payment amounts.

Fig. 12.56
Supplier Payment Reference Modify, Matching Invoice



When you select an invoice or invoice stage, the Payment Reference field in the grid is populated with the supplier payment reference. If you select more than one invoice or stage, the Payment Reference field in the grid is updated for all selected invoices or stages. To select more than one invoice or stage in Supplier Invoice Search; hold the Ctrl key, use your mouse to click and select multiple lines, and then press Enter.

Fig. 12.57
Supplier Payment Reference Modify, Updated Grid Line



Supplier Payment Reference Modify contains the following fields:

Payment Reference. Specify the supplier payment reference as it appears on the *boleto bancário*.

Note If you manually enter a 44-digit number, the system expects the payment amount in positions 10 to 19. When you click the Search button, the system reformats the 44-digit reference so that the payment amount is in the last 10 digits of the reference.

Supplier Code. Specify a supplier code to retrieve payments for that supplier. This field is optional.

The system uses the supplier code you enter together with the payment reference and, optionally, the due date, to refine the results retrieved when you click the Search button.

Due Date. Specify a due date to retrieve matching payments. This field is optional.

The system uses the due date you enter together with the payment reference and, optionally, the supplier code, to refine the results retrieved when you click the Search button.

Grid Fields

Reference. Displays the reference recorded for the invoice in Supplier Invoice Create.

TC Balance. Displays the open balance for the invoice or stage.

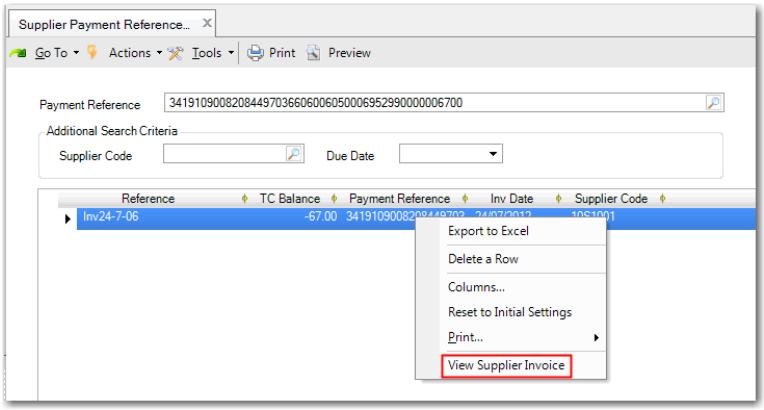
Payment Reference. When you select an invoice or stage, the Payment Reference field in the grid is populated with the supplier payment reference you specified in the header field. This field is blank if you have not yet selected invoice or stage lines to update.

Invoice Date. Displays the date on which the invoice was recorded in the system.

Supplier Code. Displays the code for the supplier who issued the invoice.

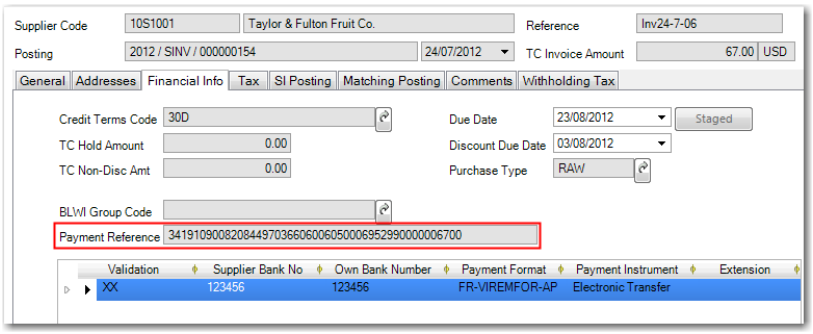
When the grid has been updated with a matching invoice or stage, you can use the right-click menu to access and view the associated supplier invoice record.

Fig. 12.58
Supplier Payment Reference Modify, Right-Click Menu



When you click Save in Supplier Payment Reference Modify, the Payment Reference field on the invoice record is populated with the payment reference. In Supplier Payment Reference Modify, the Payment Reference field and the grid are cleared.

Fig. 12.59
Supplier Invoice View, Financial Info Tab



If there are unsaved payment references in the grid and you click the Close button, a warning is displayed prompting you to indicate if you want to save the changes in the screen.

Important If you change the supplier payment reference in the header after invoice or stage lines have been retrieved and then click Save, all lines in the grid are updated with the new supplier payment reference, and not the reference displayed in the header when the lines were retrieved.

Scanning the Boleto Bancário Barcode

In Supplier Payment Reference Modify, you can also locate an invoice or invoice stage using a barcode scanned from a printed *boleto bancário*.

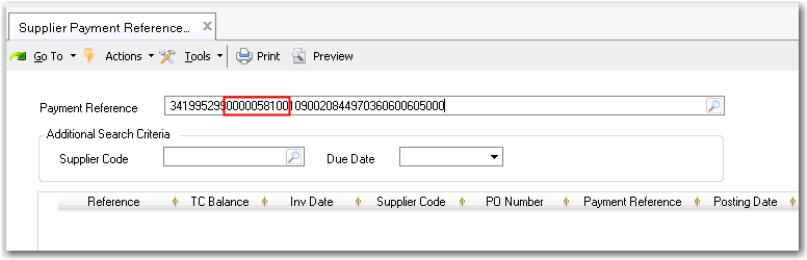
The barcode on a *boleto bancário* contains 44 digits. After it is scanned, it is transformed to 47 digits. The three extra digits are check sums. 10 of the digits represent the payment amount and are used to retrieve all matching invoices.

1 Install the barcode scanning software as indicated by the manufacturer.

2 Open Supplier Payment Reference Modify and position the cursor in the Payment Reference field.

3 Use a smart phone, tablet, or hand-held scanner to scan the barcode from a *boleto bancário*. A 47-digit code is scanned into the Payment Reference field.

Fig. 12.60
Supplier Invoice Reference, Scanned Reference Number

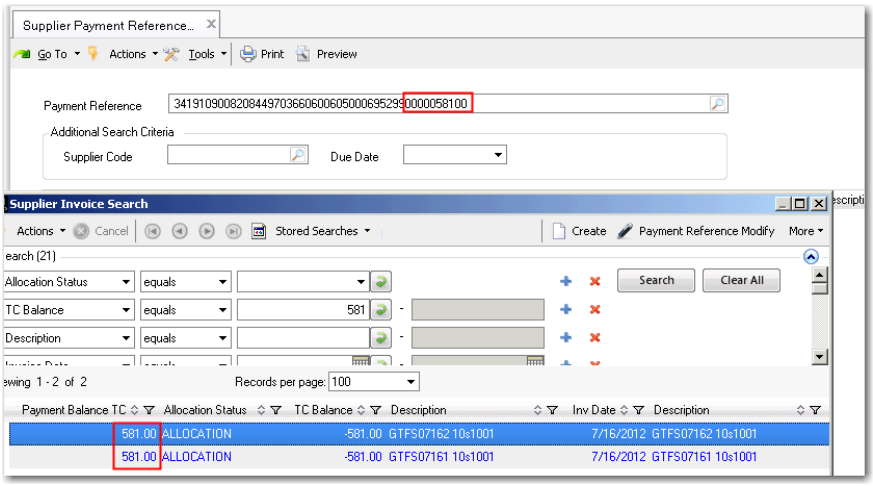


When the *boleto bancário* is scanned, the invoice amount is normally in the middle of the barcode, as indicated in Figure 12.60.

4 Click on the Search button in Supplier Payment Reference Modify.

This opens a Supplier Invoice Search window, which retrieves and displays any invoices or stages for the same amount. At the same time, the system reformats the scanned *boleto bancário* number so that the amount is displayed at the end of the payment reference code, as shown in Figure 12.61.

Fig. 12.61
Supplier Invoice Reference, Reformatted Reference Number



Alternatively, instead of clicking the Search button, you can use Alt+L to open the Supplier Invoice Search window. If there is only one matching invoice, this is automatically returned to the grid.

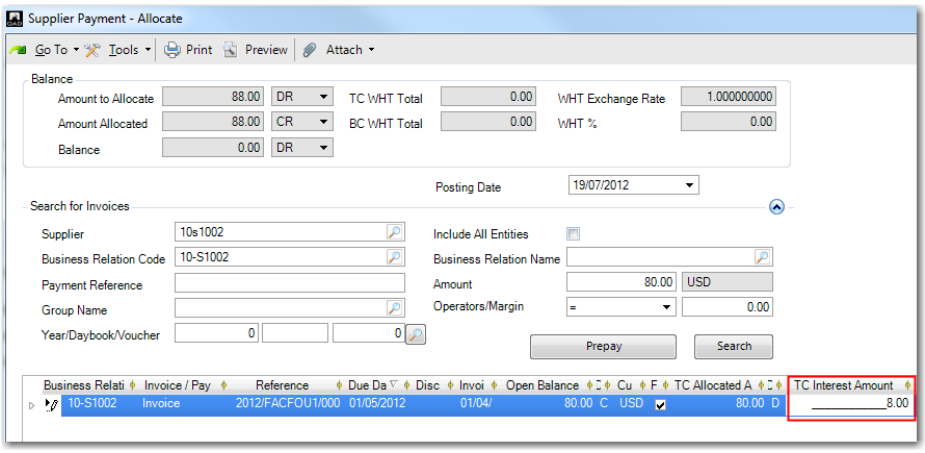
The transformed 47-digit reference is also populated in the Payment Reference column in the grid.

Updating the Interest Amount Manually

Supplier Payment Create

You can manually add interest to supplier payments in Supplier Payment Create. When you open the Supplier Payment–Allocate subscreen to select the invoice or stage to pay, you can specify interest in the TC Interest Amount field on the grid. The Amount Allocated field in the header is updated accordingly.

Fig. 12.62
Supplier Payment–Allocate, Interest Applied

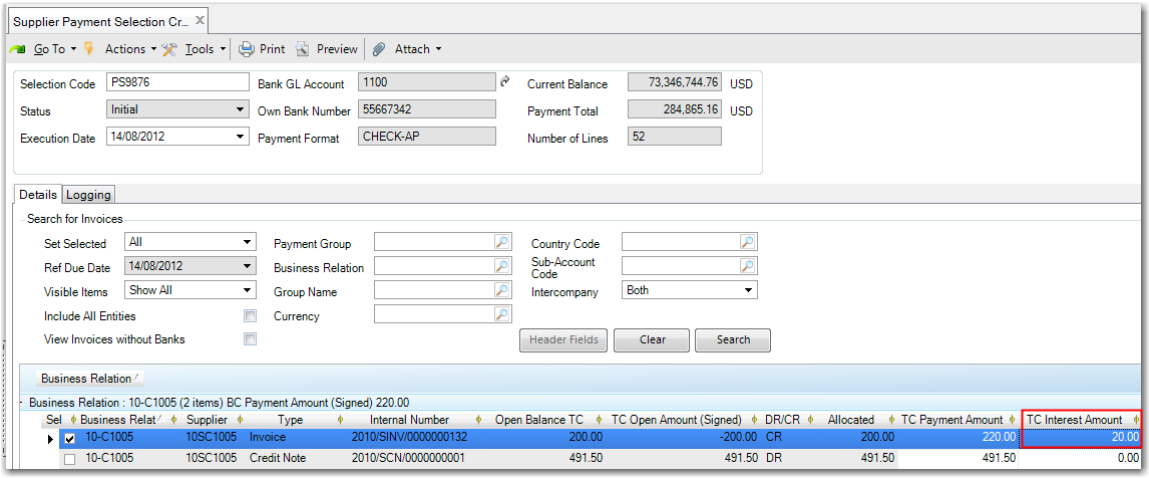


Supplier Payment Selection Create

Non-Staged Payments

For non-staged payments, you specify an interest amount on the invoice line in Supplier Payment Selection Create.

Fig. 12.63
Supplier Payment Selection Create, Interest Amount for Non-Staged Payment



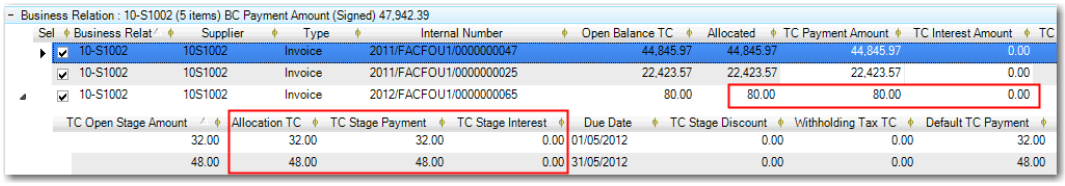
Staged Payments

You can apply interest to invoices with staged credit terms using two different approaches:

- You can apply the interest at the invoice level, and the interest and allocation values are rolled down to the staged payment.
- You can apply the interest at the staged payment level, and the interest and allocation are rolled up to the invoice line.

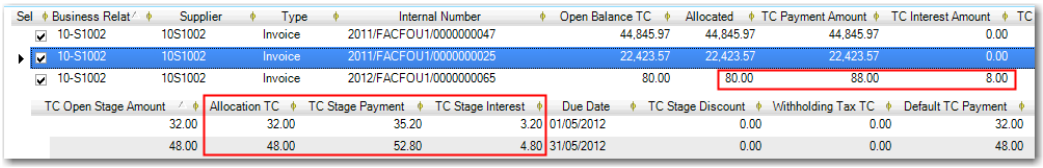
Figure 12.64 shows an outstanding supplier invoice for 80 USD that includes staged credit terms. The staged payment details are shown on the level 2 grid line for the invoice.

Fig. 12.64
Supplier Payment Selection Create, No Interest Specified



The interest amounts you enter at the staged level are rolled up to update the TC Payment Amount and TC Interest Amount fields at the invoice level, as shown in Figure 12.65.

Fig. 12.65
Supplier Payment Selection Create, Interest Entered at Stage Level



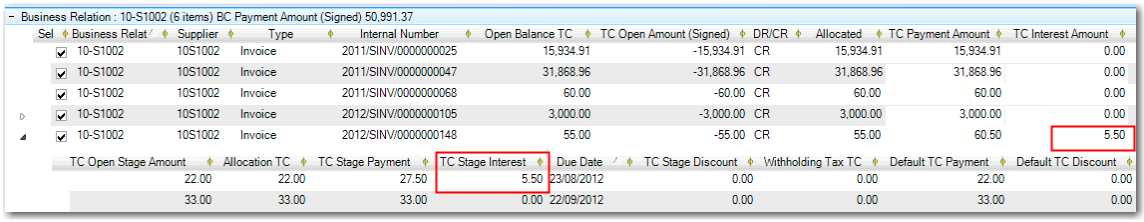
Sel	Business Relat	Supplier	Type	Internal Number	Open Balance TC	Allocated	TC Payment Amount	TC Interest Amount	TC
☑	10-S1002	10S1002	Invoice	2011/FACFOU1/0000000047	44,845.97	44,845.97	44,845.97	0.00	
☑	10-S1002	10S1002	Invoice	2011/FACFOU1/0000000025	22,423.57	22,423.57	22,423.57	0.00	
☑	10-S1002	10S1002	Invoice	2012/FACFOU1/0000000065	80.00	80.00	88.00	8.00	

TC Open Stage Amount	Allocation TC	TC Stage Payment	TC Stage Interest	Due Date	TC Stage Discount	Withholding Tax TC	Default TC Payment
32.00	32.00	35.20	3.20	01/05/2012	0.00	0.00	32.00
48.00	48.00	52.80	4.80	31/05/2012	0.00	0.00	48.00

You can also enter interest for an invoice with staged payments at the invoice line level, as opposed to the staged payment level, in Supplier Payment Selection Create. This example uses an invoice of 55 USD that must be paid in two stages.

On the invoice line, you enter a TC Interest Amount value of 5.50 USD. This value is rolled down to the staged payment level and automatically allocated against the first staged payment due.

Fig. 12.66
Supplier Payment Selection Create, Interest Entered at Invoice Level



Business Relation : 10-S1002 (6 items) BC Payment Amount (Signed) 50,991.37

Sel	Business Relat	Supplier	Type	Internal Number	Open Balance TC	TC Open Amount (Signed)	DR/CR	Allocated	TC Payment Amount	TC Interest Amount
☑	10-S1002	10S1002	Invoice	2011/SINV/0000000025	15,934.91	-15,934.91	CR	15,934.91	15,934.91	0.00
☑	10-S1002	10S1002	Invoice	2011/SINV/0000000047	31,868.96	-31,868.96	CR	31,868.96	31,868.96	0.00
☑	10-S1002	10S1002	Invoice	2011/SINV/0000000068	60.00	-60.00	CR	60.00	60.00	0.00
☑	10-S1002	10S1002	Invoice	2012/SINV/0000000105	3,000.00	-3,000.00	CR	3,000.00	3,000.00	0.00
☑	10-S1002	10S1002	Invoice	2012/SINV/0000000148	55.00	-55.00	CR	55.00	60.50	5.50

TC Open Stage Amount	Allocation TC	TC Stage Payment	TC Stage Interest	Due Date	TC Stage Discount	Withholding Tax TC	Default TC Payment	Default TC Discount
22.00	22.00	27.50	5.50	23/08/2012	0.00	0.00	22.00	0.00
33.00	33.00	33.00	0.00	22/09/2012	0.00	0.00	33.00	0.00

Posting the Interest

When you add interest charges to lines on a supplier payment section, the interest is posted to the general ledger when the supplier payment selection is confirmed. Similarly, if you add interest charges to a supplier payment created in Supplier Payment Create, the interest is posted to the general ledger when the supplier payment is updated to the Paid status.

The interest is posted to the AP interest account associated with the entity bank account. If no AP interest account is defined, the interest is posted to the AP discount account associated with the entity bank account.

Viewing the Interest

You can view the interest applied to AP payments using new TC Interest Amount columns in the Activity and Payment tabs of the Supplier Activity Dashboard.

Fig. 12.67
Supplier Activity Dashboard, Activity Tab

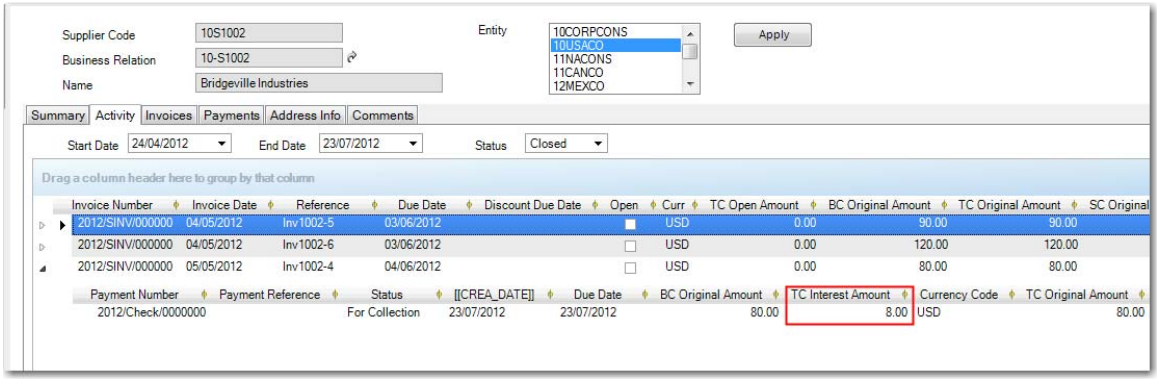
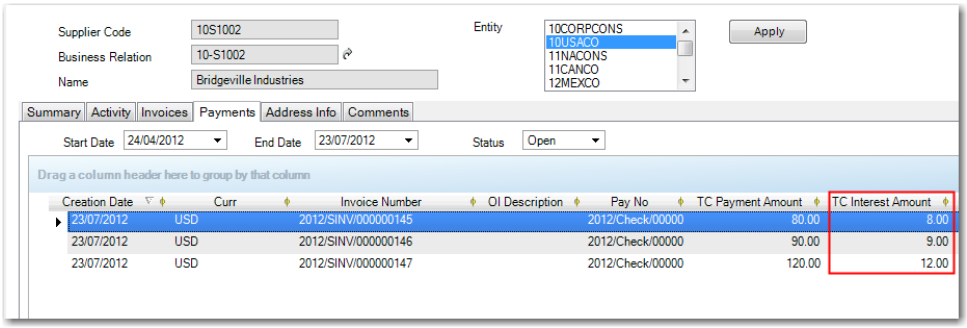


Fig. 12.68
Supplier Activity Dashboard, Payment Tab



Notifying the Bank of Interest and Stage Details

Run Supplier Payment Selection Execute to create a bank file to notify the bank of the interest and stage details.

The ExportExtended payment attribute lets you send a supplier bank payment file with information on interest amounts and payment stages. The interest amounts recorded on staged and normal payments in selections are included in the XML file sent to the bank when the selection is executed. For staged payments, details on the stages are also included.

Important You must include the ExportExtended payment attribute in the bank driver payment format in order to modify the default dataset exported to the bank. This new dataset includes the stage and interest details.

Using Petty Cash

You can use Petty Cash Create (31.2.1) to record petty cash transactions, and use Petty Cash Report to provide summary details on cash transactions.

Petty Cash Create

Petty Cash Create is very similar to Banking Entry Create and supports the same allocation methods.

The postings for a cash-in entry are as follows:

Account	Debit	Credit
Expense	100	
Petty Cash		100

These postings are reversed for cash-out entries.

The system automatically generates a cash report when you save the entry. You can use this report as a receipt for the cash activity. You can also generate weekly or monthly reports.

Petty Cash supports segregation of duties in the same way as banking entry by providing a separate allocate activity so that one individual can create the petty cash transaction and another can allocate it. This means you can:

- Create the petty cash entry and allocate some or all of the lines. You can save the statement in final or draft format.
- Create the statement and save it. Then, use Petty Cash Allocate as a separate activity to allocate the lines, possibly by another person.

Note If you do not have access to Petty Cash Allocate, you cannot use the allocation features in Petty Cash Create.

Setting Up Petty Cash

Petty Cash requires you to define a cash account. You should create a separate cash account for each currency for which you keep petty cash, and you update the accounts using allocated banking entries. To set up Petty Cash:

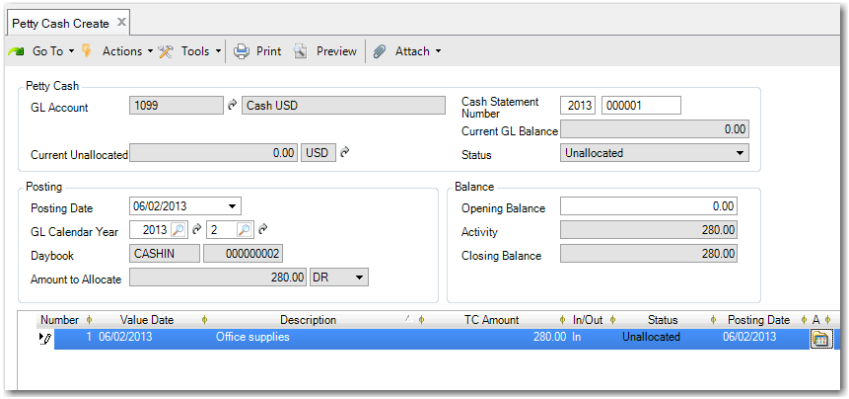
1. Create a GL account of type Cash Account for each currency in which you keep petty cash.
2. Create cash in and cash out daybooks and profiles. You define these on the Cash tab of GL Account Create. See “Using Daybooks” on page 164 and “Cash Tab” on page 103.
3. Optionally, set up all employees who use petty cash as suppliers for petty cash advances and receipts.

Creating Cash Entries

Use Petty Cash Create to create a petty cash entry.

Petty cash entries can be saved in draft format when Draft Instances is selected in Change System Settings (36.24.5.1). When you save a record in draft format, none of the system validations are performed. You can then return later to complete the record by choosing the Petty Cash Browse Drafts activity and selecting the record you want to finish from the list. For more information on drafts, see *Introduction to QAD Enterprise Applications User Guide*.

Fig. 12.69
Petty Cash Create



Field Descriptions

GL Account. Specify your petty cash account. The lookup retrieves GL cash accounts and their descriptions only.

GL Balance. This field indicates the current balance of the cash account selected.

Unallocated Cash Balance. This field displays the amount in cash entries that has still to be allocated. Use Petty Cash Allocate to retrieve these entries and complete the allocation.

Status. This field indicates the status of the unallocated amounts.

Posting

Posting Date. This field indicates the posting date of the cash entry. This defaults to today's date.

GL Calendar Year. This field indicates the posting GL calendar year and GL period. You can modify these values.

Daybook. This field indicates the daybook and daybook number for the current transaction. The daybook type is Cash Entries. The system retrieves the Cash Received daybook profile for cash movements into the account, and the Cash Paid daybook profile for movements out of the account. See "Setting Up Petty Cash" on page 864. Separate cash-in and cash-out daybooks are mandatory requirements in some accounting systems.

Amount to Allocate. This field displays the amount to be allocated in this cash entry, and whether this is a debit or credit to the account. This amount is retrieved from the amount you enter in the TC Amount field in the grid.

Balance

Opening Balance. This field indicates the balance of the account before the cash movement.

Activity. This field indicates the total amount of the cash movements.

Closing Balance. This field indicates the balance of the account after the cash movements.

Grid

Number. This field indicates the system-generated number of the cash entry. Insert a new line in the grid for each new cash entry.

Value Date. This field indicates the value date of the entry. The value date is the date on which the bank transaction occurs. The default is the posting date.

Description. Enter a brief description (maximum 40 characters) of the cash entry.

TC Amount. Enter the cash entry amount in the transaction currency.

In/Out. Indicate if this is a cash movement into the account (for example, cash received from customers, or refund of expenses) or out of the account (cash supplied for expenses, or as a cash payment to suppliers). Movements in are automatically assigned the daybook defined in the Cash Received daybook profile, and movements out are assigned the daybook defined in the Cash Paid daybook profile.

Status. This indicates the current status of the cash entry.

Allocate. Click Allocate to select an allocation method. Petty Cash Create uses the same allocation methods as banking entries. See “Allocating Bank Entry Lines” on page 799.

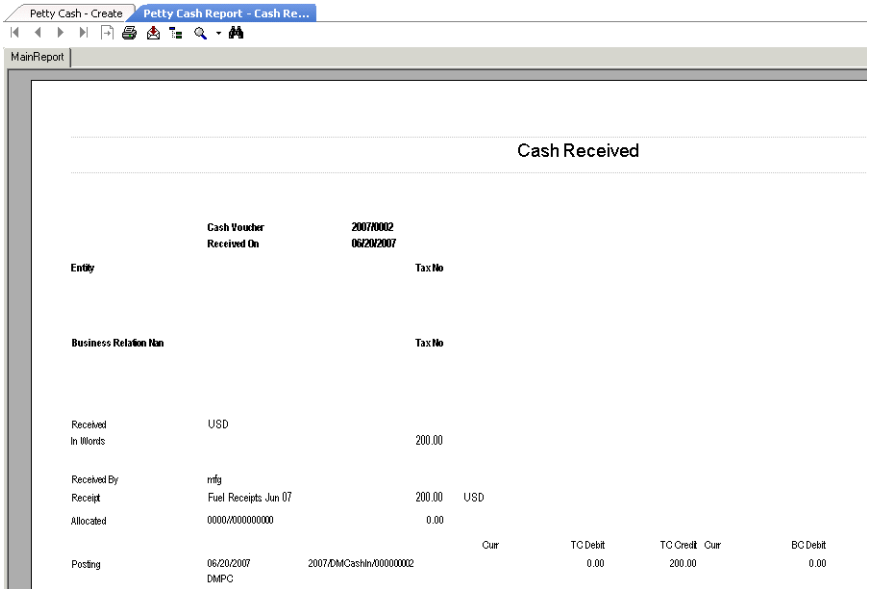
Note Create prepayments for cash in advance transactions.

Information. Enter additional information about the cash entry.

Scale Factor. This indicates the scale factor applying to the exchange rate in use for foreign currency payments. The system uses the Cash exchange rate for cash entries when this rate is defined. If not, the default rate used is the Accounting rate. See “Exchange Rates” on page 65.

Print. Select this field to print a report of this petty cash entry. The system automatically displays the report on the screen. You can then print it as a receipt for the transaction.

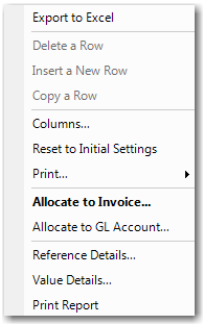
Fig. 12.70
Petty Cash Report



Petty Cash Options

After you have entered a line, right-click in the line to display the additional options.

Fig. 12.71
Petty Cash Options



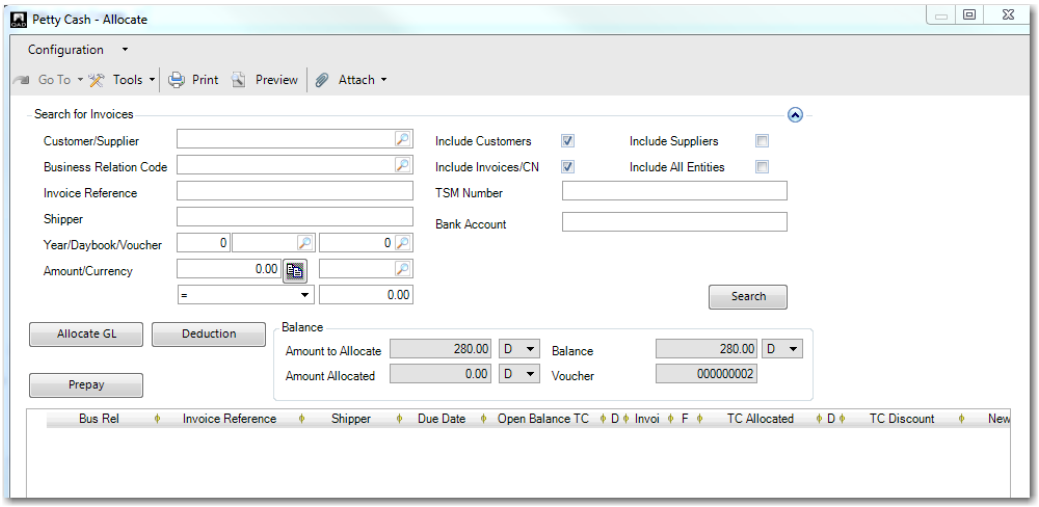
Available options include:

- Allocate to Invoice
- Allocate to GL Account

Allocate to Invoice

Use this option to select invoices to which you want to allocate the entry amount. This option works in the same way as Allocate to Invoice in Banking Entry Create. See “Allocate to Invoice” on page 800.

Fig. 12.72
Petty Cash Allocate



Creating a Deduction

You can record a deduction if a customer pays less than the amount owed. Reasons for deductions can include rounding differences, reductions due to quality issues, perceived entitlements based on commercial agreements, damaged goods, spoilage, improper packaging or labeling, or any other reason for which a customer may pay less.

The process for entering deductions is similar to that for creating prepayments. However, unlike prepayments, you can enter many deductions for a single payment transaction. Click on the Deduction button to open Petty Cash–Deduction.

Deductions and how to record them are described in detail in “Processing Deductions” on page 539.

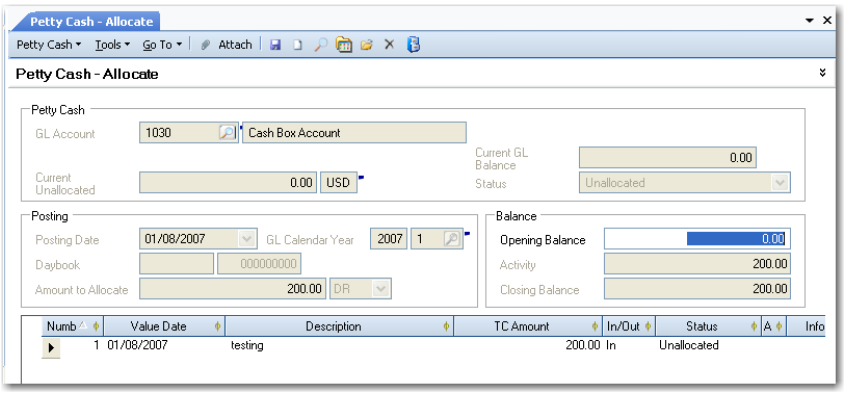
Allocate to GL Account

The Allocate to GL Account option displays a Journal Entry window, in which you can allocate the petty cash amount to GL accounts. This option works in the same way as Allocate to GL Account in Banking Entry Create. See “Allocate to GL Account” on page 812.

Petty Cash Allocate

Use Petty Cash Allocate (31.2.5) to retrieve unallocated or partially allocated entries for full allocation.

Fig. 12.73
Petty Cash Allocate



Cash Flow Reporting

Use Cash Flow Report activities (31.8) to forecast monthly cash projections. This function monitors actual and projected cash flow movements over a defined period consisting of projection intervals. The projections can be cumulative or non-cumulative.

Cumulative projections display the current balance on the account in this interval plus posting activity such as invoices or credit notes due. The system calculates a current balance for each interval by adding the due open items for this interval to the previous interval’s balance. Non-cumulative projections display only the expected posting activity for that account during that interval.

When you create a Cash Flow Report, the system follows these steps:

- The system retrieves the current balances and activity on the accounts you want to monitor.
- You define a projection period such as the next three months. The system then retrieves all actuals with a due date that falls in the projection period, and displays the projected balances (or activities only) for each interval accordingly.

The Excel integration option lets you export these figures to a spreadsheet for analysis.

You normally monitor customer or supplier control accounts, bank accounts, petty cash accounts, and expense accounts in a cash flow forecast, but you can include any type of GL account with Cash Flow Report. Credit notes and invoices due on future dates have an obvious effect on cash flow on accounts on those dates, and you can also include recurring entries; for example, direct debits for salaries paid from the account.

Balance sheet accounts display balance information as an opening balance in the report; profit and loss accounts display the account activity of the previous period, which you can use for projection to forecast future costs. For customer and supplier control accounts, the system displays AR and AP open items, such as customer invoices and supplier credit notes, but not operational transactions, such as sales orders and purchase orders.

You can manually enter correction amounts on the current balance for one-time instances of cash received or cash paid (cash on-hand).

The percentage option lets you include amounts in a projection that are due to increase over the period. For example, you can use this option to forecast expected salary increases over a 12-month period. The projection for each interval reflects the effect of the salary increase in that period, instead of accounting for the total increase at the beginning or end of the forecast.

The Currency view option lets you view the report in a currency other than the base currency. When you specify a non-base currency, only positions in that currency are accounted for.

To set up the Cash Flow report:

1 Specify the GL calendar cut-off period, which is the start of the projection intervals.

2 Specify the number of projection intervals and the length of the intervals.

3 Set the Actuals To date. The system retrieves all actuals up to this date.

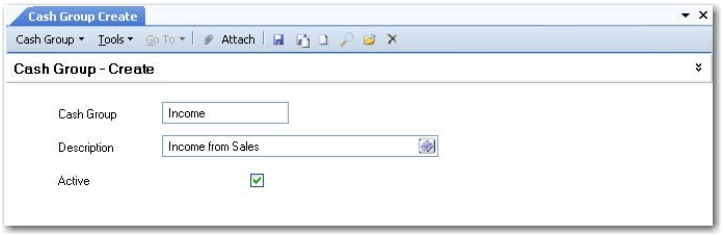
You can reopen and recalculate saved reports.

Note The History daemon must be running in order to retrieve actuals for the report. For more information on system daemons, see *QAD System Administration User Guide*.

Creating Cash Groups

Use the Cash Group codes (31.13) to create, modify, view, and delete codes for grouping accounts for cash flow reporting purposes. You assign the cash flow group to the account in the Report Link tab of Account Create. See “Report Link Tab” on page 100.

Fig. 12.74
Cash Group Create



Field Descriptions

Cash Group. Enter a code (maximum 20 characters) that identifies a cash group. This field is mandatory; the code cannot be blank.

Description. Enter a brief description (maximum 40 characters) of the cash group. This field is mandatory; the description cannot be blank.

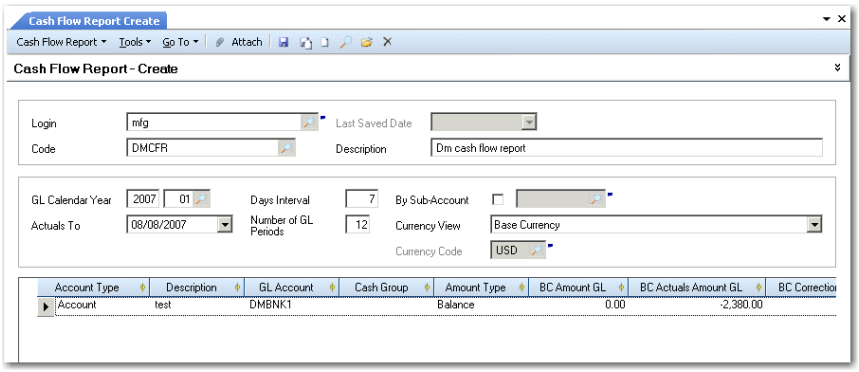
You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Indicate if this is an active record.

Creating Cash Reports

Use Cash Flow Report Create (31.8.1) to design your cash flow report.

Fig. 12.75
Cash Flow Report Create



Field Descriptions

Login. This field displays the login ID of the current user.

Last Saved Date. This field indicates the date on which the report was last saved.

Code. Enter a code (maximum 20 characters) to identify the report.

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

GL Calendar Year. Specify the GL calendar cut-off year and period. The system checks the account balances on the last day of this period, which is also called the cut-off date. This is also the date on which the cash flow projection begins.

Example To monitor account balances on May 31, 2014, and to project the cash flow over the months June, July, and August 2014, specify 2014 05 as the cut-off year and period. The account balances for May 31 are displayed, and the cash flow projection begins on June 1. When you set a Days Interval of 7 (for weekly intervals), the first interval date is 6/7, the next is 6/14, and so on.

Days Interval. Set the number of days for each interval in the projection. For example, a weekly interval is 7 days.

By Sub-Account. Specify a sub-account for sub-account analysis. In this case, the system checks for movements and balances on accounts for which the sub-account is defined.

Actuals To. Specify a date by which the system retrieves actual activity on the account. This date must be later than the GL cut-off year or period. The date defaults to the current date.

The system shows a separate total (BC Actuals Amount GL) for account activity that occurred between the end of the GL calendar cut-off period and the date specified in Actuals To. In addition, projected cash flows from AR and AP control accounts (based on open item due dates) are corrected using the payments that occurred in the same interval. Therefore, the system displays the actuals as of the end date of the cut-off GL period.

Number of GL Periods. Specify the number of periods in the cash flow projection, to a maximum of 31.

Currency View. Select base, management, or transactional as the currency view for the report. When you select the transactional currency, the Currency Code field is available to select a specific currency. The system only retrieves transactions in the currency you select. For example, if you select the euro currency, only transactions that have been created in euros are retrieved.

Currency Code. Specify a transactional currency in which to view the report. This field is only available when you select transactional currency as the currency view.

Grid

Right-click to enter a new line on the grid.

Account Type. Select Account or Manual as the type of entry in the cash flow report.

Account: You specify an account code in the GL Account field, and this account is included in the projection.

Manual: Manually enter an amount into a projection interval. You do not select a GL account for this type. This option lets you enter occasional or one-time costs or expenses into an interval, such as banking fees or asset sales.

Description. Enter a description (maximum of 40 characters) for the report.

GL Account. Specify the GL account to be monitored during the projection. You can include any type of GL account in the report.

Cash Group. This field indicates the cash group to which the account belongs, if any. You use cash groups to categorize accounts; specify the cash group for the account on the account Report Link tab. See “Report Link Tab” on page 100.

Amount Type. This field indicates the amount type, which depends on whether the account is a balance sheet or profit and loss account.

Balance: The grid displays the balance on the account as of the cut-off date. Balance sheet accounts automatically display balances in the grid.

Activity: The grid displays the total of all movements on the account for the cut-off period. Profit and loss accounts automatically display activities in the grid.

BC Amount GL. This field displays the current account balance. The amount is recalculated when you modify the cash flow settings; for example, by extending the cash flow period to include intervals in which movements on the account take place.

BC Actuals Amount GL. This field displays the total of all activity on the account between the cut-off period end date and the Actuals To date.

BC Correction Amount GL. Enter a correction amount to adjust the account balance. Use this option to account for large, one-time liabilities or assets that are due in the projection period but for which there is no system open item.

(Non) Cumulative. Select cumulative or non-cumulative as the calculation method for the cash flow. The method applies to this line only, and you can include a mix of both methods in the final report.

Cumulative: The grid displays the total of the account balance and the activities on the account in the interval.

(Non) Cumulative: The grid displays the movements on the account only in the interval.

% GL Period. This field displays the percentage increase on the total account balance that is forecast for this interval.

Example The monthly debit on a salary account is $100,000. You expect this figure to increase by 6% over the year to allow for annual wage increases. To account for this additional 6%, you define a .5% increase for each of 12 monthly intervals (100.5%, 101%, 101.5%, and so on). The account balance now reflects the cash flow for that interval while allowing for the annual increase.

You cannot apply a percentage to control accounts.

Amount Period. This field displays the account balance forecast for the interval. Accounts display a negative amount for outgoing movements, and a positive amount for incoming movements.

Click Recalculate to retrieve actuals and calculate intervals. Right-click on the report grid to export the report to Excel.

Chapter 13

Budgeting

The following topics describe how to set up and manage budgets.

Overview 874
Introduces budgeting functions and concepts.

Setting Up Budgets 875
Set up budget groups and budget report periods.

Creating Budgets 877
Create budget periods, levels, and structures.

Budget Activities 891
Modify, copy, and rebuild budgets.

Linking with Excel 892
Maintain budget data in Microsoft Excel and synchronize it with the system.

Budget Reports 895
Report on budgets, forecasts, and actuals.

Overview

A budget is a set of amounts that is expected to be spent or earned during a given time period. Most organizations compile budgets annually to plan for expenses and revenues.

You enable the use of the Budgeting module using the Budget Enabled field in System Maintain (36.24.3.1).

Use the Budget Create activity to define budgets for a single entity or for a group of entities that use the same shared sets. The entities can be in the same or different domains.

Budgets are composed of a structure of budget topics, each identified by a topic description and linked to a single or group of accounts, sub-accounts, cost centers, projects, or SAFs. You also define the hierarchy of topics for which budget and actuals data is accumulated, and the position of subtotals and COA components in the hierarchy.

To streamline setup, you can define budget groups that reference the COA components used for a budget topic. You can then link a group to a budget topic, rather than having to link each COA component individually. See “Budget Groups” on page 875.

Budget periods are intervals of time into which the budget life span is divided for costs and reporting purposes, and are separate from tax or GL periods. Costs and revenues are recognized in the budget period in which they are posted to the general ledger.

Budgets also include report periods that are linked to budget versions, and are used by the budget reports. See “Budget Report Periods” on page 876 and “Versions Tab” on page 890.

When you have created the budget periods, levels, structure, and topics, you must link each topic to a chart of accounts component or range. A Budget daemon polls for transactions that use accounts and other COA components defined in the budget structure. When a transaction is posted for an account in the budget structure, the Budget daemon uses the COA links to update the actuals of each budget topic affected.

If you have set warning or error checking for budget overruns, the Budget daemon checks the actuals entered for the budget accounts and displays an error or warning message if a transaction overruns the budget. For more information on daemons, see *QAD System Administration User Guide*.

Note Budget checks are not currently supported for budgets used in Financial Report Writer.

You can also enter forecast values to compare to the budget amounts and actuals. The forecast values are used for reporting only. In addition, you can also enter budget and forecast values for quantities, such as kilowatt hours, pounds, or machine hours.

Two reports, Budget Detail and Budget Overview, let you compare actual postings with the budget amounts to follow the progression of spending and earnings. See “Budget Reports” on page 895.

Important Budgets are supported if you are running QAD Enterprise Applications, Enterprise Edition, with an Oracle database. However, there is a limitation of 12 budget levels when running on an Oracle database.

Report Structures, Allocations, and Financial Report Writer

In addition to budgeting, you can use the Budget function for three other purposes: to allocate costs, to define report structures, and to use in Financial Report Writer.

Budget structures can be used for allocations, where the system allocates costs based on the actuals in the budget. The Budget daemon polls the accounts you specify in the allocation and returns the amounts for distribution. See “Setting Up Allocations” on page 211 for details.

Important If you disable the Budgeting module in System Maintain (36.24.3.1), you also disable the ability to create allocation transactions.

Report structures let you use the Budget function to define the hierarchy of levels for which the system accumulates data for the Balance Sheet and Income Statement reports. You define a report structure that ends at the lowest level on the chart of accounts, and where the higher levels are subtotals. See “Structured Reports” on page 944 for further information.

You can also create a budget structure for use in Financial Report Writer. You can include budget amounts in a financial report to allow you to compare actual postings with budget amounts. See “Financial Report Run” on page 1000 for further information.

Setting Up Budgets

Budget Groups

Use Budget Group activities (25.5.2) to create, view, modify, and delete codes for grouping any combination of accounts, sub-accounts, cost centers, projects, and SAFs used to update actuals for a budget topic. This facilitates budget setup because you can link a group to a budget topic, rather than linking each COA component individually. The use of budget groups is optional.

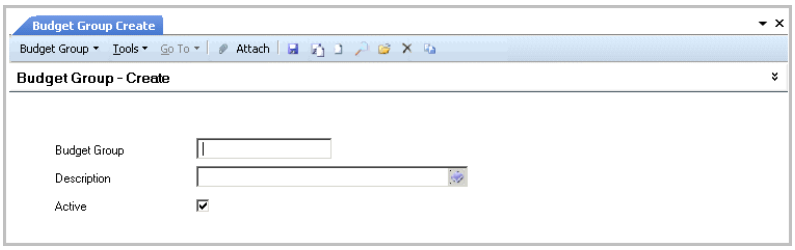
You link a COA component to a budget group by assigning a group name when you create or modify the component definition in, for example, Account Create or Cost Center Create.

Example Your budget structure contains a topic called Current Assets. Create a budget group called Current Assets, and add all asset accounts (inventory, customer, and so on) to this budget group using GL Account Create or GL Account Modify. Link the budget group to the Current Assets budget topic in the Structures tab in Budget Create.

When a budget group has been used in a COA link, you cannot delete it from the system.

See “Setting Up General Ledger” on page 81 for information on assigning COA components to budget groups.

Fig. 13.1
Budget Group Create



Field Descriptions

Budget Group. Specify a code (maximum 20 characters) to identify the budget group.

