Infor SyteLine
Financials User Guide

Important Notices

Trademark Acknowledgements

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About Accounts

An account tracks the money spent or earned by business activities, such as the following:

- Paying Bills
- Receiving Payments
- Generating Payroll Checks
- Purchasing Supplies
- Paying Rent

The system uses default accounts for specific types of transactions. Account numbers to use for transactions are often automatically assigned from code and parameters forms.

Customer order and purchase order lines use account numbers defined on the **Product Codes** form. An item is assigned a product code, and each product code has account numbers associated with it. When an item is sold, it is entered on a customer order line item. When the voucher is entered, the system credits the inventory account (taken from the product code) with the proper amount.

Account Number Setup

The account number is the central location for domestic currency amounts. The account number spans the system. Use the **Chart of Accounts** form to maintains all amounts for all parts of the system. Accounts must be set up for each of the following account types:

- Assets
- Liabilities
- Owner's Equity
- Revenue
- Expenses

You can also set up accounts for the following account types:

- Allocation
- Statistical - you can only use Statistical Accounts within **Financial Statements**, the **Chart of Accounts** form and the **Chart of Accounts Budget and Plan** form, where they are maintained.
- Analytical - this account type is available only if you have selected the Analytical Ledger option on the **General Parameters** form.

For each account, you can also determine whether unit codes will be used. The Unit Code tabs display valid unit codes. There are also utilities to help you add, copy, and remove ranges of unit codes.

We recommend that you set up all accounts to be the same number of digits. For example, if you will have accounts up to 999999, then all accounts should have 6 digits. This makes it easier to run utilities with account ranges. If your account numbers are different lengths, for example, 600 to 999 and 100000 to 999999, and you enter the range 600 to 999999 in a utility, it will not process all accounts. You must run the utility for the range 600 - 999 and again for 100000 - 999999.

NOTE: Accounts can be deleted; however, you cannot delete accounts with data posted to them. You also cannot delete accounts that are referenced on any parameters form (for example, Purchasing Parameters or Accounts Payable Parameters), or any account record if it has any associated Unit Codes (1 through 4).

Control Accounts

On the **Chart of Accounts** form, select the **Control Account** check box to identify the current account as a control account. For more information about how control accounts are used, see About Control Accounts.

Currency Translation Methods

The currency translation method that is defined for each account is used to calculate exchange rates at different points in time; for example, at the time of a transaction posting, the end of an accounting period, or the average exchange rate within a period. They can only be updated for financial entities that report to other financial entities.

NOTE: To comply with FASB 52 or GAAP standards, you must set the currency translation method to **Average** for revenue and expense accounts and **End** for asset and liability accounts.

About Control Accounts

A control account is a general ledger account with a balance that reflects the total balances of related subsidiary ledger accounts. For example, many companies specify control accounts for these areas:

- Accounts Payable
- Accounts Receivable
- Inventory
- WIP
- Vouchers Payable
- Taxes
- Bank Accounts
- Service Order Labor, Miscellaneous and Deposit Accounts
- Service Contract Accounts

The balances in these control accounts serve as a crosscheck (control) of the accuracy of the associated subsidiary records.

Control accounts are defined on the **Chart of Accounts** form and are generally only used on setup and parameter forms.

Control accounts require some basic security. Users should not be able to manually post transaction amounts to a control account, which might cause the control account to become out of balance. If you select **Secure Control Accounts** on the **General Parameters** form, control account numbers are not available on drop-down lists on transaction forms like Purchase Orders or Job Material Transactions, and the account numbers also cannot be manually entered on transaction forms.

However, a user who is assigned the group authorization **Allow JE to Ctrl Acct** (Allow Journal Entries to Control Accounts) can specify a control account for a manual journal entry in the General journal or a user-defined journal in the **Journal Entries**, **Import Journal Entries**, or **Journal Builder** forms. This allows the correction of Distribution journal entries that were incorrectly assigned to control accounts.

A/R A/P Offset Overview

This feature allows you to have a batch of selected AR invoices and AP vouchers offset each other. This can be done only if you have a customer that is also a vendor.

The functionality involves these forms:

- Accounts Payable Parameters

- Vendors
- AR/AP Payment Offset
- A/R Payments
- A/R Payment Distributions
- A/P Payments
- A/P Payment Distributions

Accounts Payable (A/P)

Accounts Payable Setup

To set up your Accounts Payable system:

1. Define A/P account numbers in the **Chart of Accounts** form.

   The account numbers are needed for all vouchers, adjustments, and payments in Accounts Payable. The **Chart of Accounts** must contain all Accounts Payable-related account numbers before transaction distributions and posting can occur.

2. Define standard accounts for vouchers payable, duty, freight, and so on, using the **Purchasing Parameters** form.

3. Set up inventory adjustment and variance accounts using the **Product Codes** form.

   The system uses the inventory adjustment account number for PO receiving transactions. The variance accounts are the accounts to which you want to assign variance expenses for a group of items identified by a product code.

4. In the Accounts Payable Parameters form:

   - Specify vendor prefixes.

     The vendor prefix is used for alphanumeric numbering of vendors. The prefix is automatically added to the beginning of default vendor numbers for new vendors. If the user overrides the default value, the prefix is not applied.

   - Set up aging parameters, used as the default day range and titles on the AP Aging Report.

     Negative numbers represent days until due (the voucher will be due in the future). Positive numbers represent days past due. The **Aging Report** can be based on invoice date, due date, or discount date.

   - Set up default accounts for system-generated distributions.

5. Set up a bank code for each vendor using the **Bank Reconciliations** form.

   Bank codes are defined for each bank your company does business with. Each bank code requires a general ledger account number. Several bank codes may use the same general ledger cash account.

6. Set up shipping codes using the **Ship Via Codes** form.

   Ship Via Codes are required for vendors and are used to reference a method of shipment on an order.

7. Set up billing terms codes using the **Billing Terms** form.

The **Billing Terms Code** displays on the **Vendors** or **Multi-Site Vendors** form and identifies the default billing terms. The default value can be overridden on the order. Billing terms calculate the due date, discount date and discount percent (if applicable) when the user provides the invoice date.

8 Set up payment hold reason codes in the **Payment Hold Reasons** form.

These codes explain reasons why vendor payment may be held.

Accounts Payable Steps

Accounts Payable (A/P) is the process you use to pay vendors for services and goods contracted for and delivered. Accounts Payable is closely linked to the purchasing function, where you create and receive purchase orders, purchase requisitions, blanket purchase orders, and line releases.

The following events are the basic steps for Accounts Payable. See the linked help topics for more information.

1 Entering a Vendor Record
2 Creating A/P Vouchers or Adjustments
3 Distributing A/P Vouchers and Adjustments
4 Creating Recurring Vouchers
5 Generating Recurring Vouchers
6 Distributing Recurring Vouchers
7 Authorizing Vouchers
8 Printing and Posting Vouchers
9 Distributing Vendor Payments Manually
10 Generating Automatic Payments
11 Using Quick Payment Application
12 Printing and Posting Checks
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14 Using Vendor Payment Hold
15 Logging Vendor Communications
16 Posting to the A/P Ledger Distribution Journal
17 Deleting A/P Posted Payments
18 Voiding Posted Checks
19 Activating/Deactivating Posted Transactions
20 Accounts Payable Year End Procedure

Creating a Debit Memo for an A/P Transaction

Debit memos for A/P transactions that originated in purchasing must be made in purchasing. So, if you currently have a voucher in **A/P Posted Transactions**, follow these steps:

1. Open the Purchase Order Receiving form.
2. Find the PO number.
3. To add the PO line item, click **Add**. The system displays the **Add Receiving Line** form.
4. Select the **DR Return** check box.
5. Enter a positive quantity in the **Receive Qty** field.
6. Leave the **Reject Qty** field at **0** (zero).
7. Select a Reason Code.
8. To add the line item, click **Add** and then click **OK**. The system returns you to the **Purchase Order Receiving** form.
9. Select the line item you added and then, to receive it, click **Receive**.

   The system creates these journal entries:

Inventory	CR
Vou/Pay	DR

10. Open the **Generate AP Transactions** form. The transaction is an adjustment.
11. Select the correct voucher number to create the debit memo. The adjustment is then posted to **A/P Vouchers and Adjustments**.
12. Click Generate.
13. Open the A/P Vouchers and Adjustments form and post the negative adjustment to the A/P Ledger Distribution Journal.

    The system creates these journal entries:

Vou/Pay	CR
A/P	DR

The debit will show as an adjustment on the A/P Posted Transactions Detail form. You can then match the Vouchers Payable Report to the General Ledger Vouchers Payable Account.

CAUTION: Never enter a negative voucher on the **A/P Vouchers and Adjustments** form to create a debit memo for Accounts Payable. A debit memo can be tied by the system back to a voucher, but a voucher cannot be tied back to another voucher (regardless if one is negative).

Deleting A/P Posted Transactions

To void and delete A/P payments you have already posted, use the **Delete A/P Posted Transactions** utility. This utility deletes all fully paid vouchers for the selected vendors.

1 Specify information in these fields:

- **Through Date** - The current system date displays by default, but you can change it to the last date that a voucher's invoice date can be deleted. If a voucher has a due date that falls after this date, it will not be deleted, regardless of whether the voucher has been paid.
- **Starting and Ending Vendor** - Select the range of vendors whose transactions you want to delete. To delete transactions for all vendors, leave both these fields blank.
- **Purge Non A/P Payments** - To delete all non-A/P payments for the selected vendors, select this check box.
- **Preview/Commit** - To view the results of running the utility without saving the results in the database, select **Preview**. To save the results in the database, select **Commit**.

2 To start the process, select **Process**.

Paying for Purchases with a Credit Card

When you use a credit card to pay for a purchase from a vendor, you need to show the purchase under the Purchase Vendor. You also need to remit the payment to the Credit Card Vendor.

To set up a credit card for this purpose, create a bank code for the credit card on the Bank Reconciliations form. On this form, the Cash Account for the credit card's bank code should be some type of clearing account. To activate the new bank code, add a bank reconciliation transaction Type for "Check."

After you create the new bank code for the credit card, you can then do the following:

1 Receive and create a voucher for the purchase order as you would for a regular purchase.

2 Create a payment using the credit card's bank code for the vendors and vouchers.

3 Print and post the checks.

4 Add a manual voucher to the Credit Card vendor for the total amount. Use the same clearing account used by the credit card bank code for the distribution on this manual voucher. This way, the vendor's purchases YTD remain intact, and the payment is actually remitted to the Credit Card vendor.

Posting Electronic Funds Transfer Transactions

To post electronic funds transfer (EFT) transactions and to create the EFT output file:

1 Before posting, to print and review this report, on the **A/P EFT Posting** form select the **A/P EFT Posting Report** option.

This option produces a list of the EFT payments that will be posted. (Note that the grid at the bottom of the form also displays the list of items that will be posted.)

2 After printing the report, to begin the posting process, select the **Final Register and Post** option.

This step also creates the EFT payments output file, using information from EFT fields in the **Accounts Payable Parameters** form. The system:

- Writes the file in the format specified by the **EFT Format** field.
- Writes payment records to this file, which has an incrementally numbered filename (continuing from the number in the **Last EFT File** field).
- Places the file in the directory specified in the **EFT Directory** field.
- Creates the EFT Output File Report. This report logs all output EFT records.

3 (Optional) To have the system print remittance advice, select the **Print Remittance Advice** option and then click **Process**.

NOTE: If the EFT option for Remittance Advice is selected on the Accounts Payable Parameters form, you must also select Print Remittance Advice.

To have the remittance advice statement processed for print, fax, or e-mail on a vendor-by-vendor basis, also select the **Use Profile** check box.

When you post an EFT payment and distribution, a **Bank Reconciliations** record stores the payment. The system marks the record as **Not Voided**.

Setting Up Electronic Funds Transfer for A/P

Electronic funds transfer (EFT) is a common way to process automatic transfer of funds from a company's bank account to its vendors. SyteLine supports various output file formats for submission to third-party EFT transmission systems.

To set up EFT:

1 On the **Bank Codes** form, specify information about the bank that you will use for EFT transactions. For **SEPA** format only, specify the business identifier code (BIC) and international bank account number (IBAN).

2 On the **Accounts Payable Parameters** form, set up the EFT parameters for:

- EFT format - ALLEFT, BBMEFT, ABAFILE, NACHA, SEPA, CPA, CNAB, or Zengin File (JBA).
- Bank code to use for EFT transactions
- Directory where the EFT output files will be stored
- User name and user number (needed only for the ABAFILE format)
- Destination ID, and Origination ID (needed only for the NACHA and CPA format)
- Company ID (needed only for the NACHA format)
- Whether to use the default account (needed only for the CPA format)
- Registration number (needed only for the CNAB format).

After EFT processing has begun, this tab also shows the last date an EFT file was created, and the name (number) of that file.

3 In the **Remittance Advice** area to the right of the EFT parameters, indicate whether you want to print remittance advice after posting EFT transactions.

4 On the **Vendors** or **Multi-Site Vendors** form, set up EFT information for the individual vendors. If the vendor's default payment type is **EFT**, enter the following information (depending on the EFT format you use):

- For **ABAFILE** - Enter the bank account, the bank's EFT (sort) number, and the account name.
- For **ALLEFT** and **BBMEFT** - Enter the bank account and the bank's EFT (sort) number.
- For **CNAB** - Enter the bank's transit number, transit reference, EFT (sort) number, and the account name.
- For **CPA** - Enter the bank account, the bank's transit number, transit reference, EFT (sort) number, and the account name.
- For **NACHA** - Enter the bank name, transit number, transit reference, and bank account.
- For **SEPA** - Enter the business identifier code (BIC) and international bank account number (IBAN).

For posting steps, see Posting Electronic Funds Transfer Transactions.

Electronic Funds Transfer Output Files

About EFT Output Filenames

If the EFT format is ALLEFT or BBMEFT, the filename is incremented each time the post process is run, so the file is never overwritten.

If the EFT format is ABAFILE, CNAB, CPA, NACHA or SEPA, the filename format is EFT + day + month + year + hour + minutes + seconds + the file extension (.aba, .dat or .xml), so the file is never overwritten.

Format

The format of the EFT output file depends on the value of the Accounts Payable Parameters EFT Format field. See the following topics for information about the file formats:

ABAFILE Format

ALLEFT Format

BBMEFT Format

CNAB Format

CPA Format

NACHA Format

SEPA Format

Zengin (JBA) EFT file

A/P Payments

Creating a Manual Check

1 On the A/P Payments form, select Actions > New.

2 Specify information in these fields:

- **Vendor** - Select the number of the vendor you are entering the manual check for.
- **Payment Type** - To create a manual check, select **Manual Check**.
- **Reapplication** - If the manual check payment is for a reapplication, select this check box.
- **Check Number** - Enter the check number for the manual check you are issuing.
- **Check Seq** - Enter the check sequence number, or accept the default of the next incremental number. The system uses this number to keep the distributions in numerical order.
- **Check Date** - Enter the check date, or accept the default of today's date.
- **Bank Code** - This field displays the vendor's default bank code, but you can change it to the code of the bank from which the payment is being made (if applicable).
- **Notes** - (Optional) Enter notes about the payment.
- **Reference** - Enter the description that is to appear in the journals for this transaction, or accept the default, which is the APP followed by the vendor number.
- **Check Amt** - Enter the amount of the check.

3 To save the payment, select **Actions > Save**.

4 Select Distributions.

5 Select **Actions > New**, and distribute the payment.

6 Print and post the check.

Creating a Standard Draft

1 On the A/P Payments form, select **Actions > New**.

2 Specify information in these fields:

- **Vendor** - Select the number of the vendor you are entering the standard draft for.
- **Payment Type** - Select **Standard Draft**.
- **Check Seq** - Accept the sequence number that displays. The system uses this number to keep the distributions in numerical order.

- **Check Date** - Enter the draft date, or accept the default, which is today's date.
- **Draft Due** - The default payment due date displays, but you can change it to a different date on which the draft is to be due.
- **Bank Code** - The vendor's default bank code displays, but you can change it to the code of the bank from which the payment is being made (if applicable).
- **Notes** - (Optional) Enter notes about the payment.
- **Reference** - Enter a description which is to appear in the journals for this transaction, or accept the default, which is **APP** followed by the vendor number.

3 To save the payment, select **Actions > Save**.

4 Select Distributions.

5 To distribute the payment, select **Actions > New**.

6 On the **General** tab, in the **Type** field, select one of the following options:

- **Voucher** - Applies the payment to a particular voucher. Enter the voucher number in the **Vch/Seq** field.
- **Open** - Applies the payment to the vendor, not to a specific voucher.

7 Finish distributing the payment.

8 Print and post the draft.

Distributing Vendor Payments Manually

To distribute vendor payments manually:

1 On the A/P Payment Distributions form, select Actions > New.

2 In the **Vendor** field, select the vendor from the list of those with payments on file.

The payment header information displays in the upper part of the form, and you cannot change it.

3 On the **General** tab, fill in the required data:

- **Type** - Select the distribution type: **Voucher**, **Non A/P**, **Commission** or **Open**.
- **Vch/Seq** - If you are adding a voucher distribution, enter the number of the voucher referenced from the distribution. If you are entering any other type of distribution, enter its sequence number. The sequence number is used only to keep the distributions in numerical order.
- **Site** - If the distribution type is **Non A/P**, **Commission**, or **Open**, select the site where the transaction resides. If the distribution type is **Voucher**, the site that contains the posted transaction against which the payment distribution is being applied displays for reference.
- **Invoice** - If the distribution type is **Non A/P**, **Commission**, or **Open**, enter the number of the invoice you are applying the distribution against. For a **Commission** distribution type, you must enter an order entry invoice number with a commission type of **Distribution**; the sum of the commissions for that invoice and vendor displays in the **Amount Paid** field on the **Accounts** tab.

- **PO** - If the distribution type is **Non A/P**, **Commission**, or **Open**, enter the PO number to which you want to record the payment.
- **1099 Reportable** - If the payment distribution is 1099 taxable and should be included on the vendor's 1099 form, this check box should be selected. If the payment is not 1099 taxable, clear the check box.

4 Select the **Accounts** tab, and then fill in data in the following fields:

- **Amount Paid** - Enter the amount to apply to this payment.
- **Disc Taken** - If the payment type is **Voucher**, enter the amount to be discounted from this payment.
- **[Tax Adjustment (1)]** - If the payment type is **Voucher**, this field displays any Tax System 1 adjustment for discounts. You can change this amount.
- **[Tax Adjustment (2)]** - If the payment type is **Voucher** and a second tax system is defined, this field displays any Tax System 2 adjustment for discounts. You can change this amount.
- **Disc Account** - If the payment type is:
  - **Voucher**, this field displays the discount account number from the **Accounts Payable Parameters** form. If the discount amount is not zero, you can select a different account for the discount amount, if applicable.
  - **Non A/P**, select the number of the General Ledger account that is to receive the distribution amount. This account offsets the cash account.
  - **Commission**, this field displays the number of the General Ledger commission paid account from the **Accounts Payable Parameters** form, but you can select a different account to apply the payment to.
  - **Open**, this field displays the number of the General Ledger deposit account from the **Accounts Payable Parameters** form, but you can select a different account to apply the payment to.

5 To save the distribution, select **Actions > Save**.

NOTE: Distributions of type **Non-A/P** or **Commission** are not permitted for payments where the Payment Type is **Standard Draft**.

Generating Automatic Payments

To automatically generate A/P payments and distributions:

1 Open the A/P Payment Generation form.

2 Specify information in these fields:

- **Multi-Site Group ID** - To generate payments for a different multi-site group, select that group's ID.
- **Payment Date** - Enter the date to print on all the checks or drafts, or accept the default, which is today's date.
- **Payment Type** - Select the check box of each payment type you want to generate payment for: **Standard Check**, **Manual Check**, **Wire**, **Standard Draft**, **Incoming Draft**, or **EFT**.

- **Aging Basis** - Select the method to age the payments: **Invoice**, **Due Date**, or **Disc Date**.
- **Include Commissions Due** - To process commissions for the commissions-due records of outside salespersons whose reference numbers are also valid vendor numbers, select this check box. The system summarizes the total commission-due amount into the check total for each vendor. To exclude commissions, clear this check box.
- **Delete Payment/Distributions** - To have any existing payments be deleted before generating the new payments, select this check box. To preserve the existing payments, clear this check box.
- **Starting and Ending Bank Code** - Enter the range of bank codes for which to produce payments.
- **Starting and Ending Vendor** - Enter the range of vendors for which to produce payments.
- **Starting and Ending Age Date** - Enter the first and last aging dates of the transactions to consider for payment. These dates also set the range for which payments and distributions can be deleted using the **Delete Payment/Distributions** check box. If the **Invoice Date** or **Due Date** falls within the date range specified in these fields, the voucher is selected for payment.

NOTE: If you are generating standard checks and you have entered some existing payments, the check generation process affects the existing payments. We recommend that you post the existing payments before generating new payments.

3 To generate the payments, select **Process**.

Paying Finance Charges

To apply customer payments to finance charges using the **A/R Payments** form, do the following:

1 Fill in the fields of the form and enter the total amount of the payment in the **Amount** field, although part of the money may be applied to other things than finance charges.

2 To save the **A/R Payments** record, select **Actions > Save**.

3 To open the A/R Payment Distributions form, click the Distributions button.

4 On the **General** tab, in the **Type** field, select **Finance Charge**.

5 In the **Dist Amount** field, enter the amount of the payment to be applied to finance charge.

You can create separate distribution records for the remainder of the payment.

6 To save the **A/R Payment Distributions** record, select **Actions > Save**.

7 Open the **A/R Payment Posting** form.

8 To post all customers, accept the default values.

9 Click **Process**.

Posting A/P Wire Transactions

To post wire transactions, use the **A/P Wire Posting** form to:

1 Before posting, select the **A/P Wire Posting Report** option and click **Process** to print and review this report, which lists the wire payments that are to be posted.

   NOTE: The grid at the bottom of the form also displays the list of items that will be posted.

2 After printing the report, to begin the posting process, select the **Final Register and Post** option and then click **Process**.

3 (Optional) To have the system print remittance advice, select the **Print Remittance Advice** option and then click **Process**.

NOTE: If the Wire option for Remittance Advice is selected on the Accounts Payable Parameters form, you must also select Print Remittance Advice.

To have the remittance advice output processed for print, fax, or e-mail on a vendor-by-vendor basis, also select the **Use Profile** check box.

When you post a wire payment and distribution, a **Bank Reconciliations** record stores the payment. The system marks the record as **Not Voided**.

Reversing a Posted Wire Payment

NOTE: If the voucher for the wire payment is generated but not processed, delete the wire payment record in **A/P Payments**.

To reverse a wire payment:

1 Create a new wire payment and enter a negative value for the payment.

2 Distribute the payment to the same wire number, bank code, vendor number, and voucher number.

3 Perform the wire posting.

During the posting process, the system marks the corresponding bank reconciliation as **Voided**.

Posting to the A/P Distribution Journal

The A/P Distribution Journal records purchase orders you have received and vouchered. Eventually, you need to post this journal to the General Ledger.

CAUTION: After transactions are posted to the journal, you can no longer update them. You can add text to the line entries, but to adjust them you must use the **A/P Vouchers and Adjustments** form.

You can view posted transactions in the A/P Distribution journal on the **A/P Posted Transactions Detail** form. Use the grid pane to select the transaction you want to view. The **Type** field identifies the type of transaction you are viewing: payment, voucher or adjustment.

To view summary information about the displayed transaction, select **Summary**. The system displays the **A/P Posted Transactions Summary** form.

Preparing a Bank Reconciliation

The system maintains a transaction history of all activity against the bank checking accounts your company uses. You can view this information using the **Bank Reconciliations** form, and also prepare bank reconciliations by tracking what has been recorded by the bank.

The system provides automatic sources for bank reconciliation entries. These sources display in the **Ref Type** field:

- **A/P** - The transaction is posted from A/P check or draft printing.
- **A/R** - The transaction is posted from A/R check, adjustment, wire, or draft posting.
- **PR** - The transaction is posted from payroll check printing.
- **BAL** - The transaction is created during the bank reconciliation compression process.

Steps

To reconcile and then compress transactions:

1. To reflect deposits and miscellaneous charges that are not automatically added (see above), you must either manually add them through the grid on the **Bank Reconciliations** form, or record them in the General Journal or a user-defined journal.
2. When you receive a statement from the bank, for each reconciled transaction, select **Reconciled** on the **Bank Reconciliations** form.
3. To process all transactions against the current General Ledger cash account, click **Balance Compute**.
4. To delete transactions that have been reconciled, run the **Bank Reconciliation - Compression** utility:
    - (Optional) By default, the system compresses transactions through the current system date, but you can enter a different date that is earlier than the date of the last check record you want to compress. This sets the system to know what check number is next in the sequence.
    - In the **Bank Code** field, select the bank code of the bank account you want to compress.
    - If you want the system to automatically increment date ranges and re-run reports and utilities, select the **Increment Date** check box.
    - To compress the selected bank code's reconciliation transactions, select **Process**.

How VAT is Handled During Reconciliations

For A/R transactions, after a payment by check is received for an invoice, you must manually enter the payment in the Bank Reconcilations form. You must enter and post customer checks individually. When each payment is reconciled with the bank statement, the system credits the VAT A/R Received account.

For A/P transactions, after a processed check is reconciled with the bank, the system debits the VAT A/P Paid account.

Preparing a Bank Reconciliation Using Transfer VAT

This topic describes how to reconcile invoice and voucher payments when the **Transfer VAT** option is selected on the **General** tab of the **Tax Systems** form.

Transfer VAT enables VAT recognition upon bank reconciliation.

For more information on performing a bank reconciliation, see Bank Reconciliations and Preparing a Bank Reconciliation.

To reconcile A/P checks with **Transfer VAT** selected:

1. Open the Bank Reconciliations form.
2. Select the appropriate **Bank Code**.
3. Specify these values in these fields:
   - **Type** - Must be **Check**.
   - **Transaction** - Enter the individual check number.
   - **Ref Type** - Must be **A/P**.
   - **Ref Num** - Select the appropriate vendor number.
4. After you are finished entering or updating transactions, click **Balance Compute**.
5. When finished reconciling, select **Actions > Save**.

To reconcile A/R deposits with Transfer VAT selected:

1. Open the Bank Reconciliations form.
2. Select the appropriate **Bank Code**.
3. Specify these values in these fields:
   - **Type** - Must be **Deposits**.
   - **Transaction** - Enter the deposit number.
   - **Ref Type** - Must be **A/R**.
   - **Ref Num** - Select the appropriate customer number. For summary bank reconciliation entries, this value is set to 0 by default.
4. After you are finished entering or updating transactions, click **Balance Compute**.
5. When finished reconciling, select **Actions > Save**.

Printing and Posting Checks

CAUTION 1: The **A/P Payment Generation** utility resets most of the fields of the existing payment records. To avoid this, always post your manual checks using the **A/P Check Printing/Posting** form before running the **A/P Payment Generation** utility.

CAUTION 2: You can void checks using the **A/P Check Printing/Posting** form only before you print the final register. Once you print the final register and post the checks, you cannot void checks using this form. For more information, see Voiding Posted Checks.

To print and post checks:

1 On the **A/P Check Printing/Posting** form, select the process to use:

- **Preliminary Check Register** - Sets up a preliminary check register. If no checks need to be printed, a message to that effect displays. When you select this option, the system validates the check information, prints the register, and then returns you to the **A/P Check Printing/Posting** form so that you can continue with or exit from the process.

  NOTE: You must print the preliminary register before you can print the checks.

- **Print A/P Checks** - Prints the A/P checks from the preliminary register.
- **Void Check(s)** - Activates the options in the **To Void** group box so that you can void checks and then post them. Use this option if your checks printed incorrectly or were damaged. When you choose this option, the **To Void** group box is updated with information about the checks that are to be voided. When prompted, select **OK** to void the listed checks.
- **Print A/P Check Stubs** - (Optional) Reprints the **APCheckLaserStubs**, **APCheckSTD006Stubs**, or **APCheckANZStubs** report for the checks in the collection, but leaves the check portion at the bottom blank. This option can only be selected after a **Print A/P Checks** or **Void Checks** option has been performed. Once the **Final Register and Post** has been performed, check stubs can no longer be printed.

  NOTE: Check stubs print only for standard checks. Manual checks do not print checks; therefore, they do not print check stubs.

- **Final Register and Post** - Prints a check register, posts the checks to the A/P Distribution Journal, creates posted transactions, and updates the vendor records. General Ledger journal records are created for the payment records, and the posted transaction vouchers are created for the amount paid and discount taken.
- **Print Remittance Advice** - If the **Manual** option for **Remittance Advice** is selected on the **Accounts Payable Parameters** form, you must also select this option. To have the remittance advice statement processed for print, fax, or e-mail on a vendor-by-vendor basis, also select the **Use Profile** check box.

2 Fill in the fields indicating the associated bank, check numbers, vendors, pay dates, and other information for the process.

3 Click **Process**.

Printing and Posting A/P Drafts

CAUTION: The **A/P Payment Generation** utility resets most of the fields of the existing payment records. To avoid this situation, always post your manual drafts using the **A/P Draft Printing/Posting** form before running the **A/P Payment Generation** utility.

Printing and Posting Drafts

To print and post drafts:

1 Open the A/P Draft Printing/Posting form.

2 Enter information in these fields:

- **Bank Code** - Select the bank code for the drafts you want to post.
- **Starting Draft Number** - Select the starting draft number.
- **Sort by** - Indicate how you want to sort the report.
- **Display Distribution Detail** - Indicate whether you want distribution information on the report
- **Vendor** - Select the first and last vendor numbers you want to include in the printing or posting.
- **Due Date** - Select the first and last due dates you want to include
- **Starting Name/Ending Name** - Enter the first and last name you want to include.

3 To print and review the report (before posting the drafts), select **Print** and then click **Process**.

4 When you are ready to post the drafts, select **Commit** and then click **Process**.

Posting Remitted Drafts

To post remitted drafts and print a remittance statement:

1 Open the A/P Posting Draft Remittance form.

2 Enter the following information:

- **Starting and Ending Vendor Number** - Select the first and last vendor numbers whose draft remittances you to post, or, to post draft remittances for all vendors, leave both fields blank.
- **Starting and Ending Draft Number** - Select the first and last draft numbers you want to include.
- **Starting and Ending Due Date** - Select the first and last due dates you want to include.
- **Bank Code** - Select the bank code for the draft remittances you want to post.
- **Display Report Header** - If you want to include report headers in the report, select this check box.

  The report header displays on the first page of the report, and lists the parameters by which you generated the report.

3 To print and review the **A/P Posting Draft Remittance Report**, select **Print** and then click **Process**. To have the remittance advice statement processed for print, fax, or e-mail on a vendor-by-vendor basis, also select the **Use Profile** check box.

4 When you are ready to post the draft remittances, select **Commit** and then click **Process**.

Using A/P Quick Payment Application to Reapply Open Payments

You can use the **A/P Quick Payment Application** form to reapply open payments in two ways.

Option 1

1 Enter the payment you want to reapply, and select its **Reapplication** check box.

All the vendor's transactions display in the grid at the bottom of the form. Select the applicable transaction(s). If an open type distribution already exists for a payment, it displays as **Open (Dist)** to distinguish it from open transactions from **A/P Posted Transactions**.

NOTES: Open payments from other sites (that is, sites other than the site of the payment) *do not* display in the grid.

Open payments do not display in the grid for any payment that does not have a check number or draft number (Standard Checks and Standard Drafts). A check number or draft number is required for these payment types to automatically reapply an open payment for them when you select **Apply**.

2 Select the vouchers to which you want to reapply the payment.

NOTE: Transactions in the grid at the bottom of the form do not become available for selection until you save the payment in the upper part of the form. After selecting items in the grid, you must then select **Apply** to process them. Selecting a different payment without first selecting **Apply** will cancel any changes you made in the grid.

3 Select **Apply**.

The system automatically generates payment distributions for the selected vouchers. If you selected any open payments, they will first be applied to the selected vouchers and posted with the proper journal entries. In this case, journal entries will have the reference of APPR (payment reapplication). Otherwise, you must post the payment distributions as usual.

Option 2

1 Enter and save a payment. In the grid at the bottom of the form, both a voucher and an open payment display.

2 To trigger the reapplication process, select the open payment and then click **Apply**.

NOTE: If you select multiple vouchers and multiple open payments, the system automatically applies the open payments by type and due date. You cannot update the voucher number.

3 Select **Apply**.

The same process occurs for the reapplication as described in Option 1 above. The system then creates a payment distribution for any remaining items, and if an amount remains for the payment in the upper part of the form, creates an open payment distribution for it.

Using A/P Quick Payment Application to Enter and Apply Full and Partial Payments

You can use the **A/P Quick Payment Application** form to enter full and partial payments, and automatically distribute them to open vouchers. You can also apply payments that were entered on the **A/P Payments** form.

NOTE: Transactions in the grid are not available for selection until you enter and save a payment in the upper part of the form. After selecting the transactions, you must then select **Apply** to process

them. Selecting a different payment without first selecting **Apply** will cancel any changes you made in the grid. Selecting **Apply** generates the appropriate payment distributions, and refreshes the grid display with the current data.

1 Open the A/P Quick Payment Application form.

2 Select **Actions > New**.

3 Enter the payment data:

- **Vendor** - Enter the vendor who is to receive the payment.
- **Type** - This field displays the vendor's default payment type from the **Vendors** form, but you can select a different one from among the following:
  - Standard Check
  - Manual Check
  - Wire Payment
  - Standard Draft
  - Incoming Draft
- **Number** - The check, wire, or draft number displays, depending on the payment type:
  - For a manual check, enter the check number.
  - For an incoming draft, enter the draft number.
  - For a wired payment, enter the wire number.

    Note that for standard checks and drafts, the system automatically updates this field when the check or draft is printed.
- **Seq** - Enter the sequence number for this payment.

  The system uses this number only to keep the payments in numerical order.
- **Date** - Enter the check, draft or wire date, or accept the default, which is today's date.
- **Bank Code** - This field displays the vendor's default bank code, but you can change it to the bank code of the bank account from which the vendor is to be paid.
- **Vendor/Domestic Payment** - Enter the check, wire, or draft amount for the current payment.

  The vendor's balance is reduced by this amount. The payment amount needs to be distributed against vouchers, commissions, and open or non-A/P payments. If the vendor is a foreign currency vendor, the payment amount displays in the vendor's currency.

  For standard checks and drafts, you cannot update this field. Instead, the system displays the sum of all the payment distributions for the vendor. To change this amount, you must change the distributions using the **A/P Payment Distributions** form.
- **Exchange Rate** - If you are using multiple currencies, this form displays the exchange rate between the domestic currency and the vendor's currency, but you can change it. For open payments, you must book a gain/loss transaction if the exchange rate on the payment is different than the exchange rate on the voucher or adjustment. The payment goes to **A/P Posted Transactions** with the same exchange rate as the open payment. The system does not revalue the voucher.

- **A/P Notes** - Enter a description of the payment (up to 40 characters).
- **G/L Reference** - Enter a description of the payment for reference. This description is posted to the General Ledger as part of the transaction posting. The default reference is **APP**, followed by the vendor number.

  The reference code must begin with **AP**; otherwise, the void utility cannot function.

4 To save the payment, select **Actions > Save**.

  The system creates the payment record and then displays all open vouchers and payments for the vendor in the grid at the bottom of the form.

5 In the grid at the bottom of the form, do one of the following:

- Select the check box in the **Select** column for each voucher and payment (transaction line) that you want to apply the payment to.
- To apply the action to all the displayed items, select **Select All**.

6 To change an item's payment amount, click the grid scroll bar to display the **Amt To Pay** column, and then enter the amount to be applied.

7 (Optional) For vouchers, you can enter a discount amount in the **Discount** column.

8 To distribute the payment, select **Apply**.

  The **Applied** and **Remaining** fields in the upper part of the form show the updated amounts. You can then apply the payment when these amounts are equal.

NOTE: If the payment is not standard check or a standard draft, and the applied amount is less than the remaining amount, the difference creates a new open payment distribution. If the applied amount is more that the remaining amount, an error message displays, and you will not be able to continue until you correct this error.

Using the A/P Quick Payment Application to Enter and Distribute an Open Payment

To enter a payment and distribute it as open, use the **A/P Quick Payment Application** form. You can also distribute open payments that have been entered using the **A/P Payments** form.

CAUTION: Transactions in the grid at the bottom of the form do not become available for selection until you save the payment in the upper part of the form. After selecting items in the grid, you must then select **Apply** to process them. Selecting a different payment without first selecting **Apply** will cancel any changes you made in the grid.

1 Open the **A/P Quick Payment Application** form.

2 Select **Actions > New**.

3 Enter the payment data:

- **Vendor** - Enter or select the vendor who is to receive the payment.
- **Type** - This field displays the vendor's default payment type from the Vendors form, but you can select a different one from the following options:

- Manual Check
- Wire Payment
- Incoming Draft
- EFT

NOTE: Because you must enter a check number in the **Number** field to distribute an open payment, do not select the **Standard Check** or **Standard Draft** option.

4 **Number** - To distribute an open payment, enter the check number.

If the check number is blank, any open payments from **A/P Posted Transactions** do not display in the grid at the bottom of the form.

5 **Seq** - Enter the sequence number for this payment. This number is used only to keep the payments in numerical order.

6 **Date** - Enter the check, draft or wire date, or accept the default, which is today's date.

7 **Bank Code** - This field displays the vendor's default bank code, but you can change it to the bank code of the bank account from which the vendor is to be paid.

8 **Vendor Payment/Domestic Payment** - Enter the amount of this open payment. The payment amount cannot be negative, or an error message displays when you select **Apply**.

9 **Exchange Rate** - If you are using multiple currencies, this field displays the exchange rate between the domestic currency and the vendor's currency, but you can change it.

For open payments, you must book a gain/loss transaction if the exchange rate on the payment is different than the exchange rate on the voucher or adjustment. The payment goes to **A/P Posted Transactions** with the same exchange rate as the open payment. The system does not revalue the voucher.

10 **A/P Notes** - Enter a description of the payment (up to 40 characters).

11 **G/L Reference** - Enter a description of the payment for reference. It is then posted to the General Ledger as part of the transaction posting. The default reference is **APP**, followed by the vendor number.

NOTE: The reference code must begin with **AP**. Otherwise, the void utility does not function.

12 To save the payment, select **Actions > Save**. The system creates the payment record, and then displays all open vouchers and payments for the vendor in the grid at the bottom of the form, but none are automatically selected.

13 Select the items you want to process, or, to distribute the entire payment amount as an open payment, leave them all unselected.

14 Select **Apply**. The system creates the open payment distribution record and generates distributions records for any vouchers that are selected in the grid. Any remainder of the payment amount is applied as an **Open** type payment distribution.

NOTE: Open type payment distributions display in the grid with a type of **Open (Dist)** to distinguish them from open payments displayed from the **A/P Posted Transactions** form.

Voiding Posted Checks

After checks have been posted, you can void them using either the **A/P Payments** form or the **Void A/P Posted Payments** form.

After voiding the checks, you can reprint them.

Voiding Posted Checks Using the A/P Payments Form

To void posted checks using the **A/P Payments** form:

1. Select **Actions > New**.
2. Enter data in the following fields:
   - **Vendor** - Select the number of the vendor whose check you want to void.
   - **Bank Code** - Enter a valid bank code for the bank against whom the original check was issued.
   - **Payment Type** - Select **Manual Check**.
   - **Check Number** - Enter the number of the check you want to void.
   - **Check Date** - Enter the date of the manual check.
   - **Seq** - Accept the default, which is the next incremental number. The system uses this number only to keep the distributions in numerical order.
   - **Check Amt** - Enter the negative value of the check you are voiding. For example, to void a $250.00 check, enter **-250.00**.
3. In the **G/L Reference** field, enter the description for this transaction that is to appear in the journals. The default is **APP**, followed by the vendor number.
4. Select **Distributions**.
5. Select **Actions > New**.
6. Distribute to the vouchers as negative amounts.
7. Print the final register and post the negative check.

   NOTE: The check number that defaults on the **A/P Check Printing and Posting** form during this process is strictly for standard checks. You do not need to update this number when posting the negative manual check.

Voiding a Check Using the Void A/P Posted Payments Utility

NOTE: If the A/P payments are manual checks, are compressed, or are multi-site, you cannot void them using this utility.

To void a payment using the **Void A/P Posted Payments** utility:

1. Enter data in the following fields:
   - **Bank Code** - Select the bank code of the bank account associated with the payments you want to void.
   - **Starting and Ending Check Num** - Enter the range of check numbers you want to void.

For a single check, use the same starting and ending check number.

2 Select **Process**.

Voiding Posted Drafts

After posting drafts, you can void them, using either the **A/P Payments** form or the **Void Posted Draft Payments** form.

After voiding the drafts, you may reprint them.

Voiding Drafts Using the A/P Payments Form

To void drafts using the **A/P Payments** form:

1 Select **Actions > New**.

2 Enter the following required information:

- **Vendor** - Enter the number of the vendor whose draft you wish to void.
- **Payment Type** - Select **Standard Draft** or **Incoming Draft**, as applicable.
- **Check Date** - Enter the date of the draft.
- **Bank Code** - Enter the bank code of the bank against which the original draft was issued.
- **Seq** - Leave this field blank.

3 Enter the following information only for incoming drafts:

- **Check Number** - Enter the number of the draft to void.
- **Check Amt** - Enter as a negative value the amount on the draft to be voided. For example, to void a draft of $250.00, enter **-250.00**.

4 (Optional) In the **G/L Reference** field, enter a description for this transaction that is to appear in the journals.

The default is **APP**, followed by the vendor number.

5 Save the record.

6 Select Distributions.

7 Select **Actions > New**.

8 Distribute to the vouchers as a negative amount.

9 Print and post the draft.

Voiding Drafts Using the Void Posted Draft Payment Utility

NOTE: If the A/P payments are standard drafts, are compressed, or are multi-site, you cannot void them using this utility.

To void drafts using the **Void Posted Draft Payments** form:

1 Enter data in the following fields:

- **Bank Code** - Select the bank code of the drafts you want to void.
- **Starting and Ending Draft Number** - Enter the draft number range of the drafts you want to void.

2 Perform one of the following actions:

- To view the results of running the utility without saving the results in the database, select **Preview**.
- To save the results in the database, select **Commit**.

3 Select **Process**.

Vouchers

Activating Voucher Authorization

You can turn the Voucher Authorization feature on or off using the **Purchasing Parameters** form. Once you activate voucher authorization, you can also set up voucher tolerance criteria to allow flexibility in authorizing vouchers.

1 On the **General** tab, select the **Voucher Authorization** check box.

2 In the **Voucher Tolerance Over** field, enter the upper tolerance factor percentage.

3 In the **Voucher Tolerance Under** field, enter the lower tolerance factor percentage.

NOTE: The tolerance factor cannot be greater than 100 percent or a negative number.

4 To save your selection, select **Actions > Save**.

You need special authorization to update purchasing parameters. See your system administrator for assistance.

When you activate Voucher Authorization, you can update the **Auth Status** and **Authorizer** fields on the **A/P Vouchers and Adjustments** form. The system determines the vouchers to post, depending on the value in the **Auth Status** field.

The **Auth Status** field has three possible values: **Authorized**, **Failed**, and/or **Matched**. If the purchase order's unit material cost equals the voucher's cost or is within the acceptable tolerance limit, the system assigns the voucher a status of **Matched**; otherwise, the voucher is assigned a status of **Failed**. If the vouchers can be posted, the system updates the **Auth Status** field to **Authorized** when you start the **Voucher Authorization** utility.

NOTE: PO Line/Release Unit Material Cost (not Unit Plan Cost) is compared to Generate A/P Transactions Unit Cost.

When you create vouchers automatically from Purchasing, the system follows these rules:

- The **Authorizer** field default value comes from the purchase order's **Buyer** field.
- The system assigns all returns or adjustments an authorization status of **Failed**.

- Variances between expected freight, miscellaneous charges, etc., do not cause the system to set the authorization status to **Failed**.

When you create vouchers manually from Accounts Payable, the system follows these rules:

- The system always assigns to vouchers an authorization status of **Failed**.
- Any time a voucher is updated, the system assigns it an authorization status of **Failed**.
- The **Authorizer** field is required if the **Auth Status** field is set to **Authorized**.

Authorizing Vouchers

You can control which vouchers to post. However, this process is optional.

To authorize vouchers:

1 On the **Purchasing Parameters** form, activate voucher authorization.

For more information, see Activating Voucher Authorization.

2 Create vouchers. For more information, see Creating Vouchers or Adjustments.

3 To select the vouchers to post, run the **Voucher Authorization** utility. This utility examines vouchers and determines whether they can be posted. The default selection processes all vouchers and adjustments. None of the selection criteria fields is required, but you can use them to limit the number and type of vouchers the system processes.

Enter information in these fields, as appropriate:

- **Starting and Ending Authorizer** - Enter the range of authorizers. All vouchers authorized by people whose names fall alphabetically between the starting and ending names are affected by this utility.
- **Starting and Ending Voucher** - Enter the range of vouchers you are authorizing.
- **Starting and Ending Invoice Date** - Enter the range of invoice dates for the vouchers you are authorizing.
- **Starting and Ending Vendor** - Enter the range of vendors whose vouchers you are authorizing.
- **Authorization Status** - Enter the status of the vouchers you are authorizing: **F** for "failed" and/or **M** for "matched."

4 Perform one of the following actions:

- To view the results of running the activity or utility without saving the results in the database, select **Preview**.
- To save the results in the database, select **Commit**.

5 Select **Process**.

NOTE: The system does not post vouchers that have an authorization status of **Failed**.

6 Post the vouchers you selected in the **Voucher Authorization** utility.

If **Voucher Authorization** is not activated, follow your usual posting procedure to post vouchers.

Creating Recurring Vouchers

You can create recurring vouchers for payments you make to the same vendor every month. These recurring payments include such things as rent, lease payments, and insurance bills. You should generate recurring vouchers each month.

CAUTION: Your company must develop procedures to prevent multiple generations for the same month.

1. Open the Recurring Vouchers form.
2. Select **Actions > New**.
3. Enter the required information listed below.

   For more information, see the field descriptions for the relevant fields.

   - Vendor
   - Voucher
   - Distribution Date
   - A/P Acct
   - Reference
   - Invoice Date
   - Due Date
   - Disc Date

   NOTES:

   This field displays the default terms from the vendor's terms code.

   If you are using Advanced Terms, the European algorithm is used to calculate the due date, based on all the elements of the terms. This algorithm is also used to recalculate the due date if any element of the terms has changed or if the invoice date has changed.

4. (Optional) Enter information in the other fields.
5. Save the record.
6. To distribute the recurring voucher, click **Distribution**.

   After you enter the recurring voucher and create a distribution for it (either manually or system-generated), the distribution record remains on file. You do not need to distribute each month unless the purchase amount changes. If this amount changes, you must update the distribution record to reflect the new amount.

   Examples of these two situations are rent and utility bills. Typically, the rent amount is the same each month and so it is not necessary to distribute it each month. While a utility bill is recurring, the currency amount usually is different each month, in which case it would be necessary to redistribute it.

7. After vouchers are created and distribution is set up, you can generate recurring vouchers at each payment cycle.

Creating Vouchers or Adjustments

There are two ways to automatically generate vouchers: configure the **Auto Voucher** feature for each vendor, or use the **Generate A/P Transactions** form. For more information about using the Auto Voucher feature, see **Automatic Vouchering**. For more information regarding the **Generate A/P Transactions** form, continue reading this topic.

To automatically create adjustments, however, follow these steps using the **Generate A/P Transactions** form:

1. Display receipts for purchase order lines.
2. Edit the lines to reconcile receipts with the vendor's invoice.
3. Create pending tax transaction lines for the received purchase orders.
4. Enter payable amounts in the voucher header.
5. Generate the voucher or adjustment.

Display Receipts for Purchase Order Lines

1. Select the vendor whose invoice you are entering.
2. Do one of the following:
   - To create a voucher for received purchase order lines, select the **Voucher** option.
   - To create an adjustment to an existing voucher for returned items, select the **Adjustment** option.
3. If you selected the **Adjustment** option, in the **Voucher** field, select the existing voucher number.
4. In the **G/L Dist** field, select a date or accept the default, which is the current date. The date is the record date of the accounts payable transaction.
5. To link the new voucher to a voucher pre-register, select the voucher pre-register number, and then select **OK**. For details, see Pre-Register.
6. Select the **Additional Material Selection** tab.

Vouchering Purchase Order Lines

1. Select the **Generate from PO** check box.
2. Select the range of purchase orders you want to use.
3. Select the lines/releases you want to use.

   NOTE: If the unit of measure of a purchase order line item was changed to something other than the original unit of measure listed on the Items form, the Generate A/P Transactions utility uses the original unit of measure to validate the data.

Vouchering GRN Lines

1. Select the **Generate from GRN** check box.
2. Select the range of GRNs appearing in the invoice.

3 (Optional) Select the range of GRN line numbers appearing in the vendor's invoice.

4 (Optional) Select the range of purchase order numbers appearing in the vendor's invoice.

Vouchering EDI Invoices

Selecting the **Generate from EDI Invoices** check box clears any values currently in the **Generate from PO** and **Generate from GRN** fields of the **Additional Material Selection** tab and disables those fields.

1 Select the **Generate from EDI Invoices** check box. This field is disabled if the vendor is not set up for EDI transactions or if there are any pending transactions currently on the **Material** tab or the **Taxes** tab.

2 Select an invoice.

3 To include GRN lines, select the **Received via GRN** check box and select a GRN number in the **GRN** field.

4 Select **Select Matching**. Receipts for purchase order lines display in the browser on the **Material** tab.

Edit Receipts for Purchase Order Lines

When you edit receipt lines, the amount in the **Total** field on the **Material** tab is automatically recalculated.

1 Delete any purchase order receipt lines or GRN lines in the **Material** tab that are not referred to in the vendor's invoice.

2 In the **To Vch/Adj** field, modify (as required) the number of units of each line item to include in the voucher, or accept the default value of the quantity received minus any quantity previously vouched for the purchase order line or GRN line.

3 Modify (as required) the unit cost of each line, or accept the default value.

Create Tax Transaction Lines

The **Taxes** tab is enabled when the **Active for Purchasing** check box is selected on the **Tax Systems** form for at least one tax system.

If the **Taxes** tab is disabled, you can enter tax amount(s) from the vendor's invoice, or other amounts as required, in the **Sales Tax** field(s) on the header.

1 Select the **Taxes** tab.

2 Select **Generate Tax**. The activity calculates the sales tax for each pending voucher line on the **Material** tab and creates a pending tax transaction line for each purchase order on which tax is owed. The activity displays the total of the line amounts in the **Sales Tax** field(s) on the **Taxes** tab and provides the option of copying the sum(s) to the header.

   NOTE: The label for the **Sales Tax** field is user-defined.

3 To add a tax amount that was not created in the generation process, create a new tax transaction line.

Enter Payable Amounts in the Header

1. In the **Material** field on the header, enter the amount displayed in the **Total** field on the **Material** tab. Amounts in the two fields must be equal. The amount should be equal to what is specified on the vendor's invoice.
2. In the **Freight** and **Misc Charges** fields on the header, enter amounts from the vendor's invoice or as required.
3. If you have not already entered sales tax on the header, do so now. **Sales Tax** amount(s) on the header must equal the total(s) on the **Taxes** tab.
4. If you are creating a non-EDI voucher or adjustment, select the **General** tab and enter the required information.

Generate the Voucher

Select **Generate**.

The new voucher number appears in a message when processing is complete.

Creating Vouchers or Adjustments Manually

You can create a voucher to record an amount you owe to a vendor. You can also create an adjustment to reduce the amount of a previously entered voucher.

NOTE: You can also create vouchers or adjustments automatically. After you receive the purchase order, use the **Generate A/P Transactions** utility to create the vouchers or adjustments, or configure your vendors to allow generation of vouchers immediately after receiving a shipment by using the **Auto Voucher** field.

To print a new voucher with adjusted amounts, you must first negate the original voucher entirely. Using the **PO Receiving** form, perform a debit return for the same quantity originally vouchered. The system generates an adjustment to offset the corresponding voucher, allowing you to begin again. Then, receive the quantity back in. The new voucher can now be generated with the corrected domestic currency amount.

1. Open the **A/P Vouchers and Adjustments** form.
2. Select **Actions > New**.
3. In the **Vendor** field, select the vendor for which you are entering the voucher or adjustment.
4. Specify information in these fields:
   - **Type** - To add a voucher, select **Voucher**. To enter an adjustment, select **Adjustment**.
   - **Distribution Date** - By default, today's date displays, but you can change it to the date on which you want to distribute these funds (for a voucher) or on which you want to apply the adjustment to this vendor's account.
   - **Voucher** - If you are entering a **Voucher** transaction, enter a unique voucher number, or accept the default of the next available voucher number. If you are entering an **Adjustment** transaction, select the voucher number to be adjusted.

- **PO** - Select the vendor's purchase order number to apply the transaction against. When applicable, the default value comes from the voucher.
- **Pre-Register** - (**Voucher** transactions only) If you want to voucher material before it is received, enter a pre-register number.
- **A/P Acct** - (**Voucher** transactions only) By default, this field displays the General Ledger A/P account number from the **Accounts Payable Parameters** form, but you can select a different account.
- **(Unit Code 1-4)** - (**Voucher** transactions only) For each unit code that you use, you can select the applicable code for journal and reporting purposes.
- **Reference** - The default value for this field is **APRV** (for Voucher transactions) or **APA** (for Adjustment transactions) plus the voucher number, but you can enter a different reference to appear in the journals for this transaction.
- **Invoice** - Enter the vendor's invoice number.
- **Invoice Date** - By default, this field displays today's date, but you can change it to the date on which the vendor invoiced you for this transaction.
- **Due Days** - Enter the number of days after the invoice date that the invoice payment is due, or accept the default that displays from the **Billing Terms** record that is associated with the vendor's **Terms Code**.
- **Due Date** - This field displays the date on which the invoice is due. The system calculates this date, using the **Invoice Date** and the **Due Days** or **Prox Day** value, but you can change it.
- **Disc Pct** - Enter the discount percentage to be given if payment is made by the discount date. This field displays the default value from the **Billing Terms** record that is associated with the vendor's **Terms Code**, but you can change it.
- **Disc Days** - Enter the number of days after the invoice date that payment of the invoice qualifies for a discount. This field displays the default value from the **Billing Terms** record that is associated with the vendor's **Terms Code**, but you can change it. The system uses this value to calculate the discount date.
- **Disc Date** - Enter the date on which this voucher must be paid to qualify for a discount, or accept the default date that is calculated. If the vendor does not offer a discount, you can clear this field.
- **Prox Code** - If you selected the **Advanced Terms** field on the **Billing Terms** form, enter the appropriate **Prox Code**. During the calculation of the due date, the "prox code" adjusts the date before the due days are added on.
- **Prox Day** - If you entered a **Prox Code** value, enter the day of the month following the invoice date on which the voucher becomes due.

5 Under the **Tax and Authorization** tab, enter data in the following fields:

- **Tax Code** - Select the tax code to specify the tax payable on this transaction for Tax System 1. This field is available only if the **Prompt for State Tax** check box is selected on the Tax Parameters form.
- **Tax Code 2** - Select the tax code to specify the tax payable on this transaction for Tax System 2. This field is available only if a second tax system is defined and the **Prompt for Tax System 2** check box is selected on the **Tax Parameters** form.

- **Auth Status** - Select the authorization status of the transaction. Options include **Matched**, **Authorized** or **Failed**.
- **(Authorizor)** - Enter the name of the person authorizing the transaction. Note that you must enter a name if the **Auth Status** field is set to **Authorized**.
- **Notes** - (Optional) Enter notes about the transaction.

6 Select the **Amounts** tab, and specify information in these fields:

- **Purch Amt** - For a **Voucher** transaction, enter the total amount of the vendor invoice you are recording. Do not include miscellaneous taxes, brokerage, duty, freight, insurance, and local freight in this amount.

  For an **Adjustment** transaction, enter the amount by which to adjust the voucher and the vendor's purchases YTD. A negative amount decreases the balance, while a positive amount increases it.
- **Freight** - Enter the amount of freight payable for the transaction.
- **Duty** - Enter the duty charges for the transaction.
- **Brokerage** - Enter the brokerage charges for the transaction.
- **Insurance** - Enter the insurance charges for the transaction.
- **Local Freight** - Enter the local freight charges for the transaction.
- **Misc Charges** - Enter the miscellaneous charges for the transaction.
- **Exchange Rate** - (For non-domestic currency vendors only) Enter the exchange rate.
- **Fixed Rate** - (For non-domestic currency vendors only) Select this check box only if you want to use a fixed rate. Selecting this check box fixes the rate for the life of the document.
- **Sales Tax** - Enter the amount of tax for Tax System 1 payable on this transaction. This field is available only if the **Prompt for State Tax** check box is selected on the **Tax Parameters** form.
- **Sales Tax 2** - Enter the amount of tax for Tax System 2 payable on this transaction. This field is available only if a second tax system is defined, and the **Prompt for Tax System 2** check box is selected on the **Tax Parameters** form.
- **Non-Disc Amt** - Enter the domestic currency amount of the invoice amount that is not eligible for a discount.
- **Disc Amt** - Enter the domestic currency amount of the discount that may be taken if the payment is made on or before the discount date.

7 Select **Actions > Save**.

Distributing Recurring Vouchers

You can distribute the amount of each recurring voucher across multiple accounts in the General Ledger. You can distribute these recurring vouchers either manually or automatically.

Distributing Recurring Vouchers Manually

To manually create a voucher distribution:

1 Open the **Recurring Vouchers** form.

2 Select the desired voucher.

3 To display the voucher in the **Recurring Voucher Distribution** form, click **Distributions**.

4 On the **Recurring Voucher Distribution** form:

- Select the vendor.
- To add a distribution, select **Actions > New**.
- Enter the following required information:
  - **Amount** - Enter the amount for this distribution sequence number.
  - **Account** - Enter the account number for this distribution sequence number.

5 Continue adding distributions until the **Distribution Total** field equals the **Invoice Amt** field.

Distributing Recurring Vouchers Automatically

To automatically create a voucher distribution:

1 Open the Recurring Vouchers form.

2 Select the desired voucher and then select **Actions > Distribution Generation**.

When you do this, the distribution uses the default purchases account from the **Vendor** record. If there is not a default purchases account on the **Vendor** record, then it uses the default purchases account from **Accounts Payable Parameters**.

You need to create the General Ledger (G/L) distributions only once for each recurring voucher, unless the payment amount changes.

After the recurring vouchers and their distributions are set up, then each time you run the **A/P Recurring Voucher Generation** utility, it creates a recurring voucher and posts the voucher and its G/L distributions to the **A/P Vouchers and Adjustments** form.

NOTE: The system saves the recurring voucher's G/L distribution records until you delete the recurring voucher.

Linking a Distribution to a Project

To associate a distribution with a project using the **Recurring Voucher Distribution** form, do the following:

1 In the **Dist Seq** field, accept the default of the next available sequence number.

2 In the **Project** field, select the project number for the recurring voucher.

3 Select the task number.

4 Select the project cost code.

Adding Tax Information to a Distribution

You might have to enter tax information on the **Recurring Voucher Distribution** form, depending on how the tax parameters were set up for this vendor.

To add tax information, do the following:

1 Select the tax system number to be used with this tax distribution.

2 Select the tax code rate.

3 Select the exempt tax code, if necessary.

4 In the **Tax Basis** field, enter the taxable monetary amount on which the tax amount is based.

Creating Vouchers with the Manual Voucher Builder

The **Manual Voucher Builder** form allows you to quickly create a voucher in one or more sites for a single vendor's invoice. On any site, you can specify the portion of the vendor invoice amounts to allocate. You can enter all or some subset of the vendor invoice amounts. You may use the originating site as the To Site.

1 Set up Replication Rules for the Voucher Builder category. This is a one-time setup.

- From the Manual Voucher Builder site to the remote site(s) into which pending voucher transactions will be created. This allows the setup of how the system will process pending voucher transactions.
- From the remote site(s) into which pending voucher transactions will be created to the Manual Voucher Builder site. This will replicate the necessary _all table data for validations performed on the Manual Voucher Builder form.

2 Open the **Manual Voucher Builder** form.

3 Enter the following information in the header:

- **Vendor** - Select the vendor for which you are entering the voucher. The vendor's name displays.
- **Invoice** - Enter the vendor's invoice number for tracking purposes.
- **Invoice Date** - By default, this field displays today's date, but you can change it to the date on which the vendor invoiced you for this transaction.
- **Distribution Date** - By default, today's date displays, but you can change it to the date on which you want to distribute these funds.
- **Notes** - (Optional) Enter any notes about the transaction.
- **Generate Distribution** - Select this check box to have the system automatically distribute the voucher once you process it.
- **Fixed Rate** - (For non-domestic currency vendors only) Select this check box only if you want to use a fixed rate. Selecting this check box fixes the rate for the life of the document.
- **Currency** - The currency rate displays.
- **Exchange Rate** - (For non-domestic currency vendors only) Enter the exchange rate.
- **Purchase Amt** - Enter the total amount of the vendor invoice you are recording.
- **Freight** - Enter the freight charges.
- **Duty** - Enter the duty charges.
- **Brokerage** - Enter the brokerage charges.

- **Insurance** - Enter the insurance charges.
- **Local Freight** - Enter the local freight charges.
- **Misc Charges** - Enter the miscellaneous charges.
- **Sales Tax** - Enter the amount of tax for Tax System 1.
- **Sales Tax 2** - Enter the amount of tax for Tax System 2.
- **Invoice Amt** - The invoice amount displays.

4 In the grid for each site, enter the following information. Allocation totals display at the bottom of the form.

- **To Site** - Select the target site.
- **Purchase Amt** - Enter the purchase amount for the site.
- **Freight** - Enter the freight charges.
- **Duty** - Enter the duty charges.
- **Brokerage** - Enter the brokerage charges.
- **Insurance** - Enter the insurance charges.
- **Local Freight** - Enter the local freight charges.
- **Misc Charges** - Enter any miscellaneous charges.
- **Sales Tax** - Enter the sales tax.
- **Sales Tax 2** - If this field is available, enter the sales tax for Tax System2.
- **Invoice Amt** - The invoice amount displays.

5 To generate the vouchers for each site, click **Process**.

If validation is successful, the system creates the pending voucher transactions in the site(s) specified. It generates a new Builder Voucher number based on the originating sites Purchasing Parameters and the last Builder Voucher number. The Builder Voucher Orig Site is set as the site specified on the the General Parameters form where you are creating the manual voucher.

If validation fails, the system handles the failure in one of the following ways:

- If the To Site is equal to the Manual Voucher Builder site, or if replication is transactional, from the Manual Voucher Builder site to the remote site, then the system returns the error and does not process the transactions.
- If the To Site is not equal to the Manual Voucher Builder site and replication is non-transactional, the system handles the failure only at the remote site via the error-handling process that has been defined for non-transactional replication.

The new Builder Voucher number is displayed in a message when processing is complete.

When you close the form, the system removes any unprocessed rows.

Distributing Vouchers and Adjustments

You can manually or automatically create distributions for vouchers and adjustments. You can also have the system distribute the amounts for you during the posting process.

Manually Distributing Vouchers and Adjustments

To distribute vouchers and adjustments manually:

1. Open the **Voucher Adjustment Distribution** form.
2. To add a distribution, select **Actions > New**.
3. In the **Vendor** field, select the vendor whose voucher or adjustment you want to distribute.
4. In the **Voucher** field, select the transaction you want to distribute.
5. In the **Dist Seq** field, accept the default value of the next available sequence number.

   This number is used to order the distributions for the selected transaction.
6. On the **Allocation And Tax** tab, in the **Amount** field, enter the distribution amount.
7. In the **Account** field, select the General Ledger account to post the transaction to.
8. If you must submit DIOT and IETU reports, specify or review this information on the **Tax Parameters** tab:

   Tax Reg Number Type

   Specify the tax regulation number.

   DIOT Transaction Type

   Specify the DIOT transaction type.

   Tax Reg Num Foreign

   If selected, indicates that the vendor has a foreign tax regulation number.

   Deduction Percent

   Specify the percentage deducted from the voucher distribution.

   Vendor Name

   The vendor name is displayed.

   Tax Reg Num

   The tax regulation number is displayed.

   ISO Country Code

   Select the ISO-defined country name.

   These fields are only displayed for users who are assigned a Mexico Localization license.
9. Select **Actions > Save**.
10. Repeat steps 1-7 to continue distributing the transaction until the value in the **Distribution Total** field on the **Amounts** tab equals that of the **Invoice Amt** field.

Automatically Distributing Invoices and Adjustments

To distribute invoices and adjustments automatically:

1. Open the A/P Vouchers and Adjustments form or the Voucher Adjustment Distribution form.
2. Verify that you are working with the transaction you want to distribute.
3. Select **Actions > Distribution Generation**.
4. When prompted, to have the system generate the distributions for the displayed transaction, select **OK**.