Description. Enter a brief description (maximum 40 characters) of the budget group. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Active. Select to make the budget group active. You can only use active groups in COA linking.

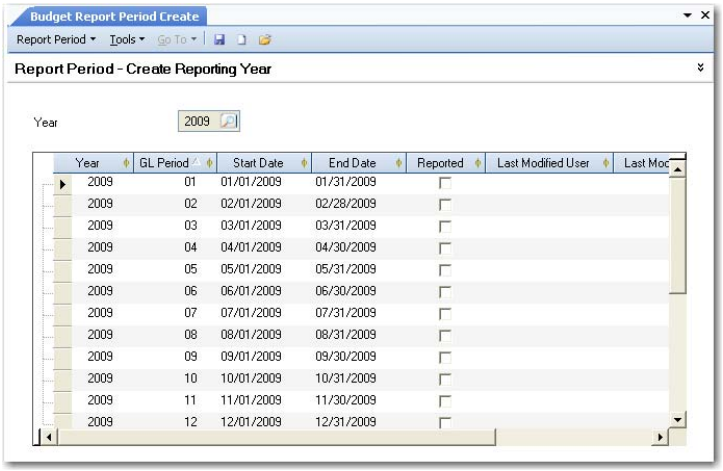
Budget Report Periods

Use Budget Report Period Create (25.4.5.1) to define report periods that are specific to budget reports. Budgets can have multiple versions, and you must associate each version record with a valid reporting period.

Report periods let you mark a specific time span for which you want to produce budget reports. Reporting periods are independent of GL periods and tax periods, and can span multiple GL periods across multiple entities.

Report periods can be equivalent to budget periods, or can vary.

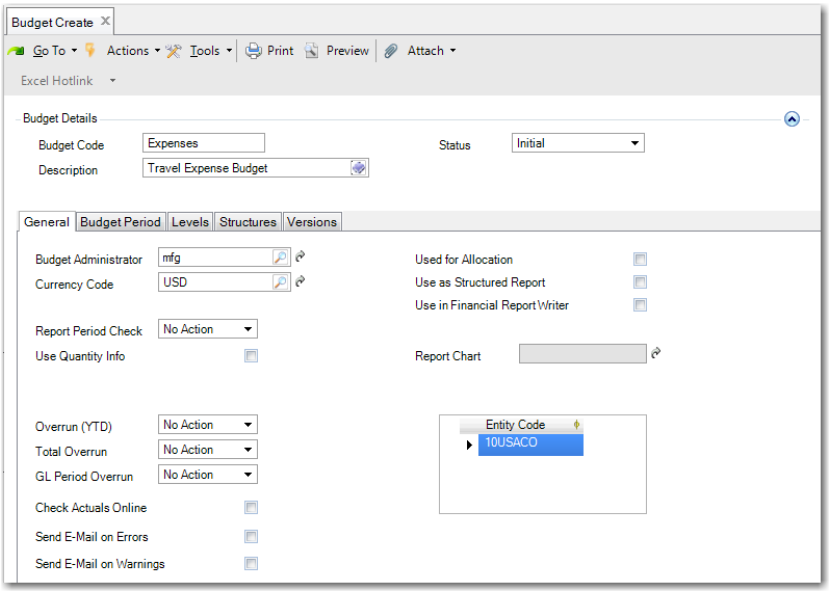
Fig. 13.2
Budget Report Period Create



Creating Budgets

Use Budget Create (25.5.1.1) to create budget periods, levels, and structures. In addition, use the fields in the General tab to specify if the Budget daemon must check actuals against budgeted values, and what type of action to take if a budget amount is overrun.

Fig. 13.3
Budget Create



Field Descriptions

Budget Code. Specify a code (maximum 20 characters) to identify the budget.

Description. Enter a brief description (maximum 40 characters) of the budget. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Status. This field displays the budget status. Budgets can have one of the following statuses:

Initial: The preliminary status of a budget. The status field is read-only and set to Initial until you define budget periods and levels.

Valid: Indicates that the budget can be modified and is ready for use. The status changes automatically from Initial to Valid when you define the budget periods and budget levels. You cannot change a budget status from Valid to Initial.

Operational: Indicates that the budget setup is complete, and that actuals are retrieved by the Budget daemon. The Operational status does not apply for budgets used in Financial Report Writer.

You must manually change the budget status to Operational to allow the actuals to be retrieved. You can change a budget status from Valid to Operational, and from Operational to Closed.

Note The system generates Budget daemon requests for operational budgets only.

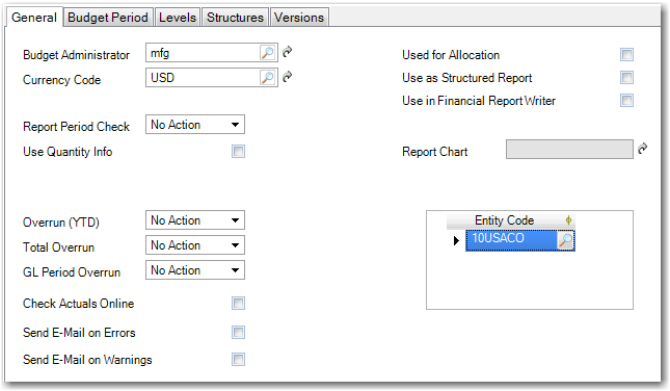
Closed: Indicates that the budget life span is complete. You can reopen the budget by changing its status to Operational.

General Tab

Use the General tab to specify the scope of the budget activities and the entities that provide the budget actuals. The fields let you specify the budget currency and budget administrator, along with the use of this budget.

In addition, specify whether the Budget daemon must poll for actuals containing budget COA data, and the level of action the system takes for budget overruns.

Fig. 13.4
Budget Create, General Tab



Field Descriptions

Budget Administrator. Specify the ID of the user responsible for administration of the budget. This field defaults to the current user, but you can modify this value.

The user you specify receives e-mails when budget amounts are overrun if you have selected the option to send e-mails on errors and warnings.

The system sends the e-mail to the address defined in User Maintenance (36.3.1) for the user specified in the Login field. For more information on user settings, see *QAD Security and Controls User Guide*. and for details on setting up e-mail, see *QAD System Administration User Guide*.

Currency Code. Specify a budget currency. The field defaults to the base currency for the domain, but you can modify this value.

If you specify a currency other than the base currency, the system uses a specific budget exchange rate type to convert between the budget currency and the base currency. If a budget exchange rate for the two currencies is not defined, the system uses the current accounting exchange rate.

See “Exchange Rate Types” on page 63 for more information on exchange rate types.

Note You cannot modify the currency if the budget has a status of Operational.

Report Period Check. Choose whether the system validates if a reporting period is open when a transaction is posted for that period. This field is not available if you select the Use in Financial Report Writer field.

No Action: The system lets users enter transactions in closed/reported periods.

Warning: The system warns the user that the period is closed/reported, but lets the user save the transaction.

Error: The system warns the user that the period is closed/reported, and prevents the user from saving the transaction.

Reporting periods for budgets are set up in Report Period Create. See “Budget Report Periods” on page 876.

Use Quantity Info. Select to budget using quantities, such as machine hours, kilowatt hours, or other quantifiable values. You can then link GL accounts defined to accept units of measure to the budget.

The Budget daemon compares the quantities entered for the GL account to the budgeted quantities. For example, a budget structure can include accounts for tracking kilowatt hours. The daemon updates the budget with the kilowatt hours entered for the account.

Overrun (YTD), Total Overrun, GL Period Overrun. Choose how the system responds if the budget amounts from the start of the budget period to date, for the entire budget, or for a particular budget period are overrun. In each field, the options are No Action, Warning, or Error. These fields are not available if you select the Use in Financial Report Writer field.

No Action: The system allows the user to enter transactions that cause overruns.

Warning: The system warns the user that the budget is overrun, but allows the user to save the transaction.

Error: The system prevents the user from saving a transaction that overruns the budget figure.

Note Use the Topic Properties screen to set responses for budget topics that override the settings in the General tab. See “General Tab” on page 878.

Check Actuals Online. Select the field to enable the online budget check.

Each time a linked budget account is specified in banking entry, journal entry, customer and supplier invoices, open item adjustment, or petty cash activities, the system determines if the new transaction causes the budget amounts to be overrun.

In addition, if you choose Warning or Error in the Overrun (YTD), Total Overrun, or GL Period Overrun fields, the system displays a warning or error if a transaction causes a budget overrun for the corresponding time frame.

Note This field has an effect only when Online Budget Check is selected in the system settings in System Maintain (36.24.3.1).

Send E-mail on Errors, Send E-mail on Warnings. Select the relevant field to send an e-mail to the budget administrator if an overrun error or warning occurs. The system sends the e-mail to the address defined in User Maintenance (36.3.1) for the user specified in the Budget Administrator field.

The system generates errors or warnings when the budget is overrun and if Error or Warning is selected in one or more of the Overrun (YTD), Total Overrun, or GL Period Overrun fields.

Used for Allocation. Select the field if the budget structure is used for allocations.

Only accounts, sub-accounts, projects, cost centers, and SAFs can be used in allocation structures.

See “Setting Up Allocations” on page 211 and “Running Allocations” on page 408 for more information on allocations.

Use as Structured Report. Select the field if the budget structure is used to define a report hierarchy for the Balance Sheet and Income Statement structured reports.

When you select Use as Structured Report, the system validates and categorizes the report structure data differently than general budget data. In addition, selecting the Use as Structured Report field makes the report structure available in the selection criteria of the Financial Statement ProForma, Balance Sheet, and Income Statement reports.

See “Structured Reports” on page 944 for details.

Use in Financial Report Writer. Select this field if the budget is to be used for financial reports. You can include the budget as a column in a report to compare the budget amounts with actual postings. The Use in Financial Report Writer field is exclusive. You cannot select it in combination with the Used for Allocation or the Use as Structured Report fields.

See “Financial Report Run” on page 1000 for details.

Report Chart. This field is only available if you select the Use in Financial Report Writer field. Enter a valid report chart of accounts or click the lookup and select a report chart of accounts from the Report Chart Search list. When you select a report chart, the Entity Code field is automatically populated with the entities associated with that chart.

See “Setting Up the Report Chart” on page 957 for details.

Entity Code. Specify the entities that update actuals for the budget. A budget can link to one or more entities that share the same COA shared sets used in the budget structure. The entities can be in the same or different domains.

The Budget daemon only links actuals postings to budget topics if the postings originate in one of the entities specified in this field.

If you specify more than one entity, the system updates and compares actuals from all entities in the list to the budget amounts.

Important For Financial Report Writer budgets, the Entity Code field is automatically populated with all entities linked to the report chart. The list of entities is read-only. If you want the budget to apply to only a few entities, add topics at the highest level in the budget structure and link those topics to detailed COA dimensions or report analysis codes that contain the entities you require. This step facilitates the link between the budget structure and the report tree structure.

Budget Period Tab

Use the Budget Period tab to create the budget periods for which the budget is valid.

Budget periods can be based on GL periods or can be different. This lets you produce budgets for time periods that do not correspond to GL periods, such as quarterly budgets. Budget periods let you create budgets that operate across entities, and are not restricted to entities sharing the same GL calendar.

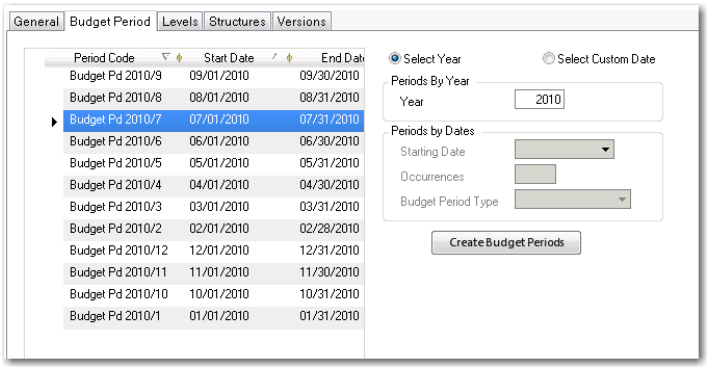
Note The system creates a budget column and a forecast column in the grid in the Structures tab for each budget period you define. If the budget uses quantities, the Structures tab also contains a column for budget quantities and forecast quantities for each budget period.

Budgets can contain a maximum of 54 periods and can run over multiple years. You can also create a single budget period to span an entire year. You cannot define budget levels or structures until you define the budget periods.

You can define budget periods:

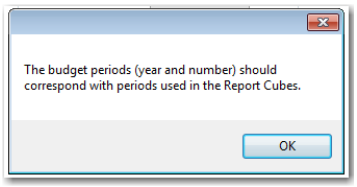
- Manually. Enter all budget period codes and start and end dates manually in the budget periods grid.
- Based on an existing GL calendar year. The budget periods are equivalent to the GL periods of the year you specify. Click the Create GL Periods button to create the periods.
- From rules. Enter the start date, the number of periods, and define whether the periods are defined by week, month, or quarter. The system then creates the budget period table when you click Create GL Periods.

Fig. 13.5
Budget Create, Budget Period Tab



Note If you are creating a budget structure for use in Financial Report Writer, the budget periods you enter must correspond with periods used in the Report Cubes. When you open the Budget Period tab, a message is automatically displayed to inform you of this, as displayed in Figure 13.6. See “Financial Report Run” on page 1000 for more information.

Fig. 13.6
Budget Create Financial Report Writer Message



Periods Grid

This grid contains a row for each budget period you define. When creating budget periods manually, right-click to insert a row.

Periods by Year Field

Year. Specify a GL calendar year on which to base the budget periods. The system creates budget periods that are equivalent to the GL periods of the year you specify.

Use this option independently of the Periods by Dates fields.

Periods by Dates Fields

The system uses the data in these fields to automatically generate budget periods.

Starting Date. Specify the start date of the first budget period.

Occurrences. Enter the number of budget periods to create.

GL Period Type. Choose Quarter, Month, or Week as the period type.

Use this option independently of the Periods by Year field.

Levels Tab

Use the Levels tab to define the hierarchy and level of detail to include in the budget structure. A budget can contain a maximum of 15 levels.

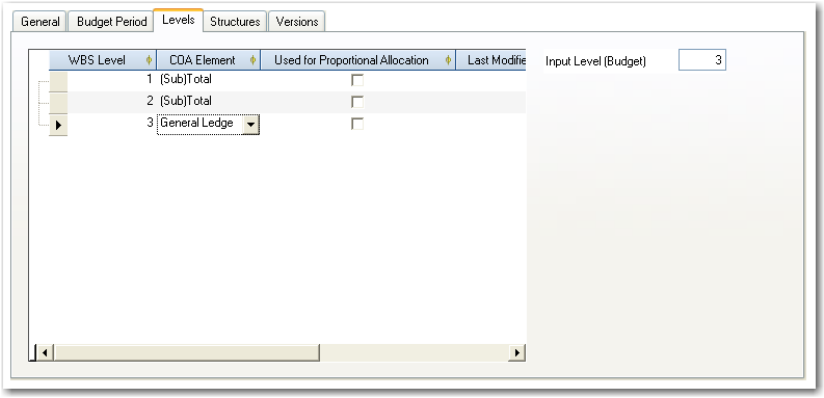
At each level, you can specify whether to include GL accounts, sub-accounts, cost centers, projects, SAFs, or subtotals, and create a sequenced list. A subtotal is a calculated field that shows the sum of all underlying levels, both for budget and actual data. If the budget includes SAFs, they must be at the lowest level within the hierarchy.

The Input Level field indicates the level of responsibility for the budget administrator for tracking the budget. By default, the budget administrator must enter details at the lowest level of detail.

When you have defined levels and move to another tab, you can no longer modify the rows in the Levels tab or insert additional levels.

Note If you want to update the budget levels after moving from the Levels tab, create a new copy of the budget. See “Copying Budgets” on page 891.

Fig. 13.7
Budget Create, Levels Tab



Field Descriptions

Right-click on the grid and select Insert a New Row to create budget levels.

WBS Level. This field displays the level number. The system increments this value for each new level row you create.

COA Element. Choose the COA hierarchy on which to base the budget structure from the following options for Allocation and Structured Report type budgets: Subtotal, General Ledger, Sub-Account, Cost Center, Project, and SAF.

If you are creating a budget for use in Financial Report Writer, you can use report analysis codes and sub-totals or a detailed COA dimensions GL account, sub-account, cost center, project, SAF, entity, and sub-total. A budget composed of COA dimensions cannot use the same dimension on more than one level in the budget and you can only link the related topic node to one item. You cannot link it to a range or a list. An FRW budget cannot have a mixture of report analysis codes and COA dimensions.

See “Financial Report Run” on page 1000 for further details.

Used for Proportional Allocation. Select the field if you want to use the actuals that are retrieved for this budget to allocate costs. This field is not available for Financial Report Writer type budgets.

See “Setting Up Allocations” on page 211 and “Running Allocations” on page 408 for more information.

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

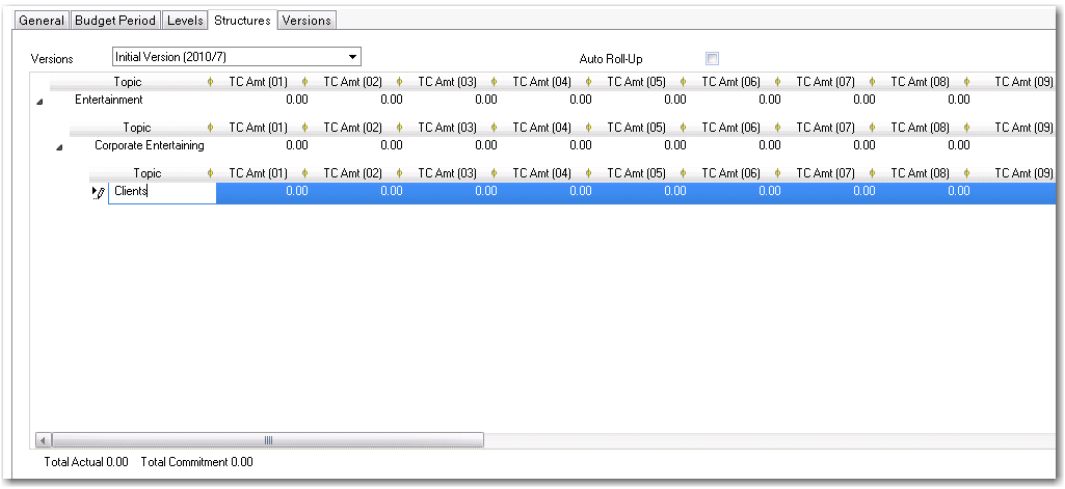
Structures Tab

Use the Structures tab to create the budget topics according to the structure defined on the Levels tab, and enter data for each topic. You can create budget structures manually or by using the Excel hotlink. See “Linking with Excel” on page 892.

The columns in the grid default from the settings on the General and Periods tab. The grid contains a column for the topic code, a budget column, and a forecast column for each budget period. In addition, if you select the Use Quantity Info field in the General tab, the grid includes a Budget Quantity and Forecast Quantity column for each budget period.

When you select a topic for an operational budget, the system displays the linked account or COA component and the total actuals for the topic at the bottom of the Structures tab.

Fig. 13.8
Budget Create, Structures Tab



Field Descriptions

Versions. Choose the budget version for which you want to view or modify the structure and data. See “Versions Tab” on page 890 for more details on versions.

Auto Roll-up. Select to aggregate the budget data to the higher levels. When you select this, the system automatically sums budget, actuals, and forecast data from the lower budget levels and updates the subtotals at the higher levels.

The following fields display in the Structures grid:

Topic. Enter a description (maximum 40 characters) of the budget topic. This field also contains a lookup browse that enables you to select the topic you want. The Topic field lookup browse displays the COA Element type you select on the Levels tab. For example, if you choose General Ledger as your top-level COA Element type, the Topic field lookup browse for the first row in the grid displays a list of GL accounts.

If you do not enter a label in the topic field and you select a line in the lookup browse, the field label defaults to the actual element code.

TC Amt. Enter the budget amount for the corresponding budget period.

Forecast Cost. Enter a forecast for the corresponding budget period. After you have set up and entered budget data, you can enter new information that affects the budget in the forecast columns.

Budget Quantity, Forecast Quantity. Enter the budget quantity and forecast quantity for the corresponding budget period. These columns only appear if you selected the Use Quantity Info field in the General tab.

Link by Level. This field displays the COA element to which the topic is linked. You link a topic to a COA element using the Topic Properties window. See “Defining Topic Properties” on page 887.

The Link by Level field is hidden by default. You can display the field by right-clicking in the grid and selecting Columns from the context menu. In the Columns window, indicate that you want to display the Link by Level field by selecting the check box beside that label.

Budget Group. This field displays the budget group to which the topic is linked. You link a topic to a budget group using the Topic Properties window. See “Defining Topic Properties” on page 887.

The Budget Group field is hidden by default. You display the field as described in the Link by Level field description.

Alternate COA Group. This field displays the alternate COA group to which the topic is linked. You link a topic to an alternate COA group using the Topic Properties window. See “Defining Topic Properties” on page 887.

The Alternate COA Group field is hidden by default. You display the field as described in the Link by Level field description.

Description. This field displays an extended description (up to 120 characters) of the topic. You can optionally print the description on reports based on this structure. You define the extended description in the header of the Topic Properties window. See “Defining Topic Properties” on page 887.

Print Description. This field indicates if the topic property extended description, as specified in the Topic Properties window, must be displayed on reports based on this structure.

You indicate your description print preference using the Print Description field on the General tab of the Topic Properties window. See “Defining Topic Properties” on page 887.

The Description field and Print Description field in the Topic Properties window are only enabled if the Use as Report field is selected on the General tab of Budget Create.

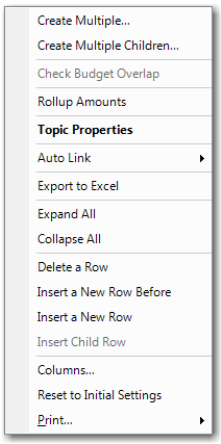
Category. This field indicates if the budget topic is an asset, liability, income, or expense.

Budget Grid Options

A number of right-click menu options are available within the grid in the Structures tab.

The Topic Properties right-click option is discussed in a separate section. See “Defining Topic Properties” on page 887. Exporting to Excel is described in “Linking with Excel” on page 892.

Fig. 13.9
Right-Click Menu Options



Create Multiple Rows

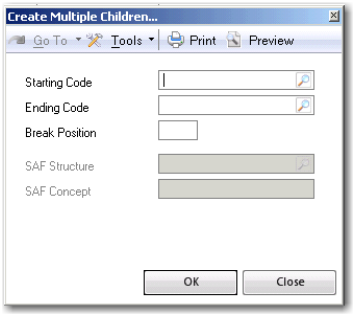
The Create Multiple and Create Multiple Children options let you automatically create budget rows and link topics in a single task. For example, to create rows for a GL account topic level, select Create Multiple and use the fields in the Create Multiple screen to specify the range of accounts to link. Each topic row is linked in sequence to a GL account in the range you specify.

If you position the cursor in a parent row and click Create Multiple Children and specify an SAF structure, the system creates a child row for each SAF concept associated with the SAF structure.

You can control how the child rows are created by specifying a break position.

Example You want to create a structure with multiple levels referencing 4 accounts numbered 1000, 1100, 1110, 2000. Specify Link From Code 1000 and Link To Code 2000. Then specify Break Position 1. The system looks for the first change in pattern in position 1 and starts a new topic. In this case, accounts 1000, 1100, 1110 are grouped (they all have 1 in the first position) and account 2000 starts a new topic. For finer granularity, specify Break Position 2. In this case, 3 levels are created with 1000 in one level, 1100 and 1110 in the next, and 2000 in the third.

Fig. 13.10
Create Multiple Children



Starting Code. Specify the first COA code in the range for which you want to create budget rows and automatically link COA components.

Ending Code. Specify the last COA code in the range for which you want to create budget rows and automatically link COA components.

Breaking Position. To group related codes, specify the character position the system should use to distinguish one group from another. For example, specify 1 for the system to use the first position.

SAF Structure. Specify the SAF structure to link. The system creates a child row for each concept in the structure.

SAF Concept. This field displays the first SAF concept in the structure.

Check Budget Overlap

The Check Budget Overlap option checks all COA combinations that are linked to the budget topic, if this option is enabled for the entity. This check also generates a list of combinations of all COA codes and checks the uniqueness of each combination. You cannot set the budget status to Operational if overlaps are found.

The ability to check for budget overlaps is activated in the General tab of Entity Create. See “Setting Up Entities” on page 45 for more details.

Rollup Amounts

The Rollup Amounts option lets you aggregate budget amounts, actuals, and forecast data from the lower budget levels to update the subtotal amounts at higher levels. You can also set the budget structure to roll up amounts automatically by selecting the Auto-Rollup field in the Structures tab.

Auto Link

If you create budget topics that use the same naming convention as the accounts or analysis you want to link to, select Auto Link to automatically create a link to the relevant COA component. You can do this for the entire budget or for the current row in the grid.

Defining Topic Properties

After you define the budget structure, you need to specify the COA components that are the source of the actuals data. To do this, right-click on a topic, select Topic Properties, and the Topic Properties window opens.

You can link a COA component to a budget topic in a number of ways:

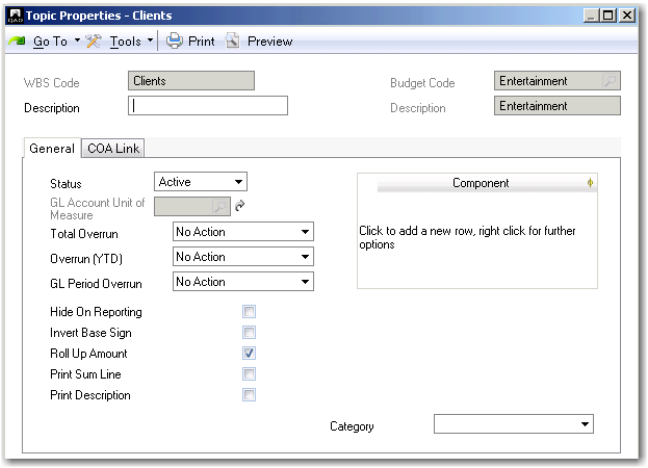
- Budget group. All COA components that belong to this group are linked to the topic.
- Link by level. Specify a single item, a comma-separated list, or a range.
- SAF level, where applicable. For topics at SAF level, specify the SAF structure.

The Topic Properties screen also lets you define if you can post to a topic, and the action to take for overruns for individual topics.

Note If you create a budget for use in Financial Report Writer, you can link a COA component to a budget topic by using an analysis code or a detailed COA dimension. The General tab is not displayed and the only editable field in the Topic Properties window is the Link by Level field on the COA Link tab.

See “Financial Report Run” on page 1000 for further details.

Fig. 13.11
Topic Properties, General Tab



Field Descriptions

WBS Code. This field displays the current budget topic.

Description. Specify a description of the topic that you can optionally print on structured reports. You can enter up to 120 characters.

When using Budget Create to define a report structure, you can choose to print the topic description when reports based on this structure are printed. You indicate your topic printing preference using the Print Description field on the Topic Properties General tab.

The Description field and Print Description field are only enabled if the Use as Report field is selected on the General tab of Budget Create.

Budget Code. This field displays the code that identifies the budget.

(Budget) Description. This field displays the description of the budget.

General Tab

Status. Choose the status of the topic from the following:

Active: Indicates that actuals can be posted for the topic.

Closed: Indicates that the topic is at the end of its life cycle; no further postings are allowed.

Draft: Indicates that the topic is being set up; no postings have been made.

A topic's life cycle moves from Draft to Active to Closed. An operational budget can contain a variety of topics in each status.

If the online check for budgets is set in System Maintain, the system displays an error message if you try to update actuals for a closed or draft topic. System Maintain is described in *QAD System Administration User Guide*.

GL Account Unit of Measure. Specify the GL unit of measure for budgets that use quantities. This field is available if you selected the Quantity Info field in the General tab.

Overrun (YTD), Total Overrun, GL Period Overrun. Choose how the system responds if the budget amounts from the start of the budget period to date, for the entire budget, or for a particular budget period are overrun for the current topic. These overrun settings overrule the settings in the General tab.

In each field, the options are No Action, Warning, or Error.

No Action: The system lets the user enter transactions that cause overruns.

Warning: The system warns the user that the budget is overrun, but lets the user save the transaction.

Error: The system prevents the user from saving a transaction that overruns the budget figure.

Note These fields do not display when the topic is a subtotal.

Hide on Reporting. Select the field to hide topics on the Balance Sheet and Income Statement reports. This field relates to report structures only. See "Structured Reports" on page 944 for more details.

Note This field is only enabled for topics if Use as Report is selected in the budget header fields.

Invert Base Sign. Select the field to invert the operator (+ or –) that identifies positive or negative values. This field relates to report structures only. See "Structured Reports" on page 944 for more details.

Roll Up Amount. Select this field to indicate whether the current topic level can be rolled up to a higher level.

This field relates to report structures only. See "Structured Reports" on page 944 for more details.

Print Sum Line. Select the field to print a header or a footer line for the linked accounts.

This field relates to report structures only. See "Structured Reports" on page 944 for more details.

Print Description. Select this field if you want to print the topic description on reports based on this structure.

You specify a topic description using the Description field in the Topic Properties header.

The Description field and Print Description field are only enabled if the Use as Report field is selected on the General tab of Budget Create.

Category. Specify the GL category of the accounts linked to the current level in the report structure.

This field relates to report structures only. See “Structured Reports” on page 944 for more details.

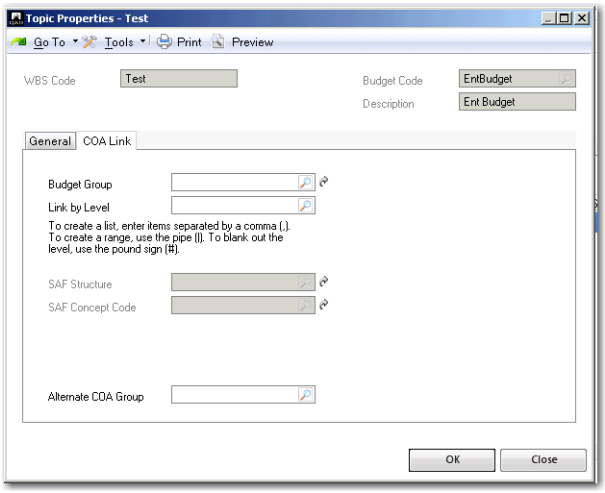
Component Grid

Component. Use the grid if you want to limit which activities in the system can update this budget topic, based on business component. If no values are specified, the topic can be updated from any business component activity.

COA Link Tab

Select Topic Properties to define the link from the budget topic to the COA components. You can link by budget group, by level, or by SAF.

Fig. 13.12
Topic Properties, COA Link Tab



Field Descriptions

Budget Group. Select a budget group to link all COA components that belong to the group to the topic.

A budget group can be associated with GL accounts, sub-accounts, cost centers, projects, and SAFs when they are defined. See “Setting Up General Ledger” on page 81 for details on creating COA components and assigning them to budget groups.

Link by Level. Specify the COA components to link to the budget topic.

A browse for COA components opens. The type of browse depends on the level of the topic within the budget hierarchy. For example, when linking COA components for GL accounts, a browse for GL accounts opens and when linking COA components for cost centers, a browse for cost centers opens.

Using the Link by Level field, you can define a single item, a comma-separated list, or a range (using the pipe character).

Important This is the only field you can change if you are creating a budget for use in Financial Report Writer. Use it to link a budget topic to a detailed COA dimension code or an analysis code. It is possible to link to multiple analysis codes. If you choose to link your budget topics this way, the original budget topic labels you entered are retained.

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

Alternate COA. When running a structured report based on an alternate COA, such as the Regional Balance Sheet or Regional Income Statement, specify the alternate COA structure that you want to base the report on.

This field relates to report structures only. See “Structured Reports” on page 944 for more details.

See “Alternate Chart of Accounts” on page 113 for more information on setting up alternate COAs.

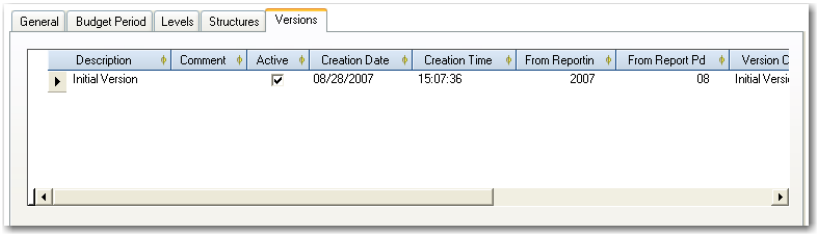
Versions Tab

Budgets can have multiple versions, and you must associate each version record with a valid reporting period.

You can create several versions of the same budget using the Budget Modify All Versions activity. Only one budget version is active at any time, and only this budget version is used for the online budget check (when enabled in the General tab).

To create a new budget version, insert a row in the Versions grid, specify a name for the new version, and select the Active field to make the new version the current one. Clear the Active field for the previous budget version. Only one budget version can be active at any time.

Fig. 13.13
Budget Create, Versions Tab



Field Descriptions

In Budget Modify All Versions, right-click in the grid and select Insert a New Row.

Description. When creating subsequent budget versions, enter a description (maximum 20 characters) to distinguish and identify the new version. This field defaults to Initial Version for the first budget version, but you can modify this value.

Comment. Enter a comment (maximum 40 characters) regarding the budget version.

Active. Indicate if the budget version is active.

Version Code. Enter a code (maximum 20 characters) to identify the budget version. This field defaults to Initial Version for the first budget version, but you can modify this value.

The version code you define appears in the Versions drop-down list in the Structures tab.

From Reporting Year/Period. Specify the reporting period that budget reports for this structure use.

In reporting, it is important to use the correct version of the budget. The fields default to the period and GL calendar year in which the budget version was created.

For example, when you specify period 6 of GL calendar year 2007, you ensure that this version of the budget will be reported on from June 2007 onwards.

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

Budget Activities

Modifying Budgets

A number of restrictions apply when modifying budgets.

When creating budgets in Budget Create, you cannot modify the data in the Periods and Levels tabs once you have created the budget topics in the Structures tab.

Two activities let you modify saved budgets:

- Budget Modify (25.5.1.2) lets you change the budget data in the Structures tab for the current active budget version. The data in the General, Periods, Levels, and Versions tabs cannot be modified.
- Budget Modify All Versions (25.5.1.6) lets you modify budget data in all tabs, except the Levels tab, and save your changes as a new budget version.

  You can insert a new topic in any position in a budget structure.

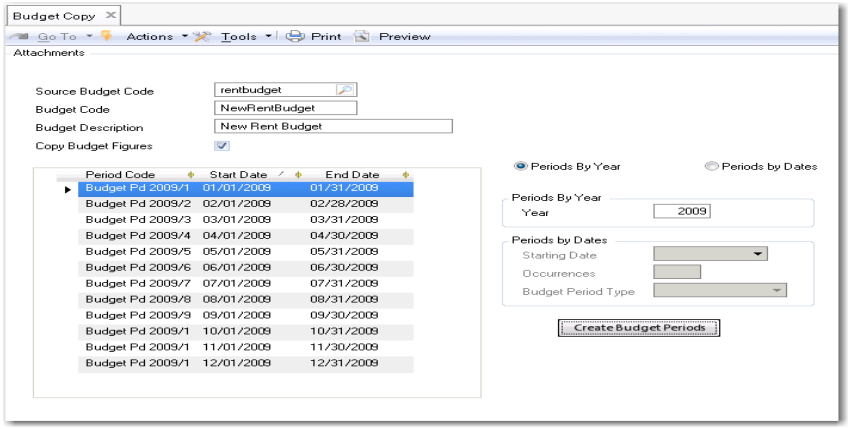
You can prevent changes to the general budget data by only assigning access to Budget Modify and limiting access to Budget Modify All Versions to the budget administrator.

Copying Budgets

Budget Copy (25.5.1.5) lets you use an existing budget as the basis for a new budget.

When you copy a budget, you copy the budget structure and can optionally copy the budget data. However, you must define budget periods for the new budget.

Fig. 13.14
Budget Copy



Field Descriptions

Source Budget Code. Specify the budget code that you want to copy.

Budget Code. Enter a code (maximum 20 characters) to identify the new budget.

Budget Description. Enter a brief description (maximum 40 characters) of the new budget.

Copy Budget Figures. Select this field to copy the budget structure and budget data from the original budget to the new one. Clear the field to copy the budget structure only.

Use the Periods grid and fields to create budget periods for the new budget. These fields and their functions are described in “Budget Period Tab” on page 880.

Rebuilding Budgets

The Budget daemon monitors topic values and ensures that the topic used in a budget has current values. Each posting on the budget item simultaneously generates a work record for the daemon.

The Budget Rebuild (25.5.1.2) activity clears all previous actuals calculations for a specific budget and regenerates all daemon records. Rebuilding recalculates all the actuals values.

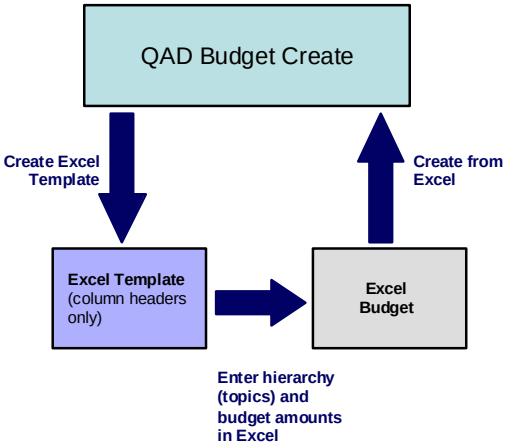
Linking with Excel

The Excel Hotlink menu contains a number of options that let you integrate with the Budgeting module using Excel.

The Create Excel Template and Create From Excel options are similar to standard Excel integration. You use these options when first setting up budgets. The Create from Excel feature requires that you use a specific, custom Excel template, which you access using the Create Excel Template option. When you have completed the budget definition in Excel, you can upload the data using the Create from Excel option.

Important You can only create new budget structures using Create from Excel; you cannot modify an existing Excel budget structure and re-import it.

Fig. 13.15
Budget Excel Integration Flow

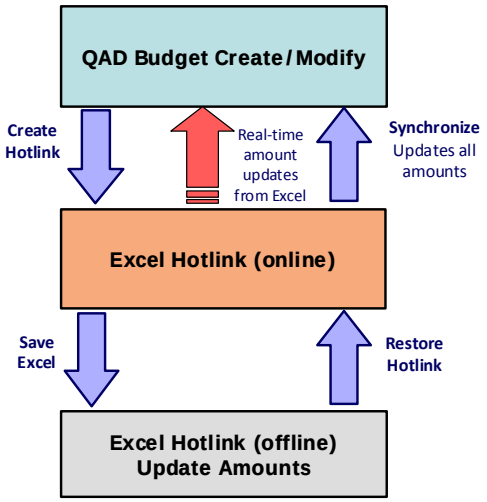


Later, if you want to maintain budget data in Excel, you can create an Excel Hotlink. The hotlink integration with Excel provided in budgeting is more advanced than that available in other Excel integration functions, described in *Introduction to QAD Enterprise Applications User Guide*.

The Excel Hotlink option exports all the current data to Excel, where you can make modifications. The spreadsheet contains the topic structure of the budget as read-only columns, and includes an updatable Amount column for each budget period. You can synchronize your changes with the system using the Synchronize option.

When the budget structure and the Excel spreadsheet are hotlinked, any amount change you make in Excel is immediately reflected in the Budget function. You can also take the hotlink Excel spreadsheet off-line, work on the numbers, return to using the system, and synchronize the hotlink so that the application is updated with the new budget figures.

Fig. 13.16
Excel Hotlink Flow

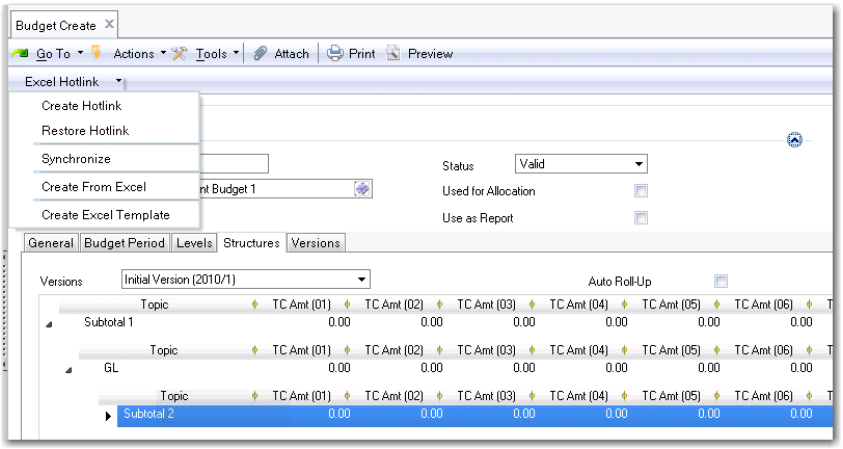


Note The Excel Hotlink menu is only available when the Structure tab is active. The Excel Hotlink is only intended for updating budget amounts; it is not intended for use in creating or modifying the hierarchy structure of a budget.

Excel spreadsheets linked to the system using hotlinks can only contain the budget structure and budget data. You cannot create new COA links in Excel to import into and update a budget structure.

The Restore option lets you find a spreadsheet created as an Excel hotlink, and open it. You can then use the Synchronize function to update the system with the changes in the spreadsheet.

Fig. 13.17
Budget Excel Hotlink Menu



The menu has the following options:

Create Hotlink. Choose Create Hotlink to create a spreadsheet containing the budget topic structure and any budget values already entered. The first spreadsheet columns correspond to the topic names and are read-only. When you update a value in the spreadsheet, the corresponding value in the relevant column in the Structures tab is updated also.

You must run both Excel and your QAD application simultaneously to maintain the hotlink. You can save data in either the spreadsheet or the budget grid at any stage. However, you can also take the hotlinked Excel spreadsheet off-line, update the amounts, and synchronize the hotlink when you return online.

The system stores the spreadsheet file location for each budget. If you plan to share budget maintenance with other users, make sure the file is saved on a shared network drive so it is accessible to them.

Restore Hotlink. Use the Restore Hotlink command to open the spreadsheet associated with a budget.

Synchronize. Use the Synchronize option to replace the budget data in the Structures tab with data in the Excel sheet.

Create from Excel. Use this option to import data defined in a template to initialize the budget structure.

The Create from Excel feature requires that you use a specific, custom Excel template. Use the Create Excel Template option to access the correct template to use.

You can only create new budget structures using Create from Excel; you cannot modify an existing Excel budget structure and re-import it.

Create Excel Template. Use this option to create a custom spreadsheet with column headings for all of the columns in the grid.

Budget Reports

Two reports let you report on budgets, forecasts, and actuals: Budget Detail and the Budget Overview. You can run the reports for a single entity or across multiple entities. The reports also let you report on non-operational budgets.

Budget Overview

Budget Overview (25.5.3.1) lists budget summary data by budget level. The transactions that resulted in the actuals are listed at the end of the report.

You can configure this report to display up to eight columns of data and specify what kind of data you want to include in each column. You do this by selecting the measure you want to use to generate the report data from the following list:

- Budget Qty
- Forecast Qty
- Actuals
- Actual Qty
- Budget – Actuals
- Forecast – Actuals
- (Budget – Actuals)/Budget * 100
- (Forecast – Actuals)/Forecast * 100

Other options include the following:

Time Frame Type for Actuals. Indicate how you want the system to select data to report for each of the 8 columns:

From – To Period: Analyze data between the range of reporting period specified in Reporting Periods 1–8.

Life To Date: Analyze all data from the start of budget to today.

Life To End: Analyze all data from the start of budget to the end of the budget.

Version Measure. Indicate which version of the budget the measures should analyze:

See To Period: Find the version of the budget associated with the To Reporting Period specified for the column. This choice is valid only when Time Frame type is From – To Period.

Use Active Budget: Select actuals from the active budget. This is the typical way of analyzing data.

Use Original Budget: Select actuals from the initial version of the budget.

Budget Detail

Budget Detail (25.5.3.1) lists detailed actuals by budget topic, with subtotals and a grand total. The report also displays open budget or forecast amounts.

This report has similar options to Budget Overview, but uses lets you choose one open budget calculation method from the following:

- Budget – Actuals
- Forecast – Actuals

The options for commitments is not currently supported.

The report includes the following other budget-specific selection criteria:

- Budget Code
- Budget Responsible
- Budget WBS Topic
- Operational Budgets Only (Yes/No)
- Reporting Period
- Reporting Year

Chapter 14

Consolidation

The following topics describe how to configure and process consolidation accounting.

Overview 898
Introduces the consolidation functions and concepts.

Consolidation and Currency Translation 899
Describes how currencies are translated during consolidation.

Setting Up Consolidation 900
Configure consolidation cycles and chart of account cross references.

Set Up Intercompany Eliminations 908
Create a layer and daybooks to use in eliminating intercompany transactions.

Creating a Consolidation 908
Run a consolidation cycle to consolidate balances.

Reporting 910
Report on consolidation transactions.

Intercompany Elimination Postings 910
Identify and eliminate intercompany postings from your consolidation.

Consolidation Period Closing View 911
View the status of GL periods for each consolidaton entity included in a consolidation cycle

Overview

Consolidation is the process of combining the financial records for a number of entities within an organization into one consolidated set of financial statements. Consolidation is usually a monthly review process, giving an immediate financial summary of a multi-entity organization. You can perform a number of consolidations within the organization to account for the subsidiaries of entities that have been taken over by the parent organization. Proportional consolidation lets you consolidate partly-owned subsidiaries based on the percentage of the subsidiary owned by the parent entity.

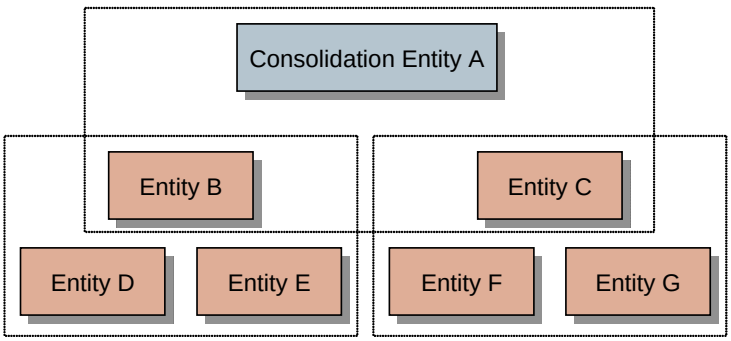
The consolidation process consists of determining the entities with accounts you want to consolidate, and setting up a consolidation entity in which to store the consolidation data. The COA Cross Reference function allows you to map GL accounts, sub-accounts, cost centers, and projects in the source entities to individual COA elements or combinations in the consolidation entity. You can also use COA Cross Reference Excel Integration (25.3.14.6) to load cross-reference mappings from an Excel spreadsheet, reducing the time required to set up consolidation. See “Creating COA Cross-References” on page 901 for more information.