Generating Vouchers

Vouchers can be generated:

- Automatically, using the **Generate A/P Transactions** form
- Manually, using the **A/P Vouchers and Adjustments** form
- For multiple sites, using the **Voucher Builder** form

When you generate vouchers, remember this information:

- Before any transactions are created, the total distributed cost of the PO must equal the sum of all vouchered line/releases. If they are not equal, the system displays an error message.
- If you are creating an adjustment rather than a voucher, you must select the number of the voucher you are adjusting.
- When generating an adjustment, the A/P transaction record is filled with values from the A/P posted transaction record. The transaction type is **A**, and the reference begins with **APA**.
- As each line/release is processed, the **Unit Cost** field of the purchase order is set to the vouchered unit cost, and the purchase order detail costs are set to the vouchered detail costs.
- While transactions and distributions are set, messages display if the corresponding account number has not been set up on the **Accounts Payable Parameters** form (the message is only a warning, and processing continues).
- If the cost method is **Actual** or **Standard**, the system displays a message if the corresponding account numbers are not set for the line item.
- The following A/P distribution transaction records are created when you generate vouchers:
  - If any miscellaneous charges were entered, an A/P transaction distribution record is created, using the **Misc Charges** account from the **Accounts Payable Parameters** form. The distribution amount is set to the miscellaneous charges amount from the voucher.
  - If sales tax was entered, an A/P transaction distribution record is created, using the **Sales Tax Exp** account from the **Accounts Payable Parameters** form. The distribution amount is set to the sales tax amount entered for the voucher. If the Active for Purchasing check box is selected on the **Tax Systems** form, the system uses the A/P Tax account from the tax code.
  - If a freight amount was entered, an A/P transaction distribution record is created, using the **Freight-In** account from the **Accounts Payable Parameters** form. The distribution amount is set to the freight amount entered for the voucher.
  - If the cost method is **None**, an A/P distribution transaction record is created for the distributed amount (total of the items), using either the product code's inventory account number (if the item has an associated product code) or the purchases account from the **Accounts Payable Parameters** form. For all other cost methods, the **Vouchers Payable**

account is used. The distribution amount is set to the amount vouchered (the total cost of the items).

- Finally, an A/P transaction record is created for the total cost of the items (including freight, miscellaneous charges, and sales tax), using the **Accounts Payable** account from the **Accounts Payable Parameters** form.
- The distribution amount is set to the total of the miscellaneous charges, freight, sales tax, and cost of the items. At that time, the system creates a voucher register record with a line item for each line release being vouchered.

  After the vouchers are posted in A/P, you can view the completed transactions using the **Journal Entries** form, by selecting the **A/P Dist** journal option.

- The PO line/release quantity vouchered is set to the quantity received minus the quantity returned.
- The PO line/release quantity returned is set to zero.

When all transactions and distributions are created, the system displays a message indicating that the process is complete.

Generating Landed Cost Vouchers

After you receive your purchase order, you can voucher your landed costs (duty, freight, brokerage, insurance, and local freight).

1 Open the Generate Landed Cost Vouchers form.

2 Select the vendor number and any other pertinent information in the form's header.

3 Click the filter-in-place button.

In the header of the **Receipts** tab, the system displays a list of all receipts that meet the criteria you entered.

4 To select:

- All the receipts displayed, click **Select All**.
- One or more individual receipts, click the **Select** check box for each receipt.

  To ensure that you are selecting the correct line items and view the selected line item's details, you can click the **Detail** button, which opens the appropriate purchase order line/release form.

  NOTE: If you select multiple records, they must all have the same exchange rate.

5 To allocate any landed costs you entered in the header across all selected PO receipt records, click **Cost Allocation**.

This determines the ratio of each individual domestic landed cost to the total domestic landed cost and then applies that ratio to the foreign translated amount. If the foreign translated amount column sum is not equal to the total of the duty, freight, brokerage, insurance, and local freight amounts in the header, the system generates a warning.

After you allocate costs, you can still change the landed cost on individual landed cost PO receipt lines before you post.

6 (Optional) Use the **Taxes** tab to generate and modify the tax distributions. Tax distributions should be specified after all landed cost records have been selected. For more information, see "Taxes," below.

7 To generate the voucher for the selected receipts, click **Generate Voucher**. When this process complete, the system displays a message showing the number of vouchers created successfully.

After you generate the voucher, the system updates the actual landed cost amounts to the respective POs in order by type.

NOTE: After you generate landed cost vouchers, you cannot update them in A/P.

8 Post the landed cost vouchers just as you would post vouchers for material.

9 (Optional) Run the Landed Cost Variance Report.

Variances

When you run the **Generate Landed Cost Vouchers** activity for POs, variances are written to the PO Distribution Journal:

- For non-inventory items, the system calculates variances between the vouchered amount and the PO line item amount.
- For inventory items, the system variances between the vouchered amount and received amount.

Taxes

The **Taxes** tab is enabled when the **Active for Purchasing** check box is selected on the **Tax Systems** form for at least one tax system. If the **Taxes** tab is enabled, you can enter tax amount(s) from the vendor's invoice, or other amounts as required, in the **Sales Tax** field(s) on the header.

NOTE: The label for the **Sales Tax** field is user-defined.

Area-Based Tax Systems

To calculate the sales tax for each selected voucher line on the **Receipts** tab and create a pending tax transaction line, on the **Taxes** tab, select **Generate Tax**. The activity displays the total of the line amounts in the **Sales Tax** field(s) on the **Taxes** tab and provides the option of copying the sum(s) to the header.

To add a tax amount that was not created in the generation process, create a new tax transaction line.

Item-Based Tax Systems

Tax distributions for an item-based tax system, where no area-based system is defined, should be entered manually. If you enter the tax distribution manually, do *not* click the **Generate Tax** button.

Exchange Rate

For a description of how the landed cost exchange rate is calculated, see the Exchange Rate topic.

Generating Recurring Vouchers

To create the vouchers and distributions for the current payment cycle, use the **A/P Recurring Voucher Generation** utility. Use the existing recurring vouchers and distributions as the templates to create the current vouchers and distributions.

NOTE: If you have not posted the previously created voucher, you cannot create a new voucher from a recurring voucher for a vendor.

To generate recurring vouchers:

1 Enter information in the following fields:

- **Starting and Ending Vendor** - Enter the range of vendors for which you want to generate vouchers from their recurring vouchers.
- **New Voucher Month** - The current month number displays by default, but you can change it to a different number of the month for which you want to generate recurring vouchers.
- **New Voucher Year** - The current year displays by default, but you can change it to a different year for which you want to generate recurring vouchers.
- **Distribution Date** - The current system date displays by default, but you can change it to the date you want to assign to the generated voucher.

NOTE: If the date you enter is outside of the current period and you have not activated **Enter Out of Date Range** authorization, the system stops processing the vouchers and displays an error message.

2 Select **Process**.

You can view the generated vouchers using the **A/P Vouchers and Adjustments** form.

Posting Vouchers - Detail

What Happens During Posting

Posting does the following:

- Updates vendor records
- Creates posted transactions
- Updates the voucher register
- Updates the G/L journal

During posting, the system performs these steps:

1 Adds the invoice amount to the **Purchases YTD** field on the **Vendors** or **Multi-Site Vendors** form for each posted transaction. For a voucher, the **Last Purchase Date** field on the **Vendors**

or **Multi-Site Vendors** form is updated with the distribution date, provided that the distribution date is after the **Last Purchase Date**.

2 Creates a posted transaction record for each voucher transaction, and updates the corresponding posted transaction record for each adjustment transaction.

3 Creates a voucher register record for each transaction that is not posted from PO. For each transaction, one voucher register distribution record is created for the A/P account, and one is created for each posted distribution record.

4 Creates G/L journal entries for all A/P transactions, whether generated in PO or created in A/P.

Printing and Posting Vouchers

To print and post vouchers:

1 If your company uses the Voucher Authorization feature, run the **Voucher Authorization** utility before posting the approved transactions.

NOTE: Running the **Voucher Authorization** utility is not required before posting transactions. The posting process allows you to post vouchers with authorization statuses of **Approved** and/or **Matched**.

2 On the **A/P Voucher Posting** form, provide information in the following fields:

- **Authorization Status** - Select from the drop-down list the authorization status of the vouchers you want to post.
- **Sort By** - Select from the drop-down list the order in which you want records to be created in the posting table, and listed in the report and grid.
- **Display Voucher Totals** - If you want to include voucher totals in the report, select this check box.
- **Starting** and **Ending Vendor Number** - Select the range of vendor numbers whose vouchers you want to post or, to process vouchers for all vendors, leave both fields blank.
- **Starting** and **Ending Voucher** - Select the range of vouchers or, to process all vouchers, leave both fields blank.
- **Starting** and **Ending Due Date** - Select the first and last due dates for vouchers you want to include or, to process vouchers for all due dates, leave both fields blank.
- **Starting** and **Ending Distribution Date** - Enter the first and last distribution dates to include or, to process vouchers for all distribution dates, leave both fields blank.

3 To print and review the **A/P Voucher Posting** report, select **Print**.

4 When you are ready to post the vouchers, select **Commit** and then click **Process**.

You can view the posted vouchers using the **A/P Posted Transactions Detail** and **A/P Posted Transactions Summary** forms.

NOTE: If you use the External Financial Interface, additional processing may occur during voucher posting. For more information, see "Setting Up an External Financial Interface."

Purging Voucher History

To delete records associated with posted transactions from voucher history and free up space in your database, use the **Purge Voucher History** utility.

1. Open the **Purge Voucher History** form.
2. In the **Ending Voucher** field, select the last voucher you want to purge, or, to delete all vouchers, leave this field blank.
3. In the **Ending Invoice Date** field, select the most recent date of the invoices you want to purge, or, to delete invoices of any date, leave this field blank.
4. If you want to delete only the line items of the vouchers and not the header information, select the **Delete Line Items Only** check box.
5. The system does not purge voucher headers associated with unposted A/P transactions or POs with a status of **Planned** or **Ordered**. If you want the system to display an error message every time it finds a voucher that cannot be purged, select the **Show Unpurgable Vouchers** check box.
6. To purge voucher history, select **Process**.

   NOTES:

   - To deactivate A/P posted transactions before purging, you must use the **Activate/Deactivate Posted Transactions - A/P** utility.
   - Also, purging the voucher history does not remove the voucher and payment from the **A/P Posted Transactions Detail** form. To do that, you must run the **Delete A/P Posted Transactions** utility before purging the vouchers.

Voucher Pre-Register Overview

The VAT (Value Added Tax) captures information about the value of intra-community sales and purchases. Voucher Pre-Register allows the VAT to be recognized as soon as the supplier ships the material.

The information on the **Voucher Pre-Register** form does not require a specific purchase order. Once the voucher pre-register has been created, the system posts the pre-register and creates journal entries using a new suspense account. When you are ready to voucher the material (after receiving it), you can associate the voucher with one of the pre-registers. When you post the voucher, the system changes the voucher pre-register to a status of **Closed** and creates the appropriate journal entries.

If the **Recognize VAT** check box is selected on the **Accounts Payable Parameters** form (**Misc** tab), the pre-register date becomes the journal entry date, and the following journal entries occur:

Planned to Posted

Field	Debit	Credit
Suspense Acct	###	Material portion from pre-register.
Freight	###	
Misc. Charges	###	
Tax 1	###	There will be a debit for each Tax Distribution.
Tax 2	###	
A/P Unmatched		###

If the **Recognize VAT** check box is not selected, the following journal entries occur:

Field	Debit	Credit
Suspense Acct	###	Material + Tax portion from pre-register.
Freight	###	
Misc. Charges	###	
A/P Unmatched		###

If a voucher is associated with a pre-register *and* the voucher is posted, the status of the pre-register changes from **Posted** to **Closed**, and new journal entries are created to back out the original entries. You can also manually change the pre-register status to **Closed** to create the offsetting journal entries.

If the **Recognize VAT** check box is selected on the **Accounts Payable Parameters** form, the voucher date becomes the journal entry date, and the following journal entries occur:

Posted or Matched to Closed

Field	Debit	Credit
Suspense Acct		###

Freight		###
Misc. Charges		###
Tax 1		###
Tax 2		###
A/P Unmatched	###	

If the **Recognize VAT** check box is not selected, the following journal entries occur:

Field	Debit	Credit
Suspense Acct		### (Material + Tax)
Freight		###
Misc. Charges		###
A/P Unmatched	###	

Pre-register can hold one of four different status types:

- **Planned** - If the pre-register status is **Planned**, the pre-register is in the process of being created, or it has been created but is not yet posted.
- **Posted** - If the pre-register status is **Posted**, the pre-register has been posted. The only way to get a status of **Posted** is to manually change the status from **Planned** to **Posted**. Journal entries are created upon saving the status.
- **Matched** - If the pre-register status is **Matched**, the pre-register has been entered and saved either on the **Generate AP Transactions** form or the **A/P Vouchers and Adjustments** form.
- **Closed** - If the pre-register status is **Closed**, the status of the pre-register number has been changed manually to **Closed** or changed to **Closed** by the system. The system changes the status of a voucher pre-register to **Closed** when a voucher is posted that has a pre-register number. When the status is changed to **Closed**, journal entries are created to back out the original journal entries. Once the status of the pre-register is **Closed**, it cannot be updated. The pre-register can be deleted by clicking the **Delete** button on the toolbar or by using the **Delete Voucher Pre-registers** utility.

Deleting a Voucher Pre-register

The **Delete Voucher Pre-Registers** utility deletes all voucher pre-registers within a specified range. The voucher pre-register must have a status of **Closed** before it can be deleted. All voucher pre-

register distributions for the range of voucher pre-registers are also deleted. Deleting voucher pre-registers removes all information about the voucher pre-registers, and affects tax reporting.

Accounts Receivable (A/R)

Accounts Receivable Steps

Accounts Receivable (A/R) is the process you use to invoice customers for services you rendered or goods you provided to them. You also use A/R to process customer payments and track discrepancies. A/R is closely linked to Customer Service, where you enter orders and track customer interaction.

The basic steps for A/R are listed here. See the linked help topics for more information.

1. Create an invoice, debit, or credit memo in A/R (Eliminate residual balances by generating debit or credit memos).

   NOTE: You should create most invoices through Customer Service. Use A/R to enter only those invoices, debit memos, and credit memos that do not result from the sale or return of inventory items.

2. Distribute invoices.
3. Post invoices, debits, and credit memos.
4. Enter customer payments (Enter customer payments using Quick Payments).
5. Distribute customer payments.
6. Post payments.
7. Run the A/R Aging Report.
8. Generate and post finance charges.
9. Rebalance customer balances.
10. Close the year for Accounts Receivable.

About A/R Posting

During posting, the system updates three types of records:

- Customer Master records
- Open Item records
- G/L Journal records

Following is a summary of the posting process:

- The system updates two fields of the **Customers** file for each transaction posted.

- If the receipt date for the payment transaction is later than the last payment date in the **Customers** file, the receipt date becomes the new last payment date.
- The system reduces the **Customer Posted Balance** amount by the payment amount and any discount or allowance you give to the customer.
- The system creates an **Open Item** record for each transaction being posted.
- The system creates A/R Ledger Distribution Journal records.
- For each transaction, there is one journal record for the cash amount and one transaction for each distribution record you enter.
- While posting payments, the system recalculates the **Customer's Days Outstanding** fields for customers with an **Open Item Balance Method**. The values change if the payments being posted fully pay an invoice.
- The system enters multi-currency gains and losses in the A/R journal (if applicable).
- When posting multiple checks, wires, and adjustments, a summary entry is created on the **Bank Reconciliations** form. You can also post checks, wires, and adjustments individually to create individual bank reconciliation entries.

About Credit for Returns

Determining How Much Credit to Issue

The decision about how much credit to issue is made when the customer is authorized to reject material on the **RMA Line Items** form. Factors that enter into the calculation of the credit include:

- **Quantity to Return.** You enter the number of items for which return is authorized. If the material is referenced to a customer order and line item, then the quantity returned cannot be greater than the quantity invoiced. If the item is serial-tracked, then the quantity returned must be a whole number.
- **Unit Credit.** You can enter the credit which you authorize for each unit returned. The default is the cost associated with the item on the original customer order, if known, or the cost taken from current pricing routines if the item is inventoried.
- **Restocking Fee.** Your company can elect to charge customers a small fee for the staff time it takes you to process the returned material. This fee is often called a restocking fee, but you can call it something else on your credit memos simply by changing the name in the **Description** field of the **RMA Parameters** form. The system calculates the restocking fee based on the **Restocking Fee %** stored on the **RMA Parameters** form to provide a **Restocking Fee** amount. This percent and amount can be overwritten. Overwriting either one will cause the other to be recalculated.

  NOTE:

  - If an RMA line item references a valid customer order and line, then an attempt is made to back out the commission given on the original order by the RMA amount. In the calculation of the commission to reverse, the restocking fee is not included.

- All invoicing (and crediting) must be done at the shipping site. All accounts receivable and inventory transactions also occur at this site.

Printing and Posting the Credit

RMA Status Report

First, to preview all RMA line items that are ready to be credited, run the **RMA Status Report**. RMA line items appear on the **RMA Status Report** when:

- The **Return** check box is selected and the quantity returned is greater than the quantity credited thus far, OR the **Return** check box is cleared and an amount remains to be credited.
- RMA line items have a status of **Open** or **Filled**. (RMA line items with a status of **Closed** or **History** cannot be printed or posted.)
- The RMA associated with the RMA line item has a status of **Open**. (Items associated with headers which have a status of **Stopped**, **Closed**, or **History** cannot be printed or posted.)

After reviewing the records pulled by the report, you might want to modify the range of RMA numbers or of RMA dates, to eliminate records that should not be receiving credit memos at this time.

RMA Credit Memo

Second, to print RMA credit memos and to post the credits to Accounts Receivable, perform the **RMA Credit Memo** activity.

Printing. The RMA credit memo is printed on the same special form as the standard invoice. The words RMA CREDIT will print beneath the header information to differentiate the two documents.

- Form alignment. You can print a sample credit memo using Xs and 9s to represent data fields.
- Restocking Fee. The restocking fee will print on the RMA credit memo with the label defined by you on the **RMA Parameters** form. If you do not charge your customers a fee to return merchandise, do not enter any label in the **Description** field on the **RMA Parameters** form. That way, no label prints on the credit memo.
- Multi-lingual credits. If the customer is flagged for multi-lingual invoices, the credit memo will automatically be printed using the same language for labels.
- Non-domestic currency. The amount posted is always credited in the customer's currency, even if the amount printed on the credit memo was translated to the domestic currency.
- Preprinted forms. Be sure to specify whether you use new Moore forms (the default) or the previously available (old) Moore forms.
- Pre-numbered forms. If your company uses preprinted and pre-numbered forms, the maximum number of lines allowed per credit memo is defined on the **Accounts Receivable Parameters** form. The invoice headers are the same but the credit memo number changes. Also, the total amount prints in words on the footer.

Posting. As part of the posting process, the status of all RMA line items that have been fully credited is automatically changed to **Closed**. If all RMA line items associated with an RMA header have a status of **Closed**, then the RMA header status is also changed to **Closed**.

- Accounts. The account numbers which will be debited and credited when you post credits are pulled as follows:
  - If the item exists in the **Items** form, from the **End User Type** (if specified) or the **Distribution Account** record
  - If the item does *not* exist in the **Items** form, from the **End User Type** (if specified) or **Accounts Receivable Parameters** (sales discount account and unit codes).

Adjustments Calculated by the System

Associated adjustments. When customers reject material for which they received a discount, or for which a sales representative received commission, then the system adjusts those calculations where possible.

Both the order level and line item level **sales discounts** (if any) given on the original customer order will be backed out if:

- The original customer order and line are known.
- The item on all RMA line items matches the item on the associated customer order line items.

NOTE: The amount of sales discount to back out is adjusted to reflect any differences in the unit price on the original order and the unit credit on the RMA line.

The amount on which the sales commission is figured is adjusted by the amount of the credit (prior to the application of the restocking fee) if:

- The RMA line item references a valid customer order (including **History** orders) and line.
- The RMA line item exists in the **Items** form and is the same as the item on the original customer order.
- There were commissions associated with that particular item on the original customer order.

Accounts Receivable. When you print an RMA credit memo, the document is assigned a number which prints in the **Invoice No** space. However, the RMA credit appears in Accounts Receivable as an open credit, with an invoice number of **0**.

About Rebate Programs

SyteLine provides functionality for setting up and maintaining rebate programs to give your customers incentives for buying. These rebate programs allow your customers to earn payment credits to use in the future.

For more information about SyteLine rebate programs, refer to these topics:

- Promotion Pricing and Rebate Programs Overview
- Setting Up Promotion Pricing and Rebate Programs

- Maintaining Earned Rebates
- Processing Earned Rebates
- Closing Rebate Programs

Chargebacks Overview

The chargebacks functionality allows you to approve or disapprove a non-full payment from customers who may take a chargeback for reasons that include but are not limited to damage, lateness, or improper packaging.

Use these forms with this functionality:

- Accounts Receivable Parameters
- Chargeback Types (and the associated Chargeback Types Query form)
- Chargebacks
- A/R Payment Distributions
- A/R Quick Payment Application

Clearing Offsetting Open Items in Accounts Receivable

In order to get open items off of the **A/R Aging Report**, they need to be applied to an invoice.

If an invoice does not already exist that would be appropriate for applying the open items, then you need to create an invoice for zero dollars, and do reapplications of the open debit item(s), open credit item(s), or open payment(s) to that invoice.

If one or more of the items are open credits or debits, then you will need to use one of the following procedures.

Reapplying an Open Debit or Credit to One Invoice

1. Open the A/R Posted Transactions Detail form.
2. Filter for both Customer and Open Credit.
3. In the Invoice field, either enter or select the invoice to apply the open debit or credit.
4. Click **Save**.

Reapplying an Open Credit to More Than One Invoice

1 From the A/R Posted Transactions Detail form, determine the chk/ref number of the credit memo you wish to reapply.

2 Add the customer number and chk/ref number of your open credit.

NOTE: The receipt date normally would not be changed. Credits are already against Accounts Receivable and no journal entries will be created as a result of this reapplication.

3 Click **Save**.

4 Go to the **A/R Payment Distributions** form.

5 Add as many invoices as required to distribute the credit amount.

6 Perform A/R Payment Posting to post the reapplication.

7 If one of the items is an open payment transaction, then you will need to do the following:

- Determine the customer number and check number from A/R Posted Transaction Detail screen.
- Open the **A/R Payments** form.
- Enter Customer Number and Check Number. You should see RE-APPLICATION OF OPEN PAYMENT beside the G/L Reference. If this does not appear, stop here and re-examine the check number being entered.
- The date of the check should be changed to the current date. A journal entry will be created as a result of the reapplication. The entry will debit the A/R Deposit Account and credit the Accounts Receivable Account.
- Go to the A/R Payment Distributions form, enter the zero dollar invoice number as required to distribute the Open payment.
- Perform A/R Payment Posting.

Closing the Year for Accounts Receivable

To close an accounts receivable (A/R) period or a year, use the **A/R Period/Year End Procedure** utility. This utility clears the customer period-to-date information, or both the period-to-date (PTD) and year-to-date (YTD) information. In addition, you can use it to clear the salesperson PTD or YTD information. Finally, this utility also updates customer records to reflect the change of year.

To close a period or the year for A/R:

1 Open the **A/R Period/Year End Procedure** form.

2 Enter the appropriate information in the following fields:

- **Customers, Salespersons, Both**:
  - To process only records for selected customers, select **Customers**.
  - To process only records for selected salespersons, select **Salespersons**.
  - To process both customer and salesperson records, select **Both**.

- **Statement Cycles** - Select the statement cycles you want to process. Options include: **Weekly**, **Monthly**, **Quarterly**, or **All**.
- **Zero PTD Only** - If you want to start a new period and clear only the period-to-date information, select this check box. If you want to clear all year-to-date information, clear this check box.
- **Starting** and **Ending Customer** - Enter the range of customers you want to process. To process records for all customers, leave both these fields blank.
- **Starting** and **Ending Salesperson** - Enter the range of salespersons you want to process. To process records for all salespersons, leave both these fields blank.

3 Click **Process**.

Deleting A/R Posted Transactions

To delete accounts receivable (A/R) transactions that have been posted:

1 Open the Delete A/R Posted Transactions utility form.

2 Enter information in the following fields:

- **Through Date:** Enter the date through which to delete A/R transactions, or accept the default, which is the current system date.
- **Statement Cycles:** Enter the statement cycles for which you want to delete A/P transactions. Options include: **Weekly**, **Monthly**, **Quarterly**, or **All**.

NOTE: With the exception of **All**, these options cause the utility to process only those records for which the statement cycles match. For example, if you select **Weekly**, then only the records with a statement cycle setting of **Weekly** are processed. Records tagged for **Monthly** or **Quarterly** cycles do not get processed.

- **Starting** and **Ending Customers:** Enter the range of customers for which you want to delete A/R transactions. To delete A/R transactions for all customers, leave these fields blank.
- **Preview/Commit**:
  - To view the results of running the utility without saving the results in the database, select **Preview**.
  - To save the results in the database, select **Commit**.

3 Click **Process**.

Using Chargebacks Functionality

A chargeback is the amount a customer deducts from a payment for reasons including but not limited to damage, lateness, or improper packaging.

To use this functionality:

4 Establish Chargebacks and Chargebacks Deposit accounts on the Accounts Receivable Parameters form.

5 Define chargeback types on the **Chargeback Types** form. The types are the reasons why a customer might apply a chargeback.

6 Use the **Chargebacks** form to quickly enter chargeback data. You can specify the amount, choose the type, and approve the chargeback.

7 At this point you can either:

- Record a payment on the **A/R Payments** form and on the **A/R Payment Distributions** form and then, while still on the **A/R Payment Distributions** form, click the **Distribute Chargebacks** button for the appropriate customer to populate the Chargeback Amount field with the amount to be distributed, or
- Enter the payment amount on the **A/R Quick Payment Application** form and then click the **Apply** button to apply any chargebacks from the **Chargebacks** form.

8 Use the **A/R Payment Posting** form to post like you would for any other payments or distributions. For chargebacks that were approved on the **Chargebacks** form, the process on the **A/R Payment Posting** form creates and posts credit memos tied to an invoice for each chargeback amount, when the invoice is known, and creates and posts open credit memos not tied to an invoice for each chargeback amount, when the invoice is unknown. For those chargebacks not approved on the **Chargebacks** form, an open debit memo is created for each disapproved chargeback amount.

Invoice, Credit or Debit Memo

About Multiple Due Dates for Invoices and Debit Memos

Creating multiple due date payment terms allows you to set up an invoice payment schedule for customers.

NOTE: The system does not support multiple due dates for billing terms when running the Infor SyteLine Enterprise Financials Interface package.

Multiple due dates can be set up for the following:

- Invoices generated from customer orders and manually entered on the **Invoices, Debit and Credit Memos** form.

- Debit memos generated from the **Price Adjustment Invoice** form and manually entered on the **Invoices, Debit and Credit Memos** form.

The successful use of multiple due dates depends on creating billing terms with multiple due dates and percentages, and selecting the appropriate billing terms for customers and customer orders.

Billing Terms Setup

To use multiple due dates, create a new terms code on the **Billing Terms** form. On this form, you indicate that you want to use multiple due dates by selecting the **Use Multiple Due Dates** check box. You can create more than one terms code that uses multiple due dates.

System-generated debit memos from the **Price Adjustment Invoice** form should have multiple due dates if the terms code being used is a multiple due date terms code.

You can use prox days and **Advanced Terms** in a multiple due date terms code. However, you cannot create billing terms with **Discount Days**.

A multiple due dates terms code includes the following:

- **Sequence** - Sequence is used internally to track the sequence of the multiple due date record and is assigned by the system. The first sequence starts with 10 and the next/subsequent sequences at increments of 10. The due date calculation takes place normally, using the due days from billing terms. You must enter more than one sequence.
- **Due Days Offset** - Number of days from the previous due date sequence of the billing terms. The offset day in the first sequence is always equal to zero.
- **Percent** - The total of all sequence records for the multiple within a billing terms code must equal 100 percent.

Customers and Customer Orders

Once a new terms code is created, it is immediately available. The default billing terms code is set up on the **Customers** form, but it can be changed on the **Customer Orders**, **Price Adjustment Invoice**, or **Invoices, Debit and Credit Memos** forms.

You should not assign a multiple due date terms code to a customer and customer order where the following options are used:

- Letter of Credit Required
- Consolidated Invoicing
- Payment Type is Draft

If these options are selected, the system displays an error message.

Invoicing

Once the customer order has been shipped, the system generates the invoice and calculates the invoice payment schedule according to the settings in the terms code. Multiple due date records are assigned to the invoice for as long as the invoice exists. If an invoice is deleted, the system deletes all due date records for that invoice. If the terms code is modified, the system recalculates the due dates and creates new due date records for the invoice.

On the **Invoices, Debit, and Credit Memos** form, you can adjust the amounts and due dates after the invoice is created, but the total due amount must still equal the total invoice due amount. On the **A/R Posted Transaction Detail** form, you can only update the due date.

NOTE: If the customer uses revision and pay dates for invoices, the system adjusts the invoice due dates to consider the revision and pay days. Revision and pay days are set up on the **Customers** form, **Revision/Pay** tab.

To create invoices or debit memos with multiple due dates on the **Invoices, Debit, and Credit Memos** form, use the **Generate Distributions** function to create the sequence of due dates and amounts.

Invoicing Examples

The following examples show how multiple due dates are set up and invoiced. The second example uses prox days and prox codes.

EXAMPLE: There are four sequences defined. The invoice date is **May 5**. For **Billing Terms**, the due days offset is 30 days. The following table shows how the system calculates the due date.

Sequence	Due Days Offset	Percent	Final Due Date
10	0	25	June 5 (May 5 plus 30 days)
20	30	25	July 5 (May 5 plus 60 days)
30	30	25	August 3 (May 5 plus 90 days)
40	30	25	September 1 (May 5 plus 120 days)

EXAMPLE (Advanced Terms): There are three sequences defined. The invoice date is **May 5**. For **Billing Terms**, the due days is 30, prox code is **2** (system sets the due date to the end of the month), and prox days are **15** (day of the month). The following table shows an example of how you can divide the billing and how the system calculates the amount to pay and the due date.

Sequence	Due Days Offset	Percent	Invoice Due Date	Prox Code Applied	Final Due Date with Prox Days Applied
10	0	30	June 4	June 30	July 15
20	30	30	July 3	July 30	August 15
30	30	40	August 3	August 31	September 15

Viewing Due Date Records for an Invoice

You can view the list of due dates for an invoice by clicking **Multiple Due Dates** on the following forms:

- Invoices, Debit and Credit Memos
- A/R Posted Transaction Detail
- A/R Quick Payment Application

Applying Payments to Invoices

When you make payments using the **A/R Payments** form, if there is more than one due date amount applied to the same invoice, the system creates one record per payment per invoice.

When you make payments using the **A/R Quick Payment Application** form, the system applies payments to each due date in chronological order regardless of when they were received. The earliest due date is always paid first.

EXAMPLE: For example, an invoice I101 has 3 due date records:

1 Due date = May 10 Due amount = $200

2 Due date = June 10 Due amount = $100

3 Due date = July 10 Due amount = $100

A payment of $250 is applied to this invoice and one record of type **Payment** is create for $250 for invoice I101. When the system needs to display the aging of the invoice that is not fully paid, it:

- Looks up all the records for invoice I101
- Takes the payment and credit memo
- Totals the amount
- Applies that amount to the earliest due date

In this example, take the payment record of $250 and apply that to the first due date record and then the second due date record. The **A/R Aging Report** shows the following due records for invoice I101:

1 Due date = June 10 Due amount = 50

2 Due date = July 10 Due amount = 100.

Applying Debit Memos to Invoices

You can also create debit memos with multiple due dates, either manually or automatically. If the debit memo is automatically generated, you can update it using the **Invoices, Debit, and Credit Memos** form before posting. After it is posted, you can view it in the **A/R Posted Transaction Detail** form, just like an invoice. When the debit memo is applied to an invoice, it is processed with the invoice for A/R payment processing and aging for reports and customer statements.

There are three ways debit memos can be applied to invoices when either or both have multiple due dates:

- For a debit memo with a single due date applied to an invoice with multiple due dates, the debit memo is applied to the first due date.
- For a debit memo with multiple due dates applied to an invoice with multiple due dates, the total debit memo is applied to the first due date record of the invoice.
- For a debit memo with multiple due dates applied to an invoice with a single due date, the total of the debit memo due amount is applied to the first due date record of the invoice.

Canceling Drafts

To cancel previously printed drafts from the print invoice credit/debit memo transaction, use the A/R Draft Cancellation form.

To restrict your report output, you can fill in the fields. To cancel all drafts, leave all fields blank.

1. In the **Starting** and **Ending Customer** fields, enter the customer ID range for the drafts to cancel.
2. In the **Starting** and **Ending Draft Number** fields, enter the draft number range for the drafts to cancel.
3. Do one of the following:
   - To preview the results before writing them to the system, select **Preview**.
   - To write the changes to the system, select **Commit**.
4. Click **Process**.