Note The entities that you consolidate can be in different domains, but must be within the same database.

In an organization with multiple entities and subsidiaries, you should consolidate in stages.

Example An organization has subsidiaries represented by entities B and C. B in turn has subsidiary entities D and E, and C has subsidiary entities F and G. Perform consolidations for entities D and E in entity B, for entities F and G in Entity C, and finally for entities B and C in entity A.

Fig. 14.1
Multi-Level Consolidation



You can perform initial consolidation to the transient layer. This lets you review the consolidated sets of accounts for missing postings. You can delete this consolidation, re-create the missing postings in the subsidiary accounts, and then consolidate again. When satisfied with your consolidation transactions, use Mass Layer Transfer to transfer the transactions to the official layer for reporting. See “Mass Layer Transfer” on page 414.

You specify a consolidation daybook for each source layer you want to consolidate. For example, when you consolidate, the transactions in the official layer from all source entities are mapped to the official layer consolidation daybook in the consolidation entity. Since transaction numbers

include daybook codes, you can identify the transactions from separate entities by their original daybook code when you are reviewing the consolidated transactions. For this reason, you should avoid using the same daybook codes in different entities when setting up daybooks.

The GL periods of the source entities to be consolidated must be locked before you begin the process. In cases where you need to go back and re-create missing transactions, you must unlock the period, complete the transactions, and lock the period again before consolidating again. See “Modifying Entity GL Periods” on page 188.

You can include the following types of transaction in a consolidation entity:

- Journal entries, including reversing entries
- Recurring entries
- Revaluations
- Allocations
- Consolidation

You cannot consolidate into an account of type cross-company during a consolidation. These transactions could cross-reference entities that are not included as source entities in the consolidation. You can map the source cross-company accounts to standard accounts (which can be intercompany accounts) in the consolidation entity. This option is recommended. Alternatively, you can eliminate cross-company or intercompany transactions after consolidation. See “Set Up Intercompany Eliminations” on page 908 and “Intercompany Elimination Postings” on page 910 for more information.

You also cannot include year-end transactions because these transactions create incorrect or incomplete balances in the final consolidation.

The system also does not include transactions that reference both consolidation and non-consolidation entities, or that reference two or more consolidation entities. The system does not use source entity GL transactions posted to the transient layer for consolidation purposes.

Important After you have created the consolidation, you perform an additional step to eliminate intercompany postings. See “Intercompany Elimination Postings” on page 910.

Consolidation and Currency Translation

Consolidation can be performed between entities using the same or different base currencies. When the entities are in domains with different base currencies, the system converts transactions in the base currency of the source entity into the base currency of the consolidation entity using rates in the exchange rate shared set of the consolidation entity. The exact rate used is determined for each account based on the setting of the Consolidation Method field in the Currency tab of GL Account Create. This can have one of the following values:

- Actual Rate (accounting rate at period end, also known as current rate)
- Historical Rate
- Simple Average Rate
- User-Defined Rate (Own Method)
- Weighted Average Rate

These methods are described in “Consolidation Method” on page 96.

When different methods are used, exchange rate differences may result. These are posted to the Rounding Differences account specified in Consolidation Cycle Create.

Setting Up Consolidation

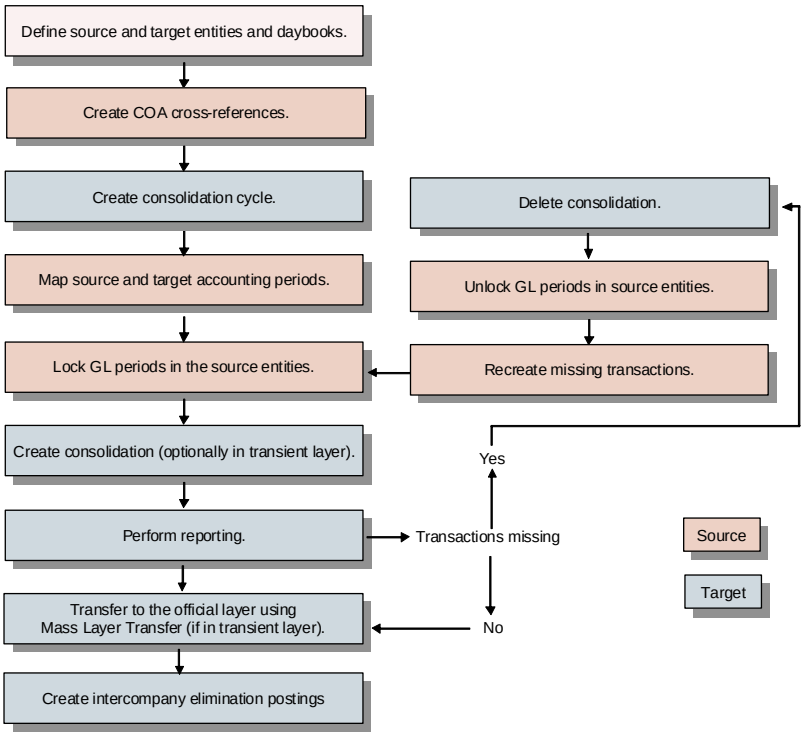
The system uses source and target entities in the consolidation process. Source entities are the subsidiary entities whose accounts you want to consolidate. The target entity is the consolidation entity, in which you combine the source account transactions.

From within the consolidation entity, you create a consolidation cycle, which identifies the source entities, the daybooks to be used for transactions in each entity, and the participation percentage to be applied to each entity.

Consolidation is performed for a set GL period, and you must align your consolidation entity GL periods with those of the source entities. You must map GL accounts, sub-accounts, cost centers, and projects in the source entities to the target COA elements in the consolidation entity. You can also use COA Cross Reference Excel Integration (25.3.14.6) to load cross-reference mappings from an Excel spreadsheet.

The following figure illustrates the basic steps.

Fig. 14.2
Consolidation Flow



1 Create the source and target entities and daybooks required for consolidation.

2 From within each of the source entities, map source and target GL accounts and, optionally, sub-accounts, cost centers, and projects, to create COA cross-references for use in the consolidation cycle. Each subsidiary entity and the COA cross-reference it uses must belong to the same domain. See “Creating COA Cross-References” on page 901.

3 From within the consolidation entity, create the consolidation cycle, which defines the source entities and daybooks to use. See “Creating a Consolidation Cycle” on page 902.

4 From within each of the source entities, define a range of GL periods to be mapped to the consolidation GL calendar. See “Consolidation Period Cross-Reference” on page 906.

5 From within each of the source entities, lock the GL periods that are to be included in the consolidation. See “Modifying Entity GL Periods” on page 188.

6 From within the consolidation entity, create the consolidation. In this step, you define source and target accounting layers, set the GL period range, and run the consolidation. See “Creating a Consolidation” on page 908

7 Perform reporting. See “Reporting” on page 910.

8 Create intercompany elimination postings. See “Intercompany Elimination Postings” on page 910.

Creating COA Cross-References

Before you can consolidate, you must use COA Cross Reference Create to map GL accounts, sub-accounts, cost centers, and projects in the source entities to the target COA elements in the consolidation entity. You can create either Combined GL Dimension or Separate GL Dimension COA cross-reference mapping types for use in consolidation.

Combined GL Dimension mappings let you specify cross-references from source COA combinations to target COA combinations. Separate GL Dimension mappings let you specify cross-references from separate source COA elements to separate target COA elements (GL accounts to target GL account, sub-accounts to target sub-accounts, and so on).

You can also use COA Cross Reference Excel Integration (25.3.14.6) to load cross-reference mappings from an Excel spreadsheet, reducing the time required to set up consolidation.

See “COA Cross-References” on page 119 for detailed information on creating consolidation cross-references and for information on alternate COA cross-references.

Note Each subsidiary entity and the COA cross-reference it uses must belong to the same domain.

Finding Separate Cross-Reference Mappings

During consolidation, if the system finds multiple Separate GL Dimension mappings for the same source GL COA element, the first mapping found is used.

Finding Combined Cross-Reference Mappings

During consolidation, when the subsidiary entity's mapping type is Combined GL Dimension, the system reads the GL combination (account, sub-account, cost center, and project) from the source transaction and looks for a match in the cross-reference table. The system searches for matching cross-references in the following order:

1. Matching account, sub-account, cost center, and project
2. Matching account, sub-account, cost center, and blank project
3. Matching account, sub-account, blank cost center, and project
4. Matching account, sub-account, blank cost center, and blank project
5. Matching account, blank sub-account, blank cost center, and blank project
   In this case, the default sub-account and cost center are used.

If no match is found, the transaction is posted to the same GL combination specified on the originating transaction when at least one occurrence of the GL account is found in the xref source columns. When no occurrence is found, the system returns an error message.

If multiple matches of the same priority are found, the system uses the first one it finds.

Creating a Consolidation Cycle

Use Consolidation Cycle Create (25.19.1.7) to create a consolidation cycle in the consolidation entity that defines the consolidation structure. You indicate the source and target entities and whether consolidation is full or proportional.

A consolidation cycle can have one of three statuses: Initial, Valid, and Operational. Initial is the first status of the cycle, and no validation is performed. When the cycle status is set to Valid, the system checks to ensure that the GL period and COA cross-references are consistent.You can only initiate a consolidation run using cycles with the status Operational.

When creating a consolidation cycle, you can indicate whether to include sub-accounts, cost centers, projects, and SAFs. For a consolidation cycle with a status of either Valid or Operational, and which includes analysis (sub-account, cost center, project, or SAF), a default value must be provided.

An entity can be a consolidation entity for several source entities in one consolidation cycle and a source entity in another consolidation cycle. The consolidation process is started in the consolidation entity for a range of periods or for one period.

For each source entity defined in a consolidation cycle, you can specify a COA cross-reference. The COA cross-reference should be defined in the same domain as the source entity.

The consolidation entity is the target entity for consolidation purposes. It is used to generate reports on the GL movements of the source entities, using the full range of GL reports. See “Reporting” on page 910.

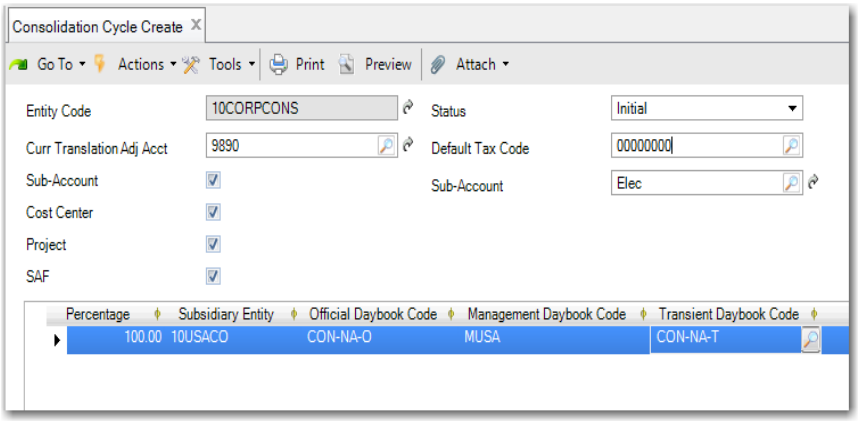
You can modify consolidation cycles to define or remove a new source entity, change the participation percentage of an existing source entity, or associate or change a daybook code.

You add source entities to the consolidation cycle by inserting a new row.

You also add the daybook codes for the consolidation transactions. You specify a daybook for each source layer, and the system stores the consolidation transactions in the appropriate consolidation daybook.

For example, when you specify a consolidation daybook for the management layer, all source entity transactions in the source management layer are stored using this daybook following consolidation. You need only specify daybooks for the layers you intend to use.

Fig. 14.3
Consolidation Cycle Create



Field Descriptions

Entity Code. The system displays the code of the entity you are logged in to. This is the consolidation entity. This entity must have been marked as a consolidation entity in the Entity function before you can create the cycle.

Status. Specify the status of the consolidation cycle:

Initial: No validation checks are performed.

Valid: The system checks both the source entities and the consolidation entity to ensure that the GL period and COA cross-references are consistent.

Operational: You can initiate the consolidation run using Consolidation Create.

Sub-Account. Select this field to indicate that the GL transaction must be transferred with the associated sub-account code. Source sub-accounts are then translated to the mapped consolidation value using the COA cross-reference definition.

Default Sub-Account. Specify the default sub-account to apply to target GL transactions. The default sub-account is used when the target account has sub-account analysis, but the source account does not, or when the source account has sub-account analysis, but you have chosen to exclude sub-accounts during consolidation.

Currency Translation Adj Acct. Specify the GL account to which to post currency differences generated by translation adjustments during the consolidation. This should be a standard account, defined in the base currency, and can be either a balance sheet or income statement account.

The account lookup only displays GL accounts defined with the base currency.

Default Tax Code. Specify a default tax code to be applied to tax account transactions in the consolidation entity. You use this tax code to identify tax account transactions in the consolidation for reporting purposes only.

Cost Center. Select this field to indicate that the GL transaction must be transferred with the associated cost center code. Source cost centers are then translated to the mapped consolidation cost center value using the COA cross-reference definition.

The default cost center defined in the Default Analysis window is used when the target account has cost center analysis, but the source account does not. The default cost center is also used when the target account and source account both have cost center analysis, but cost centers are excluded from the consolidation. See “Default Analysis” on page 904.

If the Cost Center field is cleared, the source entity cost center is not included in the consolidation. However, if the target account is defined with cost center analysis, the default cost center from the consolidation cycle is used to create the target consolidation posting.

Project. Select this field to indicate that the GL transaction must be transferred with the associated project code. Source projects are then translated to the mapped consolidation project value using the COA cross-reference definition.

The default project defined in the Default Analysis window is used when the target account has project analysis, but the source account does not. The default project is also used when the target account and source account both have project analysis, but projects are excluded from the consolidation. See “Default Analysis” on page 904.

If the Project field is cleared, the source entity project is not included in the consolidation. However, if the target account is defined with project analysis, the default project from the consolidation cycle is used to create the target consolidation posting.

SAF. Select the field to include SAFs in the consolidation cycle.

If SAFs are included in the consolidation cycle:

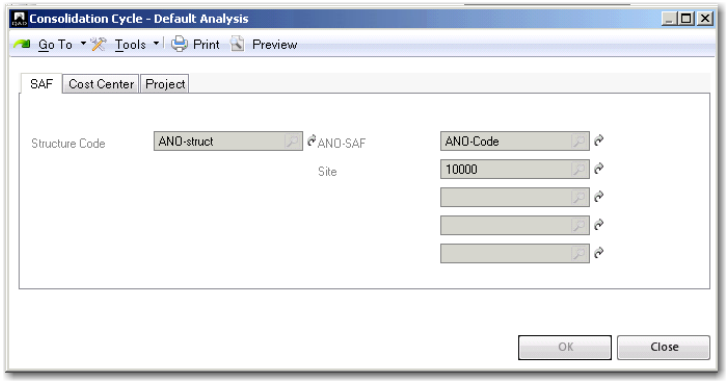
- If a transaction in the source entity contains SAFs, and the source account is mapped to an account without SAFs in the consolidation entity, the consolidation transaction does contain SAFs.
- If the transaction in the source entity does not include SAFs, and the target account COA in the consolidation entity includes SAFs, the consolidation transaction contains SAFs that default from the GL account, cost center, project, or SAF structure defined in the consolidation cycle. See “Default Analysis” on page 904.
- If both the transaction in the source entity and the target account include SAFs, the source entity SAFs are posted to the consolidation transaction, regardless of the SAF definitions in the consolidation entity.

If SAFs are not included in a consolidation cycle, no SAF information from subsidiary entities is passed to the consolidation transactions.

Default Analysis

Click the Default Analysis button to display a new window with multiple tabs where you can configure default SAF, cost center, or project analysis for the consolidation.

Fig. 14.4
Consolidation Cycle Create, Default Analysis



When source transactions use SAF, cost center, or project analysis, the system applies the defaults you define here to the consolidation transactions.

Use the SAF, Cost Center, and Project tabs to set defaults for each type of analysis, if required. When you define a default SAF structure, you can select one or more default SAF codes for the SAF concepts within the structure. You must select one default SAF code for every SAF concept. You can also define SAF structures for cost centers and for projects, if required. See “Supplementary Analysis Fields” on page 143.

Source Entity Grid

Percentage. Specify the participation (1 to 100%) the consolidation entity holds within the source entity.

This value can be changed at any time. You can track these changes using the Period From and Period To dates.

Source Entity Code. Specify the code that identifies one of the source entities for this consolidation.

Official Daybook Code. Specify the target official layer daybook code to which source official layer transactions are posted during consolidation.

Management Daybook Code. Specify the target management layer daybook code to which source management layer transactions are posted during consolidation. This field is optional.

Transient Daybook Code. Specify the target transient layer daybook code to which source transient layer transactions are posted during consolidation. This field is optional.

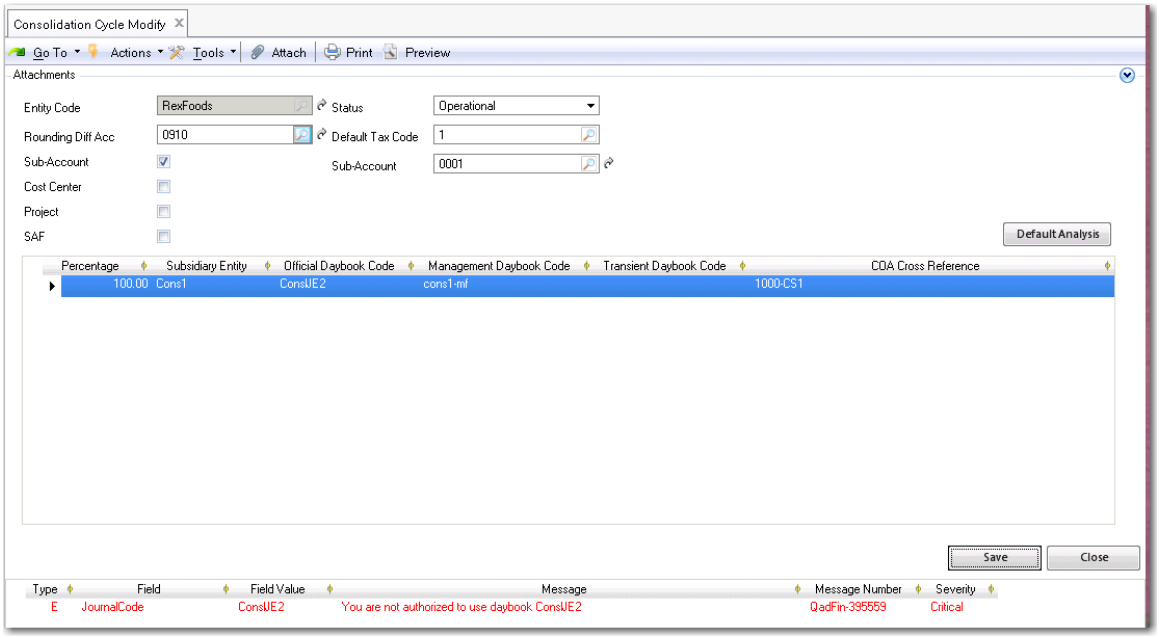
Cross-Reference. Specify the COA cross-reference that the system must use to translate the source COA elements to the specified target COA elements in the consolidation entity.

Consolidation Cycle and Daybook Security

Daybook security lets you restrict access to transactions associated with certain daybook types to users who have roles linked to that daybook. You can apply daybook security to consolidation cycle transactions posted to Consolidation type daybooks. See “Daybook Security” on page 174 for more information.

If implemented, daybook security for Consolidation daybooks is applied in Consolidation Cycle Create and Consolidation Cycle Modify when you set a consolidation cycle to Operational and try to save the record. If you select a Consolidation daybook associated with a role you are not assigned, an error message displays and you are prevented from saving the consolidation cycle record, as shown in Figure 14.5.

Fig. 14.5
Consolidation Cycle Modify, Daybook Security Error



Consolidation Period Cross-Reference

Use Consolidation Period Cross-Reference Maintain (25.19.1.3) to create cross-references between GL periods in a consolidating entity and GL periods in source entities. You define these cross-references in the source entities.

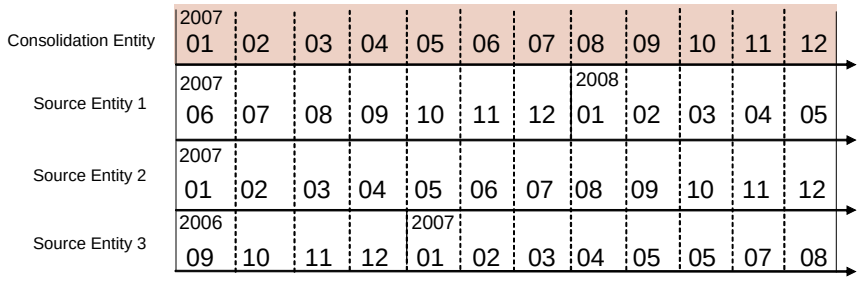
You must lock the GL periods of the source entities before consolidation. To lock the period, you must ensure that no unposted transactions exist in these periods, since the system prevents you from saving the consolidation when unposted transactions exist in a source entity.

You can define GL periods at domain level and at entity level. Entities within the same domain are automatically given the same GL period structure, and when the source and consolidation periods are identical, the system performs an automatic one-to-one mapping.

Note Although you may not have to make any adjustments to the automatic one-to-one period mapping, you must save the mapping to complete this step of the process.

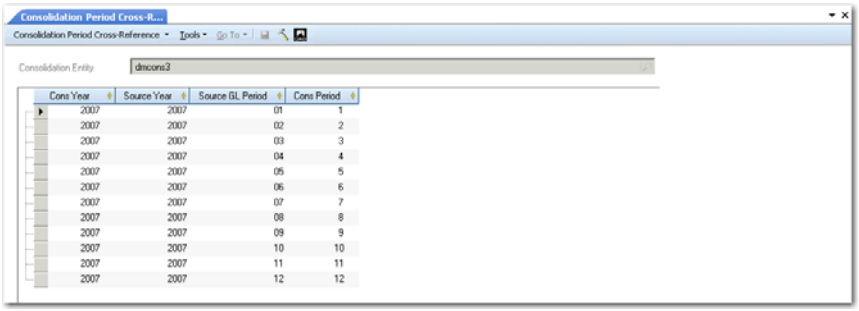
Entities from different domains may have different GL periods, or you may define different GL periods per entity. For example, you may be using a correction period for an entity, which is numbered period 13 in this entity's calendar. In this case, you can map this period to period 12 of the consolidation entity GL periods. In Figure 14.6, the GL periods of three source entities with different calendars are mapped to the consolidation GL periods.

Fig. 14.6
GL Period Mapping



The system displays the source entity year and periods. You then enter the consolidation year and period to which it is mapped.

Fig. 14.7
Consolidation Period Cross-Reference



Field Descriptions

Consolidation Entity. Specify the consolidation entity for which this cross-reference is set up.

Source Year. This field displays the accounting year in the source entity.

Source Period. This field displays the accounting periods in the source entity.

Cons Year. Specify the related accounting year in the consolidation entity. This must be an existing accounting year of the consolidation entity.

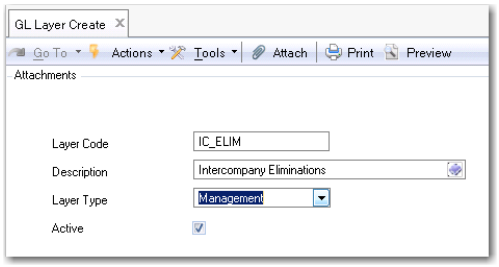
Cons Period. Specify the related accounting period in the consolidation entity. This must be an existing accounting period of the consolidation entity.

Set Up Intercompany Eliminations

This section describes the setup required before you can eliminate intercompany postings from your consolidation.

1 Create a separate management layer in the consolidation entity for elimination postings.

Fig. 14.8
GL Layer Create

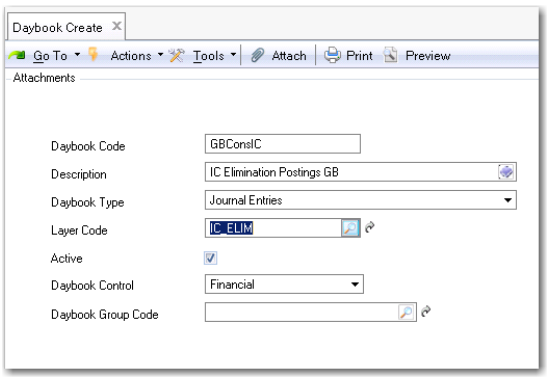


2 Create a separate daybook for elimination postings in each consolidation entity. If you are consolidating at several levels, it is recommended that you create a daybook for each shared set.

   a Set the daybook type to Journal Entries and the control type to Financials.

   b In the Layer Code field, specify the dedicated management layer that you created for intercompany eliminations.

Fig. 14.9
Daybook Create



Creating a Consolidation

You run the consolidation cycle you have defined using Consolidation Create (25.19.2.1) within the consolidation entity. You can run the consolidation for official or management layer transactions, but not simultaneously.

Before creating a consolidation, you must ensure that:

- The GL periods in the source entities are locked.
- No unposted transactions exist in the source entities.
- You have mapped all source accounts that are referenced in postings.

You select source and target layers when configuring the consolidation. You can only select the official or management layers for source entities. When you select a management source layer, the system retrieves all the management layers created in the source entity. For example, if you have created management layers for different types of IFRS or GAAP reporting, the system retrieves all of these layers and displays them on the Source Layers tab. You then choose which layers to include.

When the consolidation is completed, you can review the GL postings and generate reports.

As a result of the consolidation run:

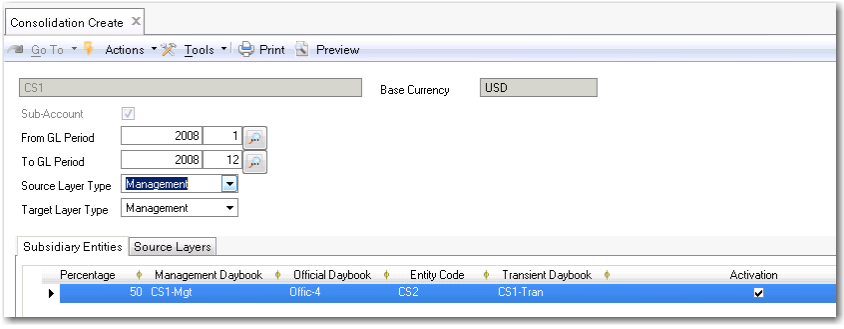
- The daybooks in the consolidation entity are updated with the GL transactions in the source transaction currency and in the target base or consolidation currency.
- The system locks the entity, period, and layer combination in order to avoid another run. If you are running the consolidation in the transient layer, you have the option to review the postings, and to delete this consolidation and create a new one if necessary. Consolidations in the official layer cannot be deleted.
- The system keeps a history of all consolidation runs with the following attributes:
  - Consolidation run number
  - Date and time of the run
  - Source entities
  - Periods
  - Layer type

Use the Consolidation activities to create, delete, and view consolidations:

- Create. Configure and run a new consolidation. You run the consolidation by clicking Save.
- View. Display all consolidation runs with all fields in read-only mode.
- Delete. Delete a consolidation run. You can only delete consolidations in the transient layer.

The system displays the consolidation entity and its base currency at the top of the Consolidation Create screen.

Fig. 14.10
Consolidation Create



Field Descriptions

From/To GL Period. Specify the from and to GL periods for this consolidation run.

Target Layer Type. Specify the layer type to use in the consolidation entity. You can select the official, management, or transient layer.

Source Layer Type. Specify the layer type to use in the source entity. You can select the official or management layer only.

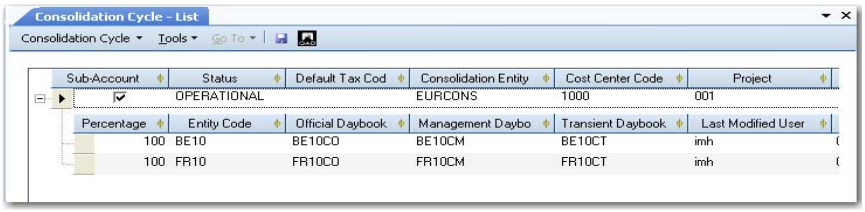
The Subsidiary Entities tab displays the source entities in the consolidation cycle and the daybooks used for their transactions.

The Source Layers tab displays the source layers used in this consolidation run. When you select the management layer as the source layer type, the system retrieves all management layers created in the source entity. These are selected by default. You can deselect any layers you do not want to include in the consolidation.

Consolidation Cycle List

Use the Consolidation Cycle List (25.19.1.11) to view all consolidation entities in the system with their associated source entities.

Fig. 14.11
Consolidation Cycle List



Reporting

You can generate the same GL reports on the consolidation transactions as for any other entity, except intercompany transactions. You can, for example, generate a balance sheet and income statement for the consolidation, and filter GL transaction reports by daybook, layer, or entity. Transaction reference numbers include the daybook code, and you can filter transactions using the daybook code to identify transactions created in different entities. See “Financial Reports” on page 913.

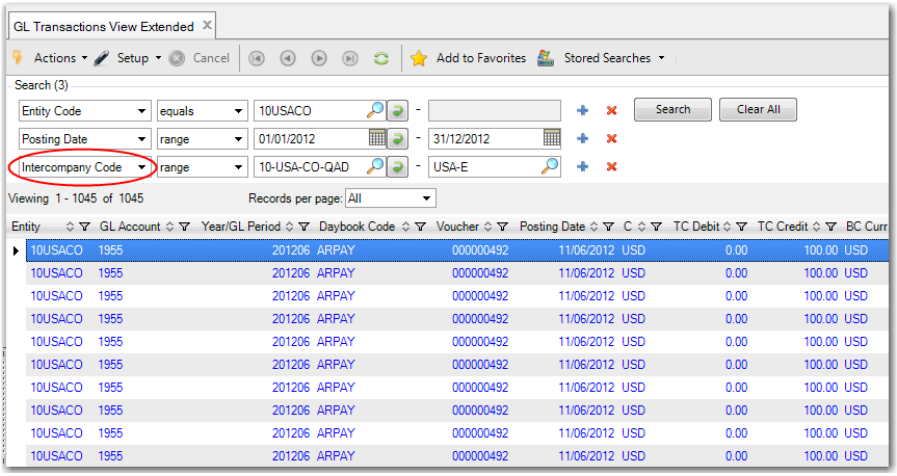
Intercompany Elimination Postings

This section describes how to identify and eliminate intercompany postings in your consolidation.

1 Identify the postings to eliminate using one of the following methods:

- Use GL Transactions View Extended (25.15.2.10) or Trial Balance View (25.15.2.9), and filter by intercompany code to display intercompany transactions.

Fig. 14.12
GL Transactions View Extended



- Run the GL Transactions by Intercompany Code report (25.15.1.5) to identify intercompany transactions to eliminate.

2 In the consolidation entity, create and post a journal entry that offsets intercompany transactions.

The elimination posting can consist of a single journal entry posted to one of the new journal entries type daybooks you created in “Set Up Intercompany Eliminations” on page 908. For ease of entry, you can use a posting template.

3 At each level of consolidation, repeat the process of identifying intercompany transactions and creating netting postings to eliminate them.

Special Considerations for Staged Consolidations

For staged consolidations, where you consolidate the local entities first, followed by regional entities, and then global entities, you can take one of two approaches to eliminating intercompany postings from your consolidation:

- Incremental eliminations

  Consolidate the management layer containing the elimination postings to a higher level in the consolidation. At the higher level, only create postings to eliminate the intercompany positions at that level.

- Full elimination at each level

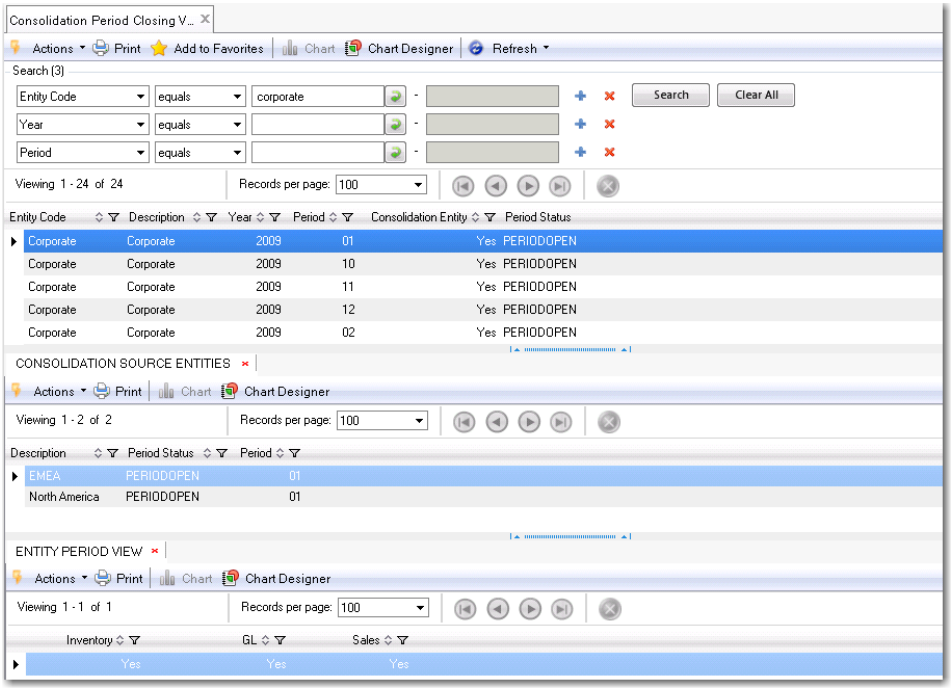
  Do not consolidate the management layer that contains the elimination postings to a higher level in the consolidation. At the higher level in the consolidation, create new, complete journal entries that eliminate all intercompany positions up to that consolidation level.

Consolidation Period Closing View

The Consolidation Period Closing View browse collection lets you view the status of GL periods for each consolidaton entity included in a consolidation cycle. As a result, you can easily track the progress of a staged consolidation for your entire organization.

Two linked views, the Source Entity View and the Period Closing View, let you identify issues that could impede the consolidation, such as open GL periods.

Fig. 14.13
Consolidation Period Closing View



Chapter 15

Financial Reports

The following topics describe the reporting capabilities available and how to customize reports.

Overview 914
Introduces reporting in QAD Financials.

GL Reports 915
Run a wide range of GL account, transactional, and analytical reports.

Accounts Receivable Reports 925
Generate reports on customer data and AR transactions.

Accounts Payable Reports 929
Generate reports on supplier data and AP transactions.

Banking and Cash Management Reports 933
Report on open items, bank and cash accounts, loans and deposits, and accruals.

Financial Statements 933
Introduces balance sheets and income statements.

Running the QRF Version of a Report 934
Describes how you can switch to using the QAD Reporting Framework (QRF) version of Financials reports.

Customizing QRF Reports 936
Customize QRF reports to optimally support your company processes and best practices.

Customizing Crystal Reports 938
Customize Crystal reports to optimally support your company processes and best practices.

Running the Crystal Version of a Report 942
Describes the methods by which you can run reports.

Structured Reports 944
Create GL reports based on predefined report structures.

Overview

QAD Financials includes an extensive set of reports and reporting options that let you analyze general ledger transactions, supplier and customer details and activity, banking and cash transactions, and other specialized areas.

QAD Enterprise Applications includes two types of reports: reports that present the report output using the QAD Reporting Framework (QRF), which is the current report development standard, and reports that are presented using Crystal Reports. QRF is the preferred standard for Financials and, to that end, QAD is involved in a continuing process to convert the remaining Financials Crystal Reports to QRF. Use Financial Reports Menu Switch (36.24.3.8) to specify that you want to use the QRF version of a report. See “Running the QRF Version of a Report” on page 934.

QAD Financials reports include:

- GL reports

  The system provides a wide range of GL account, transactional, and analytical reports. See “GL Reports” on page 915.

- Customer and Accounts Receivable reports

  You can generate customer reports on open items, transactions, and history, with extensive selection criteria. Aging lists can be drawn per customer, group, or sub-account. Statements of account and different levels of reminder letters are also supported. See “Accounts Receivable Reports” on page 925.

- Supplier and Accounts Payable reports

  You can generate supplier reports on open items, transactions, account summaries, and receiver matchings, with extensive selection criteria. Aging lists can be drawn per supplier, group, GL account, or sub-account. See “Accounts Payable Reports” on page 929.

- Banking and Cash Management

  Banking and cash management reports present information on open items, bank and cash accounts, loans and deposits, and accruals. See “Banking and Cash Management Reports” on page 933.

- Tax Reports

  The system provides extensive reporting on Financials and operational tax transactions, including regulatory reports. For information on tax reporting, see *QAD Global Tax Management User Guide*.

- Financial Statement reports

  Accounting practices require that a company periodically compile its financial information in two statements: a balance sheet and an income statement. See “Financial Statements” on page 933.

QAD Financials provides multiple report output types, including viewer, printer, and export to PDF, XLS, and DOC standards. The report output is easy to customize, and you can create an extensive set of reports with unlimited report variants for many output types. See “Customizing QRF Reports” on page 936 and “Customizing Crystal Reports” on page 938.

You can run a report immediately, or choose to schedule it to run later. In this case, a pop-up window opens to let you enter details for running the report at a later date. See “Running the Crystal Version of a Report” on page 942.

Reporting Framework

QAD Financials offers a robust reporting framework. The extensive reporting features, with browses and views that are easily exported to Excel, cover all business requirements and provide maximum flexibility and operational efficiency for users.

The reporting framework used for financial reports is composed of three main areas:

- The Report Viewer, which is used to create the report layout template and display the report.
- The business reporting logic, which populates the selection criteria fields, runs the queries to create the data, and interacts with QRF or Crystal Reports.
- The UI, which displays the selection criteria, interacts with the business logic, and displays the report.

Reports can be customized to optimally support your company processes and best practices. See “Customizing QRF Reports” on page 936 and “Customizing Crystal Reports” on page 938.

Financial Report Writer

Financial Report Writer is a group reporting solution that combines the existing Financials reporting functionality into a single user experience. It includes multi-entity and multi-domain reporting that lets you map charts of accounts and approximates consolidation results.

Financial Report Writer aggregates financial statements that are built on:

- A common chart of accounts (COA) including all dimensions available in Financials such as domain, entity, layer, GL account, sub-account, cost center, project, SAFs, intercompany, and currency
- A common currency—the presentation currency
- A common calendar

Financial Report Writer presents the financial data in a hierarchy, which can include multiple GAAP views.

See Chapter 16, “Financial Report Writer,” on page 953.

GL Reports

The QAD General Ledger provides up-to-date, accurate information to generate all daily, monthly, quarterly, and annual corporate and governmental reports required to analyze the state of the business. The system provides a wide range of analytical reports. The budgeting, GL activity, and cash flow reports let you view and manage account balances in the general ledger. The GL transaction reports let you monitor transactions in the general ledger. Running reports by daybooks lets you group, analyze, and report on similar transactions.

GL reporting can be detailed or summarized, and includes information on one or a range of entities. In addition, you can define supplementary analysis fields (SAFs) to fine-tune transaction reporting. SAFs provide the basis for powerful and flexible financial reporting and analysis. You can define SAFs based on your unique reporting requirements. For more information on SAFs, see “Supplementary Analysis Fields” on page 143.

All postings on GL accounts are summarized in history tables, updated by the History daemon. Within the GL reports, projects are used to provide specific reporting on activities, such as engineering design work or production rework.

Running reports by daybooks lets you group, analyze, and report on similar transactions.

GL reports are grouped as follows:

- Reports that describe data related to chart of account elements. See “Master Data Reports” on page 918.
- Reports and views on GL transactions. See “GL Transaction Activity Reports” on page 919 and “GL Transaction Activity Views” on page 921.
- Reports and views for detailed transactional analysis—project, cost center, and SAF. See “Analytical Transaction Reports” on page 922 and “Analytical Transaction Views” on page 923.
- Budgeting reports, which are described with other budgeting topics. See “Budget Reports” on page 895.
- GL closing reports. See “GL Closing Reports” on page 923.

Report Detail

For GL accounts, you can set the level of reporting detail. You can summarize by sub-account, by cost center/project, or display totals only.

For certain reports, it is possible to generate detailed data per sub-account, and cost center/project. However, a GL account can have both cost center and project analysis. For such accounts, both the cost center and project subtotals are displayed when you select No in the Summarize Cost Center/Project field.

If you select the Summarize by Cost Center/Project option, the subtotals at the cost center/project level are not displayed. If you select the Summarize by Sub-Account option, the subtotals at sub-account level are not displayed. If you select the Totals Only option, transactions are not displayed. The options are independent of each other. If none of the options is selected, all three parts are displayed on the report.

The following table summarizes the options you use to set the level of detail to display for GL accounts.

Table 15.1
Report Detail Levels

Summarize Sub-Accounts	Summarize Cost Center/Project	Report Detail
Yes	Yes	One amount per GL account
No	Yes	An amount for each GL account and sub-account combination
Yes	No	An amount for each GL account and cost center/project combination.
Yes	No	An amount for each GL account and sub-account, and cost center/project combination.

Table 15.2 lists and describes the selection criteria most frequently used in GL reports. Any criteria that are particular to one report are listed in the description for the report.

Table 15.2
GL Report Criteria

Report Field	Description
Active GL	Select Yes to only include active GL accounts in the report output.
Analytical Details	Select Yes to include sub-account, cost center, project, or SAF analysis in the report output.
Batch Number	Enter a batch number to select transactions to report by batch. Batch numbers are available only on transactions created by Invoice Post and Print.
Business Relation	Specify a business relation or range to restrict the report output.
Check for Unposted Transactions (Yes/No)	Select Yes if you want the report to check for and include operational transactions that are not yet posted to the transactions history table.
Check History is up to Date (Yes/No)	Select Yes if you want the system to check if there are unprocessed requests in the History daemon queue.
Cost Center	Specify a cost center or range to restrict the report output.
Daybook	Specify daybooks to restrict the report output to transactions recorded in those daybooks.
Entity	Specify an entity or range to restrict the report output.
GL Account	Use the fields to restrict the output to a particular account or range of accounts.
GL Calendar Year	Specify the GL calendar year for which you want to run the report.
GL Period	Specify the GL periods for which you want to run the report.
GL Nature	Select an option to restrict the report output to balance sheet accounts, profit and loss accounts, or to display both account types.
GL System Type	Select an option to restrict the report output to system accounts of a particular type, for example, unrealized exchange gain accounts or rounding difference accounts.
Intercompany	Specify an intercompany
Language	Optionally, specify a language for selecting translated report labels.
Layer	Specify accounting layers to restrict the report output to transactions recorded in daybooks associated with those layers.
Only Accounts with Activity	Select Yes to restrict the report output to accounts where the balance has been updated.
Posting Date	Specify a posting date or range to restrict the report output.
Print Details (Yes/No)	Indicate if you want summary information only or want to include details in the output.
Project	Specify a project or range to restrict the report output.
Sub-Account	Specify a sub-account or range to restrict the report output.

Report Field	Description
Voucher	Specify a voucher number or range to restrict the report output.
With Opening Balance	Select Yes to include the outstanding open items (invoices, credit notes, adjustments) that were transferred to the account from a previous system.

Master Data Reports

The system provides standard views for reviewing master data related to financials such as accounts, sub-accounts, and cost centers. In addition, a number of other reports are provided, listed in the following table.

Table 15.3
Master Data Reports

Report	Description
Op Allocation Code Report (25.3.24)	Generates a list of allocation codes and associated percentages used in operational transactions. Operational allocation codes group a set of accounts and define allocation percentages for each of them. Allocation Code (From/To)
Daybook Set Report (25.8.9)	Displays the list of daybooks in a set, and the associated correction invoices and credit notes. Daybook sets control which daybooks are assigned to specific kinds of AR- and AP-related transactions created when sales order invoices and purchase order receipts are posted. The report includes three daybook-specific selection criteria: • Daybook Set • Display Set Type • Active
Daybook Set by Site Report (25.8.12)	Displays a list of sites that use each daybook set. You can choose to include both active and inactive daybook sets. In addition to the selection criteria for the Daybook Set report, this report includes a selection criterion for the site.
Profile Overview (36.1.1.4.5)	Lists all profiles and their links, and highlights undefined links. The report is grouped by domain code profile type, and within that grouping, by profile code, profile type, and linked object. You can sort the report output by profile or domain. • Domain Code • Shared Set Type • Profile Type • Shared Set Code • Include not Linked (Yes/No). The default is No, meaning that only profile codes that have a linked object in the Shared Set are included. When set to Yes, profile codes that do not have a linked object for the Shared Set are included. • Active (Yes/No)

GL Transaction Activity Reports

Table 15.4 lists the reports that state activity on GL accounts. These reports are on the GL Transaction Activity Reports Menu (25.15.1).

Table 15.4
GL Transaction Activity Reports Menu (25.15.1)

Report	Description
GL Transaction Report (25.15.1.1)	Lists all posting lines for the selected daybooks. The report groups postings by GL calendar year and GL period, daybook code, and entity. Within each grouping of daybook code and entity, the report groups transactions by voucher and posting date.
GL Transactions by Account (25.15.1.2)	Lists all activity for the selected GL accounts during the selected time frame, grouped by account. The report displays the business relation code for every transaction related to a business relation.
GL Transactions per Sub-Account (25.15.1.3)	Lists all activity for the selected GL accounts during the selected time frame, grouped by sub-account.
GL Transactions by Daybook (25.15.1.4)	Lists all activity for the selected GL accounts during the selected time frame, grouped by daybook.
GL Transactions per Intercompany Code (25.15.1.5)	Lists all activity for the selected GL accounts and time frame, grouped by intercompany code.
GL History Report (25.15.1.6)	Lists activity grouped by currency, cost center, and sub-account for the periods indicated. It also lists the currency in which each transaction was denominated.
GL Open Item Report (25.15.1.8)	Lists and totals GL open items within the Open Items sub-ledger. The report groups output by allocation key. Additional criteria: • Allocation Key • Open at Date
GL Transactions Audit Log (25.15.1.9)	Prints a detailed list of each transaction for a particular GL period. It is only possible to run the report for a single GL period. For each daybook in the report criteria, all detail lines are printed for the specified GL period. Each detail line is followed by the analysis linked to that line. Additional criteria: • Last Modified Date • Last Modified User
GL Account List (25.15.1.10)	Displays a listing of accounts from a specified range. The report displays account details, such as the account code, account description, the type of posting (automatic or manual), and the currency.
GL Account Data Report (25.15.1.11)	Displays a full description of each GL account identified by the selection criteria.
Reversed/Replaced GL Report (25.15.1.12)	Displays a list of all reversed/replaced GL transactions for the period indicated in the selection criteria.
GL Verification and Approval (25.15.1.13)	Displays data created during the status transitions with verify and approve statuses have been defined.

Report	Description
GL Account Sheet Report (25.15.1.14)	Shows the balance of the selected accounts at the specified start date and all transactions with the balancing accounts in detail up to the specified end date of the report. When applicable, the supplier or customer name and the tax class are shown per posting line.
GL Transactions Operational Report (25.15.1.15)	This report is similar to GL Transaction Report (25.15.1.1), but focuses on postings created from operational transactions and their associated details such as GL Reference, Transaction Type, Doc Type, Address.
Unposted Transactions Inquiry (25.13.13)	Lets you review unposted transactions before posting. This report also contains a GL Reference selection field. References start with IC, SO, WO, FA, or with the GL calendar year.
Unposted Transactions Register (25.13.14)	Generates a report on unposted operational transactions based on ranges of selection criteria. • Entity (From/To) • Reference (ID) • Entered Date (From/To) • Effective Date (From/To) • Batch • Transaction Type • Unbalanced Only
GL Mirror Accounting Report (25.15.1.16)	Displays the source and mirror postings for a selection of source accounts and source daybooks. The report identifies the source and mirror posting lines and daybooks both for split and non-split transactions.
Reporting Daybook Exceptions Report (25.8.13)	Displays transactions for which the reporting daybook has been modified. For invoice-type transactions, the reporting daybook normally matches the posting daybook. However, if a transaction was posted using an incorrect daybook, you can use Reporting Daybook Modify (25.13.1.15) to modify the reporting daybook to ensure that the transaction is reported on correctly. See “Modifying Reporting Daybooks” on page 182.
Cash and Bank Payment Journal Report (25.15.7.2)	Lists the details of the posting lines per transaction. The transaction type is cash and bank payment.
Account Transaction Journal (25.15.7.3)	Lists the details of the posting lines per transaction. The transaction type is account transfer (non-cash and bank).
General GL Journal (25.15.7.5)	Lists the details of the posting lines per transaction. Any GL transaction can be included in this report that has a general format.
Cash and Bank GL Report (25.15.7.6)	Lists all the transactions chronologically within a specified date period for a cash and bank GL account. The account balances at the beginning of the period and by the end of the period are reported, as well as the summaries of daily totals on account debit and credit amounts. The report can be detailed to the sub-account and cost center level.

Report	Description
Subledger Report (25.15.7.7)	Lists all movements for a GL account, within a specified date period, and the report can be detailed to the sub-account and cost center level. The report shows the beginning and ending account balances for the period, the debit and credit totals, and accumulated totals for debit and credit amounts up to the reporting date.
Account Balance of Totals Report (25.15.7.8)	Lists GL accounts of an entity and their balances within a specified date period. Each line of the report displays an account, its beginning balance, debit and credit amounts, and the ending balance of the period. Generation of the report is based on a budget you set up for the entity following Chinese accounting practices. Typically, the budget includes the GL account, sub-account, and cost center levels of budget topics that cover the chart of accounts (COA) of the entity. You may also need the budget for reporting.
Columnar Ledger Report (25.15.7.9)	This report is an extension of the Subledger report. Additional columns are appended to the right side of the report, to indicate the detailed sub-account and cost center information for each movement for a GL account.
General Ledger Report (25.15.7.10)	Lists all movements for a GL account, chronologically within a specified fiscal period. Unlike the Subledger Report, the General Ledger Report cannot be detailed to the sub-account and cost center level. The report shows the beginning and ending account balances of the fiscal period.
Value-Added Tax Payable Ledger Report (25.15.7.11)	Lists the value-added tax payable information for an entity within a specified fiscal period.

GL Transaction Activity Views

The following table lists the activity views available for GL transactions.

Table 15.5
GL Transaction Activity Views Menu (25.15.2)

View	Description
GL Transactions View (25.15.2.1)	Displays and sums all GL transactions that meet the search criteria. You can right-click to display related views, which let you drill down on the source documents for the transactions.
GL Account Extended View (25.15.2.2)	Displays extended details of GL accounts, including the posting sign (debit/credit), posting type, analysis, revaluation settings, shared sets, and budget groups.
GL Transactions by Sub-Account View (25.15.2.3)	Displays and sums all GL transactions that meet the search criteria, with the primary focus on the sub-account. This view is optimized for sub-account analysis.
GL BC Balance View (25.15.2.4)	Shows the actual balance in base currency for all GL accounts that meet the selection criteria.
GL TC Balance View (25.15.2.8)	Shows the actual balance in transaction currency for all GL accounts that meet the selection criteria.
GL Open Item View (25.15.2.5)	Displays and sums all transactions on GL open item accounts that meet the search criteria.

View	Description
GL Open Item Activity View (25.15.2.6)	Displays detailed information on activities for GL open item accounts.
GL Summarized Transactions View (25.15.2.7)	Displays the posting history of the accounts specified in the selection criteria.
Trial Balance View (25.15.2.9)	Displays balance details for the combinations of analytical elements that meet the selection criteria. You can use the view to ensure that the total of the debit balances equals the total of the credit balances for the selected GL periods. See “Trial Balance View” on page 466.
GL Transactions View Extended (25.15.2.10)	Displays GL transactions across all analytical levels (sub-accounts, cost centers, projects, and SAFs, in addition to intercompany, daybook, and currency). See “GL Transactions View Extended” on page 461.

Analytical Transaction Reports

Supplementary Analysis Fields (SAFs) provide additional analytical reporting that lets you group similar items/services or projects. An SAF structure can be directly associated with an account, cost center, or project.

Project codes are used to provide project-specific reporting. A range of account codes, as well as a range of sub-account codes and cost centers, can be associated with a specific project.

Table 15.6
Analytical Transaction Reports Menu (25.15.3)

Report	Description
Cost Center Transaction Summary (25.15.3.1)	Lists cost center balances, including the opening and closing balance for each cost center and GL period, and the value of project transactions for that period.
Cost Center Transaction Detail (25.15.3.2)	Lists all transactions that comprise the transaction total for each cost center. The report displays the business relation code for every transaction related to a business relation.
Project Transaction Summary (25.15.3.3)	Generates a summary of project transactions including the opening and closing balance for each project and GL period, and the value of project transactions for that period. Lets you select by project status.
Project Transaction Detail (25.15.3.4)	Generates a detailed list of project-specific postings. Projects are used to provide specific reporting on items, such as engineering design work or production rework.
SAF Transaction Summary (25.15.3.5)	Lists all transactions in which SAFs are used in combination with GL accounts and sub-accounts. • SAF Code 1 • SAF Concept 1 • Groupings Level 1 – 3
SAF Transaction Detail (25.15.3.6)	Provides a detailed breakdown of GL postings, based on SAF codes.

Analytical Transaction Views

The following table lists the available analytical transaction views.

Table 15.7
Analytical Transaction Views Menu (25.15.4)

View	Description
Transactions by Cost Center View (25.15.4.2)	Displays and sums all cost center transactions that meet the search criteria. Lists cost center balances, including the current and closing balance for each cost center and GL period, and the value of project transactions for that period.
Transactions by Project View (25.15.4.3)	Provides a detailed breakdown of GL postings based on project codes.
Transactions by SAF View (25.15.4.4)	Provides a detailed breakdown of GL postings based on SAF codes.

GL Closing Reports

Before you can close a GL period, all data for that period must be consistent and complete.

A number of reports are provided for this purpose. For the closing process, manually run the reports and, if no issues or exceptions are found, close the GL period.

These reports are all on the Closing Process Reports menu (25.21.2) except for the Revaluation Report, which is grouped with other revaluation activities.

Table 15.8
Closing Process Reports Menu (25.21.2)

Report	Description
Revaluation Report (25.21.1.6)	Displays the revaluation results for the current entity, optionally in the statutory currency, and has two revaluation-specific selection criteria: • Revaluation Area: Balance Sheet Accounts, Customer Open Items, Customer Payments, Profit and Loss Accounts, Supplier Open Items, and Supplier Payments • Revaluation Number
Numbering Completeness (25.21.2.1)	Checks for gaps in the numbering of documents and lists any discrepancies. It also checks other periods for numbering errors.

Report	Description
GL Balance vs Transactions (25.21.2.2)	Lets you verify whether the sum of all detailed transactions equals the balance. The report contains the following amount columns: • Activity Transaction Displays the sum of transactions in the Posting Line table for the selected GL period. This amount is compared with the Activity History column. • Activity History Displays the total value of transactions in the Posting History table for the selected GL period. • Balance Transaction Displays the closing balance of transactions in the Posting Line table for the selected GL period. This amount is compared with the Balance History column. • Balance History Displays the closing balance of transactions in the Posting History table for the selected GL period. The report comparisons are performed for each combination of the complete accounting key—GL account, sub-account, cost center, project, SAFs, daybook, currency, and intercompany code. The report checks debit and credit totals separately, and prints inconsistencies on separate rows for debit and credit. The report also checks total transaction currency, base currency, and statutory currency values separately, and prints inconsistencies on separate rows for each currency.
Posting Balance Validation (25.21.2.3)	Lists all unbalanced transactions for the specified period.
Open Item GL Validation (25.21.2.4)	Sums GL open items with the Open Items sub-ledger.
AR vs Control GL Check (25.21.2.5)	Compares the balances of Customer Control accounts against the open item balance of customers whose accounts are Invoice Control GL or Credit Note Control GL.
AP vs Control GL Check (25.21.2.6)	Compares the balances of Supplier Control accounts against the open item balance of suppliers whose accounts are Invoice Control GL or Credit Note Control GL.
Unallocated Invoices Balance (25.21.2.9)	This report checks the consistency of the unallocated supplier invoice balance by comparing: • The balance on the system account of type Unmatched Invoices • The total of unmatched supplier invoices
Pending Transient Layer Postings (25.21.2.10)	Identifies unposted entries in the Transient layer, which you can then transfer to the Official layer. One possible usage of Transient layers is to store postings for review. When the postings have been reviewed and approved, they can then be transferred to an Official or Management layer.
Pending Allocations (25.21.2.11)	Prints details of transactions that are pending allocation.

Report	Description
Pending Recurring Entries (25.21.2.12)	Checks for unposted recurring entries. The report output is sorted by recurring entry code and posting date.
Zero Postings Report (25.21.2.13)	This report enables you to check posting lines with a zero amount. The search filters are Check Unposted Transactions, Entity, Daybook, GL Cal Year, GL Period, and Zero Amount By. When you set Check Unposted Transactions to Yes and there are any unposted transactions, the report stops and displays a message. You can set up the report to display zero amount postings in trade currency, base currency, and statutory currency.

Accounts Receivable Reports

Table 15.9 lists and describes the selection criteria that are most frequently used in accounts receivable reports. The accounts receivable reports also contain selection criteria that are common to all GL and other reports, which are listed in Table 15.2.

When printing customer addresses on reports, the system checks the postal format to determine whether the zip code prints after the city and state or before it.

The functions on the Customer Payment Print menu are discussed in “Printing Customer Payments” on page 538.

Table 15.9
AR Report Criteria

Report Field	Description
Aging Type	Choose the time span used to group the overdue invoice data. The options are Days and Months.
Aging Offset	Specify a value for the aging offset. For example, if you select Days in the Aging Type field and enter 3 as the offset, the report contains columns for data overdue by three days, six days, nine days, and so on.
Bank Account	Specify the bank account used for the payment selection.
Control GL Account	Specify the control GL account or range for selecting data to report.
Currency Code	Specify a currency code or range to refine the report.
Customer Balance	Choose an option from the types of customer balance to include in the report. The options are All, Debit, and Credit.
Customer Payment Selection	Specify a payment selection on which to base the report.
Customer per Page	Select Yes to format the output with a new report page for each customer.
Customer Totals Only	Select Yes if the output should display only a single row per customer without additional details.
Customer Type	Specify a customer type or range to refine the report.
Creation Date	Specify a date to refine the report output to transactions created on that date.

Report Field	Description
Date for Aging Calculation	Enter the date against which the report compares all overdue payments.
Due Invoices Only	Select Yes to include overdue invoices only in the report.
Header Entity	The system uses the details of headoffice address of the business relation associated with the header entity to print on certain reports. These details indicate who the customer should contact if they have questions about the report or statement.
Include Adjustments	Select Yes to include adjustment transactions in the report.
Include Credit Notes	Select Yes to include credit notes in the report.
Include Credit Note Corrections	Select Yes to include credit note corrections in the report.
Invoice Date	Specify the invoice date or range.
Invoice Due Date	Specify a due date or range of dates to restrict the report.
Include Invoices	Select Yes to include invoices in the report.
Include Invoice Corrections	Select Yes to include invoice corrections in the report.
Invoice Open	Select Yes to include unpaid invoices in the report.
Include Payments	Select Yes to include payments in the report.
Include Prepayments	Select Yes to include prepayments in the report.
Invoices within Terms	Select Yes to include invoices that are not yet overdue.
Number	Specify an invoice number or range to restrict the report.
Only Customers with Activity	Select Yes to only include customers whose accounts have been updated by transactions.
Reference	Specify a unique reference number that identifies a payment, such as the check number.
Reporting Currency	Specify the currency to which amounts are converted and displayed on the report. The default is blank, meaning all amounts are printed in base currency. When you specify a non-base currency, all amounts are converted from the base currency to this currency using the current accounting exchange rate.
Status	Specify the payment status or include all: accepted, allocated bounced, conditional collection, for collection, initial, paid, paid conditionally.
Sort By	Indicate which field to use for sorting the report.
Summary By	Specify the detail level to include in the report summary, such as daybook, GL account, sub-account, cost center, or project.
User Name	Specify a user name to limit the report data to transactions created by that user.
With Opening Balance	Select Yes to include the outstanding open items (invoices, credit notes, adjustments) that were transferred to the customer account from a previous system.

Customer Reports

Most of the customer reports are on the Customer Reports menu (27.17), but a few others are also available and described here.

Table 15.10
Customer Reports

Report	Description
Customer Invoice Print (27.1.1.4)	Lets you print customer invoices created directly in Customer Invoice Create. The report shows invoice and tax details, and can be sent to the customer for payment.
Customer Payment Selection Report (27.6.6.4)	Lists the status of customer payment selections that match the selection criteria. The report includes the payment selection number, payment instrument, business relation, payment status, creation and due dates, and amounts in BC and TC.
Customer Open Item Report (27.17.1)	Lists the outstanding open items on a specified date for the selected customers. The report groups open items by type (invoice, credit note, prepayment, and adjustment).
Customer Account Activity (27.17.3)	Lists all activity on a customer account during the selected period. The report does not show open or closed items—only transactions as they happened. The original full invoice amount is displayed, and the report can be displayed with or without an opening balance.
Customer Account Summary (27.17.4)	A summary of the debit and credit transactions (one line per customer) for the selected period. Also displays the balance before the selected period.
Customer Turnover (27.17.5)	Lists customer activity over a given period. The report shows the amount to which the percentage turnover credit check must be applied. The Customer Turnover includes sales orders and invoices from all entities. The report includes a Detail Level field that lets you specify the level of detail to include in the report. The options are Currency, Customer, GL Period, and Year.
Customer Aging Analysis Current (27.17.6)	Lists all current outstanding open items, such as invoices and drafts. The report output is divided between items that are not yet due and items that are past due (one month, two months, three months, and more than four months). See “Customer Aging Reports” on page 585.
Customer Aging Analysis History (27.17.7)	Lists overdue items by type, and the amount overdue. The report categorizes items by the amount of time by which they are overdue (one month, two months, three months, and more than four months). See “Customer Aging Reports” on page 585.
Customer Aging Analysis by Group Current (27.17.8)	Groups aging analysis data by sub-account, sales account GL profile, or project. See “Customer Aging Reports” on page 585.
Customer Aging Analysis by Group History (27.17.9)	Groups the data generated in Aging Analysis historically by sub-account, sales account GL profile, project. See “Customer Aging Reports” on page 585.

Report	Description
Reminder Letter (27.17.10)	Generates a letter to send to selected customers regarding their open invoices. The address details of the headoffice address of the business relation associated with the specified Header Entity print at the top of the letter. When running the report, you can specify entities from domains that have the same customer shared set as the current entity. This letter is described in more detail in “Reminding Customers of Outstanding Balances” on page 577.
Customer Report (27.17.12)	Provides a summary of customer details, including the customer code, business relation, address, tax details, credit details, banking details, and control account details.
Customer Open Items Basic (27.17.15)	Lists open items by customer, currency, customer control account, sales account GL profile, salesperson, and sub-account.
Customer Credit Overview (27.17.18)	Lists the customer credit situation regarding your organization, including the customer’s open balance, credit terms, credit limit, high credit, last payment, credit rating, highest reminder level. • Customer Type. • Over Credit Limit Only (Yes/No). Select Yes to show only customers that have an open balance greater than their credit limit. All amount display in the customer’s default currency.
Customer Statement of Account (27.17.19)	Lists open items as of a certain date (default is today) in all selected entities, grouped by currency and open item type with subtotals. Indicates the open item due date and if it is overdue. One document is generated for each customer. The Header Entity field determines the address for your company printed on the statement. Only data for customers with Statement Cycle enabled that meets other selection criteria is included. Enter a Statement Cycle to include only customers with a matching cycle. When running the report, you can specify entities from domains that have the same customer shared set as the current entity. For more details, see “Reminding Customers of Outstanding Balances” on page 577.
Invoice History Report (7.13.8)	Generates a report on invoicing activity. Use the Invoice History Report to view correction invoices by setting Print Corr Inv to Yes. For consolidated invoices, the report displays the tax details of the consolidated invoice, and not the tax for each sales order or purchase order.

Self-Billing Reports

The following reports are available for the customer Self-Billing function (27.6.12).

Fig. 15.1
Self-Billing Reports

View	Description
Self-Bill Discrepancy Report (27.6.12.10)	Displays discrepancy details associated with a self-bill document. Shows the three types of discrepancies that prevent you from applying payment to a self-bill. • Discrepant Lines: Lines matched to invoice shipment data where the invoice shipment data has an open quantity, an open amount, or a price difference. • Adjustment Lines: Lines marked with a type A. These lines could not be matched when the self-bill was originally created. • Lines Not Matched: Lines that can be matched to invoice shipment data, but for some reason were not. These lines are marked as type blank.
Invoice AR Balance Report (27.6.12.11)	Displays the portion of invoices that the self-bill has paid. Internally, the system maintains a map between every self-bill line and an invoice. Applying payment to a self-bill means applying payment to the associated invoices. Use this report in summary mode to determine if an invoice related to a self-bill has any outstanding amounts.
Self-Bill Report (27.6.12.13)	Use to review self-bill detail information. Use the selection criteria and sort options to filter by self-bill, bill-to, sales order, shipper, or additional charges.
Shipment-Invoice Crossref Report (27.6.12.15)	The shipment-invoice cross-reference structure is the map between shipment-related details such as shipper number or authorization number and associated QAD invoice numbers. Shipment-Invoice Crossref Report (27.6.12.15) displays the self-bill cross-reference structures created in the system.

Customer Views

Table 15.11
Customer Views Menu (27.18.1)

View	Description
Customer Activity Dashboard (27.18.1)	Use to view all customer credit-related information, including open items and payments, for one or multiple entities. See “Customer Activity Dashboard” on page 569 for details.
Customer Invoice Activity (27.18.2)	Displays and sums customer invoices that meet the selection criteria. Includes details on the voucher, daybook, posting, account, and batch number.
Customer Invoice Extended (27.18.4)	Extended version of the Customer Invoice Activity view. Also includes customer address, salesperson details, credit and allocation details, exchange rates, and balances in SC, BC, and TC.
Customer Balance View (27.18.8)	Displays the balances of customer accounts that meet the selection criteria. The view displays the account balance in SC, TC, and BC, and the customer’s credit details.

Accounts Payable Reports

Table 15.12 lists and describes the selection criteria that are most frequently used in accounts payable reports. Many of the accounts receivable report criteria are also common to accounts payable reports, and the table only lists criteria not already listed in Table 15.9.

When printing supplier addresses on reports, the system checks the postal format to determine whether the zip code prints after the city and state or before it.

The functions on the Supplier Payment Print menu are discussed in “Printing Supplier Payment Instruments” on page 748.

Table 15.12
AP Report Criteria

Report Field	Description
Payment Year	Specify a payment year or range.
Payment Number	Specify a payment number or range.
Payment Reference	Specify a unique reference number that identifies a payment. References are typically the supplier’s invoice number.
Supplier Codes	Specify a supplier code or range to refine the report output.

Supplier Activity Reports

Table 15.13 lists the reports available on supplier activity, cost variance, open items, turnover, and aging analysis.

Table 15.13
Supplier Activity Reports Menu (28.17)

Report	Description
Supplier Open Item Basic (28.17.4)	Lists open items by supplier.
Supplier Open Item Extended (28.17.5)	Lists the outstanding open items on the report date for the selected suppliers. The report groups open items by type (adjustment, credit note, credit note correction, invoice, invoice correction, prepayment). Summary is available per supplier, currency, supplier control account, and sub-account.
Supplier Account Activity (28.17.6)	Lists all activity on a supplier account during the selected period. The report does not show open or closed items—only transactions as they happened.
Supplier Turnover (28.17.7)	Prints earnings data for the suppliers and period you specify using the report criteria. The report contains one line for each supplier, showing the supplier’s Net Turnover and Gross Turnover for selected range of periods
Supplier Account Summary (28.17.8)	Prints balance and activity data for the suppliers and a period you specify using the report criteria. The report prints details for each supplier, showing: • Beginning balance (for the last period) • Debit and credit transactions for the selected period • Closing Balance for the selected period
Supplier Aging Analysis Current (28.17.9)	All open items created in the specified time frame. Also lists the due supplier open items by number of periods overdue at the entered date for aging calculation. See “Aging Reports” on page 761.

Report	Description
Supplier Aging Analysis History (28.17.10)	Aging analysis payments up to the specified period. See “Aging Reports” on page 761.
Supplier Aging Analysis by Group Current (28.17.11)	Groups aging analysis data by sub-account or project. See “Aging Reports” on page 761.
Supplier Aging Analysis by Group History (28.17.12)	Groups aging analysis backwards data by sub-account, purchase code, or project. See “Aging Reports” on page 761.
Supplier Report (28.17.14)	Lists details of the suppliers who meet the selection criteria, including business relation and address details, tax information, currency, and credit terms.
Logistics Charge Variance (28.17.17)	Lists only those logistics charge supplier invoices where there was a difference between the invoiced price and the accrued amount for the logistics charge concerned. There are multiple sorting options: Logistics Supplier, Internal Reference, Order, and Charge Code.
Open Logistics Charge (28.17.18)	Lets you validate the balances on logistics charge accrual accounts as of a given date, based on data within the Logistics Accounting module and supplier invoices matched to logistics charges. Therefore, you can verify that the sub-ledger and GL are in balance. GL details and totals by GL account are optionally included.
Supplier Invoice Register Report (28.17.19)	Displays a list of supplier invoices and their posting details and receipt data, if applicable. You can, optionally, include a GL Summary section at the end of the report, which displays totals by GL account. At the end of the month, you can use the GL Summary section of the report to check the allocation of costs arising from supplier invoices. See “Supplier Invoice Register Report” on page 759.

Receiver Matching Reports

Table 15.14 lists the receiver matching reports available within accounts payable.

Table 15.14
Receiver Matching Reports

Report	Description
Receiver Matching Report (28.2.5)	Lists the matching status for credit notes and invoices and, if applicable, the receipt or return lines with which they are matched. In addition, invoices that were not matched against receipts are included in the list. The report groups data by supplier and sorts the data by supplier code. The report includes the following matching-specific selection criteria: • Matching Status (All/Matched/ Unmatched) • Matching Type (All/Financial/ Receiver) • Matching Date (From/To)

Report	Description
Unmatched PO Receipts as of Date Report (5.13.10)	Lists receipts that are unmatched or that are partially matched (only unmatched lines display). The report groups data by supplier, by purchase order, and by receipt. The report includes the following matching-specific selection criteria: • Supplier • Item Number • Site • PO Site • Account • Sub-Account • Cost Center • Inventory Items (Yes/No) • Subcontracted Items (Yes/No) • Show Purchase Receipts From
Matching Variance Report (28.2.7)	Lists the variance details that result from the matching process. Use the Rate Variance Reference as follows: • Total Standard Cost to see the variance between the item supplier invoice cost and the standard cost. • Standard Cost without Overhead to see the variance between the item supplier invoice cost and the standard cost without overhead included. • PO Cost to see the variance between the item supplier invoice cost and the purchase order cost.
Matching Logistic Charge Variance (28.2.8)	Generates an exception report showing variances due to the matching of supplier invoices to logistics charge pending invoices. Various sorting options are available: • Order number • Logistics Charge Code • Internal Reference • Supplier It is also possible to select only those transactions generated as a result of logistics charge accrual in sales orders, purchase orders, or distribution orders.

Supplier Views

Table 15.15
Supplier Views Menu (28.18)

View	Description
Supplier Activity Dashboard (28.18.1)	Use to view all supplier information, including open invoices. See “Supplier Activity Dashboard” on page 752.
Supplier Invoice Activity (28.18.2)	Displays supplier invoices that meet the selection criteria. Includes details on the voucher, daybook, and posting.
Supplier Invoice Extended (28.18.3)	Extended version of the Supplier Invoice Activity view. Also includes tax and receiver matching details.
Supplier Balance View (28.18.4)	Displays the balances of customer accounts that meet the selection criteria. The view displays the account balance in SC, TC, and BC, and the customer’s credit details.

View	Description
Supplier Invoice Payment View (28.18.6)	Displays payment selections with key attributes for selected suppliers and a date range.

Banking and Cash Management Reports

Table 15.16
Banking and Cash Management Reports

Report	Description
Imported Bank File Report (31.1.11)	Used to view details on the status and allocation of imported bank files or batches of files. The level of detail included in the report enables the report to be used for audit purposes. See “Imported Bank File Report” on page 835.
Petty Cash Report (31.2.6)	Lets you view petty cash transactions for the period defined in the selection criteria and lets you track how petty cash is used. • Cash GL Account • Daybook • Layer • Page Break by Date • From/To Posting Date
Cash Flow Report (31.8.3)	Used to project future cash positions based upon expected sources and uses of cash, including Accounts Receivable, Accounts Payable, Sales Order Activity, and Purchase Order Activity. See “Creating Cash Reports” on page 870 for further details.

Financial Statements

Generally accepted accounting practice requires that a company periodically compile its financial information in two financial statements: a balance sheet and an income statement. The balance sheet provides a summary of a company’s resources, liabilities, and equity at a given point in time. The income statement shows profit or loss for a given time period. The amount of detail presented in these statements often varies according to the audience.

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

Balance Sheet

The Balance Sheet report calculates the balance of all profit and loss GL accounts from the start of the GL calendar year up to the end of the selected time frame. You can run the report for either actuals or budgets.

Typically, Balance Sheets are constructed from the following information:

- Balances of all asset accounts, such cash accounts, accounts receivable, and prepaid expenses
- Balances of all liability accounts, such as accounts payable, and unmatched invoices accounts, bank loans, and income tax liabilities

The system compiles the balance sheet for the most recent GL calendar year that is not closed to transactions. The balance sheet always contains data from the first day of the GL calendar year up to the end date you specify.

Create Balance Sheet reports using Financial Report Writer, which provides you with the flexibility to create financial statements tailored to the presentation needs of your organization. Financial Report Writer is QAD's recommended approach for creating financial statements. See Chapter 16, "Financial Report Writer," on page 953.

Income Statement

The Income Statement report is used to track revenues and expenses so that you can determine the operating performance of your organization over a specific period.

Income statements help investors and suppliers determine the past performance of the organization and predict future performance. The Income Statement typically includes figures from income and expense accounts, such as sales and rent revenue, and cost of goods sold, selling expenses, and overhead expenses.

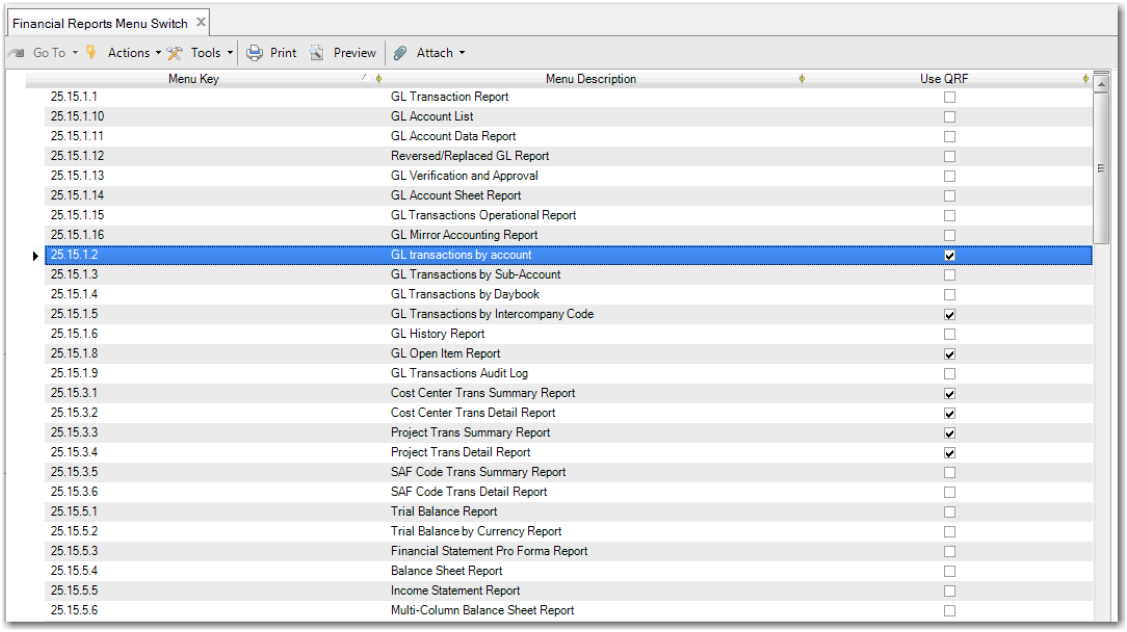
Create Income Statement reports using Financial Report Writer, which provides you with the flexibility to create financial statements tailored to the presentation needs of your organization. Financial Report Writer is QAD's recommended approach for creating financial statements. See Chapter 16, "Financial Report Writer," on page 953.

Running the QRF Version of a Report

For reports that have been converted from Crystal Reports to QRF, new installations of QAD Enterprise Applications run the QRF versions of the reports. For existing installations that have been updated to the latest version of QAD Enterprise Applications, the menu items run the old Crystal Reports version by default. To use the QRF version of a report, open Financial Reports Menu Switch (36.24.3.8) and select the Use QRF field for the report that you want to run in QRF.

If you select or clear the Use QRF field for a report, save your change and then log off QAD Enterprise Applications and log in again for the change to take effect.

Fig. 15.2
Financial Reports Menu Switch

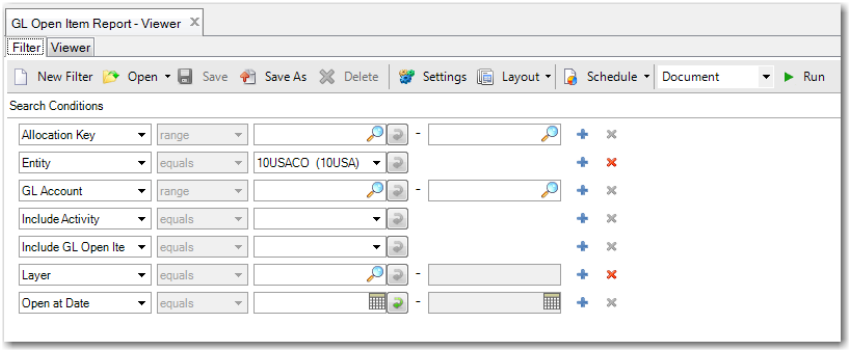


Running QRF Reports

To run QRF reports:

1 Double-click the report menu item in the Applications menu tree or right-click it and choose Open from the shortcut menu. The Report Filter screen is displayed in the application area.

Fig. 15.3
GL Open Item Report, Selection Criteria



2 By default, a report displays all the records available in the source data. If you want to retrieve a certain range of records in the report, set search conditions to filter data. You can also use filters to load existing search conditions.

3 On the toolbar, select a layout from the Layout drop-down list.

4 On the toolbar, select an output format from the drop-down list before the Run button. You can choose from the following output formats when the report is run:

- Document — The report is displayed in the Report Viewer window.

- PDF — The report is rendered as a PDF file. You can save the file and open it in the Report Viewer window.
- PDF Read-only — The report is rendered as a read-only PDF file. It has a random password that prevents tampering with the document.
- TIFF — The report is rendered as a Tagged Image File Format (TIFF) file.
- RTF — The report is rendered as a Rich Text Format (RTF) file.
- Excel — The report is rendered as a Microsoft Excel (.xls) file. You can save the file and open it in the Report Viewer window.
- Plain Text — The report is rendered as a plain text (.txt) file.

The Document and PDF formats offer the highest display quality. Some images and colors can appear differently in some render types (for example, TIFF and RTF), and may not appear at all in others (for example, Plain Text).

5 Press the Enter key or click Run. A report generation progress bar appears. When the report generation is complete, the report is displayed in the Report Viewer window directly or opened as a PDF or Excel file depending on which output format you selected.

QRF Scheduling

You can schedule the system to run your QRF reports automatically at a certain time or at a specified interval and send scheduled report outputs to your desired destination, such as a printer or the document service on the report server. You can also have the system notify you that your scheduled reports have run.

All topics related to QRF reports are described in detail in *QAD Reporting Framework User Guide*.

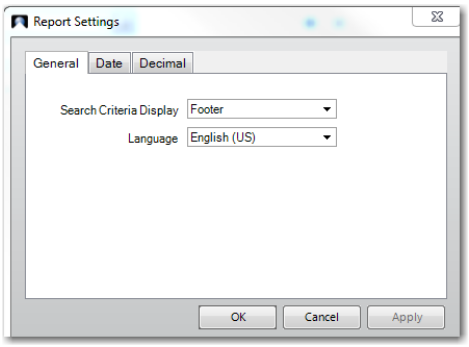
Customizing QRF Reports

You can customize QRF report settings, create new report filters, or add user-defined fields to the report output.

Settings

For QRF reports, use Report Settings to customize how certain elements of data display in the rendered report. In the Filter screen, click Settings on the toolbar to view the Report Settings dialog box.

Fig. 15.4
Report Settings



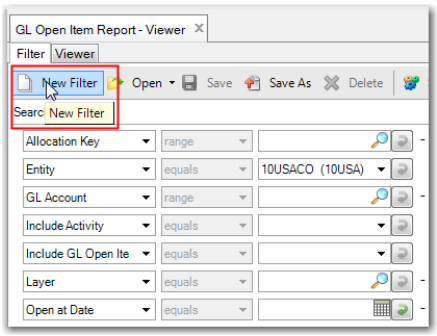
- Under the General tab, specify whether to display search criteria in the report, and if yes, whether to display this information in the report header or footer.
- Under the Date tab, select a format for the dates to be displayed in the report and specify a date separator. You can see a sample of the date format you specify at the bottom of the dialog box.
- Under the Decimal tab, specify how numbers will be displayed in the report, including decimal separator, decimal digits, grouping separator, and grouping format. A sample number is displayed at the bottom of the dialog box.

All QRF-related topics are described in detail in *QAD Reporting Framework User Guide*.

Filters

For a QRF report with settings or formats that you use frequently, you can save the settings as a filter. You can then open the filter to load the same set of configurations when you run the report later. A filter is a personalized set of search conditions and settings, which means that only you and an administrator can access and manage the filters you create.

Fig. 15.5
New Filter Option



For further detail, see *QAD Reporting Framework User Guide*.

Adding User-Defined Fields to Financials QRF Reports

Use User-Defined Fields on Report Maintain (36.25.92) to add user-defined fields to Financials reports developed using the reporting framework. However, before you use User-Defined Fields on Report Maintain, use User-Defined Field Create (36.4.12.2.1) to define a field for a component that is part of the report's dataset.

For detailed information on adding user-defined fields to Financials reports, see *QAD System Administration User Guide*.

Customizing Crystal Reports

Reports developed using Crystal Reports can be customized to optimally support your company processes and best practices. You can:

- Add or remove report filter criteria, assign default values, and save custom report variants by user, role, or system-wide.
- Use the Crystal Reports designer tool to modify the report layout, add and remove data fields, add calculation logic, or change sort order and grouping.
- Customize system-supplied report templates that contain formatting information such as fonts, logo, and paper orientation (landscape, portrait) using the Crystal Reports designer tool.

Note You must have a license to use the Crystal Reports designer tool.

Default settings are provided for each report. These settings can be adapted based on your company standard to better support your best practices. The last-used settings for a report can be automatically saved based on user-configurable settings. Filter settings and layout can be given a name and stored as a report variant for private use or to be shared among users or groups of users (roles).

By default, the system saves each user's last-used report variant. When you reopen a report you have already run, and click Apply to start the report, the report runs using the settings you last used.

In addition, you can define specific report settings and save them using a variant name. When you run the report, select that variant, and the report settings are copied into the selection criteria, saving time.

Changing Crystal Report Settings and Defaults

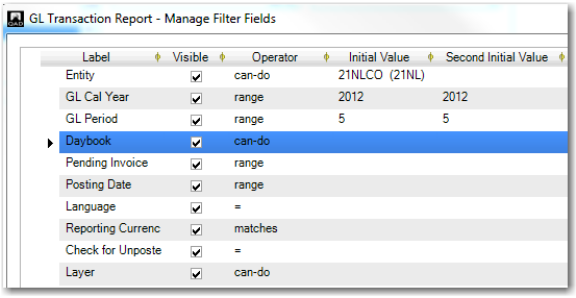
Managing Filter Fields

The Manage Filter Fields option in the Tools menu lets you indicate which filter fields to use for the current report variant, and how the fields appear in the Selection Criteria tab for the report.

You can use Manage Filter Fields to:

- Change the order in which the filter fields appear in the Selection Criteria tab.
- Specify whether to display a filter field on the Selection Criteria tab (Use column).
- Define an initial value or range of values for the filter field.

Fig. 15.6
Manage Filter Fields



Field Descriptions

Use. Select the field to include the item in the report search criteria.

Operator. Indicates how a value entered as a search criterion should be interpreted. Possible values are:

begins, matches, =, >, <, =>, <=, can-do, range.

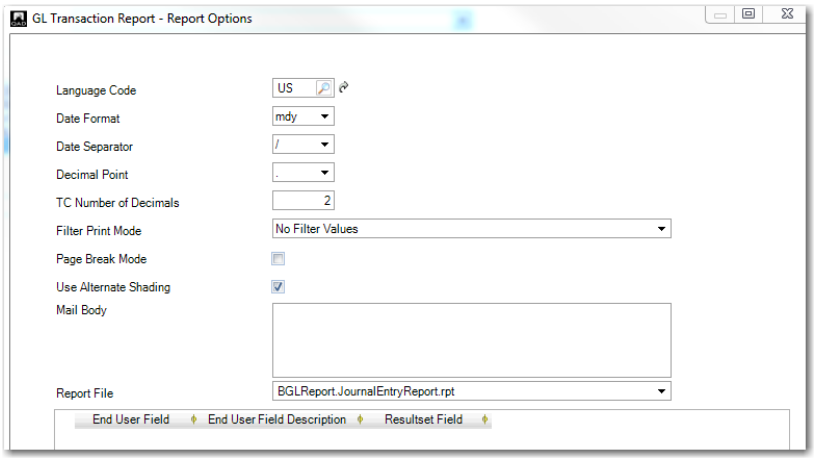
Initial Value. Select the default value for the search criterion from the drop-down list.

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

Report Options

The Report Options option in the Tools menu lets you specify reporting runtime parameters. These settings are stored at the report variant level, and affect how the report is printed.

Fig. 15.7
Report Options Tab



Field Descriptions

Language Code. Select the language to use in the report output. The default value is the language of the current session. You can also store a language preference in the report variant, and also in the last-used report variant.

For example, a user logs in to the application and the session language is set as English. The user opens the GL Transactions report, changes the reporting language to French, and runs the report. The next time the same user runs that report, French is retained as reporting language because this setting is stored in the last-used report variant for the user.

Date Format. Select the format for displaying dates on the report. The options are:

DMY

MDY

YMD

Date Separator. Select the type of separator to use to format dates printed on the report. The options are forward slash, dash, and period.

Decimal Sign. Select the decimal sign to use in figures printed on the report.

TC Number of Decimals. Select the number of decimal places that you want to allow for decimal amounts printed on the report.

Use the field to limit the transaction currency fields to a fixed number of decimals. Possible values are: <blank>, 0, 1, 2, 3, 4, 5, or 6. If you select <blank>, the number of decimals stored in the report data row itself are used.

Filter Print Mode. Select an option to indicate where to place filter information on the report. The options are:

No Filter Values Section on Report

Filter Values Section only on First Page

Filter Values Section only on Last Page

Page Break Mode. Select the field if the system must insert a page break in the report.

Use Alternate Shading. Select this field to shade alternate lines on the report. This aids readability for reports that contain many lines of data.

Report Design File. Specify a Crystal Reports design file that contains custom changes to the current report. The changes are then loaded and applied to the report.

Mail Body. Optionally, enter body text for e-mails to system users to which the report must be attached.

Report File. This field indicates the default report template on which the report is based. Use the drop-down list to select a different template if necessary.

Report Variants

Report Variants are similar to stored searches, and let you store the settings for a report under a user-defined name. By storing settings in a variant, you avoid defining report settings each time the report is run.

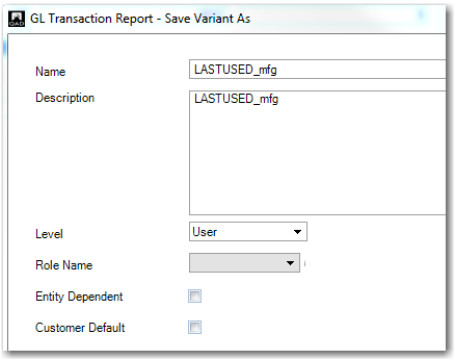
Use the Variants menu to save report variants, and the Variants drop-down list to select saved variants.

You can use an existing report variant, modify the report settings, and save them to the existing report variant, or select another report variant to update.

Use Report Variant Delete (36.4.21.25.3) to delete unwanted variants from the system.

Use Report Variant View (36.4.21.25.2) to view existing report variants in read-only form.

Fig. 15.8
Variants Save As



Field Descriptions

Name. Enter a code (maximum of 80 characters) to identify this variant. The variant name must be unique to that report.

Description. Enter a brief description of the variant

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

User <Current User ID>: Only you can access the report variant. It is not available in the variant lists of other users. This setting is the default.

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

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

Customized Factory Default: The variant is named CUSTOMERDEFAULT, and becomes the customized factory default for this report.

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

Role Name. If you select role as the access level, select a system role from the drop-down list.

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

Server Output Processing

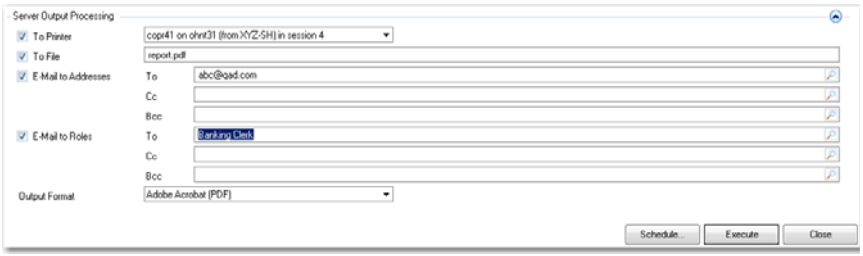
The Server Output Processing area of reports lets you define output options for server-based reports. Use these options to:

- Designate a server printer on which to output the report. The system retrieves a list of all available server printers.
- Specify a file name, location, and format in which to save the report. For example, you can save a report as PDF to a specified location.

- Browse for user e-mail addresses and roles to which to e-mail the report.

You can combine these options by saving a report in file format, selecting users and roles to which to send the file, and e-mailing the file.

Fig. 15.9
Server Output Processing



Field Descriptions

To Printer. Specify a server printer on which to send the report. The drop-down list displays all printers configured on the report server.

To File. Specify a file name and extension when you want to e-mail the report as a file to system users.

Mail Subject. Enter a mail subject header for when the report is emailed to users. The name of the report is entered by default.

E-mail Addresses. Specify system user e-mail addresses to which to send the report file.

E-mail to Roles. Optionally, specify system roles to which to e-mail the report file.

Output To File. Select a file format in which to save the report file.

Running the Crystal Version of a Report

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

The Variants list contains all report variants that you have permission to access. By default, the Last Used report variant of the report is listed.

The Preview menu option displays the report on-screen, and the Print option lets you output to printers installed on the client.

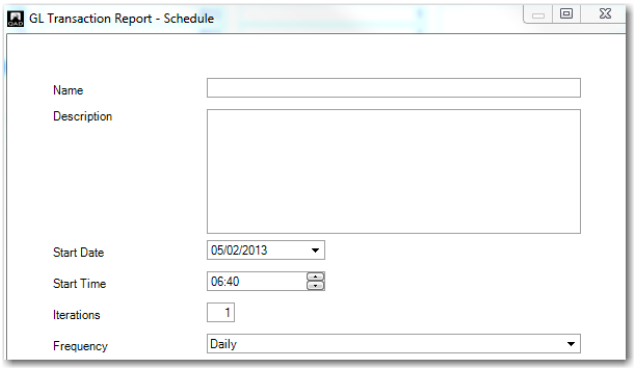
Report output is first shown in a viewer, where powerful functionality is available for navigating and searching through the data. In addition to sending reports to a printer, data can be exported in many standard formats such as PDF, XLS, and DOC.

Report Schedule

The Schedule option lets you schedule reports to generate in batches, and specify iterations of each batch.

Scheduled reports are sent to a server queue and are printed in sequence, using a dedicated Report daemon. A .NET Report Service manages and monitors the Report daemon. The service can be installed on the application server or as a remote host.