Distributing Invoices

You can distribute invoice amounts to multiple General Ledger (G/L) accounts, using any of three methods:

- Automatic Distribution
- Manual Distribution
- Reapplication of an Open Credit

Automatic Distribution

1. On the **Invoices, Debit and Credit Memos** or **Invoices, Debit and Credit Memos G/L Distribution** form, select the record for the invoice you want to distribute.
2. Select **Actions > Generate Distributions**.

NOTE: The default G/L accounts from the **Accounts Receivable Parameters** form and the customer's tax code are used.

Manual Distribution

1. On the **Invoices, Debit and Credit Memos G/L Distribution** form, select **Actions > New**.
2. Select the customer for which you are adding a distribution.
3. Select the number of the invoice you are distributing.
4. In the **Dist Seq** field, accept the default, which is the next available sequence number.

   This number is used to order the distributions.
5. In the **Tax System** field, select the tax system for the distribution; or, for a non-tax distribution, leave this field blank.
6. In the **Dist Amount** field, enter the amount of the distribution.
7. In the **Account** field, select the account to post the distribution to.
8. Select **Actions > Save**.

9 To continue adding distributions until the **Total Remaining** field is **0** (zero), repeat these steps as necessary.

Reapplication of an Open Credit

1 On the **A/R Posted Transactions Detail** form, locate the open credit you want to reapply.

2 Make a note of the customer, debit or credit transaction, check/reference number, and invoice number associated with the transaction.

3 Follow the remaining steps in the topic Reapplying Open Payments.

Posting Invoices, Debit Memos, and Credit Memos

To post invoices, debit memos, and credit memos:

1 Open the **Invoice Posting** form or the **Multi-Site Invoice Posting** form.

2 Indicate whether you want to post invoices, debit memos, and/or credit memos. You can select more than one.

3 Select how you want to sort and display the report data. By default, the system posts transactions for all customers, but you can further refine your posting by selecting ranges of customers, invoices, and dates. On the **Multi-Site Invoice Posting** form, you can also refine by builder invoice.

4 To print the report, select **Process**.

NOTE: You *must* first print the posting report before you can post transactions. By default, the **Print** option is automatically selected when you open this form.

5 After reviewing the report, select the **Commit** option.

6 To post the transactions, select **Process**.

7 When prompted to proceed, select **OK**.

If errors are detected in a transaction, the system displays a message indicating that not all transactions were posted.

NOTE: If you use the External Financial Interface, additional processing might occur during invoice, debit memo or credit memo posting. For more information, see "Setting Up an External Financial Interface."

A/R Payments

Accepting Customer Payments in the Euro Currency

If your domestic currency is the euro, or if a customer has converted to the euro, you can accept customer payments in the euro currency.

You can accept payments in the customer's currency, the euro currency, or your domestic currency.

To accept payments in the euro, follow these steps:

1. Set up a bank reconciliation account for the euro currency on the **Bank Reconciliations** form. In the **Currency** field, enter the currency code for the euro that you entered on the **Currency Codes** form.

   NOTE: If none of your customers has converted to the euro currency, this step is optional. You use this bank account to accept payments from those customers that use the euro as their domestic currency.

2. When you are ready to process a customer payment (for example, after you have applied the payment amount to invoices), access the **A/R Payments** form.
3. In the **Customer** field, select the customer ID of the customer that is making the payment.
4. In the **Bank Code** field, select the code for the bank into which you are receiving the payment.The bank code must use the same currency code as either the customer currency or your domestic currency.
5. In the **Euro Amount** field, enter the amount of the payment in the euro currency. The system converts the amount to the customer's national currency and to your domestic currency.

   NOTE: The customer's balance is reduced by the amount in the **Customer Amount** field. The amount in the **Domestic Amount** field is received into the specified bank code. The system does not use the amount in the **Euro Amount** field; this field simply enables you to enter the euro payment amount to be converted.

6. Enter any additional data in the remaining fields.
7. To save the record, select **Actions > Save**.

Adjusting a Payment

To adjust a posted transaction, use the following payment adjustment process.

NOTE: You can only adjust a draft that was manually entered and not one generated from an invoice.

Creating the Adjustment

To create the adjustment, do the following:

1. Access the **A/R Payments** form.

2 Select **Actions > New**.

3 Select the customer.

4 Select the payment type **Adjust**.

5 Enter the check or draft number to apply the adjustment.

NOTE: To find the check or draft number for the adjustment, you might need to review the **A/R Posted Transactions Detail** form.

6 Select the **Bank Code**, if necessary.

7 Enter the amount you want to adjust.

To increase the payment amount, enter a positive number. To reduce the payment amount, enter a negative number.

The **G/L Reference** field displays either **ARPA** or **ARPR** and the check or draft number. The **Description** field displays either **Payment Adj** or **Reapplication** and the check or draft number.

8 Save the transaction by selecting **Actions > Save**.

Distributing the Adjustment

1 Access the **A/R Payment Distributions** form by clicking **Distributions** on the **A/R Payments** form.

NOTE: When you distribute the adjustment, you can only distribute it to either an invoice or a finance charge.

2 Distribute the adjustment:

- To distribute the adjustment to an invoice, select **Invoice** in the **Type** field, and then select the invoice number.
- To distribute the adjustment to a finance charge, select **Finance Charge** in the **Type** field.
- If the customer is a corporate customer, you can assign the adjustment to a subordinate customer.

3 In the **Amount** field, enter the amount of the distribution.

4 Save the transaction by selecting **Actions > Save**.

Posting the Adjustment

1 Access the **A/R Adjustment Posting** form.

2 Enter the customer range.

3 Click **Process**.

4 Run the **A/R Payment Transaction Report**.

Use this report to verify that the payments and their related distributions are accurate. The **Payment Type** field on the report displays adjustment to indicate an adjustment.

NOTE: The system does not post transactions containing errors. If a transaction contains errors, correct the errors and perform the posting again.

The adjustment will show up as a payment on the **A/R Posted Transactions Detail** form.

Creating Open Payments for a Customer

To enter a payment that is applied to the customer's total account balance, use the following procedure. This type of payment is the only payment type required for balance forward customers. For open item customers, these open credits need to be reapplied against invoices or finance charges at a future time.

1. On the **A/R Payments** form, select **Actions > New**.
2. Enter the appropriate information in the following fields:
   - **Customer** - Select the number of the customer the payment is for.
   - **Type** - This field displays the customer's default payment method, but you can select a different method.
   - **Number** - Enter the check or draft number of the payment.
   - **Receipt Date** - Enter the date you received the payment, or accept the default, which is today's date.
   - **Payment Due Date** - (Available only if the payment type is **Draft**.) Enter the date the draft is due.
   - **G/L Reference** - Enter a description to appear in the distribution journal for this transaction, or accept the default, which is **ARP**, followed by the check or draft number.
   - **Description** - Enter a description to appear in the distribution journal for this transaction, or accept the default description.
   - **Bank Code** - The customer's default bank code displays, but you can select a different code of the bank into which the payment will be deposited.
   - **Customer Amount** - Enter the amount of the payment.
3. Select **Actions > Save**.
4. To distribute the payment, using the **A/R Payment Distributions** form, click **Distributions**.
5. Under the **General** tab, in the **Type** field, select **Open Credit**.
6. In the **Order** field, enter the number of the sales order to which the payment is to be applied.
7. In the **Dist Amount** field, enter the amount to apply against the customer's sales order or the amount to post as an open payment.
8. In the **Disc/Credit 1** and **Allowance/Credit 2** fields, enter the discount and allowance, if applicable.
9. Select **Actions > Save**.

Distributing Customer Payments

You can use the **A/R Payment Distributions** form to apply or distribute payment amounts before posting them. The distributions determine how a payment is applied to a customer's account, and how it is distributed to the General Ledger (G/L).

CAUTION: The system posts only balanced transactions, one side to the cash account for the payment and the other to the accounts receivable (A/R) account for the distributions. Therefore, the applied amount for any transaction must equal the check amount of the payment. If these amounts are not equal, the system detects the error and cancels the posting.

You can create customer payment distributions automatically or manually.

Distributing Payments Automatically

To distribute payments automatically:

1. On the **A/R Payments** or **A/R Payment Distributions** form, select the customer for which you want to create the distributions.
2. Select **Actions > Generate Distribution**.

   To review the distributions that were automatically generated, if you are using the **A/R Payments** form, you can click the **Distributions** button.

NOTE: Creating distributions automatically will use the G/L default account from the **Accounts Receivable Parameters** form.

Distributing Payments Manually

To distribute payments manually:

1. On the **A/R Payment Distributions** form, select **Actions > New**.
2. Enter the appropriate information in the following required fields:
   - **Customer** - Select the number of the customer whose payment you are distributing.
   - **Payment Type** - This field displays the customer's default payment method, but you can select a different method.
   - **Number** - Select the number of the customer's check or draft you are distributing.
   - **Bank Code** - This field displays the customer's default bank code displays, but you can select a different code for the bank into which this distribution will be deposited.
   - **Type** - Select from the drop-down list the desired distribution type.
3. Use the following table to fill in information according to the distribution type:

If the distribution type is:	Provide information for the following fields:	
Invoice	Invoice	Select the number of the customer's invoice to

		distribute the payment to.
	Site	This field displays the site that owns the invoice to which the payment distribution is being applied displays, but you can select a different site to which to apply the payment.
	Dist Amount	Enter the distribution amount.
	Disc/Credit 1	If the payment receipt date is less than the discount date of the invoice, this field displays the discount amount for the invoice, but you can change it to a different amount.
	Allowance/Credit 2	Enter the allowance amount or the second credit distribution amount (in the customer's currency) given to the customer.
Open Credit	Order	Select the customer order against which you are applying the distribution.
	Site	This field displays the site that owns the invoice to which the payment distribution is being applied, but you can select a different site to which to apply the payment.
	Dist Amount	Enter the distribution amount.
	Disc/Credit 1	If the payment receipt date is less than the discount date of the invoice, this field displays the discount amount for the invoice, but you can change it to a different amount.
	Allowance/Credit 2	Enter the allowance amount or the second credit distribution amount (in the customer's currency) given to the customer.
Finance Charge	Site	This field displays the site that owns the invoice to which the payment distribution is being applied, but you can select a different site to which to apply the payment.
	Dist Amount	Enter the distribution amount.

Non-A/R	Site	This field displays the site that owns the invoice to which the payment distribution is being applied, but you can select a different site to which to apply the payment.
	Disc/Credit 1	If the payment receipt date is less than the discount date of the invoice, this field displays the discount amount for the invoice, but you can change it to a different amount.
	Allowance/Credit 2	Enter the allowance amount or the second credit distribution amount (in the customer's currency) given to the customer.

4 Select the **Accounts** tab.

5 Use the following table to fill in information according to the distribution type:

If the distribution type is:	Provide information for the following fields:	
Invoice and you entered amounts in the Disc/Credit 1 and Allowance/ Credit 2 fields	Disc/Credit 1 Acct	Select the G/L account number to post the discount/credit 1 amount to, or accept the default discount G/L account number that displays from the Accounts Receivable Parameters form. Then, if any of the Unit Code 1-4 fields are available, select the applicable unit codes.
	Allowance/Credit 2	Select the G/L account number to post the allowance or credit amount to, or accept the default G/L allowance account number that displays from the Accounts Receivable Parameters form. Then, if any of the Unit Code 1-4 fields are available, select the applicable unit codes.
	Tax Adjustment 1	If Tax Discount/Allowance is selected on the Tax Systems form, enter this amount.
	Tax Adjustment 2	If this field displays and if Tax Discount/Allowance is selected on the Tax Systems form, enter this amount.
Open Credit	Disc/Credit 1 Acct	Select the G/L account number to post the discount/credit 1 amount to, or accept the default discount G/L account number that displays from the

		Accounts Receivable Parameters form. Then, if any of the Unit Code 1-4 fields are available, select the applicable unit codes.
	Deposit Acct	Select the G/L account number to post the open credit (deposit) amount to, or accept the default deposit G/L account number that displays from the Accounts Receivable Parameters form. Then, if any of the Unit Code 1-4 fields are available, select the applicable unit codes.
	Tax Adjustment 1	If Tax Discount/Allowance is selected on the Tax Systems form, enter this amount.
	Tax Adjustment 2	If the field displays and if Tax Discount/Allowance is selected on the Tax Systems form, enter this amount.
Non-A/R and you entered amounts in the Disc/Credit 1 and Allowance/ Credit 2 fields	Disc/Credit 1 Acct	Select the G/L account number to post the discount/credit 1 amount to, or accept the default discount G/L account number that displays from the Accounts Receivable Parameters form. Then, if any of the Unit Code 1-4 fields are available, select the applicable unit codes.
	Allowance/Credit 2 Acct	Select the G/L account number to post the allowance or credit amount to, or accept the default G/L Allowance account number that displays from the Accounts Receivable Parameters form. Then, if any of the Unit Code 1-4 fields are available, select the applicable unit codes.
	Tax Adjustment 1	If Tax Discount/Allowance is selected on the Tax Systems form, enter this amount.
	Tax Adjustment 2	If this field displays and if Tax Discount/Allowance is selected on the Tax Systems form, enter this amount.

6 Select **Actions > Save**.

Entering Customer Payments

To enter and process payments from customers, use the **A/R Payments** form. On this form, enter payments for invoiced amounts, finance charges, and other amounts your customers owe you.

NOTE: You can enter and post non-customer payments to the General Ledger as non-A/R cash.

To create a payment, on the the **A/R Payments** form:

1 Select **Actions > New**.

2 Enter the appropriate information in the following fields:

- **Customer** - Select the customer ID of the customer the payment is for.
- **Type** - This field displays the customer's default payment method, but you can select a different method.
- **Number** - Enter the check or draft number of the payment.
- **Receipt Date** - Enter the date you received the payment, or accept the default, which is today's date.
- **Payment Due Date** - (Available only if the payment type is **Draft**.) Enter the date the draft is due.
- **Deposit Date** -Enter the date you deposited the check. This field is available for entering post-dated checks. It is enabled only if the payment type is Check, and no credit memo is associated with the payment. Enter the date on the customer's check.
- **G/L Reference** Enter a reference ID to appear in the distribution journal for this transaction, or accept the default, which is **ARP** followed by the check or draft number.
- **Description** - Enter a description to appear in the distribution journal for this transaction, or accept the default description.
- **Bank Code** - This field displays the customer's default bank code, but you can select a different code for the bank into which the payment will be deposited.
- **Customer Amount** - Enter the amount of the payment.

3 Select **Actions > Save**.

You can then distribute and post the payment.

Processing Returned Checks

This topic includes the procedures to follow when returning checks. There are several different scenarios and situations listed below, so scan the list before determining your course of action.

Returning a single check

1 Contact the customer and determine a course of action. A new check may be collected or the returned checks re-deposited.

2 Open the Bank Reconciliations form.

3 Filter by the bank that failed to accept the check.

4 Using your bank records, search for the deposit date that matches the rejected check's deposit date.

5 Select the Returned Check check box in the grid.

6 If applicable, select the Generate Returned Check Fee check box, and enter data for the Returned Check Fee Type and Returned Check Fee Value fields.

7 Open the Returned Checks form and process the appropriate bank code. A message will display indicating that the utility was successful. See the different scenarios below.

Scenario 1

If when you run the Return Checks utility the Generate Debit Memo per Invoice check box is selected on the Accounts Receivable Parameters form, the following occurs:

One debit memo is created for each invoice to reverse the payment amount for that invoice.

Two distribution rows are created. The first is for the actual amount of the check, crediting the cash account. The second is for the discount amount, crediting the early pay discount account.

If the Generate Returned Check Fee check box is selected on the Bank Reconciliations form and a Returned Check Fee Type of "Amount" is selected, a second debit memo is created for the returned check fee amount.

If the Generate Returned Check fee check box is selected on the Bank Reconciliations form and a Returned Check Fee Type of "Percent" is selected, a debit memo is created for the fee amount associated with each invoice paid off by the check being returned. Each debit memo is for the amount of the invoice multiplied by the fee percentage.

The Invoice Posting needs to be executed to post the debit memo(s) generated by the Returned Checks utility.

Journal entries are created to book the offset of the returned check and discount amounts. The fee amount is also booked.

Scenario 2

If when you run the Return Checks utility the Generate Payment Adjustment for Returned Checks check box is selected on the Accounts Receivable Parameters form:

One negative amount adjustment is created, to show the invoice amount as still being due.

A payment adjustment distribution record is created to offset the payment and any associated discount amount.

If the Generate Returned Check Fee check box is selected on the Bank Reconciliations form and a fee type of "Amount" is selected, a debit memo is created for the returned check fee amount.

If the Generate Returned Check Fee check box is selected on the Bank Reconciliations form and a fee type of "Percent" is selected, a debit memo is created for the fee amount associated with each invoice paid off by the check being returned. Each debit memo is for the amount of the invoice paid off by the check multiplied by the fee percentage.

A/R Adjustment Posting needs to be executed to post the negative check adjustment created by the Returned Checks utility.

Journal entries are created to book the offset of the returned check and discount amounts.

Invoice Posting needs to be performed to post any debit memo(s) created for the returned check fee.

Journal entries are created to book the fee amount.

Returning a check that was originally part of a summarized check deposit

1 Using your bank records, search for the deposit date that matches the rejected check's deposit date.

NOTE: The Bank Reconciliations form includes summarized transaction records. Therefore, it may not be possible to match the exact check amount on your bank record with the exact check amount on the Bank Reconciliations form. If the Bank Reconciliations form displays multiple deposits on the day in question, use your best judgment in determining the proper row to modify. As long as you enter the correct amount, modifying the wrong row will not cause any problems.

2 Modify the number in the Bank Amount field to reflect the actual amount deposited in the bank. The difference between the two numbers should equal the amount of the returned check.

3 Add a new Bank Reconciliations record, with the following information:

- **Type:** Deposit
- **Amount:** [returned check amount]
- **Bank Amount:** 0
- **Ref Number:** customer number
- **Customer Check Number:** check number
- **Returned Check?:** Selected
- **Returned Check Fee?:** Accept the default (from A/R Parameters) or (de)select
- **Returned Check Fee Type:** Accept the default (from A/R Parameters) or select a type
- **Returned Check Fee Amount:** Accept the default (from A/R Parameters) or enter an amount.

4 Run the Returned Checks utility, post invoices or payment adjustments as mentioned in previous examples.

Redepositing a check

1 On the Bank Reconciliations form, uncheck the Returned Check field for the check being redeposited, and select the Bank Reconciled field.

2 On the Returned Checks utility form, select the Process Returned Check Deposit check box for the appropriate bank code and click **Process**. A credit memo is created to show the check has been redeposited.

3 On the Invoice Posting form, post the credit memo. Journal entries are created to book the redeposited check.

Finance Charges

Calculating Finance Charges

Calculating A/R Finance Charges

How the System Calculates Finance Charges

For each customer whom the **Finance Charge** check box is selected on the **Customers** form, the system looks at all open invoices, debits, credits, finance charges and payments. If the system finds an invoice or debit, it performs the following:

TA * APR/365 * (BD - (LFCD or TDD)) = CFC

where:

CFC = Calculated Finance Charge

TA = Transaction Amount

APR = Annual Percentage Rate (from the Accounts Receivable Parameters form)

365 = days in a year

BD = Base Date (first choose Generate Charges)

LFCD = Last Fin Chg Date (from the Customers form)

TDD = Transaction Due Date

If the **Last Fin Chg Date** is more recent than the **Transaction Due Date**, the system uses the **Last Fin Chg Date**; otherwise, it uses the **Due Date**. The calculated amount is a positive finance charge. If a transaction is a credit or payment, the system calculates the transaction the same way, except the amount is a negative finance charge.

If a transaction is a **Finance Charge** transaction, The system calculates the finance charge only on this amount if the **Compound Charges** check box is selected on the **Accounts Receivable Parameters** form. In this case, the system calculates the amount the same way as invoices and debits.

After the system calculates all finance charge amounts, it sums them to arrive at the final finance charge amount for the customer.

Multi-Site A/R Finance Charge Calculations

Although the finance charge activity does run across sites, when run from the entity, they are not split to see where all the charges came from. The site that generated the finance charge is the only one with the finance charge transactions. See the examples below.

Example 1

Example 2

Example 3

Given these three examples, you will need to determine whether you want to have "centralized" or "decentralized" finance charge collections. the system automatically provides you with decentralized finance charge generation and posting. If you want to have only one of your sites be the collection point for finance charges, you must have defined customers in that one site for all customers that exist in all sites (as shown in Example 3). Once that is done, finance charge generation and posting should not be run at sites other than the collection site.

Example 1: Multi-Site A/R Finance Charge Generation

In this example, if Site 1 generated the finance charges, nothing would happen for customer C-1 since C-1 is not local.

Site 1	Site 2	Site 3
C-1 not local	C-1	C-1
$0.00	$400.00	$300.00 (past due balances)
$0.00	4.00	3.00 (Individual Finance Charges)

Example 2: Multi-Site A/R Finance Charge Generation

In this example, Customer C-1 exists in all three sites and finance charges are run individually at each site. When run individually, the finance charges stay in the site where they were run.

Site 1	Site 2	Site 3
C-1	C-1	C-1
$0.00	$400.00	$300.00 (past due balances)
$0.00	4.00	3.00 (Individual Finance Charges)

Example 3: Multi-Site A/R Finance Charge Generation

In this example, Site 1 is responsible for accepting payments (which can be distributed to the proper site) and running the finance charges. In this case, only Site 1 generates the finance charges and becomes the actual location of the finance charge transactions before and after finance charge posting.

Site 1	Site 2	Site 3
C-1	C-1	C-1
$0.00	$400.00	$300.00 (past due balances)
$7.00	0.00	0.00 (Centralized Finance Charges)

Entering Finance Charges Manually

On the **Finance Charges** form, you can enter the finance charges manually by entering the finance charge for the selected customer in the **Finance Charge** field.

Generating and Posting Finance Charges

To calculate finance charges for customers who have a past-due balance and for whom the **Finance Charge** check box on the **Customers** form is selected, use the **A/R Finance Charge Generation** utility.

To post the finance charges, use the **Finance Charge Posting** form.

1 On the **A/R Finance Charge Generation** form, enter information in the following fields:

- **Site Group** - Enter the multi-site group ID for which you want to generate finance charges.
- **Start** and **End Customer** - Enter the range of customers you want to generate finance charges for.
- **Statement Cycle** - Select from the drop-down list the statement cycles you want to generate finance charges.
- **Cutoff Date** - Enter the cutoff date of the transactions you want to include in the calculation.
- **Include Fully Paid Invoices** - If you want to include invoices that are fully paid, but which are late, select this check box.
- **Delete All Records First** - If you want to delete all finance charge records before generating the new amounts, select this check box.
- **Increment Date** - If you want the system to automatically increment date ranges and re-run reports and utilities, select this check box.

2 To generate finance charges for the selected customers, select **Process**.

After you generate the finance charges and review them for accuracy, you must post the charges. To post the charges, use the **Finance Charge Posting** form and:

1 Select the range of customers whose finance charges you want to post, or, to post finance charges for all customers, leave these fields blank.

2 To print the **Finance Charge Transaction Report** and verify that the finance charges are correct, select **Process**.

NOTE: You must print this report before you can post the charges. The **Commit** option is inactive until you perform this step.

3 After verifying the report, to post the finance charges, select **Commit** and then click **Process**.

After the finance charges are posted, they display on the **A/R Posted Transactions Detail** form with **Finance Charge** as the type and **-1** as the invoice number. The posted finance charges display as **Finance Charge** on this form.

The system does not post transactions that contain incorrect information. In this case, the system displays an error message stating that the posting process is partially complete. You must correct the errors, and then post the finance charges again.

Importing Electronic A/R Payments

Importing A/R Payment and Distribution Data from Bank Files

You can import and process electronic customer payments from a bank or electronic lock box and apply them to A/R invoices. Different banks use different file formats. Set up a Map ID for each type of file format that will be imported.

Setup

To prepare for the import:

1 On the **Accounts Receivable Parameters** form, specify the **A/R Payment Import Archive Path**. This is the folder where the A/R payment file is stored after it has been processed. You archive the files in case they need to be reimported or referred to later.

2 Optionally, use the **A/R Customer Bank Account** form to link customers with their bank routing and account numbers. This information is used during the **A/R Payment Import Workbench** validation process. When a payment is processed, the system checks to see if a record exists on this form for the bank routing and bank account. If so, it uses that information to find the customer associated with the payment. If not, the user specifies the customer in the workbench, and a record is added to this **A/R Customer Bank Account** form for future reference.

Mapping

Because it is a standard format already defined in SyteLine, you only need to specify a **Map ID** and the **Type** when you set up mapping for the NACHA CCD bank file format. For other delimited or non-

delimited bank file formats, you must specify additional information about the file format and how the contents are mapped to the import workbench tables.

Use these forms to set up the mapping:

- A/R Payment Import Mappings
- A/R Payment Import Field Mappings
- A/R Payment Import Conversions

For more information, see Mapping Bank Files to A/R Payments and Distributions.

Importing

After customers' payments are deposited in your bank, use the **A/R Payment Import** utility to import electronic files from your bank that provide a record of the A/R payments. Then process the data with the **A/R Payment Import Workbench**:

1. To access the utility from the workbench form, click **A/R Payment Import**. You can also open the utility standalone.
2. Select a valid import map ID, as defined on the **A/R Payment Import Mappings** form.
3. When the map ID is specified, the default import path for that ID is displayed. You can change the path, which should be specified in UNC format (//server/folder).
4. Click Process.

   The utility reads each file in the import path and imports each file based on the mappings defined for the map ID. The data from successfully imported files are loaded into the workbench tables, and the files are moved to the **Archive Directory** specified in the **Accounts Receivable Parameters** form.

   If an error occurs while importing a file, the error is captured and no more files are processed. You can view the error in the **Background Task History** form.
5. Open the **A/R Payment Import Workbench** form to view and manipulate the values and then post the data to the A/R payment tables.

Note: Bank reconciliation records are not imported with this utility. Only A/R payments and distributions are imported and processed using the import utility and workbench. Bank reconciliations are created when the A/R payments are posted in SyteLine.

Processing

Use the **A/R Payment Import Workbench** form to view, modify, and validate the payment and distribution information so that it is ready to post. All batches that were successfully imported are listed in this form.

Note: For EFT files in NACHA CCD format, the import assumes that positions 40-54 (Company's ID Number) of record type 6 in the EFT file contain the check number. The import places this value in the Check Number field of the workbench form. If the import finds any non-numeric characters in those positions of the file, it places a zero in this field. If this field is not populated with the check number, please contact the bank to determine if the bank can place the check number in positions 40-54.

1 Select a batch ID to view its status:

- If the status is **Processed**, every payment record in the batch has been processed; you can click **Delete** to remove the batch from the form. The original file is stored in the Archive folder in case it needs to be reviewed later.
- If the status is **Unprocessed**, at least one payment is not processed; that record has a status of Unprocessed, Error, or Hold.

2 Click **Validate** to validate all payments and distributions for batches where the payment status is Unprocessed or Error. During validation, if the customer field is blank for a payment or distribution record, the system:

- Tries to find the customer number based on the invoice number.
- If that fails, tries to find a matching customer in the **A/R Customer Bank Account** form, based on the bank routing and account number.
- If that fails, leaves the customer number blank.

  Other validations are performed. Any resulting validation error messages are displayed in the grid.

3 Correct any validation errors and fill in any blank customer numbers.

4 In the Payment grid, select the payment records that you want to process. If you do not want to process a record, you can change its status to Hold.

5 The Distribution grid lists all distributions associated with a selected payment in the Payment grid. You cannot add or delete records in this grid. If you do not want a distribution to be processed, set the Apply Amount and Discount Amount to zero. Distribution records are disabled for a payment whose status is Processed or Hold.

6 Click **Process**.

  All payments and distributions in the batch ID that have a payment status of Unprocessed or Error are validated, even if they are not selected.

  All selected payments that are unprocessed with no errors will be processed. A/R Payment and A/R Payment Distribution records are created. When an A/R Payment record is created, the customer, routing number and bank account are checked against the **A/R Customer Bank Account** records. If a matching customer bank account record is not found, one is created.

Note: Discount amounts are not calculated on the distribution records. They are either included in the values from the import file, or they must be manually updated.

Mapping Bank Files to A/R Payments and Distributions

Use these steps to set up the mapping between an electronic A/R payment file from a bank and SyteLine tables, so that the import works for specific bank file formats. For an example of a bank file mapping, see Example: Bank Import File Mapping.

Mapping General Import Settings and File Formats

Use the **A/R Payment Import Mappings** form to define the import path, contents, and formatting of an incoming A/R payment file from a specific bank:

1 In the header area of the form, specify this information:

Map ID and **Description**

Specify an ID and description that clearly define the bank and the type of file to be used for this import.

Import Path

Specify the folder, in UNC format (\\server\folder), where files to be imported with this format are placed for processing. The folder path must already exist.

Type

Specify one of these options:

- **Delimited:** There is a delimiter character between each field in the imported file.
- **Non-Delimited:** There are no delimiters in the imported file.
- **NACHA CCD:** This Map ID is used when you import fixed format files that use the NACHA format. In this case, you cannot further define the mapping. The **A/R Payment Import** will process incoming files based on the standard NACHA CCD fixed format.

2 If **Type** is set to **Delimited**, specify the delimiter character and specify whether the fields are enclosed in quotation marks. If so, the quotation marks are stripped off.

3 If amounts in the imported file do not contain an actual decimal point, but have an implied decimal point, select **Amounts Contain Implied Decimal** and then specify the number of digits that are included to the right of the decimal.

4 Specify the **Date Format** used in the file.

5 In the Record Identifier section, indicate whether **Record Identifiers Are Used** in the file. If yes, then specify this information:

Field Number

If Type is set to Delimited, specify the field position of the Record ID field.

Starting and Ending Position

If Type is set to Non-Delimited, specify the characters in the row that are the start and end of the Record ID value.

6 Specify the number of header records (initial rows) to skip in the file.

7 In the Mapping Groups section, specify this information:

Group Name

Specify the name of the mapping group, which identifies the purpose of field mappings in the group. Currently the options are Payment or Distribution.

First Record ID of Group

If you selected **Record Identifiers are Used**, then an incoming file might have multiple rows for a given record. Each row has a record ID. Specify the record ID that starts the new group.

8 The grid at the bottom of the form is read-only and contains values from the **A/R Payment Import Field Mappings** form after they are defined.

9 Click **Mapping Fields** to continue.

To see an example that shows how this mapping is set up for a particular bank file, see Example: Bank Import File Mapping.

Mapping Fields to Tables

Use the **A/R Payment Import Field Mappings** form to define, for a particular incoming format, the mapping of each imported field to a table and column in the import workbench:

1 If you open this form from the **A/R Payment Import Mappings** form, the fields at the top of this form are filled in with values defined on that form.

2 For each Map ID and Table Group, specify where field data is located in an incoming row, and the table/column that the field is mapped to:

Table Name and Column Name

Specify the workbench table and column that are mapped to this payment data field within a row. The ar_eft_import_arpmt table is used for records in the Payment group, or the ar_eft_import_arpmtd table is used for records in the Distribution group.

Field Number

If Type is Delimited, specify the field position of the field within a row to capture.

Starting Position and **Ending Position**

If Type is Non-Delimited, specify the characters in the row that indicate the start and ending positions of the field in the row.

Record ID

Specify the Record ID, if any, associated with the imported row containing the field data. If Record IDs are used, they are helpful to determine the row in the file that is being imported.

Field is Amount

If you select this field, and **Amounts Contain Implied Decimal** is selected on the on the **A/R Payment Import Mappings** form, the value is stored in the database with a decimal point and trailing digits. The number of trailing digits is based on the Digits Following Implied Decimal value on the **A/R Payment Import Mappings** form.

Field is Date

If this field is selected, the **Date Format** on the **A/R Payment Import Mappings** form is used to parse the value.

Value Conversion ID

If the imported value must be converted to a valid SyteLine value before it is stored in the database, specify the conversion ID to use. Conversions are defined in the **A/R Payment Import Conversions** form.

3 If you need to return to the **A/R Payment Import Mappings** form to add another group, click **Payment Import Map**.

4 If you need to define any value conversions between values in the incoming file and values used in SyteLine, continue with the following section.

Setting up Conversions for Imported Values

Use the **A/R Payment Import Conversions** form to specify conversions of values from incoming payment files into acceptable Base Prod Name values. For example, the payment types used in the bank file, such as ACH, WIR, etc., probably do not match the SyteLine payment type values (C, W, etc.).

Example: Bank Import File Mapping

This example shows the information you would specify in the various forms to import an A/R payment file for a particular bank. For more information about the steps, see Mapping Bank Files to A/R Payments and Distributions.

A/R Import Mapping - Header

Field	Value
Map ID	AR00000001
Type	Delimited
Delimiter	| (pipe)
Amounts contain implied decimal	Yes
Digits following implied decimals	2
Date format	YYMMDD
Record IDs are used	Yes
Record ID field number	1

A/R Import Mapping - Groups

Group name	First record ID of group
Payment	PR
Distribution	IV

A/R Payment Import Field Mappings

Table group	Table name	Column name	Field number	Record ID	Field is amount	Field is date	Value conversion ID
Payment	arpmt_import_payment	account_num	8	PR			
Payment	arpmt_import_payment	check_amt	4	PR	Yes		
Payment	arpmt_import_payment	deposit_date	9	PR		Yes	
Payment	arpmt_import_payment	payment_type	2	PR			PaymentType
Payment	arpmt_import_payment	routing_num	7	PR			
Payment	arpmt_import_payment	check_num	16	SP			
Distribution	arpmt_import_distribution	amt_paid_amt	5	IV	Yes		
Distribution	arpmt_import_distribution	disc_amt	7	IV	Yes		
Distribution	arpmt_import_distribution	inv_num	3	IV			

A/R Payment Import Conversions

Define this information in the **A/R Payment Import Field Mappings** form:

Value conversion ID	Source value	Converted value
PaymentType	ACH	C
PaymentType	BKW	C
PaymentType	FWT	C
PaymentType	LBX	C
PaymentType	SWT	C
PaymentType	WIR	W

Quick Payment Application

Using the A/R Quick Payment Application

- You can use the A/R Quick Payment Application form to:
- Enter full or partial payments.
- Distribute full or partial invoices.
- Create open payments.
- Pay finance charges.
- Distribute finance charges.
- Reapply open payments.
- Reapply open credits.

To access the **A/R Quick Payment Application** utility from the **A/R Payments** or **A/R Payment Distributions** form, click the **Quick** button.

When using the **A/R Quick Payment Application** utility:

1. If you haven't done so on a previous form, enter all the A/R payment information (customer, type, number, receipt date, due date, and so on).
2. Enter the payment amount.
3. You can also enter a **G/L Reference** and a **Description**, or accept the default values that display.

4 Select **Actions > Save**.

NOTE: You must save the payment before you can select transactions to apply it to in the grid.

5 Select the invoice, payment, credit, or finance charge to which you want to distribute the payment.

- To select all displayed transactions, click **Select All**.
- To remove the selection flag from all displayed transactions, click **Deselect All**.

6 Click **Apply**.

Creating Open Payments Using A/R Quick Payment Application

To create an open payment using the **A/R Quick Payment Application** form:

1 Select **Actions > New**.

2 Specify information in these fields:

- **Customer** - Enter the customer ID of the customer for whom you are entering the payment.
- **Type** - This field displays the customer's payment method by default, but you can select a different method.
- **Number** - Enter the check or draft number for this payment.
- **Receipt Date** - Enter the date you received the payment, or accept the default, which is today's date.
- **Payment Due Date** - (Available only if the payment type is **Draft**.) Enter the date the draft is due.
- **G/L Reference** - Enter a description to appear in the distribution journal for this transaction, or accept the default, which is **ARP** followed by the check or draft number.
- **Description** - Enter a description to appear in the distribution journal for this transaction, or accept the default description.
- **Bank Code** - Enter the bank code of the bank from which the payment will be made, or accept the customer's default bank code.
- **Amount** - Enter the amount of the payment.

3 Do one of the following:

- To apply the entire payment to an open payment, select **Actions > Save**, and then select **Apply**. The entire amount is then distributed to an open payment.
- To apply part of the payment to an open payment, select the **Selected** check box for each invoice and/or finance charge you want to apply the payment to. Then select **Apply**. The remaining amount is then distributed to an open payment.

NOTE: If you select multiple invoices, open payments, and/or open credits, the oldest open transaction is applied to the oldest invoice. You cannot enter the invoice number of the open payment to apply the payment to.

Entering Customer Payments Using A/R Quick Payment Application

To process payments from customers, you can use the **A/R Quick Payment Application** form. You can select open invoices, finance charges, payments, and credit memos.

To process payments using the **A/R Quick Payment Application** form:

1 Select **Actions > New**.

2 Enter the appropriate information in the following fields:

- **Customer** - Enter the customer ID of the customer you're entering the payment for.
- **Type** - This field displays the customer's payment method by default, but you can select a different method.
- **Number** - Enter the check or draft number for this payment.
- **Receipt Date** - Enter the date you received the payment, or accept the default, which is today's date.
- **Payment Due Date** - (Available only if the payment type is **Draft**.) Enter the date the draft is due.
- **Deposit Date** - Enter the date you deposited the check. This field is available for entering post-dated checks. It is enabled only if the payment type is Check, and no credit memo is associated with the payment. Enter the date on the customer's check.
- **G/L Reference** Enter a description to appear in the distribution journal for this transaction, or accept the default, which is **ARP** followed by the check or draft number.
- **Description** - Enter a description to appear in the distribution journal for this transaction, or accept the default description.
- **Bank Code** - Enter the bank code of the bank from which the payment will be made, or accept the customer's default bank code.
- **Amount** - Enter the amount of the payment.

3 Select **Actions > Save**.

NOTE: You must perform this step before you can select any transactions in the grid.

All open invoices, finance charges, payments, and credit memos for this customer display in the grid at the bottom of the form. If any of these transactions have been distributed, the **Selected** check box is selected for each.

NOTE: On the **A/R Quick Payment Application** form, non-A/R payment distributions display as *selected* in the grid. The amounts display in the **Discount** and **Allowance** columns. In the **Discount** column, you enter **Credit Amount 1**, and in the **Allowance** column you enter **Credit Amount 2**.

4 For each transaction you want to make a payment against, select the **Selected** check box, or, to select all the displayed transactions, click **Select All**.

5 Select **Apply**. The system displays a message informing you of the actions that were taken.

Reapplying Open Payments and Credits Using A/R Quick Payment Application

If you add a customer payment and also add a payment distribution type of **Open Credit**, and then post the payment, you can reapply the posted payment using the **A/R Quick Payment Application** form.

You can reapply an open payment and credit by:

- Entering and saving a payment without selecting transactions to applied it against.
- Selecting an open payment or credit in the grid at the bottom of the form.

Entering a Payment to Be Reapplied

1. Select **Actions > New**.
2. Select the customer number, and enter the check number that matches the open payment you want to reapply.

   The system fills the **G/L Reference** field with the description **Re-Application of Open Payment/Credit**.
3. Change the **G/L Reference** and **Description** fields, if necessary.

   NOTE: When reapplying open credits, do not change the **Receipt Date**. The journal entries created will be a debit and credit to the A/R account.

   When reapplying open payment, and a separate A/R Deposit account is used, change the **Receipt Date** to current date. The journal entries created will be a debit to the A/R Deposit account and a credit to the A/R account. If the deposit account is the same as the A/R account, then the receipt date should not be changed.
4. Select **Actions > Save**.

   NOTE: You must perform this step before you can select transactions in the grid at the bottom of the form.
5. Select the **Selected** column of each transaction you want to apply the payment to.
6. Select **Apply**. The system updates the payment with the new invoice number, and journal entries are posted for the reapplication. The journal entries will have a reference of **ARPR** (payment or credit reapplication).

Selecting a Payment to Be Reapplied

1. Make sure that you have entered all the payment information.
2. Select **Actions > Save**.

   NOTE: You must perform this step before you can select transactions in the grid at the bottom of the form.
3. Select an invoice in the grid.
4. Select an open credit or payment in the grid. The selection of both the invoice and the open credit/payment triggers the reapplication process.

5 Select **Apply**. The system creates a payment distribution for the invoice for the value in the **Customer Amount** field. To verify that the system has reapplied the open payment, you can view it in the **A/R Posted Transactions Detail** form.

NOTE: If you select multiple invoices, open payments and/or open credits, the oldest open transaction is applied to the oldest invoice. You cannot enter the invoice number to apply the open payment to.

Examples: Using A/R Quick Payment Application

Scenario 1

You enter a payment for $150, and select three $50 invoices in the grid against which to apply the payment.

The grid shows the following:

Customer	Type	Invoice	Site	Order	Delivery Order	Chk/Ref	Invoice Date	Due Date	Amt To Apply	Discount
1	I	101	01	C000001			05/15/02	06/15/02	50.00	0.00
1	I	150	01	C000007			06/15/02	07/15/02	50.00	0.00
1	I	156	01	C000010			06/22/02	07/22/02	50.00	0.00

When you select **Apply**, the system creates three distribution records for each one of these invoices.

Scenario 2

You enter a payment, and do not select any transactions in the grid.

You enter a payment for $100 on the **A/R Quick Payment Application** form with a payment date of 06/15/02, and save it. Then, you select **Apply**. A payment distribution is created as an Open credit for $100.

The grid shows the following:

Customer	Type	Invoice	Site	Order	Delivery Order	Chk/Ref	Invoice Date	Due Date	Amt To Apply	Discount
1	P	Open	01				06/15/02	06/15/02	50.00	0.00

Scenario 3

You enter a payment, select an invoice, and some payment amount is left to be applied.

You enter a payment for $100 on the **A/R Quick Payment Application** form, and save it. Then you select an invoice for $60, and select **Apply**. Two payment distributions are created, one as an invoice for $60, and the other as an open credit for $40. Both the invoice and the open credit display as selected in the grid.

Customer	Type	Invoice	Site	Order	Delivery Order	Chk/Ref	Invoice Date	Due Date	Amt To Apply	Discount
1	C	Open	01				06/15/02	06/15/02	40.00	0.00
1	I	102	01	C000001			05/15/02	06/15/02	60.00	0.00

Scenario 4

You enter a payment for $0, and select an invoice and an open credit.

Customer	Type	Invoice	Site	Order	Delivery Order	Chk/Ref	Invoice Date	Due Date	Amt To Apply	Discount
1	C	Open	01	C000001			06/15/02	06/15/02	50.00	0.00
1	I	101	01	C000001			05/15/02	06/15/02	50.00	0.00

The open credit is automatically when you select **Apply**. The invoice number in the **A/R Transaction** table (artran) now shows **101**. The A/R account in the original artran record for the open credit is 11000. The A/R account in the parameters is 11000. The journal entries created will be:

29 * 06/15/02 11000		50.00	ARPR	1
	Accounts Receivable	50.00	USD	1.000
30 * 06/15/02 11000			50.00 ARPR	1
	Accounts Receivable		50.00 USD	1.000

Scenario 5

You enter a payment for $50, and select multiple invoices, open payments, and credits: two invoices, 101 with a due date of 06/15/02 and 150 with a due date of 07/15/02 for $50 each; and the open credit has a due date of 06/15/02. The payment is for $50 on 07/20/02.

When you select **Apply**, the open credit of $50 is applied to invoice 101 and then posted. A/R Posted Transactions will show the credit with an invoice number of 101. The new payment of $50 is applied to invoice 150, and a payment distribution is created.

The grid shows the following:

Customer	Type	Invoice	Site	Order	Delivery Order	Chk/Ref	Invoice Date	Due Date	Amt To Apply	Discount
1	I	150	01	C000007			06/15/02	07/15/02	50.00	0.00

Scenario 6

You enter a payment, and select a **Finance Charge** transaction.

Three finance charges exist in posted transactions: one for $20 with a due date of 05/15/02, one for $20 with a due date of 06/15/02, and one for $20 with a due date of 07/15/02.

You enter a payment for $40. The finance charges display in the grid as follows:

Customer	Type	Invoice	Site	Order	Delivery Order	Chk/Ref	Invoice Date	Due Date	Amt To Apply	Discount
1	F	Fin chg	01				05/15/02	05/15/02	60.00	0.00

You must update the **Amt To Apply** (in the grid) to $40.00. When you select **Apply**, a distribution is created for the finance charge. Upon posting the payment, the amount will automatically be applied to the oldest finance charges.

Scenario 7

Reapplication of an Open payment/Open credit.

You enter an open payment/open credit to reapply for $1000. The grid shows an invoice selected for $1000. When you select **Apply**, a payment distribution is created. The A/R account in the original A/R transaction (artran) record for the open credit is 11000, and the A/R account in the original record for the open payment is 26000 (Deposit account). The open credit journal entries are the same as in scenario #4 above. When the open payment is applied, payment application occurs within the due date, so a discount for $50 is automatically created by the system in the **Discount** column.

When the payments are posted, the open payment entries are:

55 * 01/18/03 26000		1,000.00	ARPR	656
	AR Deposit	1,000.00	USD	1.000

56 * 01/18/03 40450		50.00	ARPR	656
	Sales Discount	50.00	USD	1.000
57 * 01/18/03 11000	3000		1,050.00 ARPR	656
	Accounts Receivable		1,050.00 USD	1.000

Scenario 8

Reapply an Open payment to an invoice from another site.

An invoice is selected from Site 2. The open payment was entered in Site 1, and is being applied in Site 1. When you select **Apply**, you are prompted to transfer cash. If you select **Yes**, journal entries in Site 2 will transfer the amount from Accounts Receivable to cash. In Site 1, the amount will be transferred from the deposit account to cash. The entries appear:

Site 2

32 * 01/17/03 11000	3000		100.00 ARPR	25
	Accounts Receivable		100.00 USD	1.000
33 * 01/17/03 10000		100.00	ARPR	25
	Cash	100.00	USD	1.000

Site 1

43 * 01/17/03 26000		100.00	ARPR	25
	AR Deposit	100.00	USD	1.000
44 * 01/17/03 10000			100.00 ARPR	25
	Cash		100.00 USD	1.000

If transfer cash is not selected, the **A/R Inter-Site Liability and Asset** accounts will be used instead of **Cash**. The entries are:

Site 2

35 * 01/17/03 11000	3000		100.00 ARPR	23
	Accounts Receivable		100.00 USD	1.000
36 * 01/17/03 49020	49020	100.00	ARPR	23
	A/R Inter-Site Asset	100.00	USD	1.000

Site 1

47 * 01/17/03 26000		100.00	ARPR	23
	AR Deposit	100.00	USD	1.000
48 * 01/17/03 49000			100.00 ARPR	23
	A/R Inter-Site Liability		100.00 USD	1.000

Scenario 9

Reapply an open payment to an invoice with a different exchange rate. An open payment for $310 Canadian Dollars (CND) at an exchange rate of 1.55 is applied to an invoice with an exchange rate of 1.60. The following entries happen in the journal when the **Apply** button is selected:

66 * 01/14/03 26000		200.00	ARPR	5651
	AR Deposit	310.00	US$	1.550
67 * 01/14/03 40200	3000		7.03 ARX	
	Currency Gains		10.90 CND	1.550
68 * 01/14/03 11000		7.03	ARX	
	Accounts Receivable	10.90	CND	1.550
69 * 01/14/03 11000			200.00 ARPR	5651
	Accounts Receivable		310.00 CND	1.550

Scenario 10

You enter a payment for $95. You also enter a non-A/R cash distribution for $5.00 in **A/R Payment Distributions**. When you access the **A/R Quick Payment Application** form, the following transactions display:

Customer	Type	Invoice	Site	Order	Delivery Order	Chk/Ref	Invoice Date	Due Date	Amt To Apply	Discount
1	F	Fin chg	01			-1	05/15/02	05/15/02	100.00	0.00
	Non A/R	Non A/R	01				05/15/02			5.00
	Open Credit	Open	01			-1	05/15/02		20.00	0.00

1	I	100	01		05/15/02	06/15/02	10.00	0.00

When you select **Apply**, the $20 open credit is applied to the finance charge. It is automatically posted and shows on the **A/R Posted Transactions** form.

The $95.00 payment is then applied. Distributions for an $80 finance charge, $5.00 non-A/R cash, and $10.00 invoice will then be created. The non-A/R cash already exists in the distributions.

Posting A/R Draft Payments

Draft payments cannot be directly posted to a cash account like you would post a check or a wire payment. When you first post the draft payment, the draft status is changed to **Posted** and the usual journal transactions are created. However, the transaction does not yet impact the **Cash** account in the General Ledger, but instead it impacts the **Draft Receivable** account found in the **Accounts Receivable Parameters** form.

Next, based on the due date of the draft and when you wish to receive the cash (at due date or before the due date), perform a draft remittance using the **A/R Posting Draft Remittance** form.

NOTE: The bank charges an additional discount fee when you want to receive the cash before the due date.

After the draft remittance, post the draft. Posting the draft changes the status of the draft to **Remitted** and creates a journal entry from the **Draft Receivable** account to either the **Draft Remitted** account or the **Draft Discounted** account identified in the **Bank Address** form.

When the bank tells you it has given you the money, use the **Bank Reconciliations** form to perform a draft deposit. The deposit updates the draft status to its final value of **Paid** and creates the new journal entry that finally impacts the **Cash** account.

Posting Payments

NOTE: The **Accounts Receivable** account must be assigned on the **Accounts** tab on the **Accounts Receivable Parameters** form; otherwise, an error message displays and the posting process stops.

1. Open the **A/R Payment Posting** form.
2. (Optional) By default, payments for all customers will be posted, but you can further refine the posting by selecting a range of customers, bank codes, receipt dates, and check numbers. You also can select a single payment for posting.

   The **Print** option is automatically selected. You must first print the **A/R Payment Transaction Report** to review and verify the transactions that will be posted.
3. To produce the report, select **Process**. After reviewing the report, you can post the transaction(s) and create Bank Reconciliation record(s). Notice that the **Commit** option is now enabled.
4. Select the **Commit** option.

5 To post the payment(s) and create the Bank Reconciliation record(s), select **Process**.

The system does not post transactions containing errors. If a transaction contains errors, correct them, and then try again to post.

When you post an A/R open payment that is tied to a customer order, the system asks if you want to apply it as a prepaid amount on the customer order. You have three options:

- To post the payment and not update the customer order, select **No**.
- To post the payment and update the customer order, select **Yes**.
- To cancel the action and not update the order or post payments, select **Cancel**.

Reversing a Posted Payment

To reverse a posted A/R payment, do the following:

1 Enter a negative A/R payment for the customer with the same check number. You must add a one or zero to the end of the original check number, as the system will see that this check has already been used for this customer.

2 Distribute the negative amount to the invoices that were originally paid. If the original payment was distributed as an open payment to the customer's A/R journal, then distribute the negative amount the same way.

3 Create a zero-amount invoice (for example, 0.00) and post it to the customer's A/R journal.

4 Reapply the open postive payment to the zero-amount invoice.

5 Reapply the open negative payment to the zero-amount invoice.

6 Post the payments to zero them out on the customer's A/R journal.

Purging Drafts

The **A/R Draft Purge** utility deletes draft records, based on status. Only **Cancelled**, **Paid**, and **Voided** drafts can be purged. A register of the purged drafts is produced as an audit trail.

To purge A/R drafts:

1 Open the **A/R Draft Purge** form.

2 (Optional) By default, all drafts are purged, but you can select a range of drafts to purge instead.

3 Select the status check boxes for the drafts you want to purge: **Cancelled**, **Paid** and/or **Voided**.

4 To review the list of drafts that will be purged before actually deleting them, select **Preview** and then click **Process**. The grid at the bottom of the form is updated with the list of drafts that match your selection criteria.

5 After reviewing the list and optionally making changes to the selection criteria, to purge the drafts, select **Commit** and then click **Process**.

Purging Invoice History

To purge the invoice history:

1. Open the **Purge Invoice History** form.
2. In the **Ending Invoice** field, select the last invoice whose associated history information you want to delete.
3. In the **Ending Invoice Date** field, select the date of the last invoice you want to delete.
4. To delete only transaction list items and not their associated header information, select the **Delete Line Items Only** check box.
5. Select the source of the transactions you want to delete: **Order Entry**, **A/R** or **Both**.
6. Select **Process**.

CAUTION: Running this utility may impact the use of invoice sequencing by adding gaps to invoice series. Run this utility after deleting an invoice/credit memo/debit memo sequence. (Deleting a sequence automatically voids any unused numbers in the sequence.)

NOTES:

- You must use the **Activate/Deactivate Posted Transactions - A/R** utility to deactivate A/R posted transactions before purging.
- Purging the invoice history does not remove the invoice and payment from the **A/R Posted Transactions Detail** form. In order to do that, you must run the **Delete A/R Posted Transactions** utility before purging the invoices.

Reapplying Open Payments and Credits for Customers

If you add a customer payment and a payment distribution type of **Open Credit** for it, and then post the payment, you can reapply the posted payment.

1. Open the **A/R Payments** form.
2. To add a payment, select **Actions > New**.
3. Select the customer number, and enter the check number that matches the open payment you want to reapply. The system fills in the **G/L Reference** field with the description **Re-Application of Open Payment**.
4. (Optional) Change the **G/L Reference**, **Description**, and **Notes** fields.

   NOTE: When reapplying open credits, do not change the **Receipt Date**. The journal entries created will be a debit and credit to the A/R account. When reapplying an open payment, and a separate A/R Deposit account is used, change the **Receipt Date** to current date. The journal entries created will be a debit to the A/R Deposit account and a credit to the A/R account. If the deposit account is the same as the A/R account, then the receipt date should not be changed.
5. Select **Distributions**.
6. To add the new distribution(s), select **Actions > New**.

7 Post the reapplication and distribution(s).

8 To verify that the system has reapplied the open payment, you can view it using the **A/R Posted Transactions Detail** and **A/R Posted Transactions Summary** forms.

Reapplying Open Payments or Credits Against Multiple Invoices

To reapply an open payment or credit against multiple invoices you will need to create a payment distribution for each invoice.

1 On the **A/R Payment** form, add the customer.

2 If you are reapplying a payment, enter the check number. If you are reapplying an open credit, find the chk/ref number on the **A/R Posted Transaction** form. Use this chk/ref number in the check number field.

After the check number is populated, the date and the amount of open payment/credit will appear on the form and the reference will identify this as a reapplication. If this does not happen, either the check number is incorrect, or your chk/ref number is incorrect.

3 After the system recognizes this transaction as a reapplication, save the payment record and click the **Distribution** button.

4 On the **A/R Payment Distribution** form, click **New** to create a new distribution. Usually the Type will be Invoice and you will enter the invoice number. If the reapplication does not pay the invoice in full, change the amount of the distribution to be the amount to be paid against this invoice.

5 If the open payment is for more than the total amount you are applying (for example, you have check for 1=$100.00 and you want to only apply $75.00 at this time), create a distribution for the remaining amount. Change the type from Invoice to Open and put in the remaining amount. If the balance will be a non-A/R transaction, change the type from Invoice to Non-A/R Payment and enter the amount and the account number.

6 After all distributions have been created and amount remaining equals zero, save the distributions.

7 Post the check.

Running the Accounts Receivable Aging Report

To view the current status of all customer account balances, use the **Accounts Receivable Aging Report** form.

Normally, you print this report at the end of the period, before you print statements. This report is helpful in identifying customers with past-due invoices.

To print the **Accounts Receivable Aging Report**:

1 Select the field values and check boxes to define the parameters of the report you want.

The default selections print a report for all customers.

2 (Optional) To view the report before printing the final version, click **Preview**.

3 To print the final report, click **Print**.

Running the AR Balance History Utility

To update the average balance outstanding, the largest balance outstanding, and the last amount outstanding for selected customers, use the **A/R Balance History** utility.

1 Specify the range of customers and the date through which this utility should update customer balances.

2 To reset the selected customers' balance history information, select the **Reset Period Count To 1** check box.

3 Click **Process**.

Creating and Maintaining Budgets and Plans

Budgets are estimates of anticipated receivables and payables for a specific time frame. They are usually based on historical facts, including past sales and growth trends.

The **Chart of Accounts Budget and Plan** form is a worksheet that you use to create budgets and plans for each individual account, accounting period, and fiscal year. This form maintains information for budgets, plans, and actual change amounts. Actual change values are used only to define statistical accounts.

The budget amounts are used by General Ledger reports, financial statements, and the **Chart of Accounts Report**. Budgets are also displayed when viewing posted General Ledger (G/L) transactions to allow a comparison between a period's actual transaction amount and the budgeted amount.

NOTES:

- Every time you create a new chart of account or fiscal year, the corresponding budget, plan, and actual records are automatically created. Each field has a value of zero.
- The **Chart of Accounts Budget and Plan** form allows you to store budgets for multiple fiscal years.

1. Open the Chart of Accounts Budget and Plan form.

   You can either enter the numbers manually or use the **Budget Growth Auto-Set** and **Plan Growth Auto-Set** options on the **Actions** menu to enter data.

2. To enter amounts manually for a new fiscal year:
   a. Click **Actions > New**.
   b. Select the account.
   c. Select the fiscal year, if necessary.
   d. In the **Budgeted Change** field, enter the amount.
   e. In the Planned Change field, enter the amount.
   f. Click **Actions > Save**.
3. To create a base value for *budgeted* amounts that increment each preceding accounting period by a specific percentage:
   a. Select **Actions > Budget Growth Auto-Set**.

      The system displays the Chart of Accounts Budget and Plan Growth form.
   b. Enter the base amount and the desired percentage increase per accounting period.

      This process updates each accounting period for that year.
   c. To save the entries, select **OK**.

4 To create a base value for *planned* amounts for all currently defined accounting periods that increment each preceding accounting period by a specific percentage:

   a Select **Actions > Plan Growth Auto-Set**.

   The system displays the **Chart of Accounts Budget and Plan Growth** form.

   b Enter the base amount value and the desired percentage increase rate of change per accounting period.

   This process updates each accounting period for that year.

   c To save the entries, click **OK**.

Consolidation Overview

You can consolidate your financial data from several sites for timely reporting and online queries.

Entities

In a multi-site environment, you can specify a hierarchy of financial entities that operating sites report to. A financial entity is a level of business operation for which there is:

- A complete set of financial statements,
- Its own domestic currency code, which must be shared by sites that report to it, and its own currency rates, which may or may not be shared by reporting sites/entities.
- Its own account template, chart of accounts, and accounting periods, which must be shared by reporting sites. (Reporting entities do not have to share these characteristics.)

Each entity allows no business activity aside from period, chart and currency maintenance, and the reporting of its consolidated ledger and budgets. Entity users should all belong to the default authorization group Entity Forms, which limits them to using only entity-level forms. They should also be licensed for the "SyteLineEntity" module.

If ledger detail is replicated to the entity from the sites, you may be able to view detail down to the level of the originating transaction. (This assumes that any other categories required for the transaction-level detail are also being replicated. Having this level of G/L and other transaction detail replicated to the entity generally does not make sense from a performance standpoint.) Otherwise, you will need to access the specific site in order to view the transaction detail.

Sites Reporting to an Entity

The majority of operations at sites reporting to an entity remain the same as at a non-reporting site, including the financials. If a site reports to an entity, the site's **Chart of Accounts** is now owned by the entity and copied from it. In the local copy of the **Chart of Accounts**, you can delete records to use a subset of the accounts. The site must use the domestic currency of its entity, but it may use its own rates. Consolidation utilities must be run at the reporting sites to copy the posted ledger transactions and budgets into the entities all the way up the hierarchy.

A site is not required to report to an entity, in which case its financials are not consolidated.

Setup of Entities and the Reporting Structure

When you create system databases or add sites and entities to a database in the Configuration Wizard, you must specify a **Site Type**. When you create entities in the Configuration Wizard, specify a **Site Type** of **Entity**.

Operational data such as entry or selection of customers and vendors is not necessary for entities.

Defining the Hierarchy

To define or change the hierarchy of your sites and entities, several tools are available:

- Change Reports to Entity - Use this utility at the reporting site/entity to specify the next-level entity to which this site/entity reports.
- Multi-Site Chart Copy - Use this utility at the entity to copy the Chart of Accounts to the reporting sites/entities.
- Ledger Consolidation - Use this utility at the reporting site/entity to consolidate all previously unconsolidated records for the site, all the way up the financial reporting hierarchy.

NOTE: Additional steps are required in order to initially set up a financial hierarchy. For more information, see Setting Up a Consolidation Reporting Structure. We suggest that you contact Infor Consulting Services to help with your implementation.

It is not necessary to have a balanced financial hierarchy.

Changes to Your Reporting Structure

Over time, sites come and go and the hierarchy of entities may change. As these changes occur, the historical consolidated financial data will *not* change, and an historical time-phased site/entity structure will be maintained. This allows prior period reporting and drill-downs to yield identical results, even after the structure has changed. On the date of a reporting structure change, a large transaction is posted to close out all accounts for all selected subordinate sites, computing the account balance of each account. Half of this transaction is immediately consolidated to the existing structure, effectively zeroing the balances from the books. After the hierarchy is changed, the other half of the transaction is consolidated to the new structure, creating opening balances for all the accounts. At the site level, this has no effect, since a debit and credit for the same amount is posted to the same account on the same date.

Be aware of the following when changing the reporting hierarchy:

- Financial statement reporting at entities only shows data for transactions that occurred during the time period that the hierarchy was in place.
- When you change an entity's Reports To mapping, there is no historical audit trail of how it was formerly set up.
- Transactions are consolidated to the current structure only, regardless of effective date of the hierarchy change or the ledger transaction date.

NOTE: Sites can only report to entities that have matching reporting parameters. This includes the same chart template, domestic currency and financial periods, as well as every **Chart of Accounts** already defined at the entity.

Additional Notes

Currency

Average exchange rates are calculated based on exchange rates established by sites (set up by site or mid-level entity that the site reports to in a shared currency environment). During ledger consolidation, when posting revenue and expense accounts, exchange rates set up at the site level (set up by site or mid-level entity that the site reports to in a shared currency environment) are used to calculate average exchange rate for the period and are used to translate site amounts in site's currency to corporate currency. Exchange rates must be set up at the site (or mid-level entity that the site reports to in a shared currency environment) for Ledger Consolidation to correctly post amounts in corporate currency.

When dealing with multiple currencies in a consolidated environment:

- The base (domestic) currency must be the same at all sites reporting to an entity. However, you may set up the sites so they can maintain their own currency exchange rates - or you may want to maintain the rates only at the entity. For more information, see the section on replicating shared currency in Default Replication Categories.
- In each entity's **Chart of Accounts**, the currency translation method and the exchange rate type are specified for each account.
- The currency table of the entity is the one used for translation during the consolidation. (Sites use the domestic currency of their entity, so there is no currency translation at this level.)

Combined vs. Consolidated Reporting

Financial statements can either show *combined* data from a group of sites, or *consolidated* data from an entity and its reporting sites.

If you want to create sample financial statements before changing a hierarchical structure, to see what the combined data from multiple sites will look like, you can mimic the new structure by using multi-site group IDs and combined financial statements. For more information, see Combined Financial Statements.

Even after you have set up a consolidated environment, you may still run combined financial statements for a group of sites.

When you run consolidated financial reports from the entity, all sites that report to the entity must have run the **Ledger Consolidation** utility. When the financial statement is run, no currency translation is required, because the data at the entity level is already translated into the entity's currency and **Chart of Accounts**. Also, since no multi-site group IDs are specified, it looks only at

the information in the entity. Therefore, consolidated financial reports run much faster than combined financial reports.

Unit Code Mapping

Each unit code is copied to the **Reports To** entity verbatim if that account in the **Reports To** entity has the unit code enabled.

Budget Consolidation

Use the **Budget Consolidation** utility at the reporting site/entity to consolidate all previously unconsolidated site budgets and plans through the cutoff date. All entities in the hierarchy that are senior to the current site must be replicating G/L or Ledger Consolidation data with the current site. Each budget and plan for each account is consolidated all the way up the hierarchy; the budget and plan at the current site remains unchanged. For higher level entities, the newly created budgets and plans are stored using that entity's chart of accounts, base currency, and financial periods.

If a site or entity enters and leaves a hierarchy in the course of a single year, the original budget/plan will be replaced with the later one.

Generating a Positive Pay File

A positive pay file is a file you send to your bank that provides a list of the checks issued, their dollar amounts, and your bank account number in a text file.

Generating this file involves using three forms:

- **Positive Pay Format Sections**
- **Positive Pay Format Fields**
- **Positive Pay File Generator**

Create the format

1. Open the Positive Pay Format Sections form.
2. Select the desired bank code.
3. Provide the format.

   You must get this format from the bank.
4. Select section 1, 2, or 3.
5. Provide a description of the section if desired.
6. Save.

Define Fields

1. Open the Positive Pay Format Fields form.
2. Select the bank code, format name, and section.

   The format name and section choices for each bank code were created on the Positive Pay Format Sections form.
3. Provide a sequence number.
4. In the **Type** field, specify **Constant**, **Database**, or **Function**.

   Other fields on this form are either active or inactive depending on the choice you choose here.
5. Provide the length.
6. Save.

Generate the File

1. Open the Positive Pay File Generator form.
2. Select the bank code and the format name.
3. Select a check date range.
4. Either accept the default location and name for the file, or change this.
5. Click **Process**.