Fig. 15.10
Report Schedule



Field Descriptions

Name. Enter a name for the report, to a maximum of 80 characters.

Description. Enter a brief description for the report

Start Date. Enter a start date for report processing. The report will be processed on this date.

Start Time. Enter a start time for report processing

Iterations. Specify the number of iterations for the report. This value determines the number of times the report is printed.

Frequency. Select the frequency with which the iterations are run. The options are:

Daily

Weekly

Monthly

Yearly

The report daemon and .NET report service are described in see *QAD System Administration User Guide*.

Report Execute

The Execute Option lets you print a report immediately to a client-based printer. You can only execute reports for which no server output processing options have been selected.

Regional Report Settings

You can select the language used for report labels and data descriptions, regardless of the language you are using.

The Report Translation function lets you create, view, modify, and delete custom labels used in component-based reporting functions. Using the Report Translation function, you can modify the standard QAD translations or create new translations.

For details on report translation, see *QAD System Administration User Guide*.

The system manages other regional settings such as the decimal point, number of decimals, and the date format.

Report Daemon

Reports can be printed locally, using the Print option on the menu bar. They can also be batch printed from a server-based queue, e-mailed to system users and roles, and saved in different file formats. For Crystal Reports, the Report daemon handles these reporting requests and manages server-side reporting.

The Report daemon can be run on a server other than the main application server. This lets you schedule batch reporting without affecting application performance. The Report daemon is managed and monitored by the .NET Report Service, which is installed as an additional service on the application server.

The .NET Report Service handles the server-side reporting functions, including starting and stopping the Report daemon, and daemon activity errors are displayed as Windows log events. Request processing errors are displayed in the Report daemon monitor screen. See *QAD System Administration User Guide* for more details on the Report daemon.

Structured Reports

Use Structured Reports to create reports based on predefined report structures that reuse part of the budget setup functionality, and are based on work breakdown structures. Reports that run on a report structure have their content selected and grouped according to that structure, and are not based on the list of GL accounts.

Note This section describes how to use the fields in Budget Create to define report structures. Defining budget structures and all other budget-related topics are described in detail in “Budgeting” on page 873.

Report structures let you define the hierarchy of levels for which data is accumulated for reports. You can define a tree-like report structure that ends at the lowest level on the chart of accounts, and where the higher levels are subtotals.

A report structure consists of a placeholder entity budget, where the budget structure is defined, but contains no period information and budget data.

As with budget structures, you define a report structure by creating levels and topics, and by linking subtotals and COA elements to the hierarchy of topics. In addition to GL accounts, you can define sub-topics for sub-accounts, cost centers, and projects.

When you define a structure, it must contain a minimum of one GL account topic level. If you link a range of GL accounts to a topic, details are not printed for each account.

You also have the option to run structured reports based on an alternate COA structure. See “Alternate Chart of Accounts” on page 113 for more information on creating alternate COA structures for use in report structures.

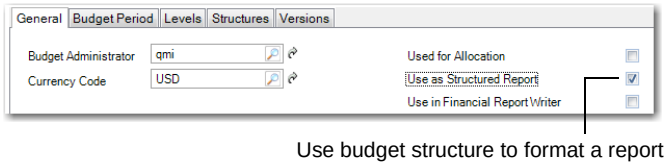
Creating a Report Structure

You use the Budget Create (25.5.1.1) activity to create a budget structure for use as a report structure. Only minimal budget data is needed in the header, including the budget code and description.

General Tab

On the General tab, select the Use as Structured Report field. When you select Use as Structured Report, the system validates and categories the report structure data differently than for general budget data. Also, the report structure is available in the selection criteria of the reports. No other fields in the General tab are required when defining a report structure.

Fig. 15.11
Budget Create, Use as Structured Report Field

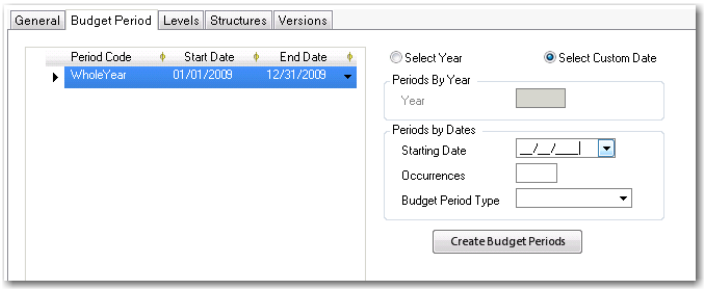


Periods Tab

Use the Budget Period tab to define a minimum of one period for the report structure; you can create a single period for the entire year.

Note If you define a report structure to include budget data in addition to GL and chart of account details, you must define the period to coincide exactly with the budget time frame.

Fig. 15.12
Budget Create, Budget Period Tab



Levels Tab

Use the Levels tab to define the number of levels to include in the report structure hierarchy. Report structures are defined top-down, so include subtotals at the highest levels in the hierarchy.

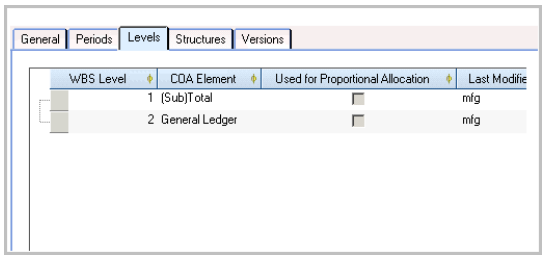
The GL account level is mandatory and must be the first COA element you include in the report structure hierarchy, after the subtotal levels. The other COA elements are not mandatory, but if you use them, define them in the sequence Sub-Account, then Cost Center/Project.

You cannot define subtotal levels within the COA elements. Therefore, if you define subtotals at levels 1 and 2, and GL accounts at level 3, you cannot define a subtotal again at level 4.

A report structure can contain a maximum of 15 levels. You use the Topic Level field in the report Selection Criteria to indicate the level of detail that you want the structured report to contain. For example, Level 1 indicates that amounts are shown for topics on the top level only.

Note You cannot define SAFs as report structure levels.

Fig. 15.13
Budget Create, Levels Tab with Structure Hierarchy



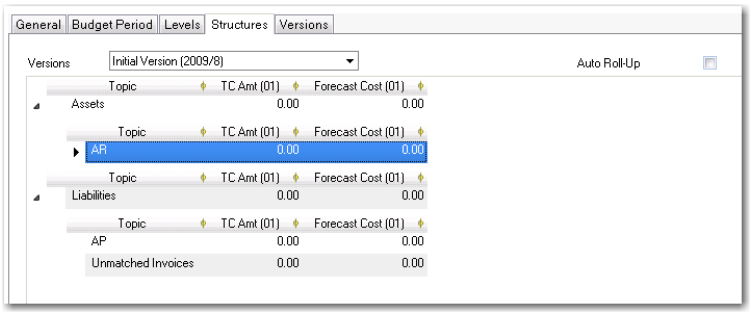
Structures Tab

Use the structure tab to link a COA element or subtotal to each level topic, as described in “Budgeting” on page 873.

Figure 15.13 shows that there are two levels in the report structure, and that GL accounts are at level 2. In Figure 15.14, Assets and Liabilities are subtotal levels, and cannot have accounts linked. The AR, AP, SIREC, and Result of Current Year level 2 topics have linked GL accounts.

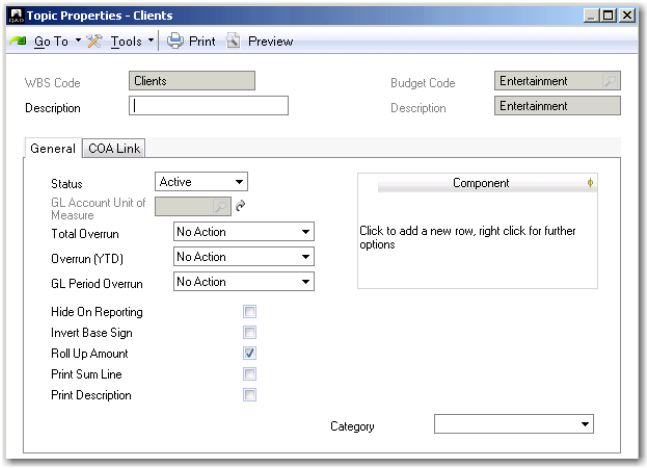
If the structure includes lower COA levels, you must link the elements in a one-to-one combination with one GL account, one sub-account, and one cost center or project in the hierarchy of a topic. You cannot use ranges or lists when linking sub-accounts, cost centers, or projects.

Fig. 15.14
Budget Create, Structures Tab with Report Structure



The Topic Properties screen used to link COA elements or alternate COA elements to budget and report structures contains several fields that are specific to report structures: Description, Hide on Reporting, Invert Base Sign, Roll Up Amount, Print Sum Line, Print Description, and Category.

Fig. 15.15
Budget Create, Topic Properties, General Tab



Description. Specify a description of the topic that you can optionally print on structured reports. You can enter up to 120 characters.

When using Budget Create to define a report structure, you can choose to print the topic description when reports based on this structure are printed. You indicate your topic printing preference using the Print Description field on the Topic Properties General tab.

The Description field and Print Description field are only enabled if the Use as Structured Report field is selected on the General tab of Budget Create.

Hide on Reporting. Select the field to hide topics on the report.

Invert Base Sign. The Invert Base Sign field lets you change how debit and credit amounts are represented for a report structure topic.

The display sign of an amount on a topic is derived as follows.

Table 15.17
Invert Base Sign Rules

Topic Balance	Invert Base Sign?	Operator Displayed
Debit	No	+
Debit	Yes	-
Credit	No	-
Credit	Yes	+

Roll Up Amount. Select the field to indicate whether the current topic level can be rolled up to a higher level. This field is particularly useful when using report structures to create regional reports because in some regional accounting systems, such as the Chinese Accounting System, accounts cannot be rolled up above budget level.

Print Sum Line. Select the field to print a header and footer line for the linked accounts. In some regional reports, account subjects can require a header line and a footer line; for example, “Current Asset” or “Current Asset Sum.” If you select the field, the system inserts a sum line and the original line is appended with a colon.

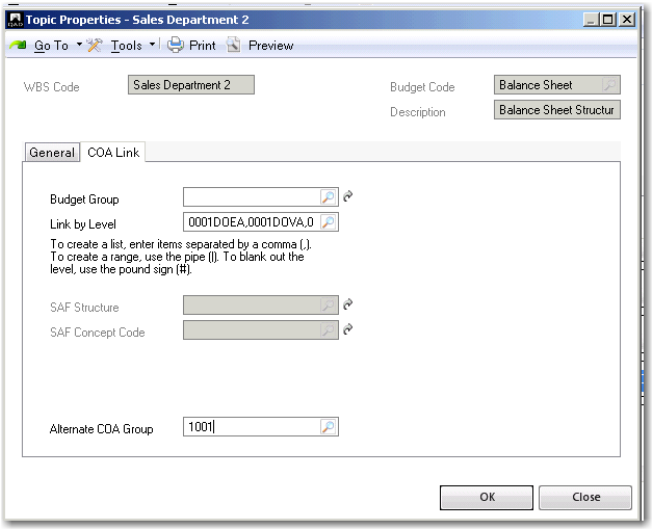
Print Description. Select this field if you want to print the topic description on reports based on this structure.

You specify a topic description using the Description field in the Topic Properties header.

The Description field and Print Description field are only enabled if the Use as Structured Report field is selected on the General tab of Budget Create.

Category. Select an option to indicate the GL category of accounts linked to the current level in the budget or report structure. When creating a report structure for a regional report, you can only link accounts of the same category. If you link accounts from more than one GL category to a structure level, you receive an error.

Fig. 15.16
Topic Properties, COA Link Tab



Alternate COA Group. Specify an alternate COA group on which to base the report output. This step is sometimes required when creating a regional report based on an alternate COA structure, such as the Chinese Balance Sheet. When creating a regional report, you can still link some topic to non-alternate COA elements—it depends on how your alternate COA is configured.

An alternate COA group code functions in a similar way to a budget group code, and links level 1 alternate COA accounts. When a level 1 alternate COA account is assigned to a group code, all lower-level alternate COA accounts in that structure are then automatically mapped to the group code.

See “Alternate Chart of Accounts” on page 113.

System Accounts

During the Year-End Closing procedure, the system posts the total balance of the P&L accounts to the balance sheet, and the balance of the P&L accounts is zero for the new GL calendar year. See “Year-End Transactions” on page 451.

However, if you run a balance sheet early in the current calendar year, the previous GL calendar year may still be open, and the P&L balance will not have been transferred. In addition, you may want to include the P&L balance to date for the current year.

Two system-type accounts let you include the balance of all P&L accounts for the current year and all unclosed previous years in a report structure. The accounts to use are:

- Result of Previous Year
- Result of Current Year

When you run a report that includes a Result of Current Year account, the system transfers the balance of all profit and loss accounts to that system account, and displays the resulting balance on the report.

Similarly, when you run a report with a structure that includes a Result of Previous Years account, the system transfers the balance of the profit and loss accounts for all previous, unclosed years to that system account. The resulting balance is displayed on the report.

The results are shown on a separate line in the reports: Profit/Loss of All Open Accounting Years.

See “GL Account Types” on page 87 for information on creating system accounts.

Executing Structured Reports

Structured reports calculate balances for each entity in the selection. GL calendar years are closed per entity, so the last closed GL calendar year can be different for each entity.

If the time period you specify in the selection criteria does not match the GL calendar periods (or a multiple), the report data is prorated on day basis.

If you run the reports with a Topic Level of 3 and the structure has five levels, then the report shows output for three levels; topics 4 and 5 are hidden.

Balance Sheet

The Balance Sheet Report (25.15.5.4) runs based on report structures implemented using the Budget function. Budgets provide item breakdown through the use of topic levels.

The Balance Sheet report calculates the balance of all profit and loss GL accounts from the start of the GL calendar year up to the end of the selected time frame. You can run the report for either actuals or budgets.

The system constructs the Balance Sheet based on the accounts you specify in the report structure. All other accounts are excluded.

Typically, Balance Sheets are constructed from the following information:

- Balances of all asset accounts, such cash accounts, accounts receivable, and prepaid expenses
- Balances of all liability accounts, such as accounts payable, and unmatched invoices accounts, bank loans, and income tax liabilities

The system compiles the balance sheet for the most recent GL calendar year that is not closed to transactions. The balance sheet always contains data from the first day of the GL calendar year up to the end date you specify.

The Multi-Column Balance Sheet Report (25.15.5.6) lets you include up to a maximum of 15 data and calculation columns in the report. This lets you view monthly or quarterly comparisons for actuals and budgets, and calculate variances and percentage variances for each period.

This report is created in the same way as the Balance Sheet Report (25.15.5.4). The system derives data for the report from a user-defined report structure, in which you create levels and topics, and link subtotals and COA elements to the topic hierarchy. In addition to GL accounts, you can define sub-topics for sub-accounts, cost centers, and projects.

You can use the following criteria for each column:

- Actual. The actual balance at the end of the time period.
- Budget. The budgeted balance at the end of the time period. Budget data is retrieved from the report structure for the given period.
- Variance. The variance calculated between the two previous data columns. A common balance sheet would include columns for actuals and budget for the given period, followed by a comparison between these balances.
- % Variance. The variance between the two previous data columns as a percentage.

You set the To Date parameter for data columns to define the time period. The start of the period is the start of the accounting year.

You must define the first column in the report, and you define multiple columns consecutively. For example, you can only define column 5 if you have already defined columns 1 – 4. You must complete the To Date and content fields for data columns, and content fields for calculation columns. Columns that have not been defined are not displayed in the report output.

Note You can also create Balance Sheet reports using Financial Report Writer, which provides you with the flexibility to create financial statements tailored to the presentation needs of your organization. Financial Report Writer is QAD's recommended approach for creating financial statements. See Chapter 16, "Financial Report Writer," on page 953.

Regional Balance Sheet

Use the Regional Balance Sheet report (25.15.5.8) to run structured reports with the output organized based on a multi-level alternate COA structure; for example, a Chinese Balance Sheet.

As with the non-regional balance sheet and income statement reports, you specify the report structure using Budget Create. You then specify the alternate COA group on which to base the report using the Alternate COA Group field in the COA Link tab of the Topic Properties window.

When you run the report, you specify the COA cross-reference for the alternate COA structure on which to base the report output. The system uses the cross-reference to retrieve the corresponding mappings and, consequently, the relevant alternate accounts.

Income Statement

The Income Statement Report (25.15.5.5) is used to track revenues and expenses so that you can determine the operating performance of your organization over a specific period of time.

Income statements help investors and suppliers determine the past performance of the organization and predict future performance.

The Income Statement typically includes figures from income and expense accounts, such as sales and rent revenue, and cost of goods sold, selling expenses, and overhead expenses.

The Multi-Column Income Statement Report (25.15.5.7) also provides up to 15 columns of reporting, in which you define the From and To Dates and the content criteria for the Income Statement. The Multi-Column report provides greater flexibility when generating summaries and forecasts for monthly or quarterly periods and is easily exported to spreadsheet format for analysis.

Use the Actual, Budget, Variance, and % Variance options for the income statement report. You also use the % Income option in calculation columns, which calculates the percentage income for the period.

Note You can also create Income Statement reports using Financial Report Writer, which provides you with the flexibility to create financial statements tailored to the presentation needs of your organization. Financial Report Writer is QAD's recommended approach for creating financial statements. See Chapter 16, "Financial Report Writer," on page 953.

Regional Income Statement

Use the Regional Income Statement report (25.15.5.9) to run structured reports with the output organized based on a multi-level alternate COA structure; for example, a Chinese Income Statement. The structure and alternate COAs are retrieved as described in "Regional Balance Sheet" on page 950.

Chapter 16

Financial Report Writer

The following topics describe how to configure and use Financial Report Writer.

Overview 954
Introduces Financial Report Writer functions and concepts.

Setting Up Financial Report Writer 956
Describes how to prepare Financial Report Writer for use.

Generating Cubes 971
Describes how to generate a cube you have created.

Report Cube Consistency Check 973
Browse the balances created during the cube generation.

Cube Daemon 975
Generates updates for report cubes.

Report Analysis Codes 975
Facilitate report creation by creating report analysis codes.

Report Trees 982
Create and maintain a report tree using Report Tree Maintenance.

Report Tree Excel Integration 985
Create and maintain a report tree using Excel.

Report Column Group 990
Define the number of columns, column content, and presentation details of a report.

Maintaining Report Masters 997
Create report master records for different report layouts.

Financial Report Run 1000
Run, view, and print a financial report.

Using Budgets in Financial Reports 1003
Create budgets for use in Financial Report Writer.

Financial Report Analysis 1013
Drill down into a Financial Report to analyze balances and investigate source postings.

Overview

Financial Report Writer is a group reporting solution that combines the existing Financials reporting functionality into a single user experience. It includes multi-entity and multi-domain reporting that lets you map charts of accounts and approximate consolidation results.

Financial Report Writer Concepts

Financial Report Writer aggregates financial statements that are built on:

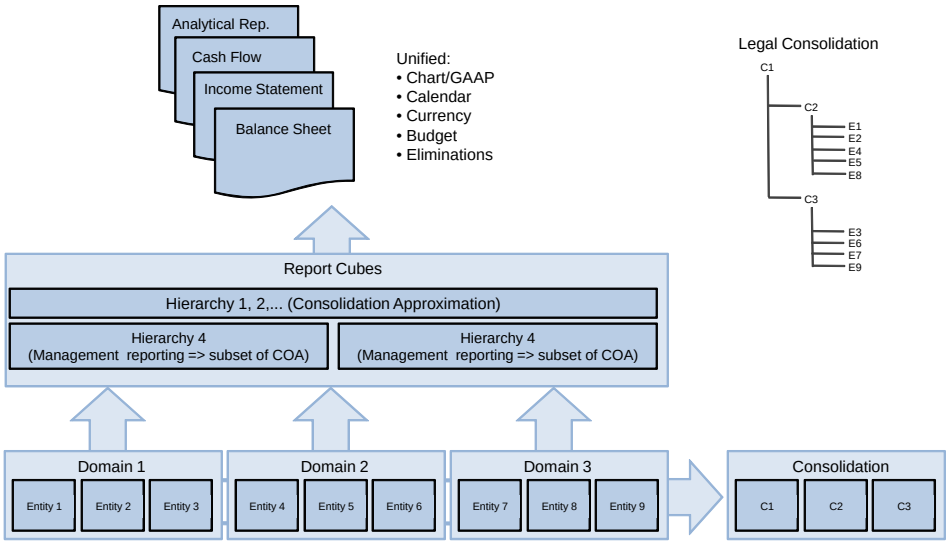
- A common chart of accounts (COA) including all dimensions available in Financials, such as domain, entity, layer, GL account, sub-account, cost center, project, SAFs, intercompany, and currency
- A common currency—the presentation currency
- A common calendar

Financial Report Writer presents the financial data in a hierarchy, which can include multiple GAAP views. Financial Report Writer provides a Legal Consolidation view and a Management Reporting view. The Legal Consolidation view is an approximation of the posted consolidation, which covers the full COA and is bottom line balanced (debits equal credits). The Legal Consolidation view also allows you to verify the completeness of the data.

You can also omit COA elements intentionally. For example, you can eliminate intercompany transactions, where an intercompany sales balance in one entity is netted against the corresponding intercompany purchase balance in another entity.

Financial Report Writer lets you create reports for subsets of the COA for management reporting purposes. For example, you can display the financial results for a given product line across all domains.

Fig. 16.1
Financial Report Writing Concepts



You can use Financial Report Writer to create multiple report cubes with different calendars and presentation currencies. Financial Report Writer provides a good balance between predefined selections in the setup and filtering at reporting time. You can create new report structures or change existing report structures at any time. You can also rebuild the balances stored in the cubes when new cubes are introduced or when structural changes are made to the reporting COA.

Financial Report Writer also allows you to reuse a reporting hierarchy (tree) recursively in other hierarchies. You can use an existing reporting hierarchy as a template to copy and reuse when you create a hierarchy.

You can also use reporting hierarchies to create standard Balance Sheet, Income Statement, and Cash Flow reports. If you use Financial Report Writer to create a report for a single domain, the setup is limited to a single screen.

You can also create budgets for use in financial reports. This facility enables you to compare budget amounts with actual postings. See “Financial Report Run” on page 1000.

Financial Report Writer versus Consolidation

Financial Report Writer is closely related to consolidation, although they are different activities with common traits. Both ensure that the activities of subsidiaries are represented in aggregated financial statements.

Consolidation allows you to obtain an aggregated view by combining balances from individual entities in a single consolidation entity. The consolidation process creates new postings in the consolidation entity and is performed for statutory purposes and is part of the period closing activities.

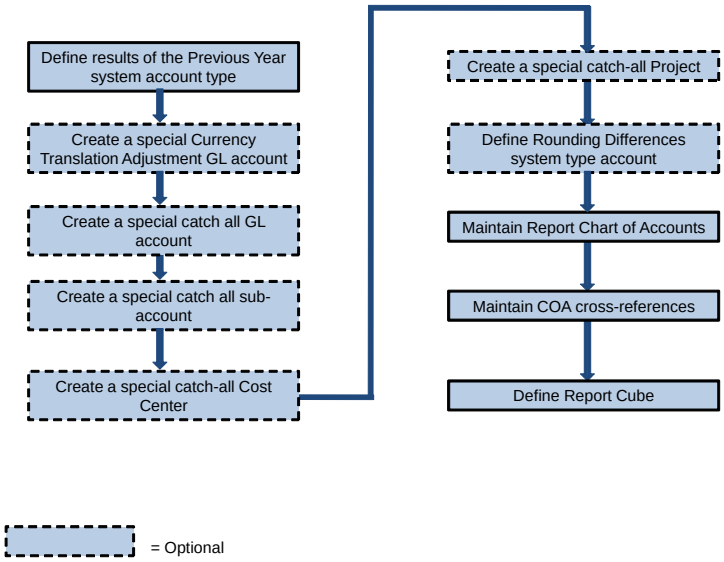
Financial Report Writer allows you to produce an aggregated financial report across a series of individual entities. You can create these reports at any time of the year and without creating postings. Financial Report Writer provides an approximation of the consolidation results because not all elements are known at the time of reporting. For example, the period-end exchange rates are often unavailable when you run Financial Report Writer during the year. In addition, some corrections on the accounts may not yet be applied.

Financial Report Writer also provides financial management reports, such as day-by-day information on income and expenses across all entities and domains. You can group these results by product line, division, or department. The daily balance sheet position of assets (customers, inventory, cash, WIP) and liabilities (suppliers, loans, taxes due) may also be of interest to management.

Setting Up Financial Report Writer

Before you set up Financial Report Writer, decide which shared sets to use for the common language reporting COA (GL accounts, sub-accounts, cost centers, and projects).

Fig. 16.2
Financial Report Writer Setup Workflow



1 Verify that the reporting GL shared set contains a system GL account of type Result of the Previous Year.

2 In the reporting GL shared set, create a special Currency Translation Adjustment GL account. This account is a standard P&L account. You can use the GL account setup default values.

Note This step is only needed for currency translations that use different rates for different account types.

3 In the reporting GL shared set, create a special catch-all GL account. The account type is Standard. You can accept all field defaults.

Note Steps 3-6 are only needed when you want to allow incomplete translation mapping in the COA cross-reference.

4 In the reporting sub-account shared set, create a special catch-all sub-account.

5 In the reporting cost center shared set, create a special catch-all cost center.

6 In the reporting project shared set, create a special catch-all project.

7 Verify that the reporting GL shared set contains a system GL account of type Rounding Differences.

Note This step is only needed if you use currency translations that cause rounding differences.

8 Maintain the report COA using Report Chart of Accounts Create. See “Setting Up the Report Chart” on page 957 for details.

9 Set up the COA cross-references using COA Cross Reference Modify or COA Cross Reference Excel Integration. See “Setting Up COA Cross-References” on page 961 for details.

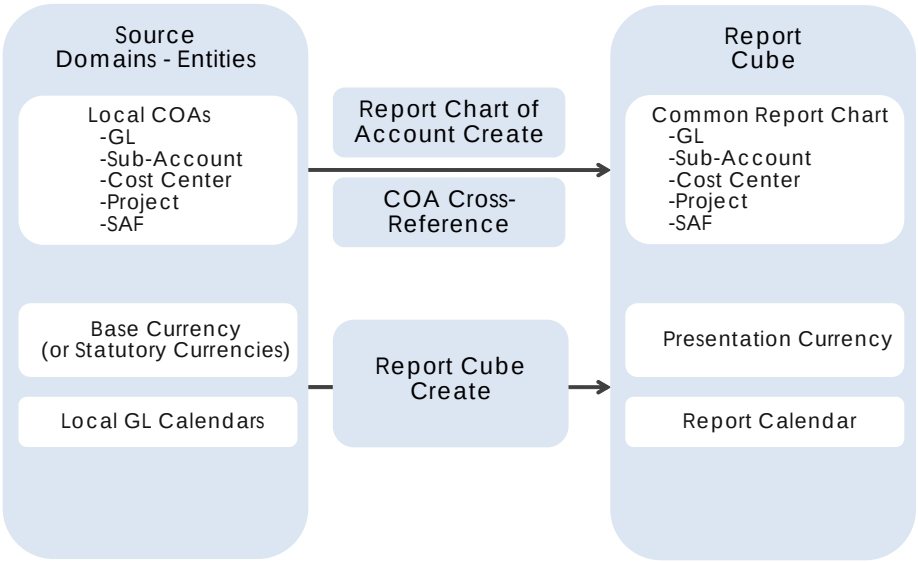
10 Define the report cube. See “Define Report Cube” on page 963 for details.

Setting Up the Report Chart

The Financial Report Writer collects financial data from several source domains in a reporting COA. Therefore, specify which common report COA to use.

You set up a report chart by selecting a GL shared set, a sub-account shared set, a cost center shared set, a project shared set, and up to ten SAF concepts. The report COA setup also includes the COA cross-references that translate the COA of the source domains to the report COA. When required, you can create multiple report COAs in the system.

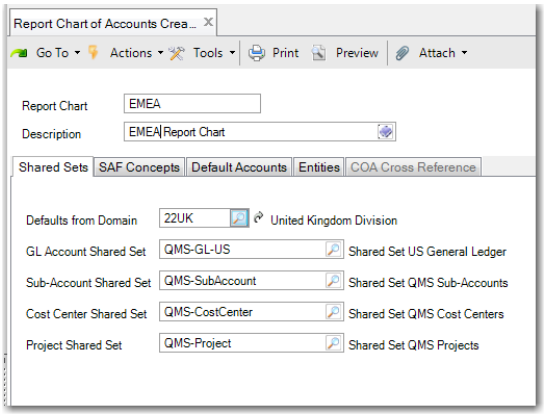
Fig. 16.3
Report Chart Mapping



Report Chart of Accounts Create

Use Report Chart of Accounts Create (25.16.15.1) to maintain a common reporting chart of accounts. When you create a new report chart in Report Chart of Accounts Create, all tabs except COA Cross Reference are enabled.

Fig. 16.4
Report Chart of Accounts Create



Report Chart. Specify the code for the report chart.

Description. Enter a maximum of 40 characters for a description of the report chart.

Shared Sets Tab

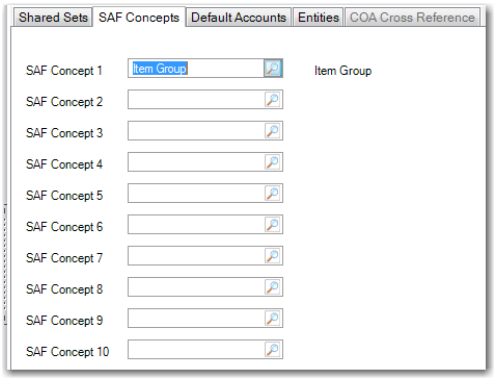
Defaults From Domain. Specify the domain from which you want to use most or all of the shared sets. By default, the system uses the shared sets used in that domain. However, you can update the defaulted values.

GL Account Shared Set, Sub-Account Shared Set, Cost Center Shared Set, and Project Shared Set. Specify a GL shared set, a sub-account shared set, a cost center shared set, and a project shared set for the report chart. You can also leave a shared set field blank. This indicates that you are not planning to use that dimension in any of your reports. It is only mandatory to specify the GL account shared set.

If you replace a shared set and COA cross-references already exist for that shared set in the COA Cross Reference tab, the system displays a warning to remind you to update the cross-references.

SAF Concepts

Fig. 16.5
Report Chart of Accounts Create, SAF Concepts Tab



SAF Concept 1-10. Financial Report Writer can include SAF dimensions and bring SAFs from various structures and concepts together to create a central reporting SAF structure. Specify a maximum of ten SAF concepts to use in reporting.

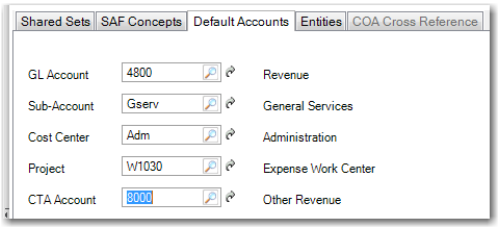
Default Accounts Tab

In the Default Accounts tab, enter the special accounts created in steps 2-6 of “Setting Up Financial Report Writer” on page 956.

The system uses the default GL account, sub-account, cost center, and project to fill in any gaps caused by missing mapping elements in the COA cross-reference used to translate from the source entity COA to the report chart COA. You can also leave these default codes blank to ensure that a missing translation is raised as an error during the generation of report cubes. In general, it is recommended that you leave these codes blank, unless you want to avoid errors generated by gaps in the COA translation.

The CTA account is mandatory when you create report cubes that have a presentation currency other than the source entities’ base currencies.

Fig. 16.6
Report Chart of Accounts Create, Default Accounts Tab



GL Account. Specify the special catch-all GL account you created in step 3.

Sub-Account. Specify the special catch-all sub-account you created in step 4.

Cost Center. Specify the special catch-all cost center you created in step 5.

Project. Specify the special catch-all project you created in step 6.

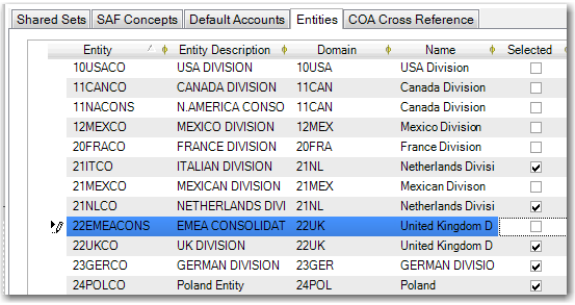
Note This value is only required if you plan to use projects in the reporting COA.

CTA Account. Specify the CTA account you created in step 2. If you specify a CTA account, the system verifies that there are no transactions posted to the account.

Entities Tab

In the Entities tab, specify the entities you want to include in Financial Report Writer.

Fig. 16.7
Report Chart of Accounts Create, Entities Tab



Selected. Select an entity code to create a list of source entities from which to retrieve balances. You can specify entities from any domain in the system.

You must associate at least one entity with a report chart.

If you delete or add entities for which COA cross-references are defined, the system displays a reminder that you must regenerate the COA cross-references.

COA Cross Reference Tab

In the COA Cross Reference tab, specify COA cross-reference codes to map shared sets that are different in the source and target COAs. The COA Cross Reference tab is enabled when a GL shared set is specified in the Shared Sets tab and if at least one entity is specified in the Entities tab.

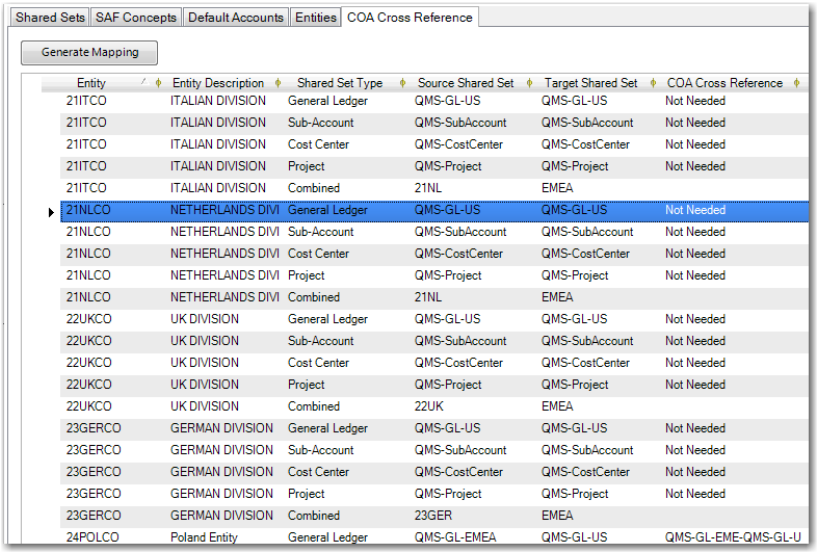
In the COA Cross Reference tab, you can enter COA cross-references manually or have the system automatically generate a list of COA cross-references by clicking the Generate Mapping button. The system verifies if an existing COA cross-reference matches the combination of shared sets and retrieves that cross-reference. If there is no matching COA cross-reference, the system creates a COA cross-reference code that combines the source and target shared set names. The system-generated COA cross-references are of type Separate. For more information on cross-references of types Separate and Combined, see “COA Cross-References” on page 119 and “Setting Up COA Cross-References” on page 961.

When the source and target shared sets are the same for a dimension, the system displays a Not Needed message and skips that shared set. You can manually specify COA cross-references of type Combined, which you can use for exceptions.

Note If you modify a shared set and COA cross-references already exist for that shared set in the COA Cross Reference tab, the system displays a warning to remind you to update the cross-references.

If you have saved a COA cross-reference mapping for a report chart and subsequently modify the target shared sets or entities, you must re-click Generate Mapping. Generate Mapping does not re-generate the mappings for existing entities if the target shared sets have not changed. Therefore, the system does not overwrite any valid prior mappings.

Fig. 16.8
Report Chart of Accounts Create, COA Cross Reference Tab



Entity	Entity Description	Shared Set Type	Source Shared Set	Target Shared Set	COA Cross Reference
21ITCO	ITALIAN DIVISION	General Ledger	QMS-GL-US	QMS-GL-US	Not Needed
21ITCO	ITALIAN DIVISION	Sub-Account	QMS-SubAccount	QMS-SubAccount	Not Needed
21ITCO	ITALIAN DIVISION	Cost Center	QMS-CostCenter	QMS-CostCenter	Not Needed
21ITCO	ITALIAN DIVISION	Project	QMS-Project	QMS-Project	Not Needed
21ITCO	ITALIAN DIVISION	Combined	21NL	EMEA	
21NLCO	NETHERLANDS DIVI	General Ledger	QMS-GL-US	QMS-GL-US	Not Needed
21NLCO	NETHERLANDS DIVI	Sub-Account	QMS-SubAccount	QMS-SubAccount	Not Needed
21NLCO	NETHERLANDS DIVI	Cost Center	QMS-CostCenter	QMS-CostCenter	Not Needed
21NLCO	NETHERLANDS DIVI	Project	QMS-Project	QMS-Project	Not Needed
21NLCO	NETHERLANDS DIVI	Combined	21NL	EMEA	
22UKCO	UK DIVISION	General Ledger	QMS-GL-US	QMS-GL-US	Not Needed
22UKCO	UK DIVISION	Sub-Account	QMS-SubAccount	QMS-SubAccount	Not Needed
22UKCO	UK DIVISION	Cost Center	QMS-CostCenter	QMS-CostCenter	Not Needed
22UKCO	UK DIVISION	Project	QMS-Project	QMS-Project	Not Needed
22UKCO	UK DIVISION	Combined	22UK	EMEA	
23GERCO	GERMAN DIVISION	General Ledger	QMS-GL-US	QMS-GL-US	Not Needed
23GERCO	GERMAN DIVISION	Sub-Account	QMS-SubAccount	QMS-SubAccount	Not Needed
23GERCO	GERMAN DIVISION	Cost Center	QMS-CostCenter	QMS-CostCenter	Not Needed
23GERCO	GERMAN DIVISION	Project	QMS-Project	QMS-Project	Not Needed
23GERCO	GERMAN DIVISION	Combined	23GER	EMEA	
24POLCO	Poland Entity	General Ledger	QMS-GL-EMEA	QMS-GL-US	QMS-GL-EME-QMS-GL-U

COA Cross Reference. Click in the grid field and specify a COA cross-reference. You can use an existing code or specify a new one.

If you click the Generate Mappings button, cross-references are automatically assigned by the system.

Deleting Report Chart of Accounts

Use Report Chart of Account Delete (25.16.15.4) to delete report chart of accounts. You cannot delete a report chart if it is used in a report cube, budget, report analysis code, report master, or report column group.

Setting Up COA Cross-References

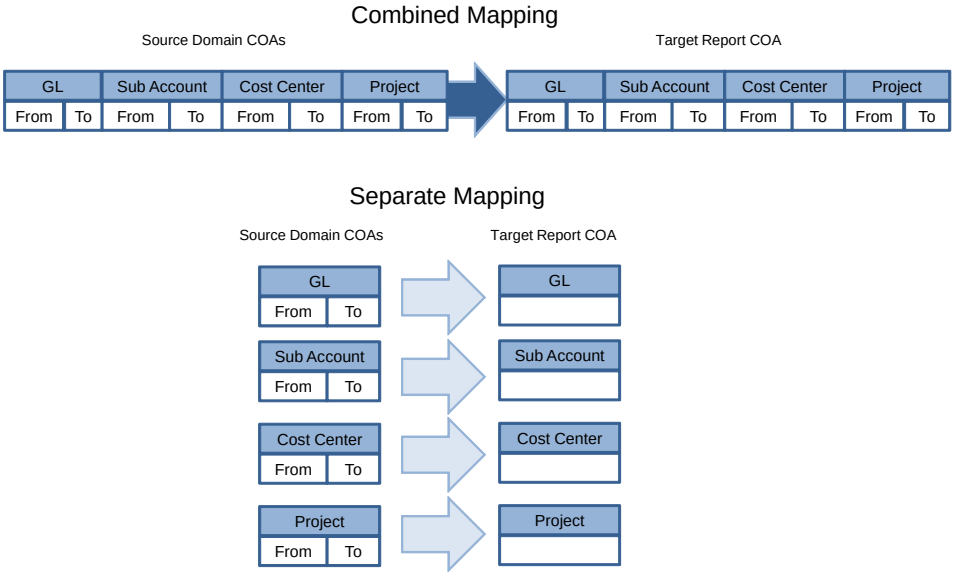
You create COA cross-references using COA Cross Reference Modify or COA Cross Reference Excel Integration.

For each dimension that you plan to use in the Financial Report Writer, you must have a complete COA cross-reference of type Separate. This step ensures that the accounts are correctly translated when you generate report cubes.

You can create a COA cross-reference of type Combined if you need a special mapping for combinations of GL accounts and sub-accounts or combinations of GL accounts and cost centers.

You only need to create COA cross-references of type Combined for exceptions. Financial Report Writer first checks if there is a COA cross-reference of type Combined for a particular accounting key. If a Combined map is found, Financial Report Writer uses that map. Otherwise, the Separate type mappings are used.

Fig. 16.9
Combined and Separate Mapping

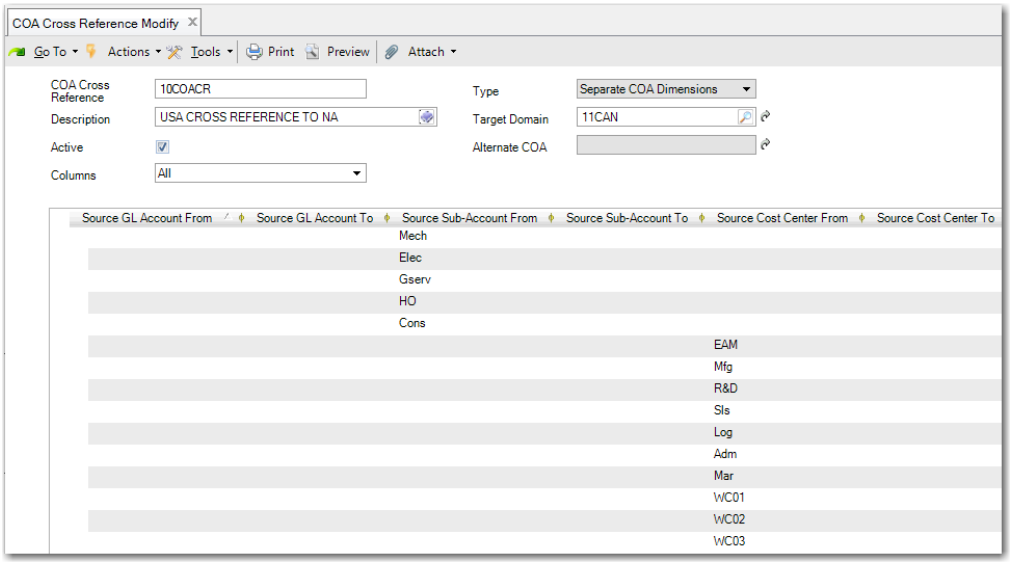


You do not need to create COA cross-references for COA dimensions that use the same shared set in the Financial Report Writer source and target. For COA dimensions you do not plan to use in group reporting, you can leave the COA cross-reference empty in Report Chart of Account Create.

COA Cross Reference Maintenance

Use COA Cross Reference Modify to set up new cross-references. When you open COA Cross Reference Modify, a browse is opened. To modify a COA cross-reference, right-click the cross-reference and click Modify.

Fig. 16.10
COA Cross Reference Modify



Type. Specify the cross-reference type for Financial Report Writer. The cross-reference type is either Separate COA Dimensions or Combined COA Dimensions.

Columns. This field is enabled if you select the value Separate COA Dimensions in the Type field. The Columns filter lets you focus on one element at a time. You can change the filter type during input.

Specify which grid columns you require to create separate COA cross-references. The options are:

All. Displays fields for mapping ranges of source GL accounts, sub-accounts, cost centers, and projects to COA elements in the target domain.

GL Account. Displays fields for mapping ranges of source GL accounts to a single GL account in the target domain.

Sub-Account. Displays fields for mapping ranges of source sub-accounts to a single sub-account in the target domain.

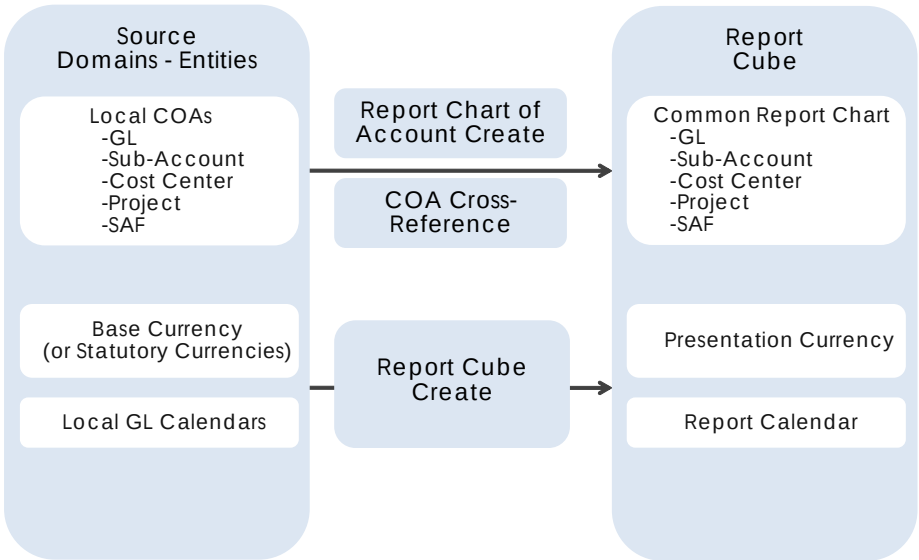
Cost Center. Displays fields for mapping ranges of source cost centers to a single cost center in the target domain.

Project. Displays fields for mapping ranges of source projects to a single project in the target domain.

Define Report Cube

In this section, you create parameters for the report cubes. The parameters determine how the consolidated financial data is stored in the reporting tables FRWCubeDim and FRWCubeMeas.

Fig. 16.11
Create Report Cube Parameters

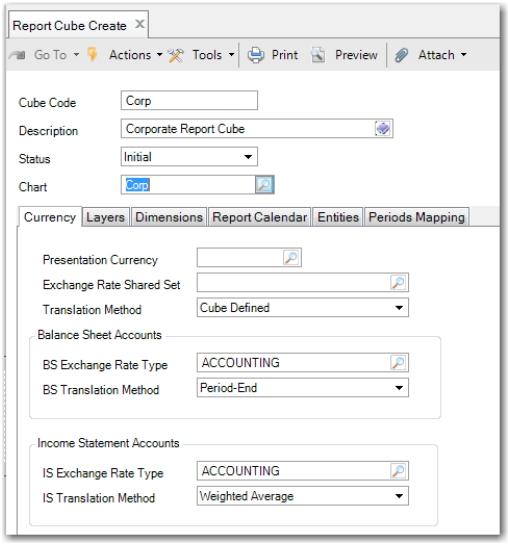


Set up the presentation currency (PC) and the exchange rates to use when converting from base currency or statutory currency to PC. After you have selected the entities in the report chart, you can also define the report calendar and a selection of entities to include in each cube. In Report Cube Create, you refine your earlier selections.

Report Cube Create

Use Report Cube Create (25.16.13.1) to set up report cubes.

Fig. 16.12
Report Cube Create, Header Fields and Tabs



Cube Code. Specify a code for the report cube.

Description. Specify a maximum of 40 characters for the description of the cube.

Status. Specify the cube status. There are five cube statuses:

- Initial

  For new cubes, only the Initial status is available.
- Building
- Operational

  When you generate the cube data using Report Cube Generate, the system updates the cube status to Operational. The Cube daemon can only update Operational cubes.
- Needs Rebuild

  If the cube generation fails or if the cube definition is changed, the cube status is automatically updated to Needs Rebuild. If the cube rebuild is successful, the system changes the cube status back to Operational.
- Inactive

  If you no longer need the cube, change its status to Inactive, which means that the cube is retired. You can change the status of inactive cubes back to Needs Rebuild.

The following table provides an overview of the possible status transitions.

Table 16.1
Possible Status Transitions

Status	Set Where	Can Go To	Set Where
Initial	Cube definition (create)	Building	Cube generate (start building)
Building	Cube generate (during generations)	Operational Needs Rebuild Needs Rebuild Inactive	Cube generate (successful end) Cube definition by user or after changing cube parameters Cube generation (when not successful) Cube definition (by user)
Operational	Cube generate	Needs rebuild Inactive	Daemon (corruption), cube definition (after changing the cube parameters) Cube definition (by user)
Needs rebuild	Daemon (corruption) Cube definition	Building Inactive	Cube generate (start building) Cube definition (by user)
Inactive	Cube definition	Needs rebuild	Cube definition (by user)

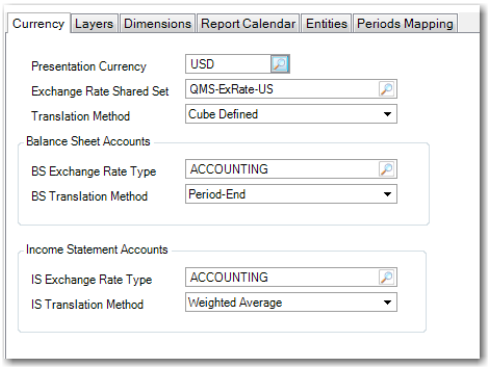
Chart. Specify the report chart to use for the cube. Many report cubes can use the same report chart.

When you are creating a new cube, all tabs remain deactivated until you specify a valid chart code.

If you change the chart code, the system displays a warning and all chart-related data is cleared and re-initialized.

Currency Tab

Fig. 16.13
Report Cube Create, Currency Tab



Presentation Currency. Specify the presentation currency for the cube. You can specify any currency in the system, provided that the required exchange rates are available.

Note If the presentation currency is different than one of the source currencies, you must specify a currency translation account (CTA) in the cube's report chart of account.

Exchange Rate Shared Set. Specify the shared set to retrieve the exchange rates from.

Translation Method. Specify whether to use the currency translation methods defined in the cube or the methods defined in the GL.

- Cube Defined

If you use the method defined in the cube (with separate settings for Balance Sheet and Income Statement accounts), you must complete the BS/IS Exchange Rate Type and BS/IS Translation Method fields.

- GL Consolidation Method

  If you use the consolidation setup from the GL accounts, the system uses the consolidation settings defined in the GL account of the shared set of the report chart. For more information on consolidation, see Chapter 14, “Consolidation,” on page 897. You can also set up the GL account to use different user-defined exchange rates for each entity. For more information on setting up GL account exchange rates, see the section “Currency Tab” in Chapter 4, “Setting Up General Ledger,” on page 81.

BS Exchange Rate Type. Specify the exchange rate type for Balance Sheet accounts.

BS Translation Method. The currency translation method indicates the exchange rate. You can choose from:

- Period End rate: The system uses the exchange rate at the end of each period and the total balance of the account is translated with that rate. The period end rate is typically applied for Balance Sheet accounts.
- Simple Average rate: All the rates for the period are added together and divided by the number of rates.
- Weighted Average rate: All the rates of the period are multiplied by the number of days they were valid, and then added together and divided by the total number of days in the period. Average rates are typically applied for P&L accounts.

IS Exchange Rate Type. Specify the exchange rate type for the Income Statement.

IS Translation Method. Specify the rate to use. The options are:

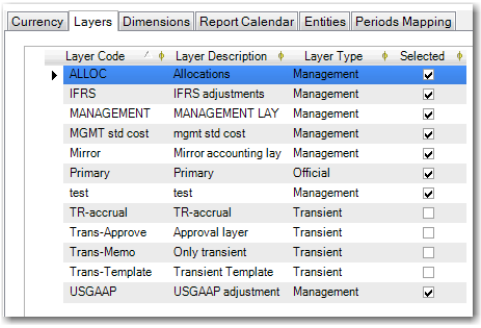
- Period-End
- Weighted Average
- Simple Average

Layers Tab

In the Layers tab, specify the layers to include in the cube. You can exclude layers that you do not want to include in the reports; for example, the transient layers used for storing posting templates. You can also create a cube for management reporting that includes management layers and another cube for statutory reporting that only includes the official layer.

Note You must specify at least one layer for each cube. Otherwise, you cannot save the cube data.

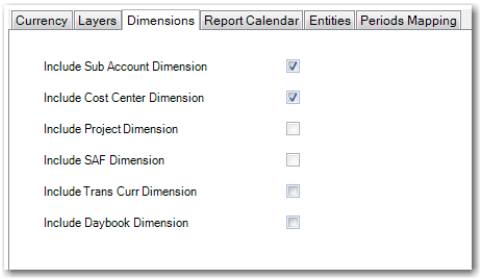
Fig. 16.14
Report Cube Create, Layers Tab



Dimensions Tab

In the Dimensions tab, specify the dimensions to include in the cube.

Fig. 16.15
Report Cube Create, Dimensions Tab

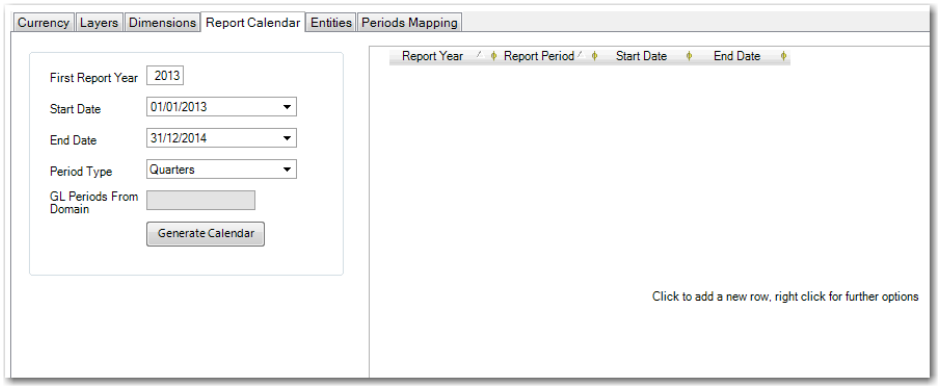


Include Sub Account/Cost Center/Project/SAF/Trans Curr/Daybook Dimension. Select the relevant fields to indicate which dimensions to include in the cube.

Clear the appropriate fields to exclude dimensions that you do not intend to use, which makes the cube smaller and increases reporting speeds.

Report Calendar Tab

Fig. 16.16
Report Cube Create, Report Calendar Tab



First Report Year. Specify the first report year to create in the report calendar.

Start Date/End Date. To identify the total duration of the cube calendar, enter a start date and an end date.

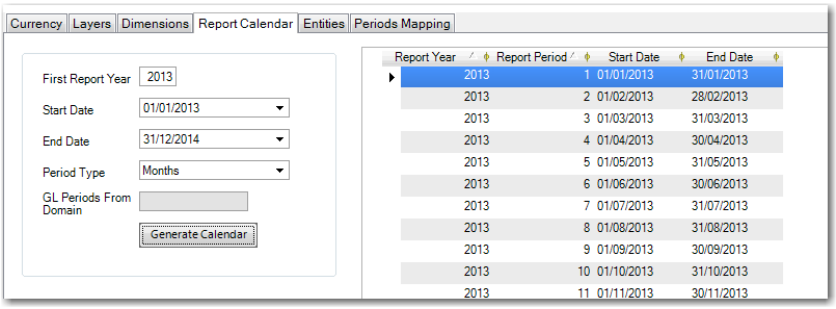
Period Type. Specify the type of period to use. The options are:

- Months.
- Quarters.
- GL Periods: When you choose the GL Periods option, the GL Periods from Domain field becomes active.

GL Periods from Domain. Specify the name of an existing domain to use the domain GL calendar for reporting.

Click Generate Calendar to automatically create the report calendar for the defined periods. After the report periods are generated, you can edit the report period start and end dates in the grid.

Fig. 16.17
Report Cube Create, Report Calendar Tab with Calendar Periods



Start Date/End Date. Review the proposed start and end dates for each report period and modify them, if required. Start and end dates for report years and periods can be different than the GL calendar year or GL period start and end dates.

All report periods must be within a closed series—the first day of each period must be one day later than the end date of the previous period. In addition, the period numbers must be incremental with no gaps. The system validates the report periods when you click the Generate Mappings button in the Periods Mapping tab.

For a new cube or a cube with no data, you can freely add or remove report periods and change the start and end dates of each period. If you modify report periods that are already mapped to GL periods in the Periods Mapping tab, the period mapping is cleared.

Entities Tab

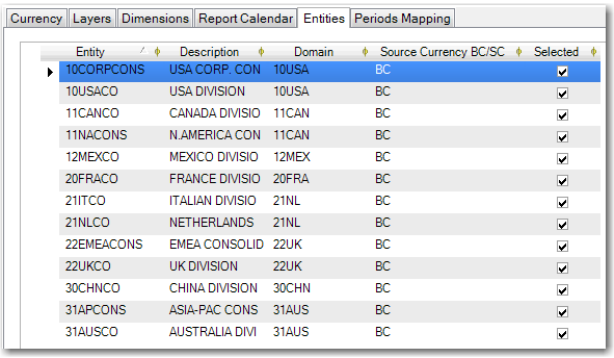
The Entities tab lists the entities that you specified in the report chart. For a new cube, all entities in the report chart are selected by default. Clear the Selected field for the entities that you do not want to include.

When you use Report Cube Modify to modify a cube definition, only the entities that were selected previously are selected. Therefore, if you add an entity to the report chart after the cube was created, the additional entity displays in Report Cube Modify as unselected.

Note You must specify at least one entity for each cube. Otherwise, you cannot save the cube data.

If you remove an entity, the period mapping for that entity in the Periods Mapping tab is automatically removed. The process of adding an entity does not automatically add the period mapping. You must do this manually in the Periods Mapping tab.

Fig. 16.18
Report Cube Create, Entities Tab



Source Currency BC/SC. For each entity that you select, you can change the starting base currency and the statutory currency (BC/SC).

Selected. Select or clear this field to add entities or to remove entities from the report cube.

Periods Mapping Tab

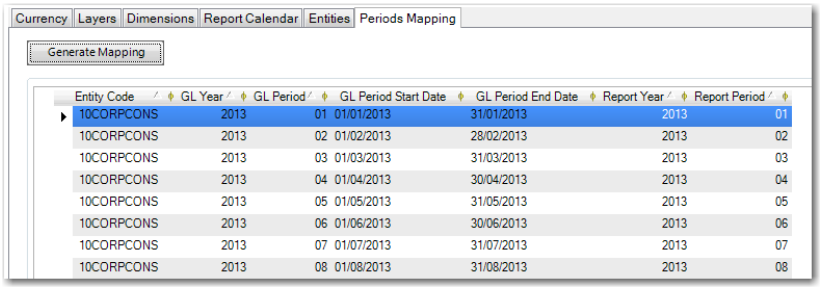
In the Periods Mapping tab, click Generate Mapping to map the GL calendar to the report calendar for all report periods specified in the Report Calendar tab. The GL periods of the source entities are mapped to report periods. Based on the start and end dates, the system assigns a default mapping proposal. However, you can modify the default mapping. The start and end dates of the GL periods can be different from the start and end dates of the report periods. A GL period cannot be split over multiple report periods.

Each entity GL period that overlaps with a cube report period is listed on the left of the grid and the corresponding report period is listed on the right of the grid. If a GL period overlaps with two report periods, the report period that has the greatest number of overlapping days with the GL period is kept.

You can freely change the report period year and the number assigned by the system for each entity GL period. You can also delete mapping rows. However, for each report period and entity, there must always be at least one period mapping record.

For a cube that has no data associated with it, click the Generate Mapping button to clear the original mapping data and to generate new mappings. When a cube has associated data, you can only add new report periods; you cannot modify the existing periods. In this case, the Generate Mapping button does not clear the old mapping records. It only appends new mapping records at the end of the mapping. You can only modify these newly added records. When you click the Generate Mappings button again, the newly added records are cleared and replaced by new default period records.

Fig. 16.19
Report Cube Create, Periods Mapping Tab



Deleting Cube Data and Cube Definitions

Use Report Cube Delete (25.16.13.4) to delete report cube data, including the report cube definition. If you want to delete the cube data only and not the report cube definition, use Report Cube Empty (25.16.13.5).

When you open Report Cube Delete, you must first select the cube to delete from the browse. Double-click the cube definition and it opens in Report Cube Delete. When you click the Delete button, a warning message displays.

Modifying Report Cubes

For an operational cube, most of the report cube definition fields are read only in Report Cube Modify; you can only modify the cube status and the report calendar end date. You can also add entities.

If you add a new entity or if you extend the report calendar dates, you must run Report Cube Generate to update the cube with the new entity or report periods. You can run Report Cube Generate selectively for a single entity.

If you need to modify other fields in the report cube definition, use Report Cube Empty (25.16.13.5) to delete the report cube data. You can then modify the cube data in Report Cube Modify. See “Deleting Cube Data”.

Deleting Cube Data

Use Report Cube Empty to delete report cube data, but not the report cube definition.

When you open Report Cube Empty, you must first select the cube for which you want to delete data from the browse. Double-click the cube and it opens in Report Cube Empty.

Click the Empty button to delete the report cube data. After you click the Empty button, the cube data is cleared and the cube definition remains. The report cube status is set to Needs Rebuild. You can then modify the cube data in Report Cube Modify.

Generating Cubes

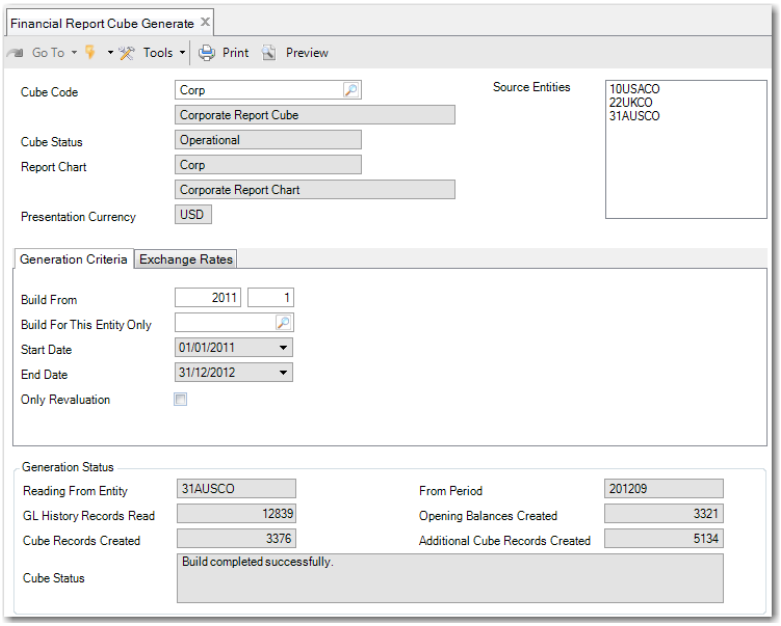
Use Financial Report Cube Generate (25.16.3) to generate data to the reporting tables FRWCubeDim and FRWCubeMeas.

To generate data, select one of the cubes you created during the previous steps. By default, the program generates data for the entire time frame defined in the report calendar of the cube. If the previous years or periods defined in the report calendar for the cube contain data, you can also regenerate a cube from a given start year and period.

By default, Financial Report Cube Generate generates data for all entities defined in the entity list of the cube, but you can also regenerate a cube for a single entity. When you generate the cube, the program displays the number of records read. The fields in Financial Report Cube Generate are almost all read-only.

Note You can only generate or rebuild a cube after you have stopped the Cube daemon. However, you do not need to empty the cube unless you want to change its setup. It is possible to generate multiple cubes in parallel, but it is not recommended because of the load it puts on the system.

Fig. 16.20
Financial Report Cube Generate



Cube Code. Select a code for the report cube.

Cube Status. If the cube has not been generated before, its status is Initial. When a cube is generated successfully, its status becomes Operational. The Report Cube daemon processes newly posted GL transactions in any of the source entities and updates the balances in the report cube.

Report Chart. This read-only field displays the defined report chart of the cube.

Presentation Currency. This read-only field displays the presentation currency for the cube.

Source Entities. This read-only field displays the source entities defined in the cube.

Build From. Specify the first reporting period for which the program must generate data. The first field contains the year and the second field contains the period.

Build For This Entity Only. Specify an entity in this field to generate cube data for this source entity only.

Start Date/End Date. These read-only fields display the start and end dates for the total duration of the cube calendar.

Only Revaluation. To generate the cube data for revaluations only, select this field. If you select this option, the system does not read balances from the source domains. Instead, it recalculates the PC balances using the latest exchange rates.

The Exchange Rates tab enables you to load and review the rates used for generation.

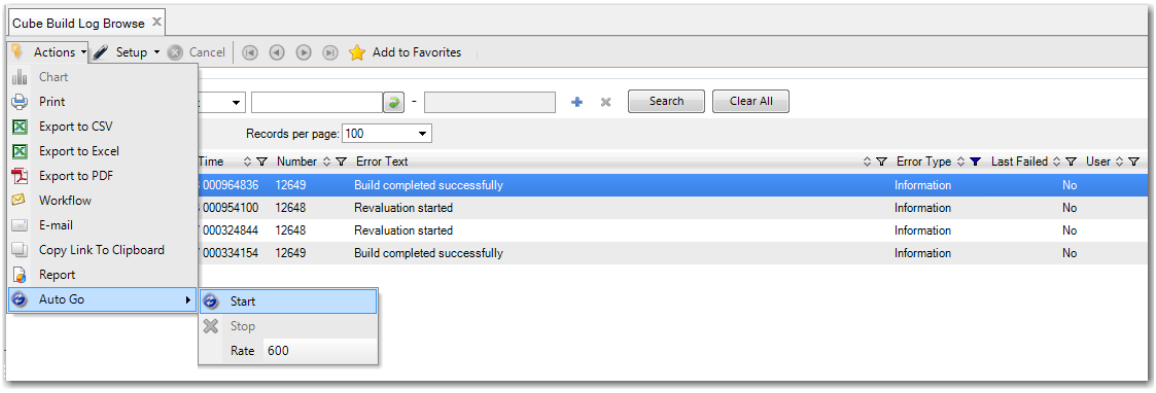
To generate the financial report cube, click Generate. The cube build can take between a few minutes and an hour, depending on the volume of data in the GL history table (PostingHist) and the number of dimensions the cube contains. The dimensions include the number of entities and analytical dimensions such as sub-account, cost center, project, daybook, currency, and SAFs.

You can view the progress of the build in the Generation Status section of the screen, which refreshes every five seconds. The Cube Status field first displays existing cube data being deleted. Next, the system reads GL history and builds the cube. The field displays the progress of the build and displays a message on successful completion, as displayed in Figure 16.20.

You can also use the Report Writer Utility program Cube Build Log Browse (25.16.50.1) to monitor the progress of the cube building. Filter on the Cube Code and look for the row displaying Counter in the Error Type column.

Note Use the browse Auto Go option to automatically refresh the results every *n* seconds. This facility enables you to see the Counter record updated automatically.

Fig. 16.21
Cube Build Log Browse: Auto Go Option



Report Cube Consistency Check

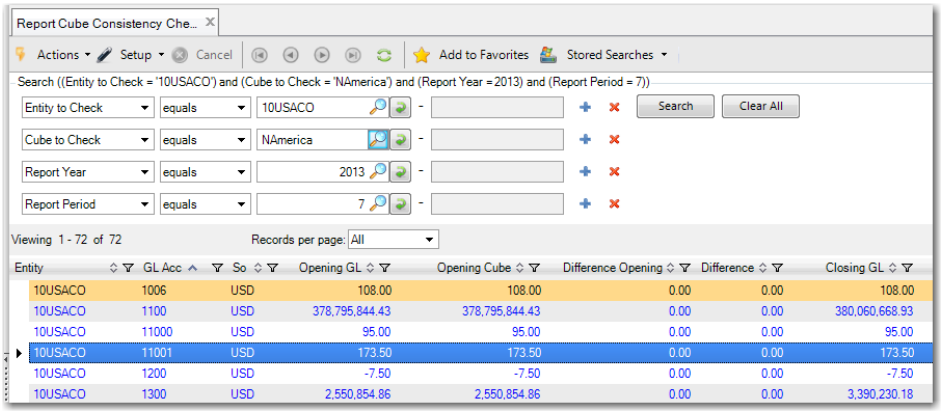
Report Cube Consistency Check (25.16.50.5) lets you check a cube's balances in base currency against the balances for the source GL accounts.

In the browse, you can filter on the cube, entity, report year, and report period for which you want to check balances. The results in the browse compare the base currency opening balances, debit and credit values, and closing balances of the source entity and the cube. The browse also lists amounts in the cube's presentation currency.

The Differences columns shows all zeros when the balances in the source entities (Trial Balance) are equal to the balances in the report cube.

If there are unprocessed Cube daemon queue records, an error displays indicating that the cube is not up to date. In this case, you must wait until the Cube daemon has successfully processed the queue. You can verify the queue status in Cube Daemon Monitor. See "Cube Daemon" on page 975.

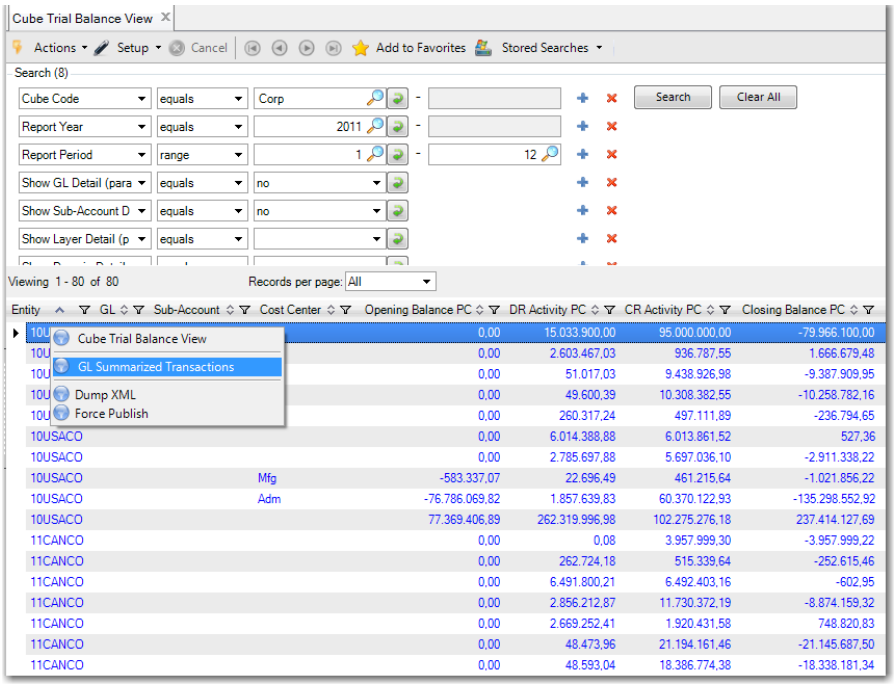
Fig. 16.22
Report Cube Consistency Check



Cube Trial Balance View

Cube Trial Balance View lets you browse the balances created during the cube generation.

Fig. 16.23
Cube Trial Balance View



In the selection parameters of the browse, enter the cube code, year, and period or period range you want to report on. The Cube Code, the Report Year, and Report Period fields are mandatory.

The retrieved data lists opening balances, period activity (DR/CR), and closing balances in PC for the specified reporting periods and for all accounting dimensions in detail. For example, domain, entity, GL account, sub-account, cost center, project, layer, daybook, currency, intercompany, and SAFs.

If you add Summary = SUM on the amount columns and group by entity or GL, you can start analyzing the financial data. The browse CTA column contains the currency translation adjustment, which is the translation difference caused by applying different exchange rates on the Balance Sheet and Income Statement. The report cube can contain additional rows for results of previous years, CTA, and a rounding difference. As a result of these additions, each entity balanced in base currency is also balanced in presentation currency.

Cube Trial Balance View includes a Show Details option for each of the COA dimensions. If you set Show Details to Yes for a dimension, the codes for that dimension are displayed on separate lines with individual balances for each code. If you set Show Details to No for a dimension, the codes for that dimension are blank and a total balance is displayed for all codes of that dimension.

Example You set Show GL details to Yes and Show Sub-Account details to No. Each GL account is displayed without sub-account details and balance totals are displayed for each GL account. If you then set Show Sub-Account details to Yes, each GL account and sub-account combination is displayed and balances are displayed for each combination.

You can drill down to the GL Summarized Transaction browse. This browse displays the balances in the source entities (PostingHist table) that contribute to the balance of any row in Cube Trial Balance View.

Cube Daemon

The Cube daemon has the same setup, control, and monitoring options as other daemons. However, the History daemon creates the feeding queue for the Cube daemon. If the History daemon is not running, the Cube daemon cannot receive any updates. You can only generate or rebuild cubes after you have stopped the Cube daemon. The History daemon can keep running. The Cube daemon catches up on the missed updates when it is restarted.

The Cube daemon is always successful. This statement means that in the Daemon Monitor, the Cube daemon update status always displays as successful, even if the update failed for some cubes. This situation occurs because the Cube daemon feeds all the cubes in the system with the status Operational. During the update, some cubes are successfully updated and others may not be. The errors that occur in the update process (for example, missing exchange rates or missing COA Cross Ref translations) are logged in the Cube Build Log. You can view the log in Cube Build Log Browse. When an error occurs for a cube, that cube is automatically assigned the status Needs Rebuild and the daemon stops further updates to the cube. Fix the root cause of the failure and use Financial Report Cube Generate to rebuild the cube so it becomes operational again.

Further reasons that a cube update can fail include:

- The posting has a posting date that falls outside the cube calendar.
- The posting is in a layer that is not selected for the cube.
- The posting has the daybook type Year Closing. Year closing postings are not included in the cube.

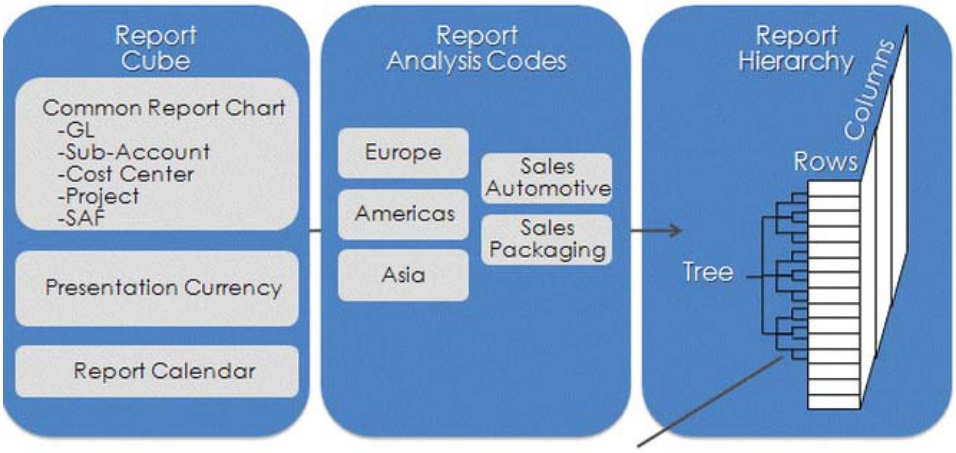
No warning is given in any of these cases.

Report Analysis Codes

Report cube data is stored in detail for each combination of COA elements. In this raw form, there are thousands of possible combinations. When building a report, it is time-consuming to specify these combinations individually.

Therefore, to facilitate report creation, you can create an object called a report analysis code. Each analysis code contains a set of filters on COA dimensions. This filter set enables you to retrieve data selectively from the cube. The analysis codes are dependent on the report COA. You can reuse them for many different cubes that share the report COA.

Fig. 16.24
Report Building Blocks



Report Analysis Codes are the building blocks of the Report Hierarchy Tree

Report Analysis Code Example

Fig. 16.25
Report Analysis Code Example

Cube Data

China01	41100 Auto
China 01	41200 Auto
USA01	41100 Auto
France01	41200 Auto
….	
Japan01	51100 Pack
China01	51100 Pack
USA01	55100 Pack
France01	55100 Pack
…	
USA01	63010 Auto
USA01	63010 Auto
…	

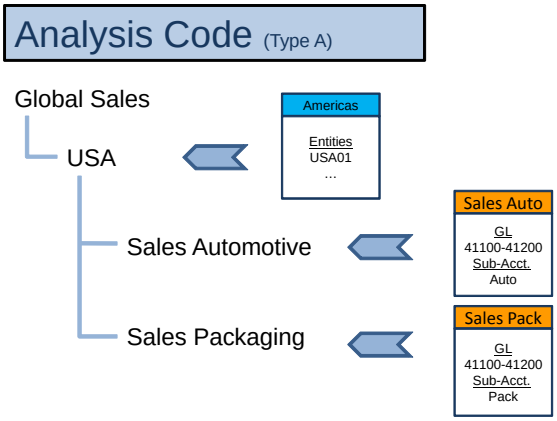
Report Analysis Codes

Europe	Americas	Asia	Sales Auto	Sales Pack
Entities France01 ….	Entities USA01 …	Entities China01 Japan01 …	GL 41100-41200 Sub-Acct. Auto	GL 41100-41200 Sub-Acct. Pack

In this example, the report analysis code Europe lets you retrieve data from the report cube for the entity France01. Similarly, the report analysis code Sales Auto lets you retrieve data from the report cube for sub-account Auto, combined with GL accounts in the range 41100-41200.

The report analysis code behaves like a dynamic filter. When new GL accounts are added to the range 41100-41200, these accounts are automatically included in the report analysis code filter result. When you define the report tree (hierarchy), report analysis codes are linked as nodes of the tree.

Fig. 16.26
Report Analysis Code Nodes



The lowest level nodes are called leaf nodes, which also correspond to the detailed rows on the report. When you define the final report columns layout, you can specify the columns on the report. You can also apply a report analysis code to a column.

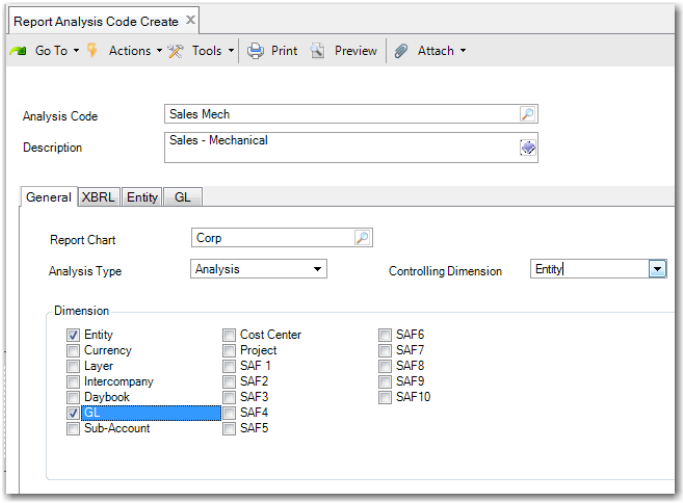
In Figure 16.26, Sales Auto and Sales Pack are analysis codes applied to the detailed rows of the report. Europe, USA, and Asia are analysis codes applied to nodes higher in the tree. In the final result, one branch of the report shows the sales for Europe. A second branch shows the sales for the USA and a third branch the sales for Asia.

You can also apply analysis codes to columns in the report. This step enables you to display Europe Sales, USA Sales, and Asia Sales in columns next to each other.

Create a Report Analysis Code

To create report analysis codes, use Report Analysis Code Create (25.16.10.1).

Fig. 16.27
Report Analysis Code Create



Header Section

The header section of Report Analysis Code Create contains two fields.

Analysis Code. Enter an alphanumeric analysis code. This field is mandatory. The field contains a lookup where you can check if your analysis code is in use. This facility helps to avoid duplication when you have many analysis codes.

Description. Enter an analysis code description. This field is mandatory. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

General Tab

The General tab contains the following fields:

Report Chart. Specify the report chart code. This field is mandatory, and must contain an existing report chart code. Financial Report Writer retrieves financial data from several source domains to form a common reporting COA. The report chart is composed of a GL account shared set, a sub-account shared set, a cost center shared set, a project shared set, and SAF concepts. It also includes the COA cross-references that translate the COA of the source domains to the report COA. The detailed elements of the report analysis code are based on the selected report COA.

Controlling Dimension. Select a dimension as a controlling dimension. When generating reports, you can generate a report filtered on each value of the controlling dimension, which saves you having to generate each report individually.

The drop-down list for the Controlling Dimension field is populated based on the dimensions you select in the Dimension area of the General tab. For example, if you select fields for the GL, Sub-Account, and Daybook dimensions, these three options are available as controlling COA dimensions.

When running a financial report, you can specify an analysis code with a controlling dimension as a Filter Analysis code to control the bursting. You must also specify Yes in the Report Burst selection field in Financial Report Run. The report run then generates a separate report for each value of the controlling dimension. For example, if the analysis code has a controlling dimension of Entity, the report run generates reports for each entity.

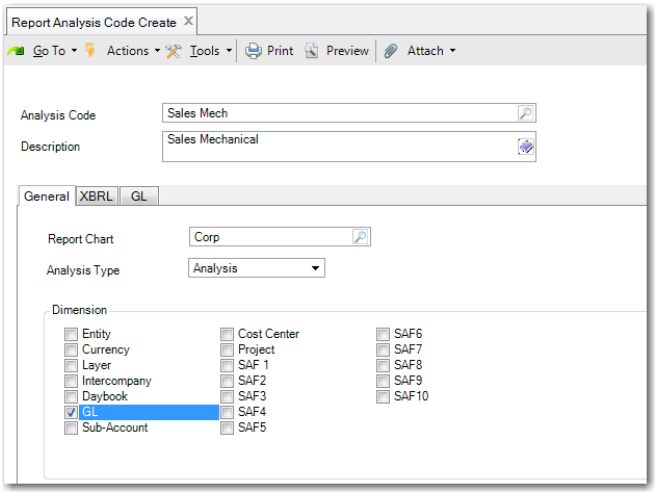
See “Financial Report Run” on page 1000.

Analysis Type. Specify the type of analysis code. This field is mandatory. There are four types:

- Analysis type analysis codes retrieve data from the cube according to specific selection criteria you enter on subsequent screens.
- Calculation type analysis codes contain calculations with other analysis codes.
- Sub-Total type analysis codes are used at a high level in the report hierarchy tree and summarize low-level nodes.
- Text type analysis codes contain labels that are printed on the report.

If the Analysis Type is set to Analysis, a list of dimensions to include is displayed. If you select a dimension to include, a new tab appears to enable you to enter details for that dimension, as shown in Figure 16.28. A new tab is displayed for each dimension that you select. You can select as many dimensions as you need. The tabs are displayed in the order they logically appear in your chart of accounts.

Fig. 16.28
Report Analysis Type: Analysis



Each tab enables you to enter details for the dimension. You can enter the source dimensions by range or by value. In the example in Figure 16.29, you add an analysis code dimension of type GL.

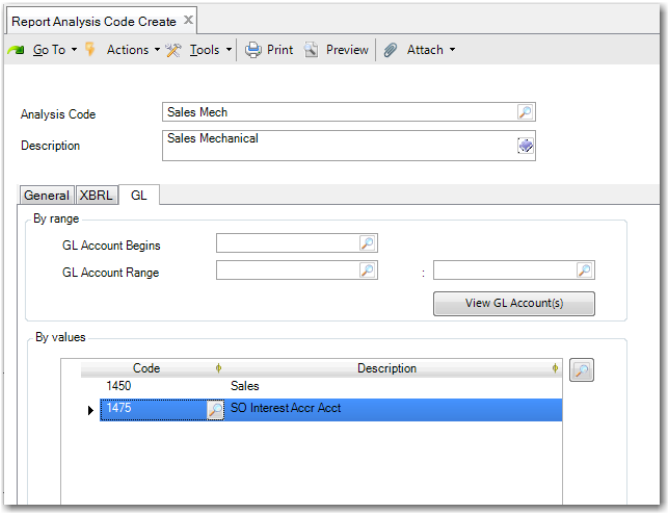
In the By range area, you can enter a GL account in the GL Account Begins field or you can enter a range of accounts in the GL Account Range fields. The advantage of entering a range is that the list of GL accounts in the analysis code dimension is dynamically updated when you add a GL account. You do not need to update the report analysis code dimension. The View GL Accounts button enables you to browse the list of GL accounts in the range. Click the lookup button on the right and use the Ctrl and Shift keys to multi-select the GL accounts in the range. To add the selected list of GL accounts to the dimension, press Enter.

In the example in Figure 16.29, the GL accounts are entered by value. To enter accounts by value, insert a new row and select a GL account using the lookup browse. You can use the multi-select browse to add multiple GL accounts.

Note If you have selected GL accounts and you enter a new range, a message is displayed warning you that selecting a new range will clear the current selection.

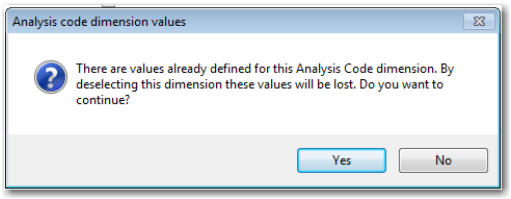
Although this example uses GL accounts, the functionality works the same way for any dimension you select on the General tab.

Fig. 16.29
Report Analysis Type: Analysis Dimension



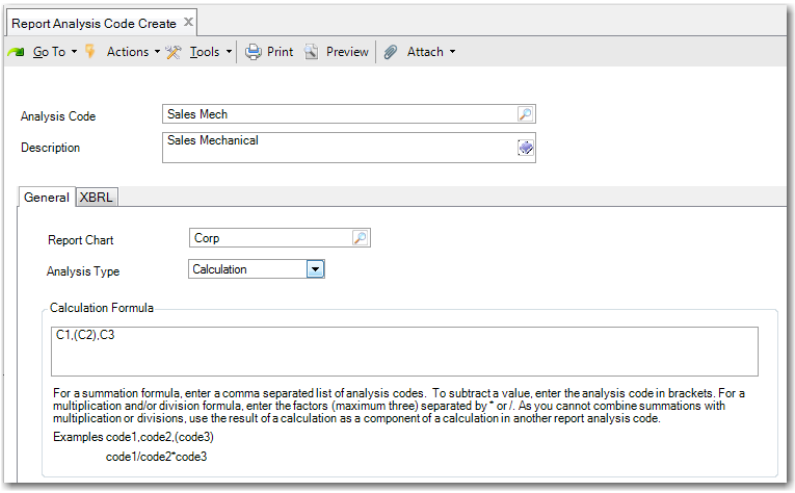
Important If you clear an analysis code dimension field on the General tab or change the value in the Analysis Type field, a warning message is displayed, informing you that values are defined for this dimension and that these values will be lost. The values are not immediately lost if you click Yes. However, the values are deleted when you click Save

Fig. 16.30
Report Analysis Type: Analysis Code Dimension Delete



If you set the Analysis Type field to Calculation, the General tab is displayed with a Calculation Formula field, as displayed Figure 16.31.

Fig. 16.31
Report Analysis Type: Calculation



Calculation Formula. This field is only displayed when the analysis code type is Calculate. You can enter two types of calculations:

Summations: If you enter a list of report analysis codes, separated by commas, you can calculate the sum of balances. For example, C01, C02, C05 results in the sum of report analysis codes C01 + C02 + C05. In this type of calculation, you can also subtract. To subtract, place the report analysis code in parentheses. For example, C01, (C02), C05 results in the sum of report analysis codes C01 – C02 + C05.

Multiplications or divisions: You can enter a maximum of three factors separated by * or /. For example, to calculate C01/C02*C05, the system first divides C01 by C02 and then multiplies the result by C05. You can also use constants. For example, to calculate C01/C02*100, the system first divides C01 by C02 and then multiplies the result by 100. This method is useful for percentage calculations.

Cascaded Calculations

You cannot combine summations and multiplications or divisions in a single calculation report analysis code. However, you can use the result of a calculation as a component of a calculation in another report analysis code.

Example Report analysis code C04 of type Calculate has the formula C01, (C02), C03 and report analysis code C06 of type Calculate has the formula C04/C05*100. The result in C06 = ((C01 – C02 + C03)/C05)*100).

You cannot use parentheses in multiplication or division calculations. However, you can circumvent this restriction using cascaded calculations.

Example If you want to calculate C05 = C01/(C02*C03), parentheses are not allowed in the formula. C05 = C01/C02*C03 does not give the correct result because this calculation first divides C01 by C02 and then multiplies the result by C03. Therefore, you must create C04 = C02*C03 and then C05 = C01/C04.

Be careful not to create circular references when using cascaded calculations.

C04=C01*C02, C05=C03/C04, and C02=C05/C06 are not allowed in the same report tree. The value of C02 depends on the value of C05 (last calculation) and, similarly, the value of C05 depends indirectly on the value of C02 (the first two calculations). Circular references cause the report run program to abort with an error message.

XBRL Tab

Taxonomy Name. Specify the name of the taxonomy that applies, and to which the report analysis code belongs. There are multiple XBRL taxonomies, such as IFRS XBRL and US GAAP XBRL. Each taxonomy has specific structures and element naming conventions.

ELR. Specify the ELR code that identifies the report structure in the taxonomy. In each taxonomy, subdivisions are used to target reporting subareas with their own relational structure and label structure. These subdivisions are referred to as Extensible Linkbase References (ELRs). An ELR can relate to a single report.

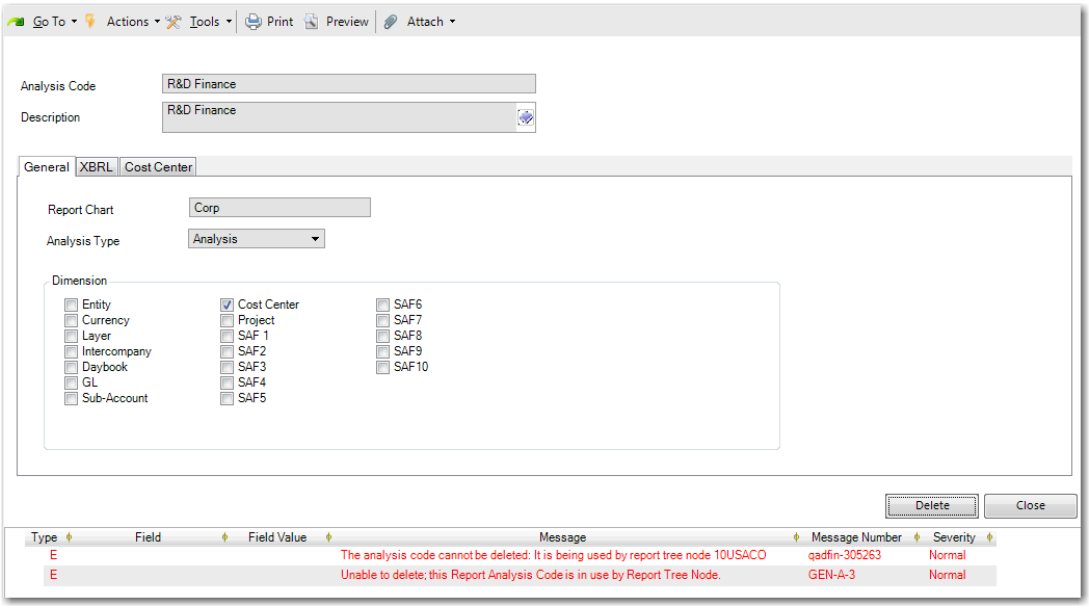
XBRL Element. Specify the XML element name tag used in the XBRL taxonomy. For example, each balance row in the IFRS-XBRL taxonomy has a unique XBRL element name as an identifier, such as AssetsAbstract.

Other Report Analysis Code Functions

Report Analysis Code Modify (25.16.10.2) enables you to modify an existing report analysis code. You cannot modify the name of the analysis code. Report Analysis Code View (25.16.10.3) enables you to view the list of report analysis codes.

Report Analysis Code Delete (25.16.10.4) allows you to delete a report analysis code. However, you can only delete a code if it is not being used in a report tree. If the analysis code is currently being used, a message is displayed informing you that the code cannot be deleted and which report tree node it is currently used in. A similar check is performed for column groups.

Fig. 16.32
Report Analysis Code Delete



The Go To menu enables you to view the report trees where this analysis code is currently used.