Offsetting A/R Invoices and A/P Vouchers

To offset A/R Invoices and A/P vouchers:

6. Create an offset account on the **Accounts Payable Parameters** form.
7. Link a customer to a vendor with the **Customer** field on the **Vendors** form.
8. Create offsetting payments for A/R and A/P on the **A/R A/P Payment Offset** form.
    a. Select either the Vendor or the Customer. Only vendors and customers with a corresponding customer or vendor appear in the drop down lists. The grid populates with outstanding invoices and vouchers.
    b. Select a combination of vouchers and invoices that have equal amounts. For example, select an invoice for $1,000 and two vouchers; one for $400 and one for $600. If you don't have amounts that exactly balance, click the offset amount either for the voucher or the invoice and provide the new number.
    c. Click the **Create Offsets** button. A message is displayed that tells you that A/P and A/R payment distributions were created. You can now post these payments using the **A/R Payment Posting** and **A/P Check Printing/Posting** forms. The grid on the **A/R A/P Payment Offset** form does not refresh with current data until you post.
9. View payments as offset with the Offset check box on these forms: A/R Payments, A/R Payment Distributions, A/P Payments, and A/P Payment Distributions.

Invoice Builder Overview

With the Invoice Builder form, you can:

- Generate invoices and credit memos across a multi-site intranet. Invoices and credit memos generated by the Invoice Builder form are only from shipped and returned customer order

lines/releases. The invoices and credit memos are generated based on the target site configurations such as invoice numbering, currency code, etc.

- Print and reprint invoices and credit memos across a multi-site intranet.

You can perform these tasks for both the base site (login site) and the target site (a different site within the same multi-site intranet). For other sites, if the site domestic currency is different from the base site, or if the customer currency code of this site is different from the customer currency code of the base site, the customer order lines/releases are not displayed in Invoice Builder.

What Happens When You Use This Form

Using this form affects what you can do on other forms.

- Builder Invoice Originating Site field is available on these forms: AR Payment Distributions, AR Posted Transactions Detail, Invoice, Debit and Credit Memos, and Invoices, Debit and Credit Memos G/L Distribution.
- Builder Invoice field is available on these forms: AR Payment Distributions, AR Posted Transactions Detail, Invoice, Debit and Credit Memos, Invoices, Debit and Credit Memos G/L Distribution, Multi-Site Invoice Posting, and Invoice Transaction Report.

Using the Invoice Builder

The Invoice Builder is a form that allows you to generate and print invoices for CO shipments and returns in multiple target sites from a base site crossing a multi-site intranet.

Setup

1. If desired, specify a builder invoice prefix on the **Order Entry Parameters** form.
2. Set up Replication Rules for the Invoice Builder category. The Invoice Builder base site (login site) and the target sites must all be replicating the Invoice Builder replication category to each other.

Generate and Print an Invoice or Credit Memo

1. On the **Invoice Builder** form, specify a customer in the **Customer** field. If you leave the field blank, all customers are returned.
2. In the **Type** field, specify **Invoice** or **Credit Memo**. If you choose **Invoice**, shipped but not invoiced customer order lines/releases are displayed. If you choose **Credit Memo**, returned but not invoiced customer order lines/releases are displayed.
3. In the **Invoice Type** group box, select the options for the types of invoices you want to include.
4. You can use the grid to make selections, or use the **Additional Selection** tab to make selections for a larger number of records. If you use the **Additional Selection** tab, click the **Select Matching CO** button to see the desired selections in the grid.
5. Use the **Print** tab to customize further. You can also set reprint criteria on this tab.
6. Click **Process**.

Currency

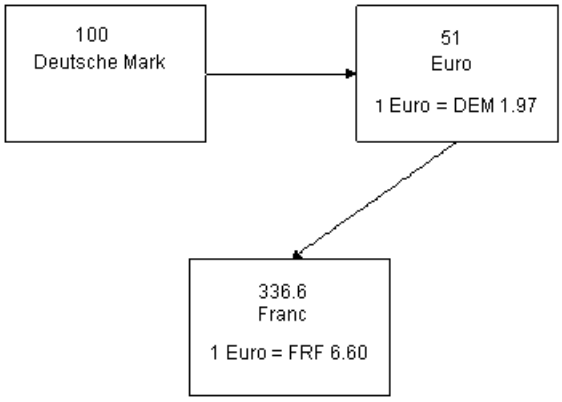
About the Euro Triangulation Conversion

During a euro conversion interim period (when one or both of the currencies involved is a part-of-euro currency and neither currency is the euro), euro regulations prohibit direct currency conversions between participating countries. Therefore, to convert a monetary amount from one national currency to another, the system currency conversion process:

1 Converts the amount from the national currency to the euro.

2 Converts the resulting amount, which is expressed in euros, to the other national currency.

For example, to convert Deutsche marks to francs:

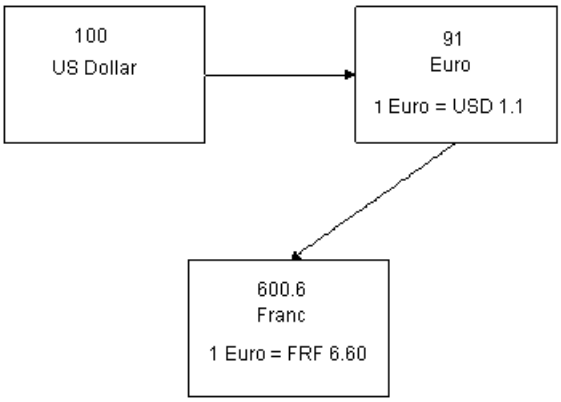


The same principle applies if your domestic currency is not part-of-euro, but you need to do business with a vendor or customer situated in a participating country who will be using the euro, but has not yet switched to it. The system conversion process

1 Converts the amount from your domestic currency to the euro.

2 Converts the resulting amounts, which are expressed in the euro currency, to the national currency of the vendor or customer.

For example, to convert US dollars to francs:



The exchange rate between each participating national currency and the euro is fixed. If the currency is part-of-euro, this fixed exchange rate to the euro is stored in the system (on the **Currency Codes** form). There is only one exchange rate to the euro (1 euro =) for each part-of-euro currency there is no buy and sell rate.

NOTES:

- This conversion process applies only if one or both of the currencies involved is a part-of-euro currency and neither currency is the euro. If one of the currencies is the euro, the system performs the conversion normally. Also, if one of the currencies involved in a transaction is part-of-euro, and the other currency uses the Rate is Divisor option, the triangulation is calculated differently.
- The system does not round any numbers during this conversion process. After the conversion is complete, the system rounds the final value to match the display format of the end currency. Conversion rates are always expressed as 1 euro to the other currency.
- The use of francs and Deutsche marks above is only for illustration purposes; in reality, both currencies have already been converted to the euro.

Converting the Domestic Currency to the Euro

To change your base domestic currency to the euro currency and convert all related records, use these steps. Where applicable, refer to the linked help topics for more information.

1. Perform a complete database backup.
2. Set up a currency code for the euro.
3. On the **Currency Codes** form, select the **Part of Euro** check box for your base currency.
4. On the **Currency Rates** form, enter the correct **Buying Exchange Rate** and **Selling Exchange Rate** for all currencies, including the euro.
5. Post all A/P and A/R transactions.
6. Process and post all records of the types listed in the Unconverted Records Help topic.
7. Open the **Domestic Euro Currency Conversion** utility.

1. To use the standard unit cost for the purchased item, select the **Use Std Cost for Purchased Item** check box. To use the current unit cost from the **Item Costs** form to update the material cost for purchased items, clear this check box.
2. In the **Account** field, enter the number of the account to contain any rounding variances that may occur during the conversion process.
3. To start the conversion, click **Process**.

   NOTE: If your system still contains unposted A/P or A/R transactions (such as payments, invoices, vouchers, etc.), the conversion process does not proceed and the system generates an error message stating the type of transactions that must be posted.
4. After the conversion is complete, to convert the period totals records, run the **Rebalance Ledger Period Totals** utility.
5. Run the **Recalculate Journal Balances** utility for each journal.
6. To update the low level codes, run the **Current Bill of Material Processor**.
7. To correct any possible rounding errors from the conversion of cost values, run the **Current BOM Cost Rollup** utility.

Converting a Multi-Site Installation

If you are converting a multi-site installation, perform the following steps:

- After running the conversion utility, review and manually reestablish the exchange rates for your inter-site transactions (defined on the **Inter-Site Parameters** form). The conversion utility does not convert these rates automatically.
- When you convert an individual site, you must also convert all sibling sites (the sites of the same low-level entity) and the parent low-level entity at the same time.
- When you convert a low-level entity, the conversion utility does not convert any of its child entities. To convert child entities, run the conversion utility for each entity.

NOTE: If you are converting a low-level entity that has no direct child sites, you can convert the entity without converting any other entities.

About Realized and Unrealized Gains and Losses

When a company headquartered in one (domestic) country executes a transaction with a company in another (foreign) country using a currency other than the domestic currency, one currency needs to be converted into another to settle the transaction. This conversion from one currency to another creates gains and losses depending on the currency exchange rate.

This topic covers realized and unrealized currency exchange gains and losses.

Realized Currency Exchange Gains and Losses

Realized currency exchange gains and losses can occur when full or partial payments are applied to voucher or invoice amounts.

NOTE: Gains and losses are calculated on each payment amount instead of the outstanding voucher or invoice amount.

Balance Paid in Full

In the following examples, the transactions were completed by the receipt of the payment of cash. Therefore, any exchange gain or loss was realized and, in an accounting sense, was *recognized* on the date of the cash receipt or cash payment.

For example, a U.S. company purchasing items from a British company that requires payment in British pounds must exchange dollars ($) for pounds (£) to settle the transaction. This exchange of one currency into another involves the use of an exchange rate. If the U.S. company had purchased items for £1,000 from a British company on June 1, when the exchange rate was $1.40 per British pound, $1,400 would need to be exchanged for £1,000 to make the purchase.

NOTE: The foreign exchange rates used in this example do not reflect current rates.

Because the U.S. company maintains its accounts in dollars, the transaction would be recorded as follows:

June 1 Purchases 1,400

Cash 1,400

Payment of Invoice #1725 from Sterling Co.

£1,000; exchange rate: $1.40 per British pound

Special accounting problems arise when the exchange rate fluctuates between the date of the original transaction (such as a purchase on account) and the settlement of that transaction in cash in the foreign currency (such as the payment of an account payable). In practice, such fluctuations are frequent.

For example, assume that on July 10, when the exchange rate was $.004 per yen (¥), a purchase for ¥100,000 was made from a Japanese company. Since the U.S. company maintains its accounts in dollars, the entry would be recorded at $400 (¥100,000 X $.004), as seen below:

July 10 Purchases 400

Accounts Payable - M. Suzuki 400

Invoice #823

¥100,000, exchange rate: $.004 per yen

If on the date of payment, August 9, the exchange rate had increased to $.005 per yen, the ¥100,000 account payable must be settled by exchanging $500 (¥100,000 X $.005) for ¥100,000. In

this case, the U.S. company incurs an exchange rate loss of $100, because $500 was needed to settle a $400 debt (accounts payable). The cash payment would be recorded as follows:

August 9 Accounts Payable - M. Suzuki 400

Exchange Loss 100

Cash 500

Cash paid on Invoice #823

¥100,000, or $400, current exchange rate: $.005 per yen

All transactions with foreign companies can be analyzed as in the examples above. For example, assume that on May 1, when the exchange rate was $.25 per euro, a sale on account for $1,000 from a U.S. company to a French company was billed in euros (€4,000). The transaction would be recorded as follows:

May 1 Accounts Receivable - Crusoe Co. 1,000

Sales 1,000

Invoice #7782

€4,000, exchange rate: $.25 per euro

If the exchange rate had increased to $.30 per euro on May 31, the date of receipt of cash, the U.S. company would realize an exchange gain of $200. The gain was realized because the €4,000, which had a value of $1,000 on the date of sale, had increased in value to $1200 (€4,000 * $.30) on May 31 when payment was received. The receipt of the cash would be recorded as follows:

May 31 Cash 1,200

Accounts Receivable - Crusoe Co. 1,000

Exchange Gain 200

Cash received on Invoice #7782

€4,000 or $1,000, exchange rate: $.30 per euro

Partial Payments

When the balance is not paid in full, however, the system calculates currency gains and losses on each payment amount instead of the outstanding voucher or invoice amount. The system uses the following formula when performing the gain/loss calculation:

Gain/Loss Amount = (Payment / Average Exchange Rate) - (Payment / Payment Exchange Rate)

where:

Average Exchange Rate = Foreign Amount Outstanding Balance / Domestic Outstanding Balance

For example, a German company purchasing items from an U.S. company pays in euros. The U.S. company must then exchange euros for U.S. dollars to settle the transaction. In this case, the German company is making partial payments rather than paying the balance in full. The transaction would occur as follows:

Partial Payment Transaction: Euros to U.S. Dollars

	Foreign Amount (euro)	Exchange Rate	Domestic Amount (U.S Dollar)	
Invoice #1800	€1100.00	€2:$1	$550.00	
Credit Memo	200.00	4:1	50.00	
Balance	900.00		500.00	Avg. Exch. Rate: 900:500 = 1.8
Payment	600.00	3:1	200.00	
Loss			133.33	Loss: (600/1.8) - (600/3) = 133.33
Balance	300.00		166.67	Avg. Exch. Rate: 300:166.67 = 1.8
Payment	300.00	3:1	100.00	
Loss			66.67	Loss: (300/1.8) - (300/100) = 66.67
Balance	0.00		0.00	

The German company purchases items from the U.S. company for €1100 at an exchange rate of €2.00 per $1.00. After a credit memo for €200 is issued, a credit is shown for $50 due to a exchange rate of €4.00 per $1.00, resulting in a balance of €900 ($500).

Before calculating the gain/loss amount, the system must first calculate the average exchange rate by dividing the foreign balance by the domestic balance (€900 / $500 = 1.8 average exchange rate). After a payment of €600 at an exchange rate of €3.00 per $1.00, the loss is $133.33. The system calculates the loss by (Payment Amount/Avg. Exchange Rate) - (Payment Amount/Payment Exchange Rate) or (600/1.8) - (600/3) = 133.33. The resulting balance is €300 or $166.67.

Again, before calculating the gain/loss, the system must first calculate the average exchange rate by dividing the foreign balance by the domestic balance (€300 / $166.67 = 1.8 average exchange rate). The final payment of €300 at an exchange rate €3.00 to $1.00 settles the transaction, resulting in a loss of $66.67. The system calculates the loss by (Payment Amount/Avg. Exchange Rate) - (Payment Amount/Payment Exchange Rate) or (300/1.8) - (300/100) = 66.67.

Unrealized Currency Exchange Gains and Losses

However, if financial statements are prepared between the date of the original transaction (sale or purchase on account, for example) and the date of the cash receipt or cash payment, and the exchange rate has changed since the original transaction, an unrealized gain or loss must be recognized in the statements.

For example, assume that a sale on account for $1,000 had been made to a German company on December 20, when the exchange rate was $.50 per euro (€), and that the transaction had been recorded as follows:

Dec. 20 Accounts Receivable - Mueller Co. 1,000

Sales 1,000

Invoice #22

€2,000; exchange rate: $.50 per euro

If the exchange rate had decreased to $.45 per euro on December 31, the date of the balance sheet, the $1,000 account receivable would have a value of only $900 (€2,000 X $.45). This "unrealized" loss would be recorded as follows:

Dec. 31 Exchange Loss 100

Accounts Receivable - Mueller Co. 100

Invoice #22

€2,000 X $.05 decrease in exchange rate

Assuming that €2,000 are received on January 19 in the following year, when the exchange rate is $.42, the additional decline in the exchange rate from $.45 to $.42 per euro must be recognized. The cash receipt would be recorded as follows:

Jan. 19 Cash 840

Exchange Loss ($.03X€2,000) 60

Accounts Receivable - Mueller Co. 900

Cash received on Invoice #22

€2,000, or $840, exchange rate: $.42 per euro

If the exchange rate had increased between December 31 and January 19, an exchange gain would be recorded on January 19. For example, if the exchange rate had increased from $.45 to $.47 per euro during this period, an exchange gain would be credited for $40 ($.02 X €2,000).

A balance in the exchange loss account at the end of the fiscal period should be reported in the **Other Expenses** section of the income statement. A balance in the exchange gain account should be reported in the **Other Income** section.

Consolidated Financial Statements with Foreign Subsidiaries

Before the financial statements of domestic and foreign companies are consolidated, the amounts shown on the statements for the foreign companies must be converted to domestic currency. Asset and liability amounts are normally converted to domestic currency by using the exchange rates as of the balance sheet date. Revenues and expenses are normally converted by using the exchange rates that were in effect when those transactions were executed. (For practical purposes, a weighted average rate for the period is generally used.) The adjustments (gains or losses) resulting from the conversion are reported as a separate item in the stockholders' equity section of the balance sheets of the foreign companies.

After the foreign company statements have been converted to domestic currency, the financial statements of domestic and foreign subsidiaries are consolidated in the normal manner. For more information, see Consolidation Overview.

Revaluing Assets and Liabilities for the Euro

If you work with customers and/or vendors that use a **Part of Euro** currency, but you have not converted your domestic currency to the euro, you must revalue your outstanding assets and liabilities. Perform this procedure on or after 1/1/1999.

CAUTION: If your company is situated in a euro-participating country, euro regulations *require* you to revalue asset and liability transactions using this exchange rate. If you are not situated in a euro-participating country, this revaluation is optional.

To revalue assets and liabilities:

1. Run the **Currency Revaluation** utility for all **Part of Euro** currency codes.
2. Select the **Realize Gain/Loss** check box.
3. Run the **Bank Account Revaluation** utility for all bank codes that use a **Part of Euro** currency code.
4. Open the Euro Exchange Rate Revaluation utility.
   a. In the **Starting** and **Ending Currency Code** fields, select the range of all **Part of Euro** currency codes in your system.

      For each outstanding asset and liability transaction that contains a currency code in this range, the system updates the exchange rate to the appropriate national currency-to-euro

exchange rate (which is fixed as of 1/1/1999). This exchange rate is used in all triangulation conversions between **Part of Euro** currencies during the euro interim period.

b To review a list of the conversions, select **Preview** then click **Process**.

c To start the conversion, select **Commit** and then click **Process**.

External Financial Interface

Setting Up an External Financial Interface

SyteLine provides an XML-based interface that can be used with an external financial system such as Infor SunSystems or SAP. Also, SyteLine provides a direct data access interface for Infor Global Financials (IGF). You can choose which types of financial information to export or import between SyteLine and the other system.

NOTES:

- If you are setting up the Infor SyteLine Enterprise Financials (SunSystems interface) package, see the *Infor SyteLine Enterprise Financials Installation and Implementation Guide* instead of using these steps.
- If you are setting up integration with IGF, see the *Infor SyteLine Integration Guide for Infor Global Financials* instead of using these steps.
- If you are using any other financial package, follow the steps below.

This topic includes the following subtopics:

Setting Up an External Financial Interface (SyteLine to External Financial System)

When setting up the interface, use the following information and instructions:

Concepts

1 Since the external financial interface uses non-transactional replication as its method of transferring data, be sure you understand how replication works.

For more information, see the *Replication Reference Guide*, available from our support site.

2 Make sure you understand the distinction between *data flow* (transaction records being passed from SyteLine to the external system) and *data maintenance* (the updating of "code" records such as customer codes, terms codes, or exchange rates that might be passed from SyteLine to the external system, or vice versa). Decide which system will be the "master" for accounts payable and accounts receivable tasks.

3 Become familiar with both the SyteLine database structure and that of the external financial application. Map the financial data that needs to flow between the systems, noting the system in which the data should be maintained.

The SyteLine DataMap's Schema-Properties spreadsheet, which lists SyteLine database tables and columns, could provide a good starting point for a mapping plan.

4 Become familiar with the syntax of the XML request documents used to pass data to and from SyteLine.

For more information, see the document *Integrating IDOs with External Applications* (especially the chapter on XML IDO request and response documents), which is available from our support site.

Site/Intranet Preparation

5 In the **System Types** form, create a new system type for the external financial application.

This system type is used when defining the target site for the external financial application in the **Sites/Entities** form.

Make sure that an additional system type is defined for your SyteLine application.

The source and target system types are used in the names of XSL stylesheets that can be used to transform the XML data. For more information, see the System Types Help topic.

6 In the **Intranets** form, define a separate intranet to be used only for data requests to and from the external financial application. Name this intranet something unique, such as **EXTFIN**, and select the **External** check box.

For this intranet, specify the URL to which the financial XML request/response documents will be posted. This URL should be entered in the **URL** field on the **Intranets** form. This URL could be an ASP page on the external financial system that receives and processes the XML from the SyteLine message queue. The processing done at this URL is up to you. For example, an ASP page might map the data into the proper format for the external system, or it might write the XML documents to a location on its server for later processing.

7 On the **Sites/Entities** form, define a source site from which system data will be exported:

- On the System Info tab, select the SyteLine application's system type (defined earlier) and time zone.
- Set the **Intranet Name** to the default intranet.
- In the **Database Name** field, specify the application database name.

8 On the **Sites/Entities** form, define a target site for the external financial interface.

NOTE: This site must not be used for any other purpose. To avoid confusion, we suggest you name the site **EXTFIN**.

- On the System Info tab:
- Select the external financial application's system type (defined earlier) and the time zone.
- Set the site's **Intranet Name** to the intranet created in the previous step.
- Set the **Database Name** field to the external financial application's database.

9 On the Site User Map tab:

- In the **From Site** field, specify the SyteLine site that will send data to EXTFIN.
- In the **User Name** field, specify a local user on that site.

For more information about setup requirements for this user, see the online help for this tab and field.

Interface Parameters

10 Decide whether you want to export invoices, debit memos, and credit memos, and/or vouchers and adjustments, to the external financial system. Use the fields on the **External Financial Interface Parameters** form in SyteLine to specify this information:

- If you select **Use External Financial Interface**, SyteLine exports all posted General Ledger (G/L) transactions to the external system. This assumes that all customer and vendor records will be created and updated in SyteLine and that the records will be exported to the external system. Choosing this option also enables the **External Financial Interface Data Request Utility**.
- If you want to use an external financial system for A/P, also select **Use External A/P System**. This tells SyteLine to export all posted A/P voucher and adjustment transactions to the external system.
- If you want to use an external financial system for A/R, also select **Use External A/R System**. This tells SyteLine to export all posted A/R invoice, credit, and debit memo transactions to the external system. Selecting this option also enables the Customer Posted Balance tab on the **External Financial Interface Data Request Utility**.
- For both the A/P and A/R options, you can determine the maximum batch size to include in a single XML document. Keep in mind that larger XML documents take longer to process.
- For the **Site** field, specify the site you defined in step 8.

11 Decide whether you want to modify the standard SyteLine processing for **Due Date Calculation**, **Tax Calculation**, or **Currency Conversion**. On the **External Financial Interface Parameters** form, you can choose to use external processing for any or all of these. If you select external processing, you will need to modify one or more of these "stub" stored procedures to do what you want:

- ExtFinCurrCnvtCalcSp (Currency Conversion)
- ExtFinDueDateCalcSp (Due Date Calculation)
- ExtFinTaxCalcSp (Tax Calculation)

12 Decide how you want to handle customer credit checking.

When SyteLine performs a credit check for a customer, it needs the customer's current posted balance. If SyteLine is used for A/R functions, it has all the information it needs to calculate and store posted balance amounts. However, if the external financial system is used for A/R functions, then SyteLine must get the posted balance from the external system. There are two ways to do this:

- To request the posted balance at the time of the credit check (that is, synchronously), set up the system to call a stub stored procedure that obtains the customer's posted balance from the external system.

  To set this up, select the Use External Customer Posted Balance for Credit Check field on the **External Financial Interface Parameters** form. Then update the stub stored procedure named **ExtFinGetExternalPostedBalSp** so that it returns the posted balance from the external system.

- To use a posted balance that was retrieved previously (that is, asynchronously), set up the request information on the Customer Posted Balance tab of the **External Financial Interface Data Request Utility**.

Whenever that utility is run, SyteLine updates its posted balance information for all customers in the range. A credit check then uses the latest stored data.

Replication Setup

13 Look at the default external financial (EXTFIN) categories in the **Replication Categories** form, and decide if you need to add any new categories.

For instance, is there data in other SyteLine tables that your external financial system will need? We recommend that you leave the default categories as is, and create new ones as needed. The default EXTFIN categories are listed here:

NOTE: A table name can be represented by the name of a view over the table. This section uses view names in place of table names, where appropriate.

- **EXTFIN:** Used for exporting SyteLine A/R, A/P, and G/L transactions to the external financial system, and also for exporting requests for updates to SyteLine tables by the external financial system. This category includes the functions and XML documents required to export financial information:
  - **ExtFinAPVoucherPosting:** Exports data from the SyteLine export_aptrx and export_aptrxd tables, which are holding tables for data collected from various A/P tables.
  - **ExtFinARInvoicePosting:** Exports data from the SyteLine export_arinv and export_arinvd tables, which are holding tables for data collected from various A/R tables.
  - **ExtFinAnaLedgerPosting:** Exports data from the SyteLine ana_ledger table.
  - **ExtFinLedgerPosting:** Exports data from the SyteLine ledger table.
  - **ExtFinRequest:** Exports a request to the external financial application for updates to a specific SyteLine table. For more information, see the help for the **External Financial Interface Data Request Utility**.
- **EXTFIN Customer:** Used for exporting SyteLine customer information. This category includes the sibling database tables **custaddr** and **customer**.
- **EXTFIN Vendor:**- Used for exporting SyteLine vendor information. This category includes the sibling database tables **vendaddr** and **vendor**.

Processing note for customer and vendor records: When a *new* customer or vendor record is added in SyteLine, the information is sent to the external financial system as a single XML document combining the information from the sibling tables, **customer/custaddr** or **vendor/vendaddr**, respectively. The information for **custaddr** or **vendaddr** in the single XML just contains the specified key values and default values for the table's columns. The user-specified values will be included as part of an update that follows the insert. However, for *updates* to existing customer or vendor records, the XML document pulls records only from the table that changed.

14 Create one replication rule for each EXTFIN category, using the **Replication Rules** form.

This must be done for each SyteLine site where you will be exporting data to the EXTFIN site. If you created additional categories for your external financial system in the previous step, set up rules for the new categories, too.

A sample rule would include information such as the following:

Source Site: OH (the site from which data will be extracted)

Target Site: EXTFIN

Category: EXTFIN Vendor

Description: Pass vendor info to EXTFIN

Interval Type: Immediate (anything but Transactional will work here)

Interval: (Blank if Interval Type is Immediate; some interval value otherwise)

Start Interval at: (Blank if Interval Type is Immediate; a time value otherwise)

Disable Replication: (Cleared - EXTFIN uses replication)

Update All Columns: (Cleared)

15 On the **Replication Management** form, click the **Regenerate Replication Triggers** button to rebuild the database table triggers based on the rules you created in the previous step.

16 Stop and start the replication services on the SyteLine utility server.

XML Document Creation

Again, in these examples, we use view names in place of actual table names.

17 Set up the URL (which was specified in Step 6) on your external financial system to retrieve and process the XML documents mentioned in Step 12.

- The **EXTFIN XML "update collection"**documents are used to specify information from SyteLine that should be updated in the external financial system. They start with a set of tags similar to the following: `<IDORequest>`
  `<RequestHeader Type="UpdateCollection">`

```
<RequestData>
 <UpdateCollection Name="EXTFIN.xml_doc_name.table">
```

For example: `<UpdateCollection Name="EXTFIN.ExtFinLedgerPosting.ledger">`

The external financial system is expected to respond to "update collection" requests by updating the data in the external financial application.

- The **EXTFIN XML "load collection"**documents are used to request information from the external financial system that needs to be updated in SyteLine. They start with a set of tags similar to the following:

```
<IDORequest>
 <RequestHeader Type="LoadCollection">
  <RequestData>
   <LoadCollection Name="EXTFIN.xml_doc_name.table">
```

For example: `<LoadCollection Name="EXTFIN.ExtFinRequestChart.chart">`

The exception is the **Customer Posted Balance** request, which uses an "invoke method" request:

`<Invoke="EXTFIN.ExtFinRequestCustomerPostedBalance">`

The external financial application is expected to respond to "load collection" and "invoke method" requests by returning to SyteLine an "update collection" response that includes the requested data.

For more information, see Example: Requesting Data from an External Financial Application.

- The **EXTFIN Customer** and **EXTFIN Vendor** XML documents contain a tag similar to the following:

`<UpdateCollectionName="Table!replication_category_to_object_name">`

For example: `<UpdateCollectionName="Table!Customer">`

The external financial system is expected to respond to these "update collection" requests by updating the data in the external financial application.

Your external financial system should use the information in these tags to determine how to process and map the data in each XML document. The import process on the external system must also handle the batch_seq information in the XML document.

For information about the syntax and tags used in the XML documents, see the document *Integrating IDOs with External Applications*, especially the chapter on XML IDO request and response documents.

Samples of the outbound XML documents that may be generated from SyteLine are available in ZIP files from our support site.

Setting Up an Incoming Financial Interface (External System to SyteLine)

To set up an interface that updates the SyteLine database with financial data from the external system, create XML documents that access the SyteLine IDO collections. The process and syntax of

using XML documents for data transfer to SyteLine is described in the document *Integrating IDOs with External Applications* available from our support site.

Then set up your external system to post the XML documents to the SyteLine mailbox, using the HTTP POST protocol.

The SyteLine **External Financial Interface Data Request Utility** can be set up to request updates to specific SyteLine database tables from the external financial application. Depending on your external financial application's requirements, you may be able to use this utility as a starting point for setting up your application. For more information, see Updating SyteLine Data from Data in an External Financial Application.

NOTE: For Infor Global Financials (IGF) integration, only **Chart of Accounts**, **Currency Codes**, and **Currency Rates** can be selected on the Table tab. All fields are available for use on the Customer Posted Balance tab. The IGF integration uses direct data access with this utility to retrieve data for SyteLine.

Updating SyteLine Data from Data in an External Financial Application

NOTES:

- This utility is not used when running the SyteLine Enterprise Financials package that works with Infor SunSystems.
- For Infor Global Financials (IGF) integration, only **Chart of Accounts**, **Currency Codes**, and **Currency Rates** can be selected on the Table tab. All fields are available for use on the Customer Posted Balance tab. The IGF integration uses direct data access with this utility to retrieve data for SyteLine.

The **External Financial Interface Data Request Utility** can be set up to request updates to specific SyteLine database tables from the external financial application. This utility works as follows:

1. When the utility's **Process** button is clicked, the system submits background tasks to TaskMan. The number of tasks submitted is dependent upon the number of check boxes selected.
2. When the task is processed, it constructs an XML LoadCollection request (or XML Invoke method request for the **Customer Posted Balance** check box).
3. The XML request is submitted to the replication tables to be picked up by the Infor Framework Replicator service and placed within the appropriate queue (in this case, the Outbound Queue), based upon the Replication Rules.
4. The Replication Listener then posts it to the designated URL for the external financial application.
5. The external financial system translates the XML into a request that its financial application can understand. The application responds to the request by returning a set of updated data.

   NOTE: This step and the following step are not part of the SyteLine system and must be set up according to the needs of the external financial system.

6 The external financial system translates the set of data into an XML "load collection" request and places the request in the system mailbox.

7 SyteLine picks up the XML request and processes it, validating the request and updating the proper table.

For more information, see Example: Requesting Data from an External Financial Application.

Financial Statements

Financial Statement Setup

You can define your own financial statements that best suit your reporting needs. To specify the content and format of a statement, use the **Financial Statement Definition** form, along with the **Financial Statement Definition Columns form** and the **Financial Statement Line Definition** form.

NOTE: You can now use Microsoft Excel to retrieve and format SyteLine GL data. You can create a fully interactive and data-bound workbook to produce various reports such as Balance Sheet, Profit/Loss Statement, chart, and dashboard or pivot table without requiring any development knowledge or knowing the complexity of data access. For information on how to install and use this addition to Microsoft Excel, see the *Infor SyteLine Microsoft Ofice Integration Guide*.

Designing Your Financial Statement

Financial statement design consists of two major sections:

- Report Columns
- Report Totals

To design the statements, you use four major functions:

- Copying sections of reports
- Resequencing lines
- Automatically generating accounts
- Automatically setting ratio and subtotal levels

You must enter information for the report, such as:

- Headers and titles
- The columns in which to calculate and/or print amounts
- The account numbers for which amounts will be printed
- Descriptive text

You also must decide:

- Whether to print ratios, and if so, where
- When to print totals

It is best to lay out the reports on paper before attempting to define them. Remember to leave enough room to print all the desired amount and ratio columns, because the system does not perform this task automatically.