Report Trees

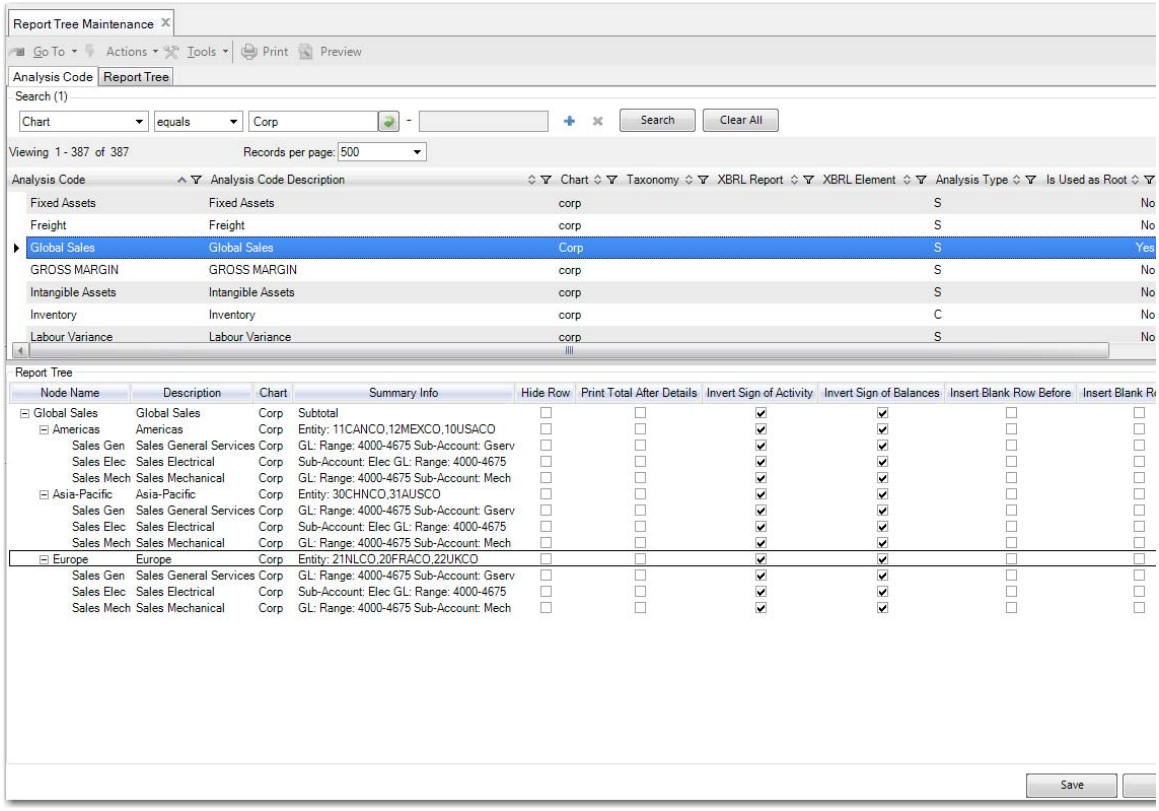
The Financial Report Writer produces reports based on report trees. Each report tree is a hierarchy composed of report analysis codes. Use Report Tree Maintenance (25.16.14) to create a report tree. There are two different approaches to creating a report tree.

- Create the report tree manually in Report Tree Maintenance. Select report analysis codes from a list and drag them to the tree hierarchy or create the report analysis codes you want to include.
- Create a report tree hierarchy in Excel and import it into Report Tree Maintenance. When you import a tree from Excel, report analysis codes that do not exist are automatically created.

Report Tree Maintenance

This section describes how to create and maintain report trees using Report Tree Maintenance.

Fig. 16.33
Report Tree Maintenance



A report tree is a hierarchy built with report analysis codes. Usually, the higher levels in the tree are totals. You can use report analysis codes of type Sub-Total for this purpose.

Usually, the lowest levels in the tree, also referred to as leaves, are balances from accounting. You can use report analysis codes of type Analysis for these levels. However, Analysis type nodes can also be used higher in the tree. In this case, the whole branch in the tree under that code fulfills the selection linked to that Analysis code. In addition, Calculate and Text type codes can be anywhere in the hierarchy. See “Report Analysis Codes” on page 975. You can add up to 99 levels of analysis codes to a report tree.

Building a Tree

Report Tree Maintenance contains two browses in the header of the screen. The first browse contains the list of report analysis codes. The second browse contains the list of existing trees, identified by their top root-level node. You can drag and drop from both lists.

Create a New Tree

When you open the screen, the work area at the bottom is empty. If you drag and drop a single report analysis code into the empty work area, this report analysis code is at the top of the new report tree. The report analysis code at the top becomes the code that identifies the whole tree. You can continue building the tree by dragging and dropping more report analysis codes into the tree. Alternatively, you can create new report analysis codes to add to the tree. Right-click in the lower

pane and select Report Analysis Code Create. You can then create a report analysis code to form a part of your tree. A newly created analysis code is automatically added as a child node under the node that you right-clicked on. You can create a complete new tree using this method.

Note You must have the appropriate permissions to create report analysis codes.

You can move nodes up and down in the tree, but only under the same parent node. If you want to move a node to another parent, right-click and delete the node. Next, drag the node from the browse at the top and drop it in the new location.

When you drop an existing tree on a branch of another tree that you are building, the whole tree that you dropped is copied into the target tree. Each tree hierarchy retains its own independent structure. However, the trees do share analysis codes. Therefore, when you change the details of a shared analysis code, this affects both trees.

The Row Style field, which enables you to specify the appearance of a row in the report, is also available in the lower pane of Report Tree Maintenance. You can enter keywords in this field to format text in a report row as bold, underlined, and highlighted. Simply include the keywords you want to include, separated by a comma. For example, to format a report as bold and highlighted, enter bold,high in this column. The three keywords are:

- bold
- line
- high

In the Row Style field, you can also indicate that for transactions related to a particular leaf node, a report must display credit balances only or debit balances only. To show accounts with debit balances only, enter “dronly” in the Row Style field. To show accounts with credit balances only, enter “cronly” in the Row Style field. The option to display debit amounts only or credit amounts only is useful in Balance Sheet reports, where you can show, for example, bank accounts with a debit balance under Assets and bank accounts with a credit balance under Liabilities.

To insert a page break between different levels of detail, enter “page” in the Row Style field in Report Tree Maintenance at the level after which you want the page break. For example, if the highest level of information in the report tree is GL, and the next level is Entity, enter “page” in the Row Style field for the GL node. On the report, the entity details start on a new page after the GL details.

Select the Show Details field for any leaf node for which you want to print GL transactions in detail on the report. For this option to take effect, you must choose the Selected value in the Print GL Transactions field in Report Master Create. When running the report in Financial Report Run, you must also set the Print Details report selection criteria to Yes.

Modify an Existing Tree

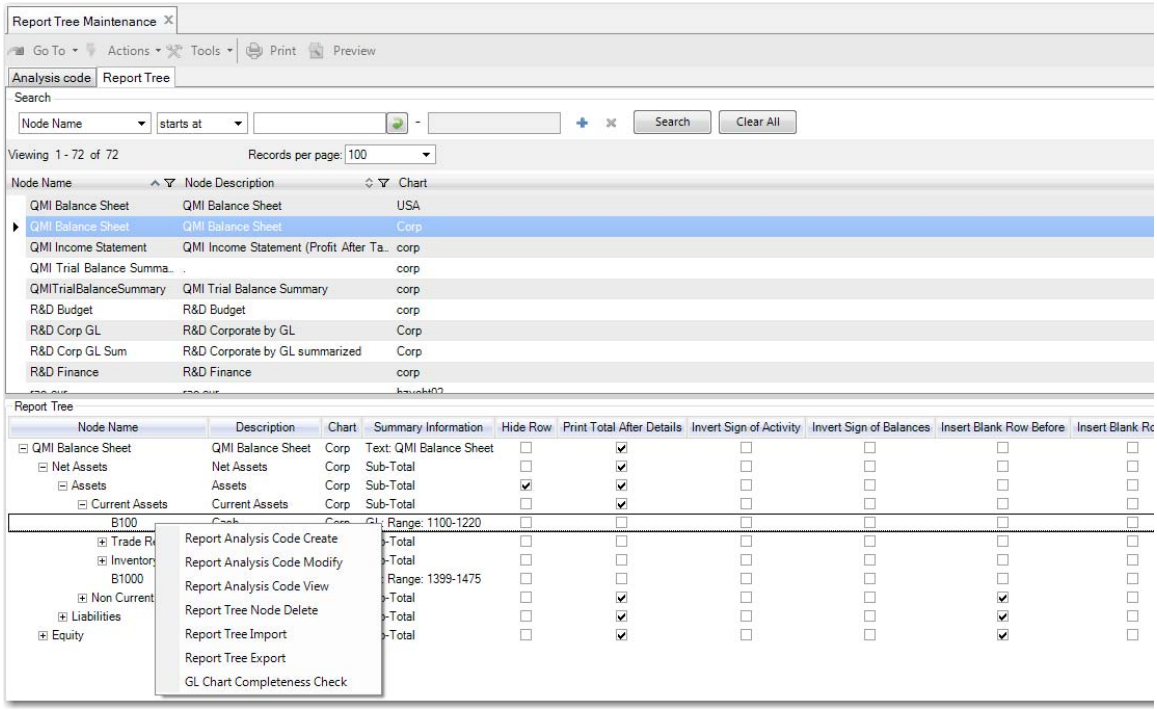
If you select an existing report tree from the Report Tree browse and drag and drop it in the empty work area, you can also add and modify report analysis codes in this existing tree, as displayed in Figure 16.34. When you right-click a report analysis code and select Report Analysis Code Modify, you can modify the details of the report analysis code, except for the analysis code and report chart names. When you save your changes, the report tree is updated.

When you right-click a report analysis code and select Report Analysis Code Create, you can create a new report analysis code. However, because the new report analysis code is associated with the current tree, you cannot edit the Report Chart field. When you save the new report analysis code, it is added to the report tree as a child node of the node that you right-clicked.

When you create or modify a report analysis code with more than one dimension, the Summary Information field in the report tree grid displays information on each dimension.

Note You must have the appropriate permissions to create and modify report analysis codes.

Fig. 16.34
Maintain Report Tree Analysis Codes



GL Chart Completeness Check

The GL Completeness Check verifies that there is at least one occurrence of each GL account required for a complete report tree. For example, when you are making a complete income statement, you may forget to add an income statement from one entity to the report tree.

You can sort the GL Chart Completeness Check by GL account or by number of occurrences. The completeness check only considers the GL dimension.

Report Tree Excel Integration

To import a report tree from Excel to Report Tree Maintenance, open the context menu in Report Tree Maintenance and select Report Tree Import.

Creating the Excel File

Before you can import the report tree and report analysis codes, you need to prepare the data. You can create a tree in Report Tree Maintenance with one analysis code and export this tree to Excel. The exported Excel file can then be used as template. The only thing you need to do is to add more Excel columns for the levels in the tree.

Example If you need a tree with 5 levels, add 4 more Excel columns with the following headings:

- Analysis code2 (Excel column C row 1) FRWTreeNodeCode2 (Excel column C row 2)
- Analysis code3 (Excel column D row 1) FRWTreeNodeCode3 (Excel column D row 2)
- Analysis code4 (Excel column D row 1) FRWTreeNodeCode4 (Excel column E row 2)
- Analysis code5 (Excel column F row 1) FRWTreeNodeCode5 (Excel column F row 2)

Fig. 16.35
Sample Excel File Using Template

	A	B	C	D	E	F	G	H	I	J	K
1	Chart	Analysis code1	Analysis code2	Analysis code3	Analysis Code Description	Hide Row	Print Tota	Invert Sig	Invert Sig	Insert Bla	Inser
2	FRWTreeNodeFRV	FRWTreeNodeCode1	FRWTreeNodeCode2	FRWTreeNodeCode3	FRWTreeNodeDescription	FRWTreeN	FRWTreeN	FRWTreeN	FRWTreeN	FRWTreeN	FRWT
3	chart01										
4		Global Sales			Global Sales	No	Yes	No	No	No	No
5			Global Sales USA			No	No	Yes	No	No	No
6				Sales General	Sales General	No	No	No	No	No	No
7											
8				Sales Mechanical	Sales Mechanical	No	No	No	No	No	No
9											
10			Global Sales Canada		Global Sales Canada	No	No	Yes	No	No	No
11				Sales General	Sales General	No	No	No	No	No	No
12											
13				Sales Mechanical	Sales Mechanical	No	No	No	No	No	No

The Excel file has the following properties:

- You can edit the number of columns in the Excel file to suit the number of levels of analysis codes you have in your hierarchy. The maximum number of analysis code columns you can have is 99.
- The Excel file has two header rows. The first row is the label for the user and the second row is the field name for the system. You can hide or remove columns that you do not need. To add a level of analysis code, use the field name FRWTreeNodeCode*n*. Do not remove the first two rows from the template.
- The Analysis Code Description column (FRWTreeNodeDescription) contains the descriptions for all codes in the tree.
- The chart code is included as the first column and first data row.
- When an analysis code is composed of more than one COA Type dimension, specify the analysis code once with the first COA Type. On the following rows, leave the analysis code blank and specify the additional COA Types and codes.
- You can add as many rows as you want to the Excel sheet. You can also leave blank rows between rows with data.
- Make sure that the columns appear in the order of hierarchy of the analysis codes. For example, when Analysis code 1 is Global Sales and Analysis code 2 is Global Sales USA, the column Analysis code 1 should come directly before Analysis code 2.

  Example If you enter the report analysis code in column B, the level is 1. If you enter the report analysis code in column C, the level is 2. If you enter the report analysis code in column D, the level is 3.

- A tree can contain only one analysis code in Analysis code 1, which is the top-level report analysis code. The report tree does not load properly when there are multiple Analysis code 1 analysis codes.
- Optionally, each report analysis code can have a description. Enter the description in the Analysis Code Description column.
- In the Analysis Type column, specify one of these values:
  - A represents Analysis. It allows you to retrieve balances from the report cubes according to criteria specified in the subsequent columns.
  - S represents Subtotal. You do not need to enter further details. This node in the tree automatically contains the sum of all underlying detail nodes (child nodes).
  - T represents Text. You do not need to enter further details. No amounts are displayed for nodes of this type. You can use text nodes to define a line of text for a report.
  - C represents Calculation. Specify a calculation formula in the Calculation column for nodes of this type.

  When the analysis type is A, the COA Type Link column is mandatory. It must be one of the values displayed in the drop-down list of the template (entity, GL account, sub-account, cost center, project, layer, daybook, currency, intercompany, and SAFs 1-10). When the analysis type is A, one of these three conditions must be true. Only one condition can be true on one row:
  - The columns From Code – To Code must contain a value.
  - The column Begins must contain a value.
  - Some of the columns List Element 1, List Element 2, through to List Element 999 must contain a value.

  The values in List Element 1 and List Element 2 must be real values from the COA used in Report Chart Maintenance. The exception is the use of <blank> to indicate that the report analysis code retrieves data that has no value on this dimension. The <blank> value is supported only for the dimensions sub-account, cost center, project, intercompany, and SAFs 1-10. For From Code – To Code Begins, you can use strings that do not exist as code in the COA. All codes that fulfill the Begins condition or the From Code – To Code condition are selected automatically.

  You can have report analysis codes with multiple COA link types. For example, a report analysis code can simultaneously have a link type of GL and a link type of sub-account. This means that the analysis code displays the GL balances of the selected GL accounts when used in combination with the selected sub-accounts. To create combined report analysis codes in the Excel sheet, create two or more subsequent rows with the same report analysis code and a different COA link type for each row. You cannot repeat the same report analysis code with the same COA link type. If you want to target multiple account ranges; create multiple analysis codes, add them together in a calculation code, and only display the calculation code on the report (hiding the details).

  The leaves in the tree are of analysis type A. However, it is possible to have type A nodes higher in the hierarchy. This approach imposes additional conditions on the data displayed for complete branches in the tree, in addition to the conditions imposed by the leaves. For example, the leaves of the tree are report analysis codes of type A that select GL accounts. The main branches of the tree have additional report analysis codes of type A that select certain entities, representing the regions. In this example, the same report analysis codes for the leaves (GL) can be reused in many branches.

When the analysis type is C, enter the calculation formula in the Calculation column. You can enter summation type calculations or multiplication and division type calculations. The component analysis codes you use for calculations must be part of the same report tree. This restriction is not validated when you create the report tree; only when you use the tree to run a report.

For more information on summations, multiplication and division, and cascaded calculations, see “Report Analysis Codes” on page 975.

- XBRL column: Use this column in the Excel template to populate the XBR-related fields of the report analysis code. These fields are used when you create a report with output to an XBRL file (XML type).
- Report Layout Options: Many of the columns in the Excel template are used for report layout options. These options are displayed in Table 16.2.

Table 16.2
Excel Columns and Functions

Excel Column	Description
Hide Row	If you want to retrieve or calculate data, but you do not want to display the intermediate results on the report, enter Yes in the Hide Row column.
Print Total After Detail	The default print layout on a report displays the balances of an analysis code at the point where the code is entered in the hierarchy. This means that, by default, the subtotals are displayed at the beginning of a detail group. If you want the total to appear at the end of the detail group rather than at the beginning, in the Print Total After Detail column, enter Yes. If you apply this option to the highest level node (Level 1), the opening node is automatically hidden. If you apply this option to other nodes, the beginning node displays the code and description, but no total amounts.
Invert Sign of Activity	On the report, some columns display balances and other columns display activity for the selected period. When activity is displayed as Debit (ActivityDR) or as Credit (ActivityCR) separately, the amount is always positive. When the total activity is printed (DR and CR together), the system calculates DR - CR. The system represents the value as a positive amount when the result is debit or as a negative amount when the result is credit. If you want to represent the activity with an inverted sign (positive becomes negative and negative becomes positive), enter Yes in this Excel column. The sign is inverted before calculations are performed and the subtotals are summed.
Invert Sign of Balance	On the report, some columns display balances and other columns display activity for the selected period. Balances (opening balances or closing balances) appear as positive when they have a debit sign and negative when they have a credit sign. On some reports, you may want to represent some balances with the inverted sign. This situation occurs frequently on income statement reports, where sales are credited and expense is debited, but you want to represent the sales as positive amounts and the expenses as negative amounts. To invert the balance sign, enter Yes in this Excel column. The inverted sign is applied before calculations take place and the column is filled.
Insert Blank Row Before	To insert a blank line on the report at the start of a new section to aid visibility, enter Yes in this Excel column. The blank line appears just before the node where you set the value to Yes.
Insert Blank Row After	To insert a blank line on the report under header text or at the end of a section to make the report more readable, enter Yes in this Excel column. The blank line appears just after the node where you set the value to Yes.
Row Style	In this column, you can format a report with bold, underlined, and highlighted text. The three keywords are bold, line, and high. Simply include the keywords you want, each separated by a comma. For example, to format a report as bold and highlighted, enter bold high in this column. This field is also available in Report Tree Maintenance.

Excel Column	Description
Taxonomy	There are multiple XBRL taxonomies, including IFRS XBRL and US GAAP XBRL, each with their own specific structures and element naming conventions. Use this field to store the taxonomy to which the report analysis code belongs.
ELR	Each taxonomy can have several subdivisions, each targeting a sub-area in the reporting with its own relational structure, label structure, and so on. These subdivisions are referred to as ELRs. At its most granular level, an ELR can relate to just one report. Use this field to specify the ELR code that identifies the report structure in the taxonomy.
XBRL Element	The XML element name (tag) used in the XBRL taxonomy. For example, each balance row in the IFRS XBRL taxonomy has a unique XBRL element name as an identifier (for example, AssetsAbstract).
Comment	For report analysis codes of type T, you can enter a large amount of comment text in this field. The comment text is then printed on the report.
Show Details	Enter Yes for any leaf node for which you want to print GL transactions in detail on a report. For this option to take effect, you must choose the Selected value in the Print GL Transactions field in Report Master Create. When running the report in Financial Report Run, you must also set the Print Details report selection criteria to Yes.

Importing from Excel

When the Excel file is ready to import:

1. Open Report Tree Maintenance.
2. In the lower pane, right-click and choose Report Tree Import.
3. An Open dialog box is displayed. Navigate to the file to import, select it, and click Open. The file is loaded into the lower pane of Report Tree Maintenance.

   Note When the Excel file does not contain a report chart code, the file does not load. Instead, a message is displayed informing you that the report chart code is missing. Open the Excel file and enter a report chart code.

   When the file is incorrectly formatted, it does not load and a message is displayed in the processing status indicator to explain the error that occurred.
4. To save the structure as a new tree, click Save. When you click save and the top-level analysis code is an existing tree, the content of that tree is overwritten with the data from the Excel file. The system also verifies whether each analysis code already exists. When an analysis code does not exist, it is automatically created.
5. When an analysis code already exists, the processing status indicator displays the analysis codes that already exist, along with a message prompting you to continue. To continue and save the report tree, click Yes.

Exporting to Excel

You can export a report tree, its report analysis codes, and detailed data from the application to Excel. You can then update the tree structure or report analysis codes in Excel. This method is also effective for creating new trees in Excel, because you can use the exported file as a template. See “Creating the Excel File”.

To export a loaded report tree, right-click in the lower pane and select Report Tree Export. A new Excel file is opened and the report tree content is loaded into the Excel file. You can then edit and save the Excel file and import it again.

Report Column Group

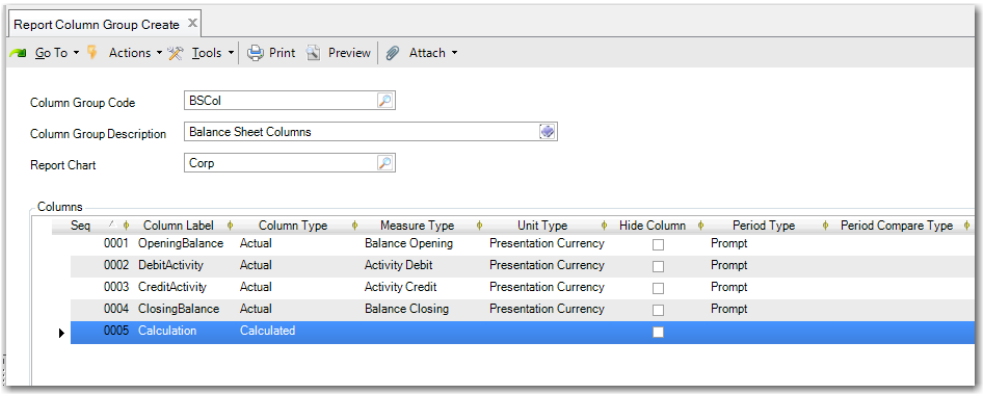
The Financial Report Writer produces reports that can have up to 99 columns in the setup and report generation logic. However, the standard layout of the printed output has up to 16 columns predefined. If you want to create a report with more than 16 columns, add the required additional columns using the Report Resource Designer tool. You can define the number of columns, the content of each column, and the presentation details in Report Column Group Create (25.16.12.1).

For information on the Report Resource Designer tool, see *QAD Reporting Framework User Guide*.

When you create a column group, you can use it as part of the report master record that you create using Report Master Create. You can create as many column groups as you need. Each column group is linked to a report chart because you can specify a report analysis code as the detailed element of a column, and report analysis codes belong to a report chart.

When you open Report Column Group Create from the menu, the screen in Figure 16.36 opens:

Fig. 16.36
Report Column Group Create



Column Group Code. Enter a maximum of 20 characters for a code to identify the column group.

Column Group Description. Enter a description of the column group. You can enter a maximum of 40 characters. You can optionally enter descriptions in more than one language. For more information on the Translation Option, see *Introduction to QAD Enterprise Applications User Guide*.

Report Chart. Enter a report chart code. The code must reference an existing report chart.

Grid Fields

Right-click to insert rows in the grid. You can define column information on the grid line or you can double-click on the grid line and open a child window where you can define the column data. See Figure 16.38 on page 996.

Sequence. This field contains the column sequence number. You can specify up to 9999 columns. The first row that you create in the grid is assigned the sequence 001.

Important You can rearrange the sequence of rows by selecting, dragging, and dropping the rows. The system re-sequences the new row order. See “Moving and Resequencing Columns” on page 996.

Column Label. Specify a maximum of 20 characters for the label to print above the column on the report. You can enter plain text and use special variables as part of the text. The special variables are:

- FY#: From Year
- FP#: From Period
- TY#: To Year
- TP#: To Period
- FQ#: From Quarter
- TQ#: To Quarter. Periods are mapped to quarters using a fixed logic. Periods 1 to 3 map to Q1, periods 4 to 6 map to Q2, periods 7 to 9 map to Q3, and periods 10 to 12 map to Q4.

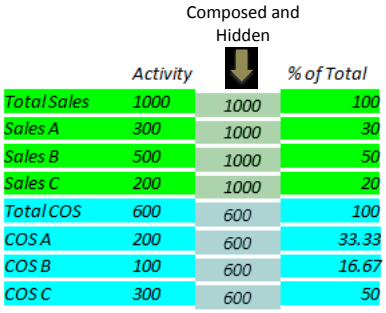
When you run the report, the variables are replaced by the report year and the period details you specified on the prompt page. The variables can also be replaced by the year and period, as calculated when comparing results with past GL periods.

Column Type. Specify the type of data that you want to display in this column. The options are:

- Actual: Select this option if the column will contain actuals posting data.
- Budget: Select this option if the column will contain Financials budget data. See “Financial Report Run” on page 1000.
- Calculated: Select this option if the column will contain a calculated value. If you select this option, you must enter the calculation formula in the Formula field.
- Forecast: Select this option if the column will contain forecast data from a Financials budget. See “Financial Report Run” on page 1000.
- Composed column type: Select this option when the column will contain data from a calculate operation involving multiple ranges of analysis codes in the tree. For each range, you can specify which column the amount is to come from and whether the value comes from the same row or from a specific analysis code. This type is generally used for calculations on reports that vary from section to section to compare details as a percentage of various sub-totals. A composed column is generally hidden on the report.

Example In the example in Figure 16.37, the last column % of Total displays the % compared to Total Sales for the first part of the report. It displays the % compared to Total COS for the second part of the report. You can produce this report by inserting a hidden column of type Composed that contains the value of Total Sales (1000) on all the rows of the first part of the report, and the value of Total COS (600) for all the rows in the second part of the report. The last column is a simple calculation dividing the values of the first column by the values of the second column and multiplying by 100.

Fig. 16.37
Composed Column Example



Measure Type. Specify the type of balance that you want to display in this column. You can choose from Balance Opening, Balance Opening Debit, Balance Opening Credit, Activity, Activity Debit, Activity Credit, Activity YTD, Balance Closing, Balance Closing Debit, Balance Closing Credit, Calculated.

- The Balance Opening types provide the opening balance at the beginning of the reported period (From Year and From Period).
- The Balance Closing types provide the closing balance at the end of the reported period (To Year and To Period).
- The Activity types provide the activity during the complete reported period (From Year/Period - To Year/Period).

Note When you define a column as YTD activity, the column in the report automatically contains the activity since the start of the year up to and including the To period that you select when you run the report.

Unit Type. Specify the currency in which to represent the amounts in the column. The options are:

- Presentation Currency: Select this option if the report column must display amounts in the presentation currency of the report cube.
- Base Currency: Select this option if the report column must display amounts in the currency that is mapped to the presentation currency in the report cube.

  If you built the cube with the base currency calculating to the presentation currency, the base currency is used.

  If you built the cube with the statutory currency calculating to the presentation currency, the statutory currency is used.
- Quantity: Select this option if the report column must contain quantities posted on GL accounts defined with quantity analysis.

Period Type. This field indicates which period data to include in the column. There are five period types:

- Prompt
- Compare
- Quarter
- Compare Quarter

- Fixed

When you select Prompt, the column contains data for the year periods entered on the prompt page when running the report. For example:

- You run a report for 2013/01–2013/03. The measure type is Activity. The column contains the activity for the period 2013/01–2013/03.
- You run a report for 2013/01–2013/03. The measure type is Balance Opening. The column contains the opening balance at the beginning of 2013/01.
- You run a report for 2013/01–2013/03. The measure type is Balance Closing. The column contains the closing balance at the end of 2013/03.

When you select Compare, the column contains data from a prior GL period you want to compare with. Instead of showing the activity or balance for the report period entered on the prompt page, the program displays the balance of a previous reporting period. To define the prior period to report on, use the Compare type and Offset fields.

When you select Quarter, you can put columns with quarterly totals next to columns with monthly totals on the same report. Assuming your cube has months as periods, system logic translates the From Period entry to the corresponding quarter.

For example, period 2 belongs to quarter 1, period 8 belongs to quarter 3, and any period from 10 up to 14 belongs to Q4. The To Period entry belongs to a To Quarter in the same way. Therefore, if you run a report from period 1 to period 3, the report displays the results of Q1 in the Quarter column. However, if you run a report from period 3 to period 3, the report also displays the results of Q1 in the Quarter column. This enables you to produce a report with a column displaying last month's figures and another column with figures from the last quarter next to it. If a cube has only four periods, the period and quarter are treated as equal.

When you select Compare Quarter, you can also put columns with quarterly totals next to the previous quarter's totals on the same report. The number of quarters entered in the period offset is subtracted from the calculated quarter. For example, if system logic finds Q2 based on the period selected, Compare Quarter with an offset of 1 returns the figures of Q1. If the logic finds Q1, Compare Quarter with an offset of 1 gives the figures of Q4 the previous year.

When you select Fixed, you can define a report column with a fixed period linked to it and enter a fixed period range for the column. The report prints the amount for that period, regardless of the period entered on the report selection. For example, if you want to create a report showing the 12 periods of the year in 12 columns, you can use fixed period type for each of the 12 months. In the same report, you can still have a Year To Date (YTD) column. Only the YTD column corresponds with the period selection that you enter when you run the report. The other 12 columns always show the 12 months. Fixed periods that fall beyond the period selected on the report selection page are automatically hidden.

Period Compare Type. When the Period Type field is set to Compare, this field lets you indicate what values to compare with. The options are:

- Report Period: Compare with a previous report period. You can go back as many periods as there are in a report year.
- Report Year: Compare with a prior report year. You can go back as many years as you want, provided that there is data for that year in the cube.

Note The ability to compare data is only available if the report cube also spans this time frame. For that reason, it is recommended that you maintain report cubes with data that spans two report years. For example, if you maintain a cube with data from 2011–2012 and 2012–2013, you have data from the prior year to compare in the same cube.

Offset. When the Period Type field is set to Compare, this field lets you enter the number of periods or years you want to go back for the comparison. For example, for a column, you specify:

- Period Type = Compare
- Compare Type = ReportPeriod
- Offset = 3

You then run a report for 2013/01–2013/03 and the measure type is Activity. The comparing column contains the activity for the period 2012/10–2012/12. When running the report, the program goes back three report periods relative to the selected period.

Formula. If you specify Calculated in the Measure Type field, enter a calculation formula in this field. Calculations are always performed using the values from other columns or using constants. The reference to a column in the calculation is in the format letter C followed by a column number with no leading zeros; for example, C9. Component columns must be part of the same column group. This restriction is not validated when you create the column group; only when you use the tree to run a report.

You can enter two types of calculations: summations or multiplication/division.

- Summation calculations: If you enter a list of columns, each separated by a comma (“,”), you can sum the balances of the columns. For example, if you enter C1,C2,C5, the calculation results in the sum of columns 1, 2, and 5. In summation calculations, you can also subtract by placing the column between brackets. For example, if you enter C1,(C2),C5, the calculation results in the sum of columns 1 - 2 + 5.
- Multiplication/division calculations: To create a multiplication/division calculation, you can enter a maximum of three factors separated by * or /. For example, if you enter C1/C2*C5, the calculation first divides Column 1 by Column 2, and then multiplies the result by Column 5.

You can also use constants in multiplication/division calculations. For example, if you enter C1/C2*100, the calculation first divides Column 1 by Column 2, and then multiplies the result by 100. This method is useful for percentage calculations. The component columns (Column 1 and Column 2) must be part of the same column group.

You cannot combine summations and multiplication/division type calculations in a single formula. However, you can use the column that contains the result of a calculation as a component for a calculation in another column.

Example

Column 4 has a measure type of Calculated and uses the formula C1,(C2),C3. Column 6 also has a measure type of Calculated and uses the formula C4/C5*100. This results in the formula C6 = ((C1 - C2 + C3)/C5)*100).

You cannot use brackets in multiplication/division type calculations. You can address this restriction using cascaded calculations.

Example

You want to calculate the result of the formula C5 = C1/(C2*C3), but you cannot use brackets in a multiplication/division type calculation. The formula C5 = C1/C2*C3 does not give the correct result because it first divides C1 by C2, and then multiplies the result by C3. To get the result you require, first create the formula C4 = C2*C3 and then create a second formula C5 = C1/C4.

Important Be careful not to create circular references when using cascaded calculations. Circular references cause Financial Report Run to stop with an error message.

You cannot use the calculation sequences C4=C1*C2, C5=C3/C4, and C2=C5/C6 in a column group. The value of column C2 depends on the value of column C5, calculated by the second calculation in the sequence. Similarly, the value of column C5 depends indirectly on the value of column C2, calculated as a result of the first two calculations.

You can add a calculation that references a report analysis code to a Financial Report Writer column. See “Calculations using a Report Analysis Code” on page 997.

Note For more information on summations, multiplication and division, and cascaded calculations, see “Report Analysis Code Example” on page 976.

Analysis Code. This optional field allows you to specify a report analysis code, which is useful if you want to include side-by-side comparisons in the report. For example, to compare the balances of several entities, create a special report analysis code for each targeted entity and create a column for each entity that contains the corresponding analysis code. As a result, only the balances of the targeted entities are displayed in each column.

You can make comparisons for any dimension of the COA. You can compare entities, sub-accounts, cost centers, SAFs, GL accounts, layers, and other elements side-by-side in columns. The report analysis code must belong to the chart specified in the header of the report column group and the report analysis code must have only a single COA dimension; for example, only an Entity selection or only a Cost Center selection. You cannot use analysis codes that have two or more dimensions combined; for example, Entity and Cost Center selection.

Fixed Period From. Specify a fixed period from which the amount displayed is calculated.

Fixed Period To. Specify a fixed period to which the amount displayed is calculated.

Hide Future Periods. When you have fixed period columns, you can select this field to hide these columns that contain future periods compared to the period range selected at the prompt.

Example You have 12 fixed periods columns on a report, one for each month of the year, and with Hide Future Periods selected. When you run the report and specify the period range 2014/01 to 2014/07 as the filter, columns for periods 08 to 12 are not printed on the report.

Hide Column. When you include columns in calculations, you may need an extra column to store an intermediate calculation result you do not want to display on a report. In this case, select the Hide Column field.

Zero Suppress. You can choose to suppress zero in the maintenance for the report column group. If a column is set with zero suppress, the zero amount is blanked out in the result of report run. Otherwise, the zero amount is displayed.

Full Amount. Select this field to display amounts in full.

Sign (%, $, ...). You can enter a currency sign, currency code, or percentage sign of up to three characters. When you enter %, the related amount is multiplied by 100. When you enter ‰, the related amount is multiplied by 1000. When you enter PC#, the report cube presentation currency code is displayed in the report.

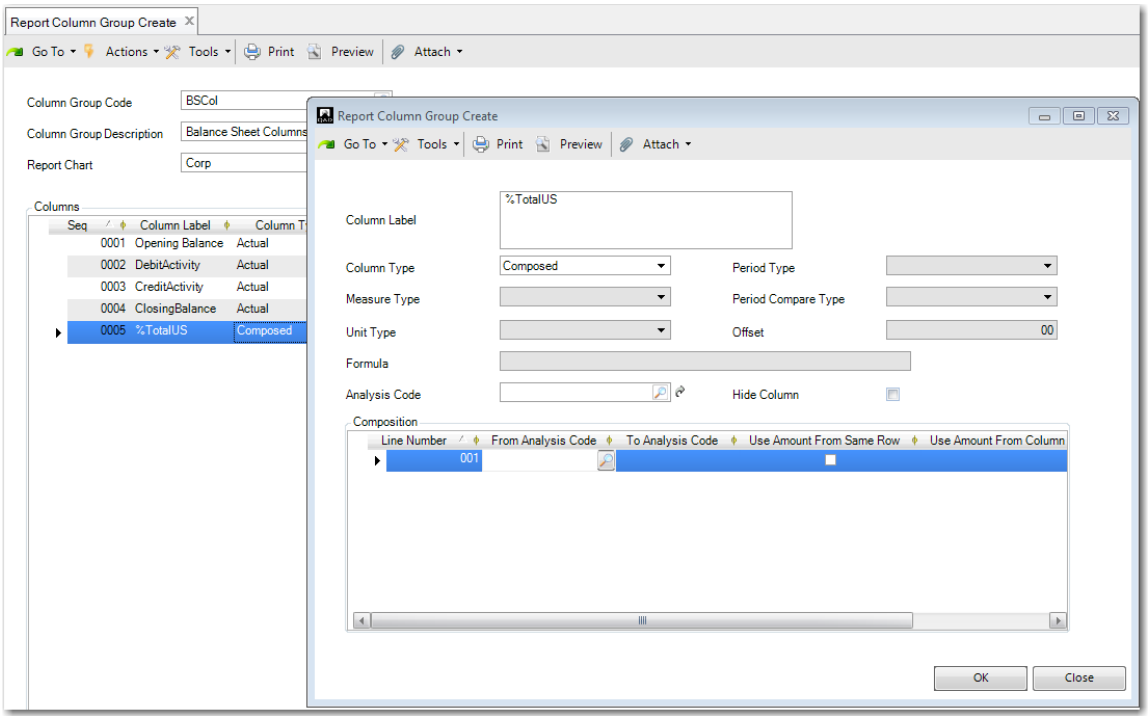
Sign Position. You can specify the sign to be leading or trailing after the amount.

Negative in Brackets. Select this field to display negative amounts in parentheses in this column.

Negative in Red. Select this field to display negative amounts in red in this column.

Label Style. This field enables you to control the alignment of the column label. This field is useful when you have a stacked label, which is a column label that spans more than one line. Possible values are center or left. The default label style is right-aligned.

Fig. 16.38
Report Column Group Create, Child Window



Moving and Resequencing Columns

In the grid of Report Column Group Create and Report Column Group Modify (25.16.12.2), you can move and rearrange columns by selecting, dragging, and dropping the grid row for the column. The system then automatically updates the column sequence numbers to reflect the new order.

If you move a column referenced in a calculation formula to a new position and sequence number, the system automatically updates formulas with the column to reflect the column's new sequence number. If you try to delete a column row that is used in a formula, the system displays a warning message.

Fig. 16.39
Report Column Group Create, Moving a Row

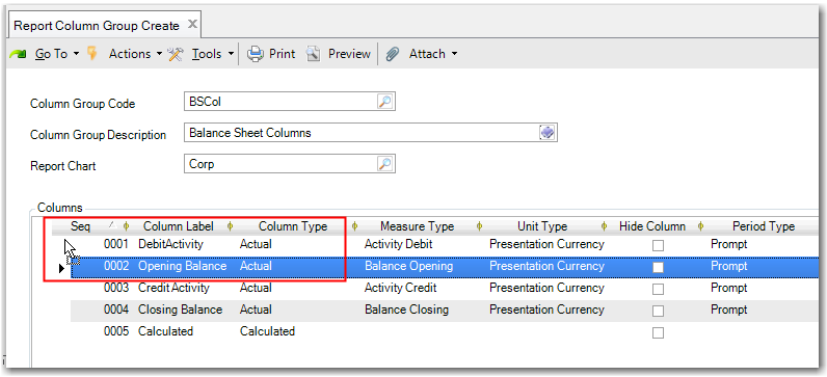
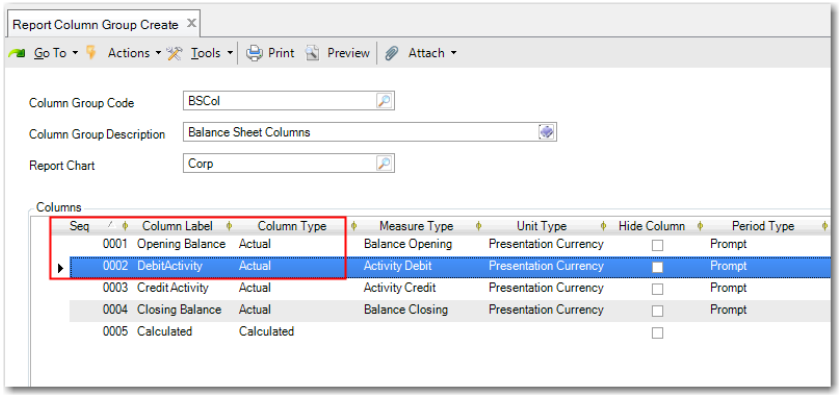


Fig. 16.40
Report Column Group Create, Resquenced Rows



Calculations using a Report Analysis Code

You can add a calculation that references a report analysis code to a Financial Report Writer column. To do this, create a report tree that contains individual report analysis codes and a parent node that sums the child analysis codes (for example, Total Sales).

Then, create a report column group. Ensure that the first column references the actual business value (for example, sales or cost). Create a second column with a type of Calculated, specify the required formula in the Formula field, and in the Analysis Code field, specify the analysis code that is the parent node of the report tree you created (for example, Total Sales).

Finally, create a report master record that uses the new column, and run the report in Financial Report Writer.

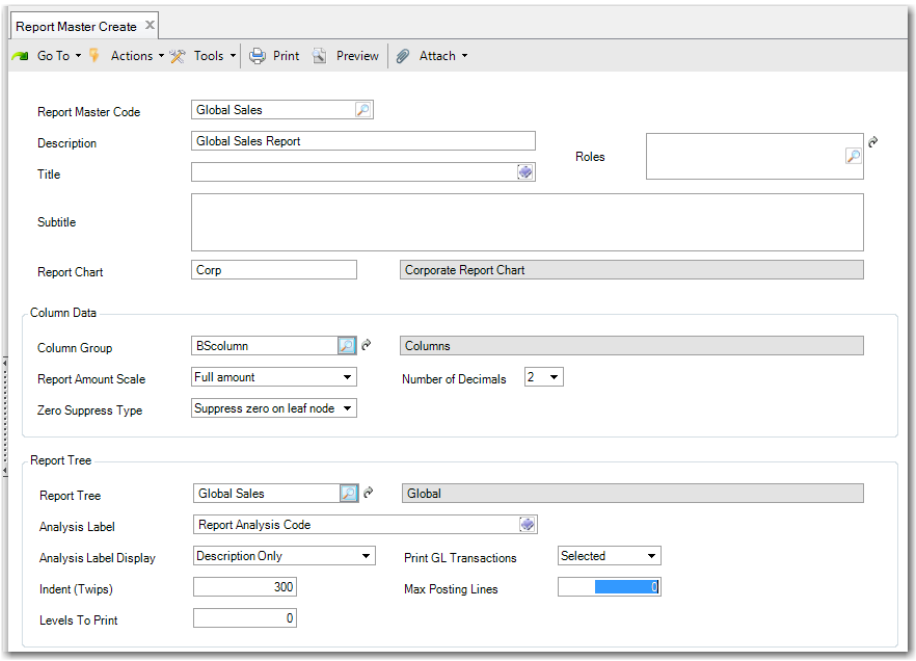
Maintaining Report Masters

The Financial Report Writer produces reports that have variable layouts. The report hierarchy is defined when you create a report tree. The report columns are defined in Report Column Group Create and these two elements can be combined in the report master record. The report master also controls a number of general report layout options.

Creating a report master record is also the last step in the setup before you can actually run a report. You can create as many report master records as you need different report layouts. The report tree and the column group components of the report master are linked to a report chart. As a result, the report master is linked to the same report chart as the report tree and column group that are part of the report master.

To create a report master, open Report Master Create (25.16.11.1).

Fig. 16.41
Report Master Create



Report Master Code. Enter a report master code that uniquely identifies the report master record in the system.

Description. Enter a description of the report master. This description is displayed in lookup browses.

Title. Enter the title to print at the beginning of the report. The translate functionality allows you to translate the string in this field. You can enter plain text and you can also use the special variables as part of the text. These special variables are replaced on the report with the report year and period details you specify when you run the report. The special variables are:

- FY#: From Year.
- FP#: From Period.
- TY#: To Year.
- TP#: To Period.
- FQ#: From Quarter.
- TQ#: To Quarter. Periods are mapped to quarters using a fixed logic. Periods 1 to 3 map to Q1, periods 4 to 6 map to Q2, periods 7 to 9 map to Q3, and periods 10 to 12 map to Q4.
- SD#: Start Date
- ED#: End Date

- FA#: Filter of Analysis Code
- FD#: Description

Subtitle. Enter the title to print under the report title. The translate functionality allows you to translate the string in this field. You can enter plain text and you can also use the special variables as part of the text.

Roles. You can secure reports so that only certain users can run them. When the Roles field is blank, you can only run a report when you have access to all the entities linked to the report. You must have permission to use the menu Financial Report Run in each entity.

Optionally, you can use the lookup to specify a role that a user must have in each of the involved entities. When you specify more than one role, a user must have only one of the roles in each involved entity.

If you do not have the permissions for entities linked to the report, but want to run the report for entities where you have permissions, create an additional filter analysis code. This code filters out the forbidden entities and uses this analysis code as a Filter Analysis Code in the Financial Report Run selection screen. You can then run the report for the allowed entities only.

Report Chart. If you are creating a report master record, enter a report chart code. This code must relate to an existing report chart. All subsequent elements of the report master must be linked to the same report chart. The elements are the report tree, column group, and controlling report analysis code. The description of the report chart is displayed in a read-only field.

Column Group. Enter an existing column group code that is linked to the report chart specified in the report master. The column group specified here determines the column layout of the report. See “Report Column Group” on page 990. The description of the column group is displayed in a read-only field.

Report Amount Scale. Specify how you want to display the amounts in the report. You can display the amounts in full, in thousands, or in millions.

Number of Decimals. From the list, select the number of decimals you want in the report. You can have up to three decimals.

Zero Suppress Type. You can specify the nodes to appear as rows in the report. The options are:

- None: All nodes are displayed.
- Show all COA codes: All COA codes of the COA Type (1) selection criteria you select in Financial Report Run are displayed in the report, even those with zero amounts.
- Suppress zero on all nodes: Any nodes with a zero amount are not displayed.
- Suppress zero on leaf nodes: Any leaf nodes with a zero amount are not displayed.

Report Tree. Enter the top-level report analysis code for the report tree, also referred to as the root node. This code must be an existing report tree linked to the report chart as specified in the report master. The report tree specified here determines the printed report hierarchy structure, including all detail layout options that you can set using Financial Report Tree Import from a CSV file. The description of the report tree is displayed in a read-only field.

Analysis Label. Specify the label you want to print as the column header label above the report tree hierarchy. This label is on the left part of the layout. The string entered in this field can be translated.

Analysis Label Display. Specify whether to print the code, the description, or both for the report tree hierarchy.

- Code and Description: The code and the description of the report analysis code as used in the tree.
- Code Only: Only the report analysis code as used in the tree.
- Description Only: Only the description of the report analysis code as used in the tree.

Indent (Twips). The report tree hierarchy on the report prints child nodes, indented relative to their parent. Use this field to specify the size of the indent in twips. Three hundred twips are approximately 0.7 cm.

Levels To Print. Specify the level of report tree detail you want to display in the report. The default is zero, which displays all levels of the report tree. To only see the top level of the report tree, set the value to 1. To see the top two levels, change the value to 2, and so on.

Print GL Transactions. Select a value to indicate how you want to print GL transactions on the report. The options are:

- All

  Choose All to include all detailed transactions in the report tree in the report. When running the report in Financial Report Run, you must also select the Print Details report selection criteria for this option to take effect.

- Selected

  Choose Selected to only include detailed transactions that relate to a report tree leaf node for which Show Details is selected in the Report Tree. When running the report in Financial Report Run, you must also select the Print Details report selection criteria for this option to take effect.

- No

  Choose No if you do not want to display detailed transactions on the report.

Max Posting Lines. Specify the maximum number of posting lines to include in the report. If the total number of lines in the report exceeds the maximum posting line value specified, an error message displays when you run the report.

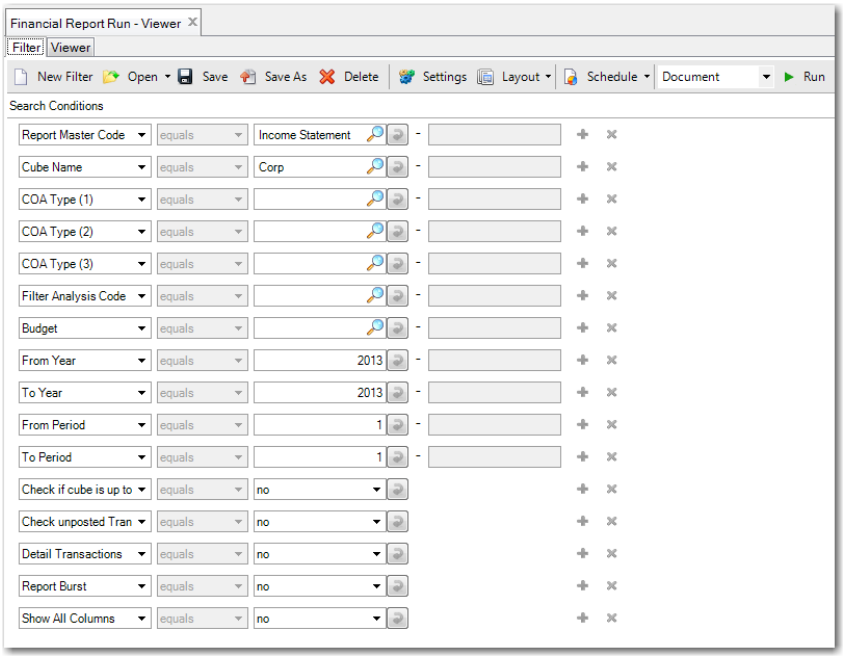
The default limitation on posting lines is 50,000.

Report Master Modify (25.16.11.2) enables you to modify an existing report master. However, you cannot modify the report master code or the report chart. Report Master Delete (25.16.11.4) enables you to delete a report master, and Report Master View (25.16.11.3) allows you to view a list of the report masters in the system.

Financial Report Run

When you select Financial Report Run (25.16.20) from the menu, the following screen opens:

Fig. 16.42
Financial Report Run



Report Master Code. Enter the report master code for the report. You can select the code from the lookup. This field is mandatory. The report master determines the layout of the report, such as columns, indents, and style.

Cube Name. Enter the report cube where the report data is stored. You can select the cube name from the lookup. This field is mandatory. The report cube determines where the report amounts are retrieved from and determines the presentation currency and the report calendar.

COA Type (1-3). Specify up to three dimensions to explode analysis codes in the report. For example, you can choose to explode the report first by GL account, then by sub-account, and then by cost center. This field is optional. An exploded analysis code displays each of its components in a separate line. You can specify the dimensions for which the explosion applies. For example, the analysis code SALES is defined for a range of GL accounts. If you do not specify a COA type when running the report, the report displays the value amount of the GL accounts included in SALES. If you specify Entity as the COA type, the report displays the subtotals for each entity of SALES on a separate line.

The report cube must include the dimension. If the data for the dimension is not collected in the cube, the report cannot display details. Dimensions GL account, Entity, Layer and Intercompany are always available in a cube.

Filter Analysis Code. Specify a report analysis code. The code must be type A. The selection of the Filter Report Analysis code is applied to the whole report tree. This field is optional.

If you have configured a report analysis code to have a controlling dimension and want to generate reports for that dimension, specify the analysis code in this field. To create separate sub-reports for the controlling dimension, you must also set the Report Burst selection criteria to Yes.

Budget. When you run a report that includes a budget column, specify the FRW budget structure to use for the budget data.

From Year. Specify the first year for which to run the report.

To Year. Specify the last year for which to run the report.

From Period. Specify the first period for which to run the report.

To Period. Specify the last period for which to run the report. To indicate the time range of the report, specify at least one year and period in the From Year/Period or To Year/Period fields. If you only enter the From Year/Period or To Year/Period, the end of the range is automatically set to the same year and period.

Check If Cube Is Up To Date. When set to yes, the system checks whether there are unprocessed queue records for the history daemon and cube daemon. When a queue record is found, an error is raised and the report is not printed.

Check unposted Transactions. When set to yes, the system checks whether there are unposted transactions waiting to be processed by Operational Transaction Post (25.13.7). When any unposted transactions are found, an error is raised and the report is not printed.

To save the report run settings as a report variant, on the header, click the Save As field. Specify a name for your report filter. The next time you run the report, to find your filter in the drop-down list, on the header click the Open button. Click the variant you want to use. The filter fields are filled automatically with the previously saved settings.

To run the report, on the header, click the Run button. The Viewer tab displays the report result.

Detail Transactions. Select Yes to print detailed GL transactions on the report. To use this option, you must also have selected All or Selected in the Print GL Transactions field on the report master.

If you set this field to Yes, but have not configured the required setup in Report Master Create or in Report Tree Maintenance, the report displays an error message.

Select No if you do not want to print detailed GL transactions on the report.

Report Burst. If you have set up controlling dimensions for report analysis codes, this setting allows you to create a separate report page for each controlling dimension.

Select Yes to create a separate report page for each controlling dimension. You must also specify the report analysis code with the controlling dimension in the Filter Analysis Code.

Select No to create a separate report page for each controlling dimension.

Show COA Columns. Select Yes to display additional columns on the report.

When you set Show COA Columns to Yes and Detail Transaction to Yes, the report displays additional COA columns and uses an Excel layout to allow the additional COA columns to display.

If you set Show COA Columns to Yes, but the COA Type fields are blank and the Detail Transactions field is set to No, an error message displays indicating that the Show COA Columns option requires a COA Type and that Detail Transactions must be set to Yes.

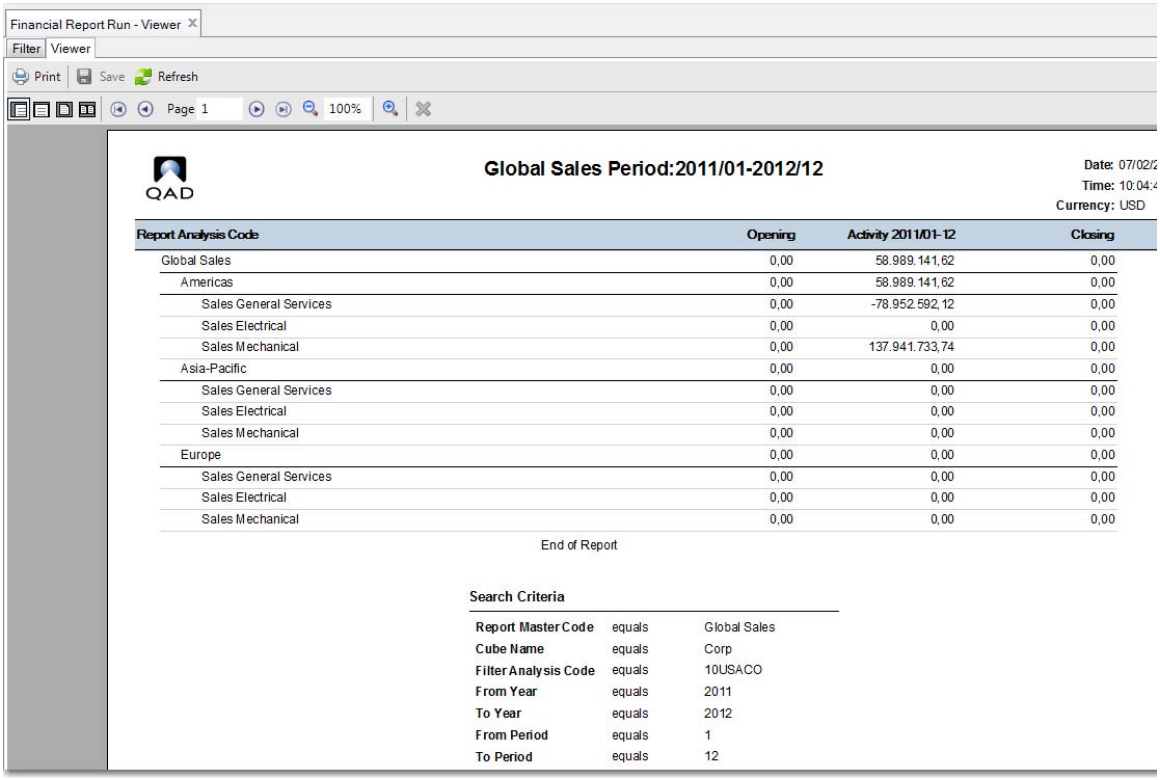
Layout Menu

The Layout menu at the top of the Financial Report Run screen contains two choices:

- Default. Use the Default layout to print a report with up to 16 columns. You can print the report on A4 or A3 paper, depending on the number of columns.

- Excel. The Excel layout can generate a report with up to 60 columns and is optimized for output to Excel. However, you can also view the report using the Document Viewer. If you are using the Show COA Columns option for a report, it is recommended that you use the Excel layout to accommodate the many columns that can result from this output.

Fig. 16.43
Financial Report Run Result



To print the report, click the Print button. You can also export the report to different formats such as PDF and Excel. Click the drop-down list next to the Run button, select the format you want to export to, and click Run. The report is displayed in the selected format. To export the result to a file, click the Save button.

Using Budgets in Financial Reports

Many organizations are interested in reports that not only allow you to compare financial results over periods of time, but also enable you to compare results to budgeted amounts.

To facilitate this requirement, you can create a budget specifically for use in Financial Report Writer, and link your budget structure to your financial reports, You can create the budget in Budget Create (25.5.5.1), or you can import a prepared budget from Excel. You can add budget totals as a column in your financial reports.

Note This section describes how to define a budget for use in financial reports. Defining budget structures and all other budget-related topics are described in detail in “Budgeting” on page 873.

Before you create a budget structure, it is important to have a clear vision of what you want to achieve and then select the best data model for your needs. See “Designing Budget Structures with Report Analysis Codes” and “Designing Budget Structures with Detailed COA Dimensions”.

The system provides two ways of defining an FRW enabled budget.

- Use report analysis codes
- Use detailed individual COA items

Important The FRW enabled budget must use one approach only. An FRW budget cannot have a mixture of report analysis codes and COA dimensions.

In reporting, Financial Report Run retrieves the budget amounts according to the report analysis code and budget definition.

Designing Budget Structures with Report Analysis Codes

Best practice is to limit the number of analysis codes you link to the budget and must then maintain. This section uses a fictional budget structure and analysis codes to illustrate the options to consider when designing your budget structure and the related analysis codes.

Your organization wants to create a budget structure to include in financial reports. The budget consists of:

- Three countries. Each country is an entity.
- Five cost centers. Each cost center is available in each entity.
- 10 cost categories. Each cost category has its own GL account.

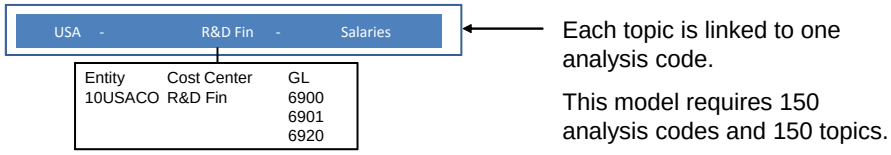
You can use three distinct data models to implement the budget structure and analysis codes for this example. The following sections discuss the advantages and disadvantages of each approach.

Approaches to Assigning Analysis Codes to Budgets

Model 1

In the first model, the budget structure requires 150 unique budget combinations. Therefore, the budget consists of 150 topics. If each topic has its own analysis code, you also need 150 analysis codes. This model is time-consuming to create and maintain.

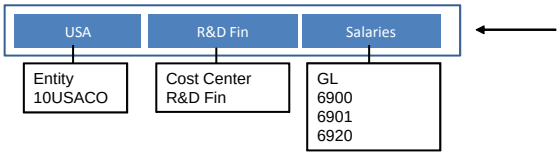
Fig. 16.44
Budget Structure: Model 1



Model 2

Using the second model, you associate three analysis codes with each topic. Although you need 150 topics, you only need 18 analysis codes: one for each country, cost center, and cost category.

Fig. 16.45
Budget Structure: Model 2



Each topic is linked to three analysis codes.

This approach requires 18 reusable analysis codes and 150 topics.

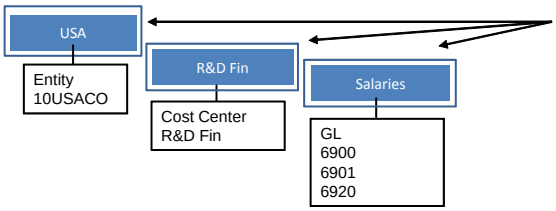
Model 3

Using the third model, you must also create and maintain 18 analysis codes. Because the structure is hierarchical, you need an extra topic for each parent level. You may need as many as 190 topics.

However, the third model has other advantages:

- You have a better visual overview. When you maintain the budget, you can collapse parts of the hierarchy that you are not interested in.
- You can give the topics the same name as the report analysis codes. You can then use the Autolink function of the budget, which automatically links the topics to the analysis codes because they have the same name.

Fig. 16.46
Budget Structure: Model 3



Each of the three topics is linked to an analysis code.

The topics are organized in a hierarchy.

This model requires 18 reusable analysis codes and 168, 170, or 190 topics, depending on the hierarchy you choose.

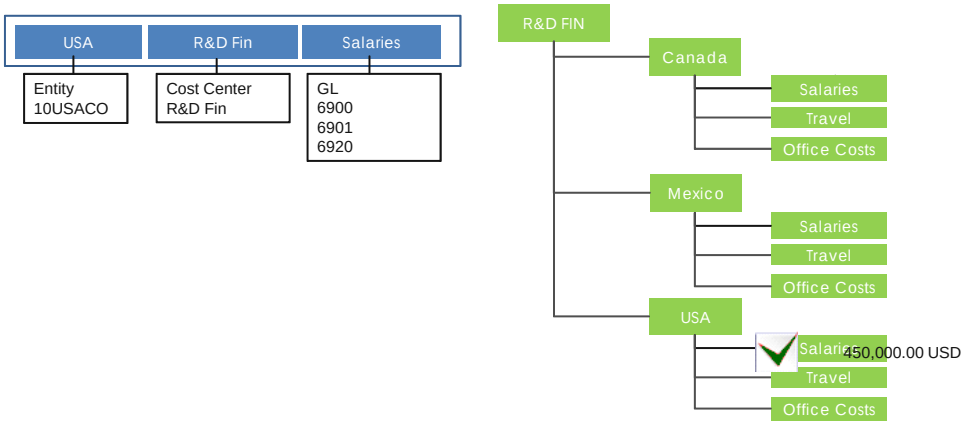
Therefore, the recommended approach for budget structures of any complexity is to avoid model 1 and to use model 2 or model 3. In practice, model 3 is the best.

Matching Budget Topics and Report Analysis Codes

When you assign analysis codes and link them with topics, the budget amounts are retrieved when you run a financial report. The budget column amounts are displayed wherever an analysis code match is found between the codes in the financial report and the codes in the budget.

If analysis codes match, the matching budget topic is always found, even if the hierarchy in the budget does not match the hierarchy in the report. For example, in Figure 16.47, a match is found for the Salaries analysis code in the budget and report, even though the hierarchy is different.

Fig. 16.47
Budget and Report Match

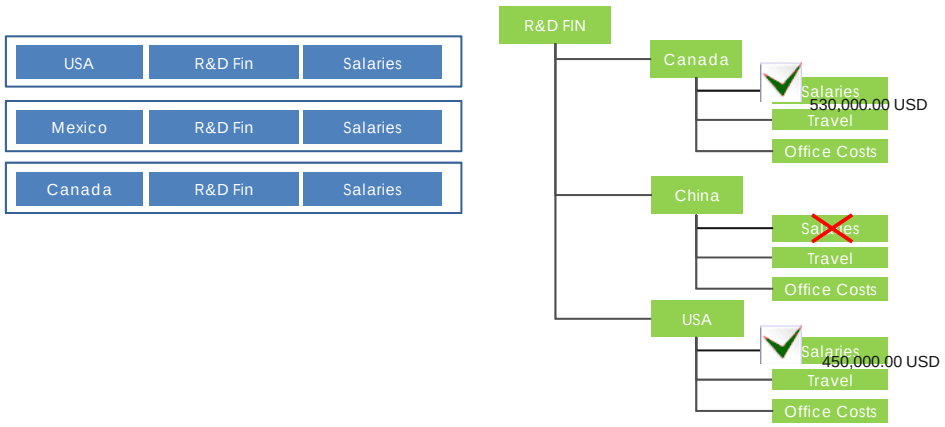


When you are linking budgets to reports, analysis codes that identify entity dimension details are important. There are several scenarios to consider.

Budget and Report Tree with Entities

When the budget and report tree contain entities, only matching entities can result in a budget figure on the report. For example, a budget can contain the budget for a particular subset of entities. The corporate report contains amounts for all entities. In this case, only the entities where a match is found have information included from the budget in the report. In Figure 16.48, the China entity is not in the budget so no match is found in the financial report.

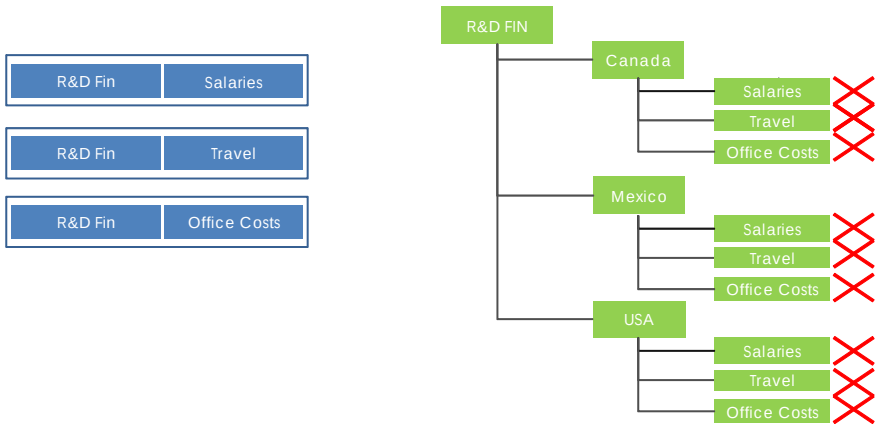
Fig. 16.48
Budget and Report Tree Contain Entities



Budget without Entities and Report Tree with Entities

When the budget has no entity dimension details, but the report has entity analysis codes, no budget figures can be used.

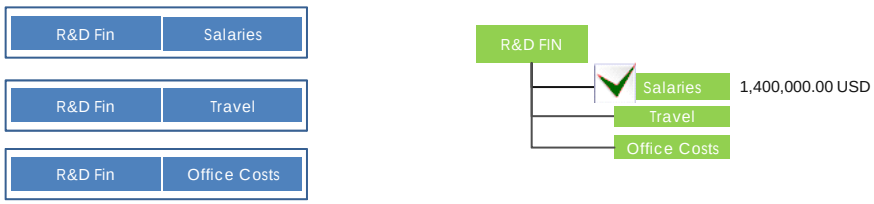
Fig. 16.49
Only the Report Tree Contains Entities



Budget and Report Tree without Entities

The read-only list of entities in Budget Create is the complete list of all potential entities for the associated report chart. However, when you run a report without entities against a budget without entities, the report output includes data for all entities in the report cube. The budget is assumed to be valid for the same list of entities, which can be a subset of the list in the Budget record.

Fig. 16.50
Budget and Report Tree without Entities



Budget with Entities and Report Tree without Entities

You can create a budget with entity-level detail. However, the financial report is set up to give the consolidated group-level view. In this case, the system ignores the entity-level analysis codes in the budget, and the topics matching over other dimensions are rolled up to compose the cross-entity budget. This principle also applies for other dimensions.

Fig. 16.51
Budget with Entities and Report Tree without Entities

Designing Budget Structures with Detailed COA Dimensions

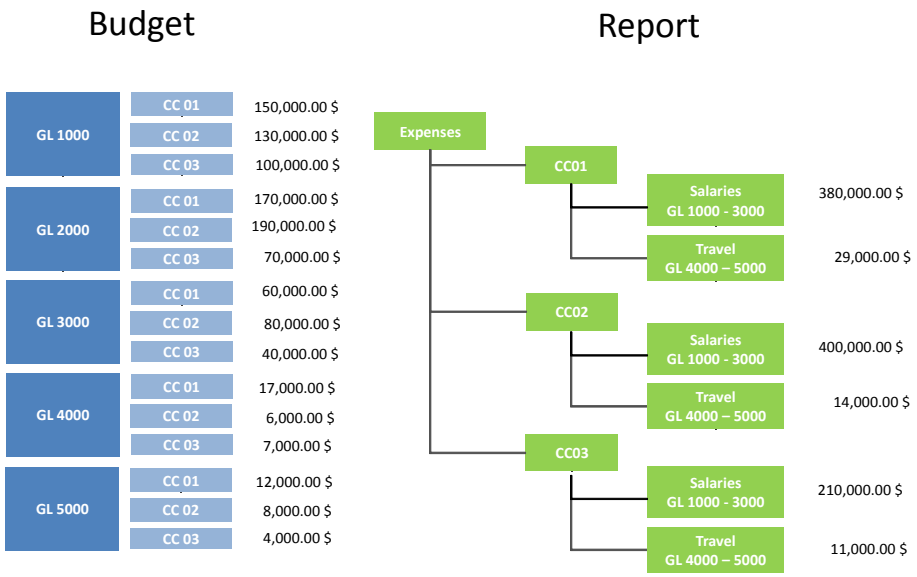
For reporting purposes, GL accounts are typically grouped by cost type and analysis codes are used for grouping the accounts. However, when defining a budget, accountants typically record company budgets at the level of GL account. Therefore, you can create an FRW budget using the following detailed COA dimensions:

- GL account
- Sub-account
- Cost center
- Project
- SAF
- Entity

The budget amount can be defined on the individual GL account, sub-account, cost center, project, SAF, and entity. A budget composed of COA dimensions cannot use the same dimension on more than one level in the budget. You can only link the related topic node to one item. You cannot link it to a range or a list.

When linking a value with the topic in the budget structure, the GL, sub account, cost center, or project must be in the shared set of the report chart linked with the budget. Entities must be in the list of the entities linked with the chart.

Fig. 16.52
Budget with Detailed COA Dimensions



In the example in Figure 16.52, the budget is an FRW budget defined on detailed COA dimensions. The budget is defined on two levels, GL account and cost center. Each budget topic links with only one GL account or one cost center.

The right of the graphic shows a report tree with report analysis codes. The first report node leaf represents the salary expenses in cost center CC01. To get the budget amount for salary expenses in cost center CC01, the application searches for the budget topics for GL Account 1000 Cost

Center CC01, GL Account 2000 Cost Center CC01, and GL Account 3000 Cost Center CC01. The budget amounts are 150,000, 170,000, and 60,000 respectively. Therefore, the summarized amount is 380,000.

To get the budget amount for a report tree node, the application looks at the related report analysis code definition, finds the matching topics in the budget structure, retrieves the budget amounts, and summarizes them. As Figure 16.52 shows, based on one FRW budget, you can track and manage budgets using different report structures. Financial Report Writer has the flexibility to create various reports so that this functionality can be used to monitor budgets. You can explode the report with GL account details for both budgets and actuals.

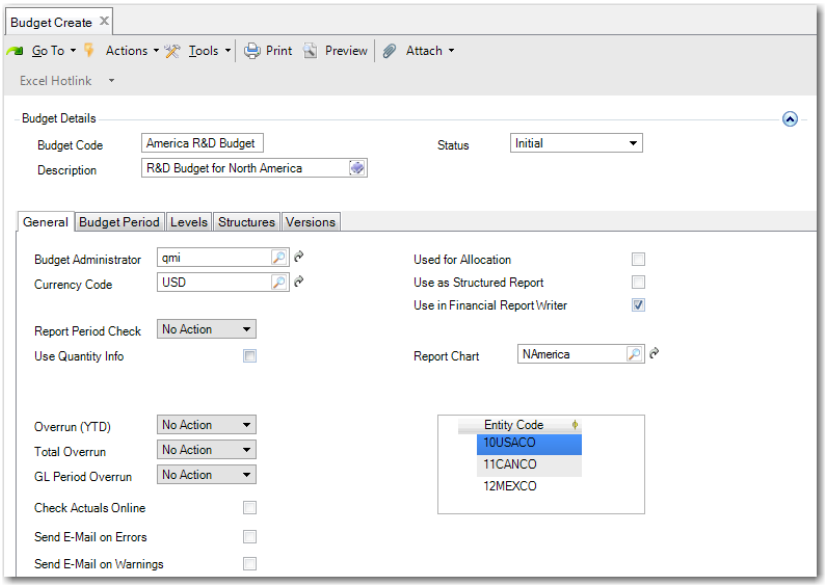
Creating a Budget

After you decide how you want to link your budget to your financial report, you can begin to create a budget structure for use in Financial Report Writer.

1. Open Budget Create (25.5.5.1).
2. In the Budget Details section, supply a meaningful budget code and description. In the example in these steps, you are creating a simple budget for North American R&D Finance.
3. On the General tab, select Use In Financial Report Writer.

   Note When you select Use In Financial Report Writer, the fields Report Period Check, Overrun (YTD), Total Overrun, and GL Period Overrun are no longer available. This restriction applies because budget checks are not currently supported for this type of budget. A budget for use in financial reports cannot be reused for any other purpose. If you want to use the budget for something else, create a copy.
4. On the General tab, select a report chart of accounts, which is a mandatory step. When you select a report chart, the Entity Code field is automatically populated with the entities associated with that report chart and becomes read-only. If you want to create a budget for specific entities, create topics in the Structure tab that are linked to elements that contain those entities.

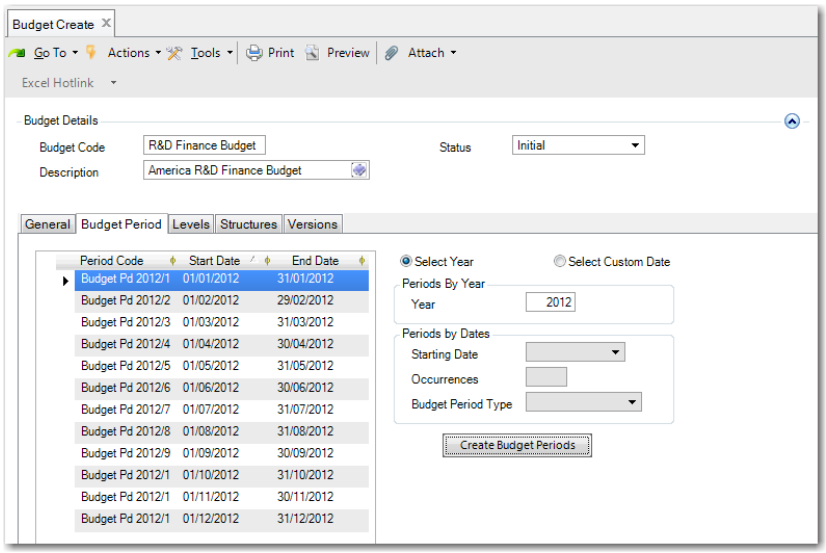
Fig. 16.53
Budget Create, General Tab



5 When you select the Budget Period tab, a message is displayed that the budget periods you enter must correspond with periods used in the report cube. Add the periods you want the budget to cover.

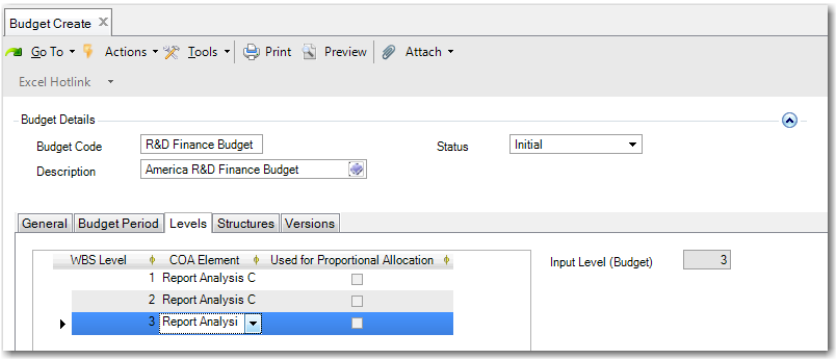
Note Not all the year periods of the cube and the budget must be the same. For example, a cube can have data for 2010, 2011, and 2012 with 12 months in each year. The budget can be for only one of these years with the same 12 months in it. Alternatively, the budget can run into the future with a greater number of periods than the cube. However, as long as the same periods are used in the budget and the cube, the budget is acceptable.

Fig. 16.54
Budget Create, Budget Period Tab



6 Select the Levels tab. You can now specify a top level at which to link the budget to a report analysis code. You can add many levels of report analysis code, or many levels of GL, sub-account, cost center, project, SAF, entity. However, you cannot mix detailed COA dimensions and analysis codes. In this example, there are three levels of analysis code because there are three levels in the budget structure: R&D Finance (cost center), Country (entity code), and cost (GL category).

Fig. 16.55
Budget Create, Levels Tab



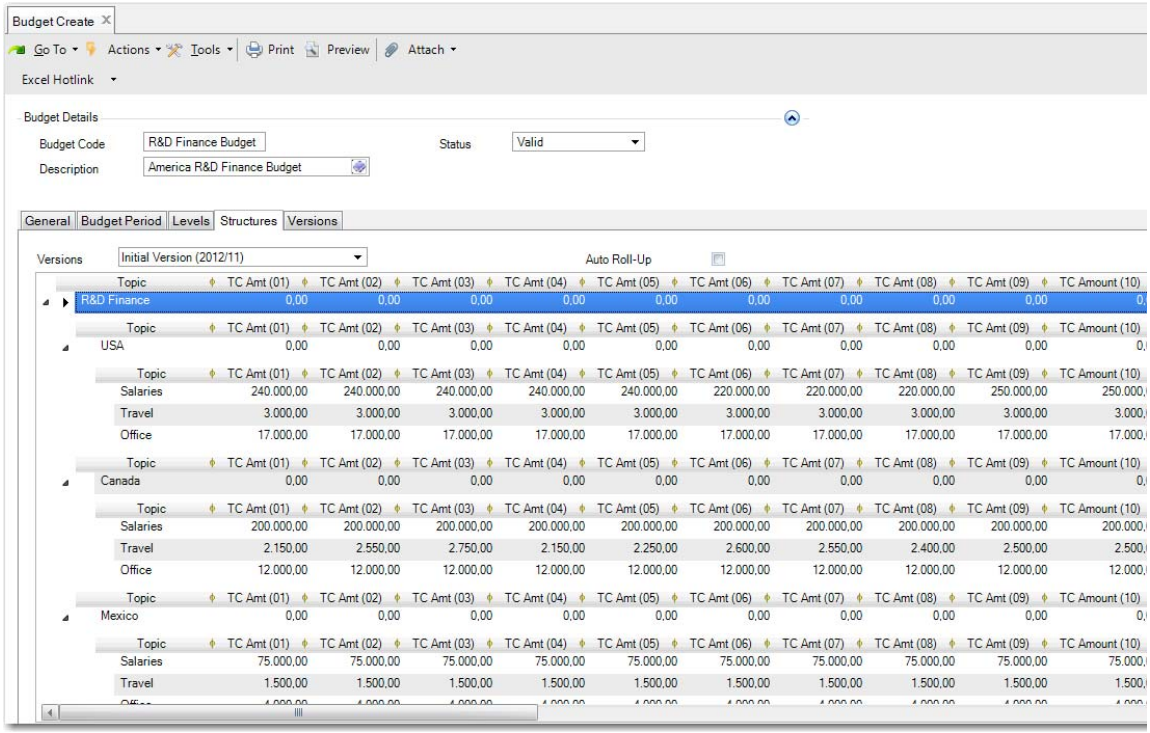
7 Select the Structures tab.

a If you want to create a budget from an Excel file, click the Excel hotlink and navigate to the file you want to use to create your budget. If your budget topic names match existing analysis codes, you can right-click and use the Autolink option on the context menu to automatically associate each topic with an analysis code.

b Alternatively, you can manually add the topics that you want to include in your budget by selecting an analysis code, or a GL, sub-account, cost center, project, SAF, or entity code in the Topic field lookup. If, however, you want your topics to have particular labels, enter the text you want to appear in the Topic field. Right-click the line and use the Topic Properties option to link the topic to an analysis code or GL, sub-account, cost center, project, SAF, or entity code. The Topic label continues to display the original text you entered.

In this simple example using analysis codes imported from Excel, there are three activities to budget for in each entity.

Fig. 16.56
Budget Create, Structures Tab



Note Many organizations create a budget for each cost center or entity. The organization then rolls up the budgets into one consolidated budget. For details on updating budgets, see “Budget Activities” on page 891.

8 No changes to the Versions tab are necessary. To create your budget for use in Financial Report Writer, click Save.

9 To make the budget amounts available to display, add a budget column in Report Column Group Create. See “Report Column Group” on page 990.

10 Create or modify a report master so that the budget columns are displayed in Financial Report Run. See “Maintaining Report Masters” on page 997.

11 Run the report in Financial Report Run.

Fig. 16.57
Report Including a Budget Column

QAD

R&D Global Expenses for 2012/08 - 10

Date: 12/6/2012
Time: 03:42:36
Currency: USD

Report Analysis Code				budget USA		Budget
R&D Finance						
USA	0.00	0.00	0.00	780,000.00	0.00	780,000.00
Salary Cost	0.00	0.00	0.00	720,000.00	0.00	720,000.00
Travel Cost	0.00	0.00	0.00	9,000.00	0.00	9,000.00
Office Cost	0.00	0.00	0.00	51,000.00	0.00	51,000.00
Canada	0.00	0.00	0.00	0.00	643,400.00	643,400.00
Salary Cost	0.00	0.00	0.00	0.00	600,000.00	600,000.00
Travel Cost	0.00	0.00	0.00	0.00	7,400.00	7,400.00
Office Cost	0.00	0.00	0.00	0.00	36,000.00	36,000.00
Mexico	0.00	0.00	0.00	0.00	0.00	241,500.00
Salary Cost	0.00	0.00	0.00	0.00	0.00	225,000.00
Travel Cost	0.00	0.00	0.00	0.00	0.00	4,500.00
Office Cost	0.00	0.00	0.00	0.00	0.00	12,000.00
Total R&D Finance	0.00	0.00	0.00	780,000.00	643,400.00	1,664,900.00

Financial Report Analysis

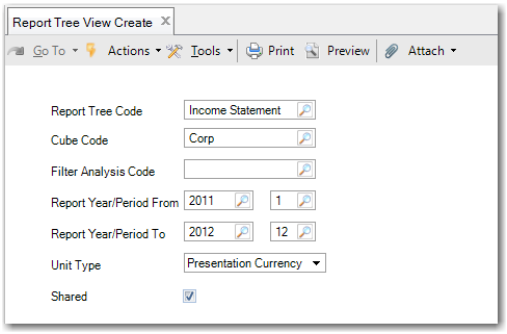
The Report Tree Drill Down functionality enables you to investigate totals and balances in a financial report. You can view any report tree and drill down to transaction level in the hierarchy. This facility makes Report Tree Drill Down a powerful analysis tool.

Example A company financial officer runs a financial report, including a budget column for comparing actual postings with budgets. The financial officer notices a high figure for travel expenses and decides to analyze further. The officer opens Report Tree Drill Down and selects the relevant financial report view, which displays the tree in the same format as it is displayed in the report itself. The financial report officer drills down into the tree nodes, navigates to the problematic costs, groups the data to identify the source transaction, and locates the transaction in the source GL browse.

Report Tree View Create

To use Report Tree Drill Down, create a view of the relevant report tree using Report Tree View Create (25.16.7.1). Each field on this screen corresponds to a dimension of the report cube.

Fig. 16.58
Report Tree View Create



Report Tree Code. Enter a meaningful report tree code. This field is mandatory.

Cube Code. Enter a cube code. This field is mandatory.

Filter Analysis Code. You can use this field to specify a particular analysis code to filter the view you create. This field is optional.

Report Year/Period From. Specify the start period for your report tree view. This field is mandatory.

Report Year/Period To. Specify the end period for your report tree view. This field is mandatory.

Unit Type. You can choose to display by presentation currency or by source currency. The source currency depends on a setting in your cube. Therefore, the source currency is either the statutory currency or the base currency.

Shared. If you do not want other users to see your view, clear this field. By default, this field is selected. This means that other users can see this report tree view.

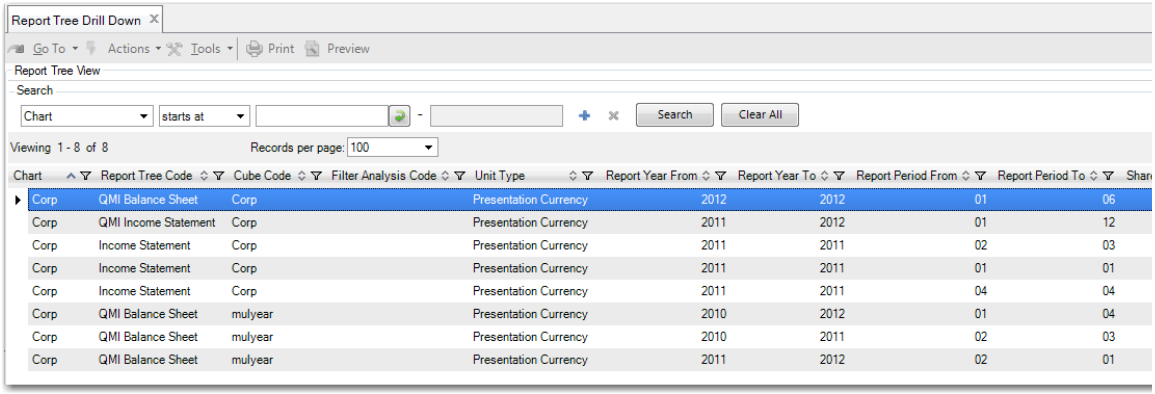
To create the report tree view, click Save and Create.

Report Tree View Modify (25.16.7.2) enables you to search for an existing report tree view to modify. Report Tree View Delete (25.16.7.3) enables you to delete a report tree view. After you create a report tree view, you can drill down into it using Report Tree Drill Down (25.16.7.4).

Report Tree Drill Down

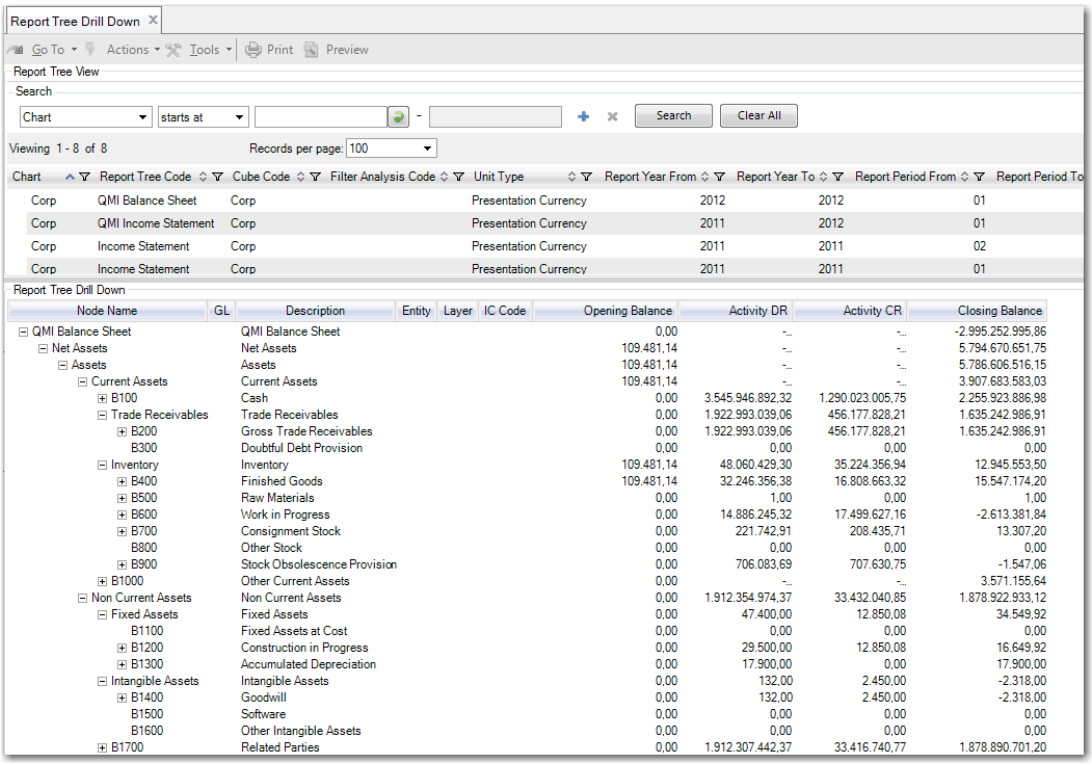
Each view that you create is displayed in a line in Report Tree Drill Down (25.16.7.4). Each column in the Report Tree View grid corresponds to a field in Report Tree View Create. In addition to these columns, the first column in the grid—the Chart column—enables you to see the views related to a particular chart of accounts, as displayed in Figure 16.59.

Fig. 16.59
Report Tree Drill Down, Report Tree View Area



To begin your analysis, double-click the report tree view row you want to view. The tree is displayed in the Report Tree Drill Down area. You can drag the bar to make the Report Tree Drill Down area bigger. It is displayed in the same hierarchy as in the financial report. You can now explore elements in the hierarchy step-by-step. By default, the report tree is displayed with all nodes expanded, except for the deepest level. The deepest level contains the balances as stored in the report cube. To view a particular balance, expand its parent node.

Fig. 16.60
Report Tree Drill Down, Report Tree View Area



The columns in the Report Tree Drill Down area give you a consolidated view of the report tree. The columns displayed correspond to the dimensions in the report cube. Therefore, you can see different columns, depending on the report cube that the view is based on. Some dimensions are always available such as entity, layer, and intercompany code. For more details on cube dimensions, see “Generating Cubes” on page 971.

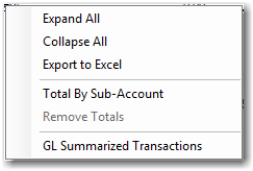
To make it easier for you to organize the data, you can drag and drop the columns into different positions on the screen. To move a column, click the column header you want to move and drag it to the required position. When you perform this operation, red arrows are displayed to guide you.

Note When the presentation currency is set in Report Tree View Create, the decimal digit number is displayed for all amounts according to the rounding setting of the presentation currency. Set the currency rounding in Currency Modify (26.1.2). If the report tree view uses the cube source currency, the decimal digit number in Report Tree Drill Down is two.

Context Menu

When you right-click a line in the Report Tree Drill Down area, a context menu is displayed. This context menu enables you to perform various operations on the report tree hierarchy. For example, you can group the data to suit your needs, drill down to transaction level, and export a snapshot of the report to Excel.

Fig. 16.61
Report Tree Drill Down, Context Menu



Expand All

This option enables you to expand all nodes in the report tree hierarchy. The expansion can take some time if you are retrieving many balances from the cube.

Collapse All

This option collapses all the nodes in the report tree hierarchy. Only the top-level node is displayed.

Export to Excel

When you select Export to Excel, you export the whole tree to Excel. The tree is exported exactly as you have it displayed in the Report Tree Drill Down. In Excel, you can also conduct further analysis by expanding and collapsing nodes with one click.

Total By

At the deepest levels, you can group the data to make totals or subtotals for any of the dimensions. For example, you can right-click anywhere in the Entity column and retrieve totals per entity. You can group further by GL and see the totals at GL level. You can then drag and drop columns next to each other for improved readability. You can add as many totals as you want. In the example in Figure 16.61, the user has clicked in the Sub-Account column. Therefore, the Total By Sub-Account option is displayed.

Remove Totals

After you add totals, the Remove Totals option is available. When you select this option, all totals are removed.

GL Summarized Transactions

When there are no totals on the tree and you right-click a line that has activity in the displayed period, you can select GL Summarized Transactions. This facility enables you to drill deeper than the balances displayed in the report tree hierarchy. When you choose GL Summarized Transactions, the system displays the Report Tree View Browse for GL Summarized Transactions. This browse displays the balances in the source entities (PostingHist table) that contribute to the balance in the report tree row. From this window, you can drill into the GL transactions and view the original transaction if you know the type of transaction you are looking for.

For example, to view an original supplier invoice:

1. In Report Tree Drill Down, right-click the activity line of interest and select GL Summarized Transactions.

   The Report Tree View Browse for GL Summarized Transactions is displayed.

2. Right-click the line of interest and select GL Transactions.

   The Posting Browse for GL Transactions is displayed.

3. To view the original transaction, right-click the relevant line and click View Supplier Invoice.

Product Information Resources

QAD offers a number of online resources to help you get more information about using QAD products.

QAD Forums (community.qad.com)
Ask questions and share information with other members of the user community, including QAD experts.

QAD Knowledgebase (knowledgebase.qad.com)*
Search for answers, tips, or solutions related to any QAD product or topic.

QAD Document Library (http://documentlibrary.qad.com)
Get browser-based access to user guides, release notes, training guides, and so on; use powerful search features to find the document you want, then read online, or download and print PDF.

QAD Learning Center (learning.qad.com)*
Visit QAD's one-stop destination for all courses and training materials.

*Log-in required

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