Creating Your Financial Statement

To create the financial statement:

1. Find one of the demo reports (.RDL) provided with SyteLine that is most like your current financial statement.
2. Make a copy of the .RDL with a new name.
3. In Visual Studio 2008, modify the new report as needed.

   NOTE: The financial statement templates included with SyteLine include several suppressed fields and objects. Ensure that the data you wish to display is unsuppressed. For more information about suppression, see the Visual Studio 2008 online Help.
4. In SyteLine, add a **Background Task Definition** to point to this new .RDL.
5. Open the **Financial Statement Definition** form.
6. Specify information in these required fields:
   - **Report ID** - Enter a unique name for your report. This value can be up to 10 characters.
   - **Analytical** - Select this field if this report should be pulled from a separate analytical ledger.
   - **Task Name** - Fill in the task name of the background task you defined in Step 4, above.
7. Click the **Columns** button.
8. Complete the header definition on the **Financial Statement Definition Columns** form.
9. After you have defined the header and columns, save and return to the **Financial Statement Definition** form.
10. To open the Financial Statement Line Definition form, click Lines.
11. Define the statement lines.
12. After you have defined a statement, you can print it by specifying the **Report ID** in the **Financial Statement Output** form.

About Dates in Financial Statements

The period start date and period end date used when printing the Financial Statement are determined in the following way:

If	Then
The report column definition has a date,	That date is used.
The Year Start in the column definition is blank,	The dates from the Financial Statement Output form are used.

The period on the column definition is greater than zero,	The dates for the period from the Account Period for the Fiscal Year corresponding to the column's Year Start are used.
The period on the Financial Statement Output form is greater than zero,	The dates for the period from the Account Period for the Fiscal Year corresponding the column's Year Start are used.
The Financial Statement Output form has a date,	That date is used.

Creating Financial Statements with Statistical Information

You can use statistical accounts in financial statements to compare important non-financial data to related financial data for measuring such things as productivity and controlling costs. Some examples of analytical measures that can be used are as follows:

Statistical	Measured Against	To Compute Ratios Of
# of lbs shipped	Expenses	Expenses to lbs.
# of units shipped	Expenses	Expenses to units
# of shipments	Freight Expense	Freight to shipments
# of employees	Revenue	Revenue to employees
# of customers	Revenue	Revenue to customers

1. Define your financial statement(s) layout using the **Financial Statement Definition** form.
2. Identify the statistical accounts to display on the financial report.
3. Select and print the desired financial report.

Creating Statistical Accounts

You can use statistical accounts in financial statements to compare important non-financial data to related financial data for measuring such things as productivity and controlling costs. Some examples of analytical measures that can be used are as follows:

Statistical	Measured Against	To Compute Ratios Of
# of lbs shipped	Expenses	Expenses to lbs.
# of units shipped	Expenses	Expenses to units
# of shipments	Freight Expense	Freight to shipments
# of employees	Revenue	Revenue to employees
# of customers	Revenue	Revenue to customers

The following are the steps you must perform to use statistical accounts:

1. Enter a statistical account on the **Chart of Accounts** form.
2. Enter statistical information on the **Chart of Accounts - Budget and Plan** form. This information should record the amount of change during the current period.
3. After you have set up your statistical accounts and entered information on the **Chart of Accounts - Budget and Plan** form, you can then use these accounts to create financial statement ratios to view this statistical information.

Gathering Statistical Information

You can use statistical accounts in financial statements to compare important non-financial data to related financial data for measuring such things as productivity and controlling costs. Some examples of analytical measures that can be used are as follows:

Statistical	Measured Against	To Compute Ratios Of
# of lbs. shipped	Expenses	Expenses to lbs.
# of units shipped	Expenses	Expenses to units
# of shipments	Freight Expense	Freight to shipments
# of employees	Revenue	Revenue to employees
# of customers	Revenue	Revenue to customers

The steps below illustrate how to gather statistical information and use it in statistical accounts. For purposes of illustration, the example assumes that you want to track shipping expenses per unit.

However, the same steps and principles could be used for any non-financial information that you wish to have available for use with financial data when preparing financial statements.

1 Set up a shipping Expense type account (example-50000) on the **Chart of Accounts** form.

2 Set up a shipping Statistical type account (example-90000) on the **Chart of Accounts** form.

3 Through shipping transactions, your expense account (50000) balance is $1000.00.

4 Create an entry on the **Chart of Accounts - Budget and Plan** form for account number 90000 of 50.

NOTE: You can enter numbers into any of the available columns. Each column serves a different purpose. For example, you can run financial statements by budget or by planned figures. If you look at the Budget vs. Actual Financial Statement that is provided as part of the demo data, you can see how the Actual column numbers are used.

5 Create financial statement lines using the above mentioned accounts. Enter the following:

- For the first sequence line, enter **90000** as the account and enter **1** for the first position of the **Ratio Position** field.
- For the second sequence line, enter **50000** as the account and enter **1** for the second position of the **Ratio Position** field.

Your output on the financial statement report would display as follows:

Account	$	%
50000 - Shipping Expense	1000.00	2000.00
90000 - Qty Shipped	50.00;	100.00;

The following defines the above calculations:

1000.00/50.00 = $20.00 per item

Printing a Financial Statement

NOTE: Before you can print a financial statement, you must have first set up it up and defined its columns and lines. For more information, see the Financial Statement Setup Help topic.

1 Open the Financial Statement Output form.

2 Perform one of the following actions:

- To produce a single report, in the **Report ID** field, select the ID of the report you want to print.
- To produce a group of reports, select **Actions > Get Group**, select the group number of the reports, and select **OK**.

The system updates the **Financial Statement Output** form with all the reports in that group, and you can define each one's output parameters.

3 Select the check box for each type of detail you want to include in the financial statement.

4 In the **Report Type** drop-down list, select the type of report you want to run.

5 In the **Currency** drop-down list, select the currency to use. By default, the system produces the report in your domestic currency, but you can change it to a different currency.

6 In the **Current Date** field, select the effective date for the report. By default, the system uses the current system date, but you can change it to a different date.

7 In the **Site Group** field, select the site you want to produce the report for, or, to produce the report for all sites, select **All**.

8 From the **Line Summary Level** drop-down list, select the desired level of output detail for the report:

- **Direct Reports** - Displays one line for each account and for each site. If the direct report is an entity, it reports to the current entity and then summarizes all sites for that entity into a single line.
- **Site** - Displays one line for each account and for each site.
- **Summary** - Displays and summarizes all sites into a single line for each account. Your selection in the **Site Group** field determines which sites to include. If this is an entity, the report displays all sites that report to the entity.

9 You can overwrite the following report definition settings for the purpose of this print run:

- Year Start
- Period
- Period Start and Period End
- From Unit Code 1-4 and To Unit Code 1-4
- Sort Order

10 Select **Print**.

Troubleshooting Financial Statements

You may encounter the following problems with financial statements.

Net Income Not Correct

Net Income appears on both the Balance Sheet and Income Statement. Make sure you know which report the user is looking at.

- Net Income is not calculated in the same way on both statements. Net Income on the Income Statement is a subtotal of all accounts on the Income Statement. Net Income on the Balance Sheet is calculated by taking the difference between the total activity of all Revenue and

Expense accounts between the fiscal year start date and the period end date (when the range is "B").

- Check to make sure all the Revenue and Expense accounts defined in the Chart of Accounts are on the Income Statement. If there was a revenue and expense account that had activity that was not on the Income Statement, its value would not be included in the Income Statement net income, but would be in the Balance Sheet net income figure.
- Net Income will also be off if there was a balance in a revenue and expense account from prior years. Run the **Trial Balance Report** for each prior year using the year-end date as the As of Date. If there is a balance found, the year-end procedure for G/L will have to be rerun for the year the balance(s) is in.

Retained Earnings Not Correct

- Find out when the last year-end closing occurred.
- Verify the account the user is speaking about is defined as type "Owner's Equity" in the Chart of Accounts.
- Verify the account used as the Income Summary account in the latest year-end closing is one of these type "Owner's Equity" accounts on the statement.
- Verify the latest year-end closing left all revenue and expense accounts with a zero balance by running the Trial Balance Report using the As of Date as the last date of the most recent year closed. If the balances are not zero, run the Trial Balance Report for the prior year-end dates for all revenue and expense accounts to see at the end of what year are the revenue and expense accounts balances area zero. Perform a year-end closing for all years necessary.
- When a year-end closing procedure is run, the entries that are generated will be put in the General journal with a transaction date of the fiscal year end date. The reference on the entries for revenue and expense accounts will be Income Summary and the one account specified as the "Income Summary" account (usually retained earnings) will have a reference of Year Closing. General ledger reports will include entries with these references. Financial Statements only ignore Income Summary entries. The reason for this is to make it possible to run statements for a year after the year-end closing procedure has been performed and to roll the year's net income into retained earnings.
- If a prior year statement shows the net income amount in both retained earnings and net income, on the **Financial Statement Definition Columns** form, the Amount Type field needs to be set to Start Bal on the sequence report line for the retained earnings account. This way, it prints the start balance for the retained earnings for the year and shows the net income only on the net income line.

Statements are Not Picking Up Correct Amounts

- Find out what kind of statement the user is working with.
- Verify the date ranges they are using and where they are controlling that from. The date entered on the **Financial Statement Output** form does not override the dates on the financial statement header. If they have entered dates on the header and now want them blank, have them clear the date fields.

- Verify the information on the statements header, type and most importantly the range. Make sure the type will give them the type of statement they are looking for. Since a Balance Sheet contains asset, liabilities, and owner's equity accounts, the range should usually be S or B. Income Statements contain revenue and expense accounts and should be a range of P or Y.
- Check the information on the financial statements against the general ledger reports. Here are some guidelines:
  - If a balance sheet is out of balance, then generate the Trial Balance Report for all accounts to see if the entire ledger is out of balance. If not, then compare the balances on this report with what is on the Balance Sheet. If there are differences, run the **Rebalance Ledger Period Totals** utility for those accounts. If the ledger is out of balance, run the Rebalance Ledger Period Totals then re-run the Trial Balance Report. If the ledger is still out of balance, contact Application Support for additional assistance.
  - If income statement balances are wrong, then run the **General Ledger** for all Revenue and Expense accounts. Compare the period totals on that report with the totals on the Income Statement. If there are differences, run the Rebalance Ledger Period Totals utility for those accounts.
  - If it seems like accounts are missing on any report, go into sequence report lines then run the **Financial Report Account Check** activity. This activity checks which accounts in the Chart of Accounts are missing from the statement. Those accounts will then need to be added into the statement.

Fixed Assets

Fixed Assets Overview

What Are Fixed Assets?

Fixed assets are items a company owns and uses in its operation. Fixed assets do not include assets used for resale purposes, such as inventory, and those held on a temporary or short-term basis. Examples of fixed assets include:

- Equipment
- Furniture and fixtures
- Buildings
- Leasehold improvements

What Is Depreciation?

You do not usually expense fixed assets during the year you acquire them. Rather, you record their value as an asset on the balance sheet and depreciate the value over their useful life.

Fixed assets can accommodate many types of depreciation methods. SyteLine provides seven predefined depreciation methods and allows you to add additional, custom depreciation methods. You can also maintain up to four separate depreciation schedules for each fixed asset. This feature allows you to maintain both your book and tax records on one system.

Several factors influence the method selected for calculating fixed asset depreciation:

- The expected useful life of the asset
- The expected salvage value at the end of its useful life
- Its original cost

After the system calculates depreciation for a particular accounting period, it records the depreciation onto the General Ledger as a debit to the depreciation expense and as a credit to the accumulated depreciation.

Fixed Assets and the General Ledger

Fixed Assets operate with the General Ledger in the following ways:

- During Fixed Assets Disposal, the system credits the asset account and debits the Accumulated Depreciation account. (You enter any remaining distributions manually.)
- During Fixed Assets Transfer, when transferring from one Class Code to another, the system transfers the asset from the old asset account (and its accumulated depreciation account) to the new asset account and its accumulated depreciation account.
- During depreciation posting (for the BOOK schedule only), the system posts to the Depreciation Expense account and to the Accumulated Depreciation account.
- When you enter a Fixed Assets purchase, you must enter an acquisition transaction into the General Ledger to debit the Asset account and credit the Cash account.
- Fixed Asset records are created when the Fixed Asset Number is assigned on the Purchase Order Line.
- Any line received with a Fixed Asset number updates the Fixed Asset Acquired date.

Fixed Assets Steps

Fixed assets are items a company owns that could not be easily sold (in contrast to liquid assets). Because fixed assets are long-term investments, special accounting rules and some governmental regulations allow you to treat expenses for fixed assets differently. Therefore, you can use calculations for depreciation or, in other words, measures of the amount of value used up within specific accounting periods.

To set up fixed assets for SyteLine, perform the following procedure. You must perform these steps before performing any routine procedures.

1 Create General Ledger Accounts

2 Create Class Codes

3 Create Depreciation Tables

4 Create Bonus Depreciation Codes

5 Create Fixed Assets File

- Create a Fixed Asset Record
- Create Fixed Asset Costs
- Generate a Depreciation Schedule

6 Post Depreciation

7 Transfer Assets

8 Dispose of an Asset

About Depreciation

The traditional approach to depreciation is based upon the fact that when a taxpayer buys a business or an investment-related asset that wears out, he or she can spread the costs over the period of the asset's useful life rather than entirely at the point at which the cost was incurred.

Depreciation Rules Prior to ERTA

Prior to ERTA (1981), the depreciation rules allocated the cost of an asset that has a limited life over appropriate accounting periods in order to determine the taxable income during each of these periods. In theory, the depreciation deduction equaled the amount of the asset that was "used up" during the annual period. This depreciation deduction permitted the taxpayer to recoup annually a portion of the cost of these depreciable assets.

The factors that influenced the depreciation amount were the estimated useful life of the asset and the method of depreciation used. This depreciation system was based upon the assumption (sometimes fictional) that the asset would be economically productive only for a reasonable period of time and at the end of that time there would be a small "salvage value."

Estimation of an asset's useful life was based upon the particular facts and circumstances of the anticipated use. This estimation created numerous controversies and administrative problems. Taxpayers generally wanted the shortest possible useful life in order to increase deductions against ordinary income. However, the tax service often felt that the "useful life" was much greater than that estimated by the taxpayers.

Over the years, the IRS prepared and disseminated various guidelines to estimate useful lives. The Asset Depreciation Range System (ADRS) presented guidelines for the depreciable lives of specified classes of assets grouped by industrial classifications and by certain broad general asset classifications.

A taxpayer electing to use the ADRS system could rely on the lives set forth therein as being safe from challenge by the IRS. With regard to assets not covered by ADRS, the depreciation period (useful life) was based upon actual facts and circumstances of each asset. However, this was subject to attack by Internal Revenue in each specificcase.

Depreciation methods were generally grouped into two categories:

- **Straight Line**: The taxpayer's depreciation deductions are spaced equally over an asset's useful life.
- **Accelerated Depreciation Method**: Includes Declining Balance Method, Double Declining Balance Method, Sum Of The year's digits, ACRS, MACRS, and other sophisticated methods.

The purpose of providing for Accelerated Depreciation was twofold: 1) to stimulate capital investment, and 2) to encourage risk-taking investment. The accelerated methods permitted taxpayers to allot larger depreciation deductions to the earlier years of an asset's life and smaller deductions to later years.

The purpose of accelerating deductions in early years is to allow the taxpayer to pay less in taxes during the earlier years of an asset's useful life. The taxpayer thereby gains the benefit of deferring his or her tax obligation to a later time. The taxpayer will be able to earn money on the amounts which would otherwise have paid taxes in the early years of the asset depreciation schedule.

Accelerated Cost Recovery Systems

In general, the Accelerated Cost Recovery Systems established by ERTA provided for an accelerated recovery of the cost of tangible, depreciable property used in a trade or business or held for the production of income and placed in service after 1980, but prior to 1987. The cost is recovered over a period of 3, 5, 10 and 15 years. ACRS defined easily identifiable classes of assets and prescribed standard cost recovery periods for these classes. It divorced the capital recovery period from the concept of "useful life." After ACRS, the terms Asset Depreciation Range and "useful life" generally no longer apply.

For personal property, taxpayers have the option to use the Straight Line method over the regular recovery. For real property taxpayers have the option to use the Straight Line method over the recovery methods described in Code Sections 167 and 168.

Modified ACRS (MACRS) was introduced in 1986 and provides recovery periods of 3--5--7--10--15--17.5--20 and 31.5 years. Basically, MACRS took away some of the advantages to the taxpayer included in the more rapid ACRS recovery. Technically, ACRS and MACRS are not depreciation methods because they are not based upon a "useful life" of property. The deduction is based upon an allowed method of cost recovery to the taxpayer. However, they are nevertheless referred to as depreciation methods.

ACRS was designed to spur capital investment and to help businesses to recover their costs faster and thereby keep pace with the rate of inflation which was excessive in 1980 and previous years. This system was also designed to reduce disputes between taxpayers and the IRS over the useful life of assets. MACRS was a step backward from the standpoint of taxpayers. However, it appears preferable to the systems of recovery in use prior to 1980.

As property is depreciated and tax deductions permitted during the depreciation, the basis of the property being depreciated changes. Upon a sale or other disposition of the property, the amount of gain for which the taxpayer is taxed is the excess of the amount realized upon transfer over the adjusted basis of the property disposed of whether by sales, exchanges, or involuntary conversions.

Deductions are allowed only for business property or property held for the purpose of producing income. Such property does not include inventory nor unimproved real estate.

Goodwill cannot be depreciated, because no useful life can be attributed to it. Therefore, in business transactions, what would be classified as goodwill is often treated as a covenant by the Seller not to compete. Covenants not to compete can be depreciated on a Straight Line basis over the term of the covenant.

Remember that without depreciation you would, for example, pay $1,000 for a piece of machinery and not have any tax break whatsoever. If you held the property for five years and sold it for $800, there would be no tax. If you sold it for $1,200, there would be a tax on the $200 gain. Depreciation allows you a tax advantage in the years of depreciation, however, if you later sell or dispose of the property, this tax advantage is recaptured as taxable income. For example, if the $1,000 piece of machinery is depreciated under MACRS for three years, there would be an adjustment to basis for the amount allowed during each of those years as a deduction. Assuming the property is in the five year class, the MACRS deductions would be $200 for the first year, $320 for the second year, and $192 for the third year. The adjusted basis after the three years would be $288. If, at the end of the three years, the taxpayer sold the item of equipment for $900, he would have a taxable gain on the difference between the depreciated basis and the sale price.

Obviously, if the taxpayer is in a high tax bracket, he will derive greatest benefit by using the most rapid recovery method possible. If, on the other hand, the taxpayer's marginal tax rate is low, the election of a Straight Line method of depreciation and an extended recovery period could prove more advantageous, particularly if income is expected to increase in later years.

The Treasury Department is constantly changing regulations relative to depreciation either to spur the economy or increase revenue.

Depreciation Calculations

Salvage Value

If you enter a salvage value on the **Fixed Asset Depreciation** form, all depreciation schedules (columns) for that asset will use that value. This occurs when the system determines the amount of depreciation necessary to reduce the carrying value of the asset to the estimated residual value (salvage value) during the last year of its useful life.

After each depreciation method, the following equation occurs:

If c-amt > t-amt - s-amt - d-amt

Then c-amt = t-amt - s-amt - d-amt

where:

c-amt = Current depreciation

t-amt = Total value of the asset

s-amt = Salvage value

d-amt = Accumulated depreciation + bonus depreciation

The methods are correct, but you should have the option not to calculate salvage value into all of the schedules for each asset.

Salvage Value - Bonus Depreciation

For Fixed Asset Depreciation Table methods, if you are considering salvage value, you must enter it in the **Bonus Depr** field of the depreciation schedule (column) using that method. You only use the amount in the **Salvage Value** field for calculating the depreciation amount during the last year of the asset's useful life.

The equation is:

c-amt = (t-amt - facepr.bonus-depr-$)*fadeptab.percent-yr[k]*.01

where:

c-amt = Current depreciation

t-amt = Total value of the asset

fadepr.bonus-depr-$ = Bonus depreciation amount

fadeptab.percent-yr[k] = The percent of the asset value to be depreciated in year 'k'

This equation had contained salvage value instead of bonus depreciation amount, but was changed to use bonus depreciation correctly and to allow the user the option to include or exclude salvage value on a particular schedule.

Bonus Depreciation

To use bonus depreciation correctly, you must use a Depreciation Table method. Most methods do not consider bonus depreciation until the equation:

If c-amt > t-amt - s-amt - d-amt

Then c-amt = t-amt - s-amt - d-amt

where:

c-amt = Current depreciation

t-amt = Total value of the asset

s-amt = Salvage value

d-amt = Accumulated depreciation + bonus depreciation

You must subtract bonus depreciation from the total value of the asset before calculating the current depreciation amount. As in this equation:

c-amt = (t-amt - fadepr.bonus-depr-$) * fadeptab.percent-yr[k] * .01.

where:

c-amt = Current depreciation

t-amt = Total value of the asset

fadepr.bonus-depr-$ = Bonus depreciation amount

fadeptab.percent-yr[k] = The percent of the asset value to be depreciated in year 'k'

Another problem for bonus depreciation is the equation:

If c-amt > t-amt - s-amt - d-amt

Then c-amt = t-amt - s-amt - d-amt

where:

c-amt = Current depreciation

t-amt = Total value of the asset

s-amt = Salvage value

d-amt = Accumulated depreciation + bonus depreciation

By having d-amt = accumulated depreciation plus bonus depreciation, this equation assumes that you have not incorporated the bonus depreciation into the accumulated depreciation amount.

To solve the above problems:

1 Add a field to each depreciation schedule (column) for salvage value.

2 For each depreciation method, include the following statement in the equation:

(t-amt - fadepr.xxx - fadepr.bonus-depr-$)

where:

t-amt = Total value of the asset

fadepr.xxx = The salvage value for a specific schedule

fadepr.bonus-depr-$ = The bonus depreciation for a specific schedule

- Remove bonus depreciation from the following:

d-amt = accumulated depreciation and bonus depreciation.

Sum of the Year's Digits

When using the Sum-of-the-Year's Digits depreciation method, the system uses the following equation:

c-amt = (t-amt - s-amt) * k / sum-of-yrs.

where:

c-amt = Current depreciation

t-amt = Total value of the asset

s-amt = Salvage value

sum-of-yrs = Sum of the year's digits

k = The current year's digit

SYD is not supposed to consider salvage value until the following equation:

If c-amt > t-amt - s-amt - d-amt

Then c-amt = t-amt - s-amt - d-amt

where:

c-amt = Current depreciation

t-amt = Total value of the asset

s-amt = Salvage value

d-amt = Accumulated depreciation + bonus depreciation

Period Basis Using Declining Balance

When depreciating on a period basis using the Declining Balance methods, the system uses the following equation:

c-amt = (t-amt - d-amt) * p-amt * (1 / (t-units / perds)) / perds

where:

c-amt = Current depreciation

t-amt = Total value of the asset

d-amt = Accumulated depreciation + bonus depreciation

p-amt = Percent amount (calculated)

t-units = Total life units

perds = Number of accounting periods

The depreciation amount for each period of a given year will not be equal.

Partial Depreciation

You can also schedule a partial year depreciation when an asset is placed in service at some time during the calendar or fiscal year. For more information, see About Partial Depreciation.

About Partial Depreciation

SyteLine provides seven standard and user-defined depreciation methods. The user-defined methods have different depreciation rates based on year. For example, if Number of Periods is set to 12 for a year and it has 36 units to depreciate, the custom rate is:

Year	Rate %
1	30
2	50
3	20

The asset detail is:

Asset Name	AS_1
Start to Depr Date	Apr 2012
Cost	7200
# Units to Depr	36 (12 Periods * 3 Years)

It will depreciate for twelve periods for a single year from the start date.

Date	Units to depreciate	Rate %	Period Depreciation
04/2012 - 03/2013	12	30	180 = 7200 * 30% / 12
04/2013 - 03/2014	12	50	300 = 7200 * 50% / 12
04/2014 - 03/2015	12	20	120 = 7200 * 20% / 12

For partial depreciation, when an asset is placed in service at some time in the year, part of the full-year depreciation is required in the first year, while the remaining balance is deducted in the final year of the depreciation. The year for partial has three types:

1. **Calendar Year**: Period from January 1 to December 31. It depreciates starting on the date it is placed in service to December 31.
2. **Fiscal Year**: Period used for calculating annual financial statements in businesses. It depreciates from the date is placed in service date to the end of the fiscal year. The US fiscal year is October 1 to September 30.
3. **None**: No partial depreciation is taken.

For example, below is a three year property partial depreciation rate:

Year	Rate %
1	30
2	40
3	20
4	10

For the calendar year, depreciation rates would be as follows:

Date	Units to depreciate	Rate %	Period Depreciation
04/2012 - 12/2012	9	30	240 = 7200 * 30% / 9
01/2013 - 12/2013	12	40	240 = 7200 * 40% / 12
01/2014 - 12/2014	12	20	120 = 7200 *20% / 12

01/2015 - 03/2015	3	10	240 = 7200 * 10% / 3

For the fiscal year, depreciation would be as follows:

Date	Units to depreciate	Rate %	Period Depreciation
04/2012 - 09/2012	6	30	360 = 7200 * 30% / 6
10/2012 - 09/2013	12	40	240 = 7200 * 40% / 12
10/2013 - 09/2014	12	20	120 = 7200 * 20% / 12
10/2015 - 03/2016	6	10	120 = 7200 * 10% / 6

Follow the steps in Generating a Depreciation Schedule to set up a fixed asset depreciation.

Additional Notes

Using Dates in the Past

You can specify any date as the date to start depreciation. If you specify a date in the past, depreciation will start from that month.

For posting to Fiscal Periods, you can specify a transaction date when posting. This date is used to determine Fiscal Periods. If you specify a date in the past, depreciation is calculated for all previous months.

Using a Date in the Middle of the Month

If you start depreciation in the middle of the month, depreciation will start from the first of that month. There is no partial month depreciation.

Creating a Fixed Assets Master File

The Fixed Assets file contains all identifying and descriptive information unique to an asset.

To create a Fixed Assets file:

1. Create a fixed asset record using the **Fixed Assets** form.
2. Create and maintain asset costs using the **Fixed Asset Costs** form.
3. Establish an asset depreciation method for each depreciation schedule on the **Fixed Asset Depreciation** form.

See Generating a Depreciation Schedule for the steps to set up a depreciation schedule.

Creating Fixed Assets General Ledger Accounts

Enter new Fixed Assets General Ledger accounts using the **Chart of Accounts** form.

These accounts should include all asset accounts, all accumulated depreciation accounts, and all expense accounts.

Posting Depreciation to the General Ledger

1. When you open the Fixed Asset Depreciation Posting form, the grid displays the assets that contain errors that will prevent them from posting. You should correct these errors before proceeding. Assets appear in the error grid when either of these conditions is true:
   - There is no depreciation record for the asset (you must create the depreciation record on the Fixed Asset Depreciation form).
   - The # Units to Depr value is greater than or equal to the Units Depreciated value AND the Curr Period Depr value is 0 (these values are all defined on the Fixed Asset Depreciation form).
2. Click the **Process** button. The message "F/A Depreciation(s) will be printed before posting" displays.
3. Click **OK**. The Fixed Asset Current Depreciation Report (Modal) form displays.
4. Click the **Print** button. The report prints to the printer you specified on the Report Options form. Use this report to verify that the depreciation information is correct prior to posting.
5. After you verify the information is correct, click the **X** button in the top-right corner of the report window to close the report form. The message "Do you want to return an OK response to form Fixed Asset Depreciation Posting?" displays.
6. Click **Yes**. The message "[Fixed Asset Depreciation Posting] will be performed" displays.
7. Click **OK**. The message "x F/A Depreciation(s) were posted" displays." This message also alerts you about the number of assets that did not post because of errors.

NOTE: Depreciation Schedules are user-defined in the **Fixed Asset Parameters** form. You can have up to four different ways of depreciating an asset, one for each of the defined schedules.

Generating a Depreciation Schedule

The third step in creating a Fixed Asset file is to generate a depreciation schedule. To generate a depreciation schedule:

1. On the **Fixed Assets** form, specify the **Useful Life** and **Date to Start Depreciation** for the asset.
2. Open the **Fixed Asset Depreciation** form.
3. Select **Actions > New**.
4. In the **Asset Number** field, select an asset.
5. The **Class Code** field is read-only and shows the class code for the asset.
6. Select the Depreciation Code:
   - BOOK
   - TAX01
   - TAX02
   - VALUE
7. In the **Depr Method** field, select the desired method of depreciation:
   - **sl** = Straight line
   - **syd** = Sum-of-the-years' digits
   - **usage** = Production or use method
   - **125db** = 125% declining balance
   - **150db** = 150% declining balance
   - **175db** = 175% declining balance
   - **200db** = Double declining balance

   For details about calculations performed for these depreciation methods, see About Depreciation.

   NOTE: To use a custom depreciation method that you defined, you must first define it using the **Fixed Asset Depreciation Tables** form.
8. In the **Depr Frequency** field, select the frequency for calculating depreciation (**Year** or **Period**).

   The system depreciates the asset when the **Generate Depreciation** activity is finished. There is no special setting for depreciating an asset for part of a year or part of a month.

   For example, if an asset was purchased in July, and you want to accumulate 1/2 year of depreciation, run the **Generate Depreciation** utility for the months of July through December, assuming periods equal calendar months. The number of times the utility has been run is the number of months the asset is depreciated.
9. To switch to the straight-line method, when the straight-line method results in a greater depreciation deduction than the user-defined or declining balance methods, select the **Auto Crossover** check box.

   During depreciation generation, if a switch to the straight-line method has occurred, the **Auto Crossover** field is selected.
10. Enter appropriate information in the optional fields as desired, or accept the default values and settings.

- **Bonus Depr** - Select for additional, special expensing, or depreciation of an asset less the depreciable basis. You must enter it manually and post it to the General Ledger.
- **Bonus Depr Code**- Enter the code that explains the bonus you chose in **Bonus Depr** field.

  NOTE: For additional, special expensing or depreciation of an asset during its first year, enter both the **Bonus Depr** and **Bonus Depr Code**.
- # **Units to Depr** - Enter the number of units to depreciate. You can enter this field in two ways:
  - For assets that use the usage depreciation method, enter the number of units in the asset's life.
  - For assets that do not use the usage depreciation method and use a depreciation frequency of **Period**, enter the number of accounting periods over which to depreciate the asset.
  - This field is linked to the **Useful Life** field on the **Fixed Assets** form.

  NOTE: The system calculates the default amount by accessing the useful life and the number of accounting periods from the General Ledger. This value does not decrease.

  NOTE: If you are assigned a Thailand Localization license, the number of units to depreciate is incremented by one when the depreciation method is not USAGE and the acquisition date falls between the start and end of the specified accounting period. For example, if the depreciation frequency is set to Period (usually 12 in one year) and the acquisition date is 10-Jan-2013, then for a "Useful Life" of 5 years the number of units to depreciate is about 61 (12*5 + 1) instead of 60 (12*5). Similarly, if the acquisition date is specified to the beginning of the month (1-Jan-2013) then the number of units to depreciate is 60 (12*5).
- **Units Depreciated** - Enter the number of units that have already depreciated. This number cannot exceed the number of units to be depreciated.
- **Accum Depr** - This field displays the accumulated amount of depreciation for this asset.

NOTE: You must include the bonus amount in the **Accum Depr** and **YTD Depreciation** fields before generating depreciation. You must post the bonus amount manually to the General Ledger.

- **YTD Depreciation** - This field displays the amount of depreciation year-to-date.
- **Curr Period Depr** - Enter the asset's depreciation amount for the current accounting period. It is calculated when depreciation is generated. If this value is **0**, the asset will not post.

  This field is linked to the **Date to Start Depreciation** field on the **Fixed Assets** form.
- **Last Post Date** - This field displays the last date depreciation was posted for an asset.

NOTE: If you want a salvage value, enter the estimated value of an asset at the end of its useful life. The system does not depreciate an asset below its salvage value.

11 Select **Actions > Save**.

Journals

About Journal Entries

Entering Journal Transactions

Two or more transactions are typically entered to create a balanced entry, with one transaction entered as a debit (such as receiving a cash payment), and the second entered as a credit (such as recording miscellaneous income). The sum of the debit transactions equals the sum of the credit transactions. If each group of transactions is assigned the same reference, it is easily recognizable later that these transactions were entered at the same time.

Transactions must be entered into the journal as the first step in changing an account's balance. The next step is to post the journal to the ledger, at which time the account balances are updated. After a transaction has been posted to the ledger, you cannot change it. The only way to correct an incorrect entry is by entering a reversing entry.

You cannot directly delete a ledger transaction; however, you can enter a journal transaction for an opposite amount (and the same date as the original transaction), and then post that transaction to the ledger to cancel out the previous transaction.

System Journals

SyteLine initially creates the following system journals, which you cannot delete:

- **AP Dist** - Accounts Payable Ledger Distribution
- **AR Dist** - Accounts Receivable Ledger Distribution
- **BNK Dist** - Banking Distribution
- **CO Dist** - Order Entry Ledger Distribution
- **FA Dist** - Fixed Assets Ledger Distribution
- **FS Dist** - SyteLine Service Distribution
- **General** - General Journal
- **IC Distribution** - Inventory Control Ledger Distribution
- **INV Dist** - Inventory Ledger Distribution
- **Multi-Site** - Multi-Site Journal
- **PC Dist** - Project Control Ledger Distribution
- **PO Dist** - Purchasing Ledger Distribution
- **PR Dist** - Payroll Ledger Distribution

- **SF Dist** - Shop Floor Control Ledger Distribution
- **WC Dist** - Work Center Ledger Distribution

NOTES:

- The **BNK Dist** journal is created for all databases, although it is populated only by running the **Currency Revaluation** utility.
- The **INV Dist** journal is available in SyteLine only for backward compatibility, and to support any code modifications that post to the journal. This journal was replaced by the CO Distribution, IC Distribution, PO Distribution, and SF Distribution journals. Infor has no plans for future use of this journal.
- If you have deleted material transactions, any ledger or journal records that reference them will have their references cleared. If you try to view detail on a ledger or journal and the specific material transaction has been deleted, you will receive a message that the record is not available.

Read-Only Journals

Except for unit codes, the distribution journals are read-only. The General Journal and any user-defined journals are considered "writeable". Transactions for the distribution journals are entered from the appropriate SyteLine function.

EXAMPLE: After a payment is entered and posted through Accounts Payable, the transaction appears in the A/P Dist Journal. Transactions for the General Journal are entered through the General Ledger.

Functions that are performed on read-only journals:

- Enter text (to be associated with each transaction)
- Compress journal by account & date
- Post to General Ledger
- Sequence reset (resequence transaction numbers)

You can also update unit codes for a journal transaction residing in a read-only journal.

Functions that cannot be performed on read-only journals:

- Add transactions
- Delete transactions
- Update transactions
- Perform year end closing
- Update journal title

Standard Journals

A standard journal may be set up for recurring transactions (such as rent, mortgage, payroll, or loan payments). When transactions are posted from the General or standard journals, there is an option available to delete all entries in the journal.

Do not delete recurring entries in the standard journals. The transactions are needed for the next period's posting. Recurring entries are usually the only entries in user-defined journals you would not delete.

The entries in the General Journal change from period to period and need to be deleted.

Accounting References and Distribution Journal Entries

Entries for distribution journals originate in the corresponding application (such as A/R for the A/R Ledger Distribution journal, A/P for the A/P Ledger Distribution journal, and so on), as described in the following linked topics.

Accounts Payable Ledger Distribution Journal

- AP Compresses AP Journal Transactions
- APA # Adjustment Transaction and Voucher Number
- APP # Payment Transaction and Voucher Report
- APRV # Recurring Voucher Transaction and Voucher Number
- APV # Voucher Transaction and Voucher Number
- APX Multi-Currency Gain/Loss Transaction

Accounts Receivable Ledger Distribution Journal

- AR Compressed AR Journal Transactions
- ARC # Credit Memo Transaction and Invoice Number
- ARC FIN CHG Credit Memo to Finance Charge Transaction
- ARC OPEN Open Credit Memo Transaction
- ARD # Debit Memo Transaction and Invoice Number
- ARD FIN CHG Debit Memo to Finance Charge Transaction
- ARD OPEN Open Debit Memo Transaction
- ARI # Invoice Transaction and Invoice Number
- ARF # Finance Charge Transaction and Customer Number3
- ARP # Payment Transaction and Check Number
- ARPR AR Payment Reapplication
- ARX Multi-Currency Gain/Loss Transaction

Banking Distribution Journal

- REVALUATION ADJUSTMENT Multi-currency Revaluation Transaction

Field Service Ledger Distribution Journal

- ACM ACM Posting
- APV Expense Reconciliation and Partner Reimbursement Voucher
- SROINV SRO WIP Relief Due to Invoicing
- SROC SRO Credit Memo
- SROI SRO Invoicing
- SRO Labor Labor Transaction Posting
- SRO Matl Material Transaction Posting
- SRO Misc Miscellaneous Transaction Posting
- SRO CLOZ SRO Close Utility WIP Relief
- SRO OP M CL SRO Operation Manual Close WIP Relief
- SRO MANUAL CLOSE SRO Line Manual Close WIP Relief
- SRO Matl InvAdj Inventory Adjustment Due to Transaction Posting
- CONI Contract Invoice
- ARC Partner Reimbursement Credit Memo
- ARI Partner Reimbursement Invoice

Fixed Assets Ledger Distribution Journal

- FA Compressed FA Journal Transactions
- FADEP # Depreciation Transaction and Asset Number
- FADSP # Asset Disposal Transaction and Asset Number
- FAT # Asset Transfer Transaction and Asset Number

General Journal

- Income Summary GL Year End Closing Expense/Revenue Transaction
- Year Closing GL Year End Closing Income Summary Transaction
- Site Move To Change Reports To Entity beginning balance
- Site Move Away Change Reports To Entity closing balance

General Ledger

- Date Summary Compressed GL Transactions by Date
- Period Summary Compressed GL Transactions by Period
- Allocation Summary Accounts used as Allocation Type

Inventory Control Ledger Distribution Journal

- IC Compressed IC Journal Transactions
- INV ACTC Inventory Update
- INV ADJ Inventory Adjustment
- INV CC-A Cycle Count Adjustment
- INV CHGM Change Item Cost Method
- INV DMOV Multi-Site Transfer Order (when posting method is Inter-Entity)
- INV MISU Inventory Miscellaneous Issue

- INV MOVE Inventory Move
- INV MRCP Inventory Miscellaneous Receipt
- INV PI-A Physical Inventory Adjustment
- INV SADJ Stack Adjustment
- INV SMOV Multi-Site Transfer Order (when posting method is Intra-Entity)
- INV STDC Inventory Roll Current to Standard Cost
- INV TADJ Multi-Warehouse Transfer Loss
- INV TMOV Multi-Warehouse Transfer between Warehouses

Multi-Site Journal

- MSJE + site Multi-site journal transactions from Journal Builder

Order Entry Ledger Distribution Journal

- CO Compressed CO Journal Transactions
- INV CRT # Customer Order Return and Order/Line Number
- INV CSH # Customer Order Shipment and Order/Line Number

Payroll Ledger Distribution Journal

- PR Compressed PR Journal Transactions
- PR # PR Number
- PR [DIST DATE] Payroll Transaction and Date

Shop Floor Control Ledger Distribution Journal

- SF Compressed SF Journal Transactions
- INV JADJ # Job BOM Cost Roll Up and Job Order Number
- INV JBF # Job Order Back Flush and Job Order Number
- INV JCLS # Job Order Other WIP Variance and Job Order Number
- INV JFIN # Job Order Finish and Job Order Number
- INV JFMO # Job Order Fixed Material Overhead and Job Order Number
- INV JMOV # Job Order Overhead Variance and Job Order Number
- INV JMUV # Job Order Material Usage Variance and Job Order Number
- INV JOB # Job Order Other Issue and Job Order Number
- INV JOI # Job Order Material, Tool, Fixture, Issue and Job Order No.
- INV JOL # Job Order Labor and Job Order Number
- INV JRWK # Job Order Return for Rework and Job Order Number
- INV JVMO # Job Order Variable Material Overhead and Job Order No.
- INV JWIP # Job Order WIP Account Change and Job Order Number

Project Control Ledger Distribution Journal

- PRJ MTL Project Resource Transaction
- PRJ ADJ Project Adjustment Transaction

- PRJ LBR Project Labor Transaction
- JCLS PRJ Project's Job Order Other WIP Variances
- JFIN PRJ Project's Job Order Finish
- JOL PRJ Project's Job Order Labor
- JOM PRJ Project's Job Order Material
- JMUV PRJ Project's Job Order Material Usage Variances
- JFMO PRJ Project's Job Order Fixed Material Overhead Variances
- JVMO PRJ Project's Job Order Variable Material Overhead Variances

Purchasing Ledger Distribution Journal

- PO Compressed PO Journal Transactions
- INV P-CL # Purchase Order Status Change and PO/Line Number
- INV PIV # Replaces INV P-CL #
- INV PNI # Purchase Order for Non-Inventory Item and PO/Line No.
- INV PRCV # Purchase Order Receipt and PO/Line Number
- INV PRTN # Purchase Order Return and PO/Line Number

Work Center Ledger Distribution Journal

- WCM # Work Center Material
- WCL # Work Center Labor
- WCFO # Work Center Fixed Overhead
- WCVO # Work Center Variable Overhead
- WCO # Work Center Outside Labor
- WCI # Work Center Inventory
- WFIN # Work Center Finished Goods

Creating a User-Defined Journal

1. Access the **Journals** form.
2. Select **Actions > New**.
3. Enter a unique journal ID of up to 10 alphanumeric characters.
4. Enter a description of the journal. This description displays for the journal in selection lists.
5. To create a journal that will post to:
   - The Analytical Ledger, select the **Analytical Ledger** check box.
   - The General Ledger, clear the **Analytical Ledger** check box.

   NOTE: The **Analytical Ledger** check box is available only if the **Use Analytical Ledger** check box is selected on the **General Parameters** form.
6. Select **Actions > Save**.

After you have created a user-defined journal, you can enter transactions for it using the **Journal Entries** form.

Creating and Posting Recurring Journal Entries

NOTE: Recurring journal entries can be created in only standard or user-defined journals.

To create a recurring journal record:

1. Open the **Journals** form and find or create a user-defined journal.
2. Select **Recurring Journal**.
3. Save the record.

To post recurring journal entries:

1. Do one of the following:
   - If you are still on the **Journals** form and you have just saved the recurring journal record, click **Journal Entries**. The **Journal Entries** form is displayed.
   - If you need to post entries for another recurring journal, use the Explorer to open the **Journal Entries** form and then find the recurring journal.
2. Fill in the appropriate fields for your recurring transaction. For a new recurring journal, you'll need to specify all transaction entries. For an existing recurring journal, you may only need to change the transaction dates.

   NOTE: Transaction dates can be changed one-by-one on the **Journal Entries** form, or you can change them all at once using the **Ledger Posting** form, which is opened in the next step. On the **Ledger Posting** form, select **Single Date To All Entries** and specify the date in **Date For All Transactions**.
3. Select **Actions > Post Journal**. The **Ledger Posting** form is displayed.
4. Print and post the ledger.
5. Review the **Journal Transaction** report to check for any inaccuracies.
6. Post the journal.
7. If the journal was posted before in the same period, you will be prompted to confirm. Click **Yes** to post.

After successful completion of the post, a success message is displayed and the system returns to the **Ledger Posting** form.

Creating Auto-Reversing Transactions

Auto-reversing transactions are transactions that are to be reversed in the next accounting period or fiscal year. A reversing transaction is normally used when entering an accrual type of transaction.

1 To create the transactions, follow the steps for creating user-defined journal entries.

2 On the **Journal Entries** form, when creating the transactions, to indicate that this entry is a reversing transaction, select the **Reversing** check box.

The system creates the reversing transactions when you post the journal.

The reversing transactions total is displayed at the bottom of the **Journal Account Summary** form with the other totals.

Creating Journal Entries

To create journal entries only for the **General Journal** and for user-defined journals, use the **Journal Entries** form. You cannot use this form to create journal entries for the distribution journals. Entries for the distribution journals originate in the corresponding module (such as **A/R** for the **A/R Dist** journal, **A/P** for the **A/P Dist** journal, and so on).

1 Open the **Journal Entries** form.

2 In the **Journal** field, select **General Journal** or the user-defined journal you want to add an entry to.

3 Click the filter-in-place button.

4 Select **Actions > New**.

5 Specify information in these fields:

- **Sequence**: The system automatically assigns a sequential number to uniquely identify each transaction, but you can change it.
- **Date**: This field displays today's date, but you can change it to the date that this transaction is to be posted to the ledger. When you post journal entries, you do so for a range of dates.
- **Account**: Select the number of the account that the transaction amount will be posted to. The account description automatically displays as reference.
- **Control Number**: You can update the control number prefix or the control number sequence.
- **Ref Control Number**: If you need to reference a control number or a transaction posted to the ledger, enter the information in these fields.
- **(Unit Code 1-4)**: For each segment that is available, you can select the unit code that the transaction applies to.
- **Currency**: This field displays the domestic currency, but you can select a different currency for the transaction. The currency must be the same as the currency of the bank that this transaction affects. If a non-domestic currency is specified, you can enter debit or credit amounts in either the **Domestic** or **Foreign Debit/Credit** fields. Note that if a bank code is specified, that bank's currency is displayed in this field, and you cannot change it.
- **Bank Code**: Select the bank code of the bank account to which this transaction will be posted. If you are posting to a cash account that is tied to a bank code, that bank code is specified by default. The system automatically updates the **Currency** and **Exchange Rate** fields to reflect the values associated with the selected bank code.

- **Domestic Debit/Credit**: Enter the debit or credit amount of the transaction in the domestic currency. The **Exchange Rate** field is set to 1 by default and the **Foreign Debit/Credit** fields cannot be used.
- **Foreign Debit/Credit**: These fields are enabled if a non-domestic currency is specified in the **Currency** field, so you can enter the debit or credit amount of the transaction in the foreign currency, if you prefer. The system automatically calculates the corresponding domestic debit/credit amount based on the default exchange rate.

  If the domestic currency amount is specified, and the corresponding foreign debit/credit is 0.00, then the system automatically calculates the foreign debit/credit amount based on the default exchange rate between the two currencies. If the domestic currency amount is specified, and the corresponding foreign debit/credit is *not* 0.00, then the system automatically recalculates the exchange rate based on the domestic debit/credit amount and the corresponding foreign debit/credit amount.
- **Exchange Rate**: This field displays today's exchange rate between the domestic and foreign currencies. You can change it only if you selected a value in the **Bank Code** field.
- **Reference**: Enter a brief description of the transaction. The reference can be used to group transactions. This field is part of the selection criteria for the **Journal Transaction Report**. You can list all transactions with a particular reference. Note that all the debits and credits for the same reference should equal **0** (zero).
- **Cust/Vendor**: The number of the customer or vendor associated with the transaction is displayed.
- **Name**: The name associated with the customer or vendor number is displayed.
- **Reversing**: Select this check box if you are entering a reversing transaction.

6 Select **Actions > Save**.

7 To continue entering transactions until the debit balance equals the credit balance, repeat steps 2 - 6.

Deleting a User-Defined Journal

To delete a user-defined journal:

1 On the **Journals** form, in the grid, select the line for the journal you want to delete.

2 Select **Actions > Delete**.

The system presents a message informing you that the journal will be permanently deleted when you save your changes.

3 Click **OK**.

The system presents another message informing you that all the journal's transactions will also be deleted.

4 Click **OK**.

5 To permanently delete the journal and its transactions, select **Actions > Save**.

Importing Journal Entries from External Sources

To import journal entries from CSV or XML files, or to copy and paste journal entry data for import, use the **Import Journal Entries** form. Before you begin, make sure you have formatted CSV and XML files according to these guidelines:

CSV

CSV files must use this format: Date,Account,Unit Code 1,Unit Code 2,Unit Code 3,Unit Code 4,Debit,Credit,Reference

XML

Each journal entry must start with a journal_entry tag and use date, account, unit codes, debit, credit, and reference tags for grid fields, as shown in this example:

```
<?xml version="1.0" encoding="UTF-8" ?> <Journal_Entry>
<Date>15/05/2011</Date> <Account>10000</Account>
<UnitCode1></UnitCode1>
<UnitCode2></UnitCode2>
<UnitCode3></UnitCode3>
<UnitCode4>01</UnitCode4> <Debit>1000</Debit> <Credit>1000</Credit>
<Ref>Sample 10000 Journal Entry</Ref> </Journal_Entry>
```

Dates must use the standard SyteLine format: dd/mm/yyyy.

Reference information can be up to 30 characters in length.

For rules regarding unit codes, refer the field topic: Unit Code (1-4), Import Journal Entries.

To import journal entries:

1. Open the **Import Journal Entries** form.
2. Perform one of these tasks:
   - If you are importing data from a CSV or an XML file, select the file type and then click **Load Journal Entries**.
   - If you are importing data by copying and pasting it from a spreadsheet, open the spreadsheet to work with and paste the needed data into the grid. See Pasting the Contents of a Single Cell from a Spreadsheet and Pasting Selected Records (Rows) from a Spreadsheet.
3. Select the journal in which to enter the grid data.
4. Perform one of these tasks:
   - To edit the date, account, or reference information for individual grid entries, click in the grid cells and make changes as necessary.
   - To change the date and/or reference information and apply it to all grid entries, specify the date and/or reference at the bottom of the form.
5. Click **Process**. The data is validated and, if accurate, saved to the selected journal. If errors are found, the data remains in the grid so you can make necessary changes.

Identifying Missing Information in a Journal

The **Journal Transaction Utility** searches through the journal for missing information within the transactions. This utility sets missing dates, accounts, and amounts.

CAUTIONS:

- If you cancel or abort the posting, all changes are undone.
- If this is a read-only journal, you cannot update this information again using this utility.

1 Open the **Journal Transaction Utility** form.

2 In the **Journal** field, select a journal to process.

3 Click **Process**.

Posting a Journal

The posting process commits your transactions to the ledger. The ledger is not impacted by changes that affect General Ledger (G/L) accounts until the transactions are posted.

NOTE: If you use a second, separate Analytical Ledger (as is traditional in some European countries), the journal posting process is significantly different. For more information, see About Analytical Accounting.

Before posting, you should print the **Journal Transaction Report**. This report provides a listing of the transactions associated with the journal you are going to post.

1 Open the **Journal Entries** form.

2 Select the journal having transactions you want to post.

3 Select **Actions > Filter > Execute in Place**.

4 Select **Action > Post Journal**.

The system displays the **Ledger Posting for Journal** form.

5 To compress the journal before posting it, select the **Compress Journal Before Post** check box, and then select the **Compression Level** (**Reporting Unit** or **Account**).

CAUTION: If you select this check box, the journal entries will be combined by account and then totaled. The detail will be deleted prior to posting. You will also lose any journal control number information.

6 To have the system delete the transactions from the journal after they have been posted, select the **Delete Transactions After Post** check box.

NOTE: If you are posting a distribution journal, you *must* select this check box.

7 In the **Reversing Transaction Date** field, select the date to assign to reversing transactions, or accept the default value, which is the current date.

8 To assign the same date to all the posted transactions, select the **Single Date To All Entries** check box. Then, in the **Date For All Transactions** field, enter the date to assign to them.

9 In the **Post Through** field, enter the date through which to post transactions.

The **Print** option is automatically selected. You must first print the posting report before you can actually post the transactions.

10 To print the report, select **Process**.

11 After viewing and verifying the report, to post the journal, select the **Commit** option and then select **Process**.

NOTE: If you use the External Financial Interface, additional processing occurs during journal posting. For more information, see Setting Up an External Financial Interface.

Purging a Journal

To delete journal transaction records, use the **Purge Journals** utility.

1 Enter information in the following fields:

- **Journal** - Select the journal you want to purge.
- **Cutoff Date** - Enter the last date of transactions you want to include in the purging action.

NOTE: You can purge only one journal at a time.

2 Select **Process**.

Using the Journal Builder to Enter Site-Specific Journal Transactions

Use the **Journal Builder** form to enter site-specific pending journal transactions, which are then validated and created in the Multi-Site journal at the specified site.

1 Set up Replication Rules for the Journal Builder category:

- From the Journal Builder site to all remote sites into which pending Multi-Site journal transactions will be inserted.
- From those remote sites back to the Journal Builder site.

2 Log into the site where pending Multi-Site journal transactions will be entered and open the **Journal Builder** form.

3 Enter a transaction date that is valid for the local site.

4 Enter site-specific journal transactions.

5 When all the transactions are entered and the amounts in the Debit and Credit total fields in the header are balanced, click **Process**.

If validation is successful, a success message displays, which contains the control number generated by the Journal Builder utility. The pending journal transactions are then inserted in the

Multi-Site Journal in the specified site(s) and a success message displays . The transactions have a batch control number that includes the site ID of the Journal Builder site, for audit purposes.

If validation is not successful:

- If the To Site is the local site, or if replication is transactional from the local site to the remote site, the system returns an error and no transactions are processed.
- If the To Site is not the local site *AND* if replication is non-transactional, failures must be handled at the remote site. The local site will be unaware that an error occurred. For more information, see the note below about non-transactional replication.

Notes

- Journal Builder use at an entity, or to enter transactions to be inserted at an entity, is not supported.
- Transactions can be entered only for sites that use the same domestic currency as the local Journal Builder site.
- When you close the Journal Builder form, any unprocessed rows are removed.
- The control number is based on the site where the pending journal entries are entered through the Journal Builder, so all the transactions in one batch have the same control number.
- Non-transactional replication: If processing is non-transactional and fails for some reason at a remote site, the entire transaction will not be backed out. Successful journal entries will be inserted and reside in the Multi-Site journal. Unsuccessful journal entries wil be handled in the same way as any other "failed" process for non-transactional setups. This could result in a Multi-Site journal with transactions where the Total Debits do not equal the Total Credits until the error is resolved.

Recalculating Journal Balances

The **Recalculate Journal Balances** utility recalculates the accumulated debit and credit balances of all transactions for a specific journal and date range. If an imbalance exists, the system generates a new transaction to bring the journal back into balance.

NOTES:

- After running this utility, you must run the **Journal Transactions** utility to complete the transactions that were created to balance the journals.
- You can recalculate only one journal at a time.

1 Enter information in the following fields:

   - **Journal ID** - Enter the journal ID you want to recalculate.
   - **Starting** and **Ending Transaction Date** - Enter the range of dates for which you want to recalculate transactions.

- **Transaction Date** - (Optional) Enter the date you want to use for any transactions that are created by this utility. Note that if you do not enter a date, you will be prompted to enter one when you use the **Journal Transactions** utility to update the transactions.

2 To process your selections, select **Process**.

At most, the system creates one transaction.

Reversing a Set of Related Journal or Ledger Entries

To reverse a set of related journal or ledger entries all at one time, use the **Reverse Transaction** form. You can reverse entries from the General Journal or a user-defined journal, and the entries must have a shared control number. They must all be part of the same business transaction.

1 Open the appropriate form and search for the entries to reverse. You can use the **Journal Entries**, **G/L Posted Transactions**, or **A/L Posted Transactions** forms.

2 Select an entry from the business transaction and then click **Reverse Transaction**. The **Reverse Transaction** form is displayed.

3 Click **Process**. A set of reversing entries is automatically created in the originating journal, but the entries are not posted.

4 Post the reversing entries. If necessary, you must also create and post corrected entries to replace the reversed entries.

Ledgers

General Ledger Overview

The General Ledger tracks financial expenditures within the company and generates financial statements and reports for management, auditors, and investors. The General Ledger is tied to other parts of the system through the **Chart of Accounts** and the distribution journals.

Some European countries add a separate **Analytical Accounting** system to track revenue and expense accounts.

The **Chart of Accounts** defines account numbers used throughout the system to record, track, and report costs. An account in the General Ledger tracks domestic currency spent or earned by business activities, such as paying bills, receiving payments, cutting payroll checks, purchasing and receiving supplies from vendors, paying rent, and material and job transactions.

Financial information collected during day-to-day operations is posted frequently to distribution journals. Once their accuracy can be verified, the transactions are posted to the General Ledger at regular intervals. These are the distribution journals:

- Accounts Receivable
- Accounts Payable
- Fixed Assets
- Inventory
- Multi-Site
- Payroll
- Purchasing
- Order Entry
- Shop Floor Control
- Work Center
- Currency Banking Journal
- Project Control.

In addition to the distribution journals, there is a General journal that you can use to hold closeout and summary entries for year-end procedures.

You can also create user-defined journals - custom journals to store, retrieve, and track entries specific to your business. Examples include Accruals, Reversing Entries, Adjusting Entries, Intercompany Eliminations, Banking Transfers, Charges, and Credit.

Four unit codes can be activated for each account in the **Chart of Accounts**, to collect key management data. You can define unit codes to track those costs important to your business, such

as sales territory, individual sales representative, product or product family, location of manufacture, work center, cost center, and department.

Benefits of the General Ledger include:

- Provides detailed financial statements/reports.
- Maintains complete journal and ledger transaction details.
- Allows detailed or summarized account information.
- Provides a bank reconciliation feature.
- Maintains all journal transactions in edit list form prior to posting to General Ledger.
- Provides the ability to report prior or future years with budgeting and planning comparisons for current year.
- Provides complete support for multi-site financial reporting, including financial consolidations.
- Distributes an expense among more than one account according to percentages you define in **Account Allocations**. For example, you may want to divide a monthly office lease payment among the departments sharing the building quarters.
- Automates the process of storing and posting recurring entries by using *recurring journals*. Simply create an entry once for each recurring expense, and the system automatically enters the transaction into the general ledger each period.
- Provides flexibility so you can decide when and how to handle month-end closes. And you can begin entering next month's business transactions even before the current month has completely closed.
- Calculates retained earnings for the fiscal year at year-end closing.
- Provides statistical accounts in financial statements to compare important non-financial data to related financial data for measuring such things as productivity and controlling costs.
- Offers a financial statement capability, which presents financial information from the General Ledger in a variety of formats to meet requirements of auditors, investors, and managers.

General Ledger Setup

Before you can begin processing in the General Ledger (G/L), you must set up some basic information. This includes:

- Setting Up Accounting Periods
- Setting Up the Chart of Accounts
- Setting Up Beginning Account Balances

Setting Up Accounting Periods

Set up and maintain the accounting periods that are used by General Ledger for a particular fiscal year using the **Accounting Periods** form. Accounting periods are used only to visually group transactions.

NOTES:

- You must set up these accounting periods before transactions can be posted.
- You cannot delete an accounting period if ledger transactions exist for that period in the fiscal year.

To set up accounting periods:

1 Open the Accounting Periods form.

2 In the **Fiscal Year** field, enter the year for which you want to add or change periods.

3 Click the Filter-in-Place button.

4 If the fiscal year is closed, select the **Closed** check box.

NOTES:

- The system does not treat a closed year as a hard close; transactions can still be posted to a closed year.
- If a fiscal year is flagged as closed, none of its periods are considered to be open. For this reason, at least one year should be defined as open.

5 Select the desired period (from 1-13) in the fiscal year.

6 (Optional) Set the fiscal year start date.

NOTE: By default, the **Start Date** field for the first period is set to the first day of the fiscal year, but you can change it.

7 Do one of the following:

- To have the system create the accounting periods in monthly increments, select the **Monthly** option and then click **Generate Period**. The system automatically updates the period starting and ending dates.
- To have the system create the accounting periods in quarterly increments, select the **Quarterly** option and then click **Generate Period**. The system automatically updates the period starting and ending dates. Each period is three months long.
- To create custom periods, manually enter the starting and ending dates of each accounting period in the fiscal year.

8 Select **Actions > Save**.

To generate the control number sequence by period or by year, use the **Accounting Period Control Number Sequences** form.

Setting Up the Chart of Accounts

To set up and maintain all the accounts that are used throughout the system, use the **Chart of Accounts** form.

Before setting up the **Chart of Accounts**, you need to define the structure of the accounts, grouped by account type (asset, liability, expense, and so on), and assign logical account numbers to them. For more information, see About Accounts.

To add an account:

1 Open the Chart of Accounts form.

2 Select **Actions > New**.

3 In the **Account** field, enter the account identifier for the account you are adding.

4 In the field to the right of the **Account** field, enter the description of the account for reference.

5 From the **Account Type** drop-down list, select the account type.

NOTE: If you select **Allocation**, you must also enter an allocation for it on the **Chart of Account Allocations** form.

6 In the **Effective Date** field, select the date you want the account to become active.

7 If you no longer want to use the account after a particular date, select that date in the **Obsolete Date** field. Otherwise, leave this field blank.

8 In the **Unit Code 1-4** fields, select one of these options:

- **No Access** - The reporting unit field will not be accessible for this account. The system also disables the corresponding Unit Code tab on the form.
- **Accessible** - The reporting unit field will be accessible for this account.
- **Required** - The reporting unit field is required for this account.

9 If the financial entity reports to another financial entity, select either **Buying** or **Selling** as the **Exchange Rate Type**. Then, select the number of the account to which this account reports in the other financial entity, and the currency translation method.

10 To save the account, select **Actions > Save**.

Setting Up Beginning Account Balances

When applicable, enter the beginning balances for your accounts. To enter beginning balances for accounts:

1 Open the **Journal Entries** form.

2 In the **Journal** field, select **General**.

3 Click the filter-in-place button.

4 Select **Actions > New**.

5 Create an entry for the first account's beginning balance. In the **Reference** field, enter **Beginning Balance**.

6 Repeat steps 4 and 5 for each account for which you need to enter a beginning balance.

NOTE: You cannot post unless the debit amount equals the credit amount for each period.

General Ledger Steps

NOTE: Before any General Ledger processing can be performed, you must set up the **Chart of Accounts**, enter beginning account balances, and define your accounting periods. For more information, see the General Ledger Setup Help topic.

Closing the Year for General Ledger

Copying Ledger Balances into Budgets/Plans

Creating Account Allocations

Creating and Maintaining Budgets and Plans

Creating and Posting Recurring Journal Entries

Creating a User-Defined Journal

Creating Auto-Reversing Transactions

Creating Financial Statements with Statistical Information

Creating Journal Entries for a User-Defined Journal

Creating Statistical Accounts

Deleting a User-Defined Journal

Gathering Statistical Information

Identifying Missing Information in a Journal

Monitor financial data on the Controller Home form

Posting a Journal

Preparing a Bank Reconciliation

Printing a Financial Statement

NOTE: Before printing a financial statement, you must have already defined its header, columns and lines, as applicable. For more information, see the Financial Statement Setup Help topic.

Purging a Journal

Recalculating Journal Balances

Using the Journal Builder to Enter Site-Specific Journal Transactions

NOTE: If you use a second, separate **Analytical Ledger** (as is traditional in some European countries), see About Analytical Accounting for more information.

About Accounting Periods

While General Ledger does not post summarized information to the financial period buckets, complete detail of the transactions is maintained. Accounting periods are for visually grouping

transactions only, and must be set up on the **Accounting Periods** form before transaction posting is processed.

The accounting periods are used to group the following financial data by date:

- Budgets & Plans
- G/L Transactions
- Journal Transactions
- G/L Compression
- G/L Posting
- Financial Statement Reports
- Account Balances

Various General Ledger functions access the accounting period dates. In these functions, either the system prompts for the dates or the system uses current period's dates. You are responsible for maintaining the current period number.

NOTE: The period record does not need to exist in the subordinate site for updates to take place in a financial entity. This is because both sites and financial entities are allowed to delete periods, and the financial entity may have a period record that one of its subordinate sites does not.

Sites that report to financial entities cannot add or do the **Monthly Update** or **Quarterly Update** activities. They can only update the current period, delete the period record, or do the **Current Period Update** activity.

About Analytical Accounting

When you activate **Analytical Accounting** by selecting the **Use Analytical Ledger** check box on the **General Parameters** form, the system changes its journal posting and reporting mechanisms in important ways to support the second accounting system.

Posting

The following read-only journals always post to the General Ledger:

- AP Dist - Accounts Payable Ledger Distribution
- AR Dist - Accounts Receivable Ledger Distribution
- BNK Dist - Banking Distribution
- FA Dist - Fixed Assets Ledger Distribution
- FS Dist - SyteLine Service Distribution
- PR Dist - Payroll Ledger Distribution

The following read-only journals always post to the Analytical Ledger:

- CO Dist - Order Entry Ledger Distribution
- IC Dist - Inventory Control Ledger Distribution

- PC Dist - Project Control Ledger Distribution
- PO Dist - Purchasing Ledger Distribution
- SF Dist - Shop Floor Control Ledger Distribution
- WC Dist - Work Center Ledger Distribution

User-defined journals post to the Analytical Ledger if the **Analytical Ledger** field is selected. If this check box is cleared, they post to the General Ledger.

You can display transactions posted to the Analytical Ledger using the **A/L Posted Transactions** form. You can obtain more detailed information by framing searches using the **A/L Posted Transactions Query** utility.

CAUTION: The system does not post an analytical account or journal to the General Ledger and does not post a non-analytical account or journal to the Analytical Ledger. It is important that you carefully define all default accounts so that analytical accounts do not post to journals that will later post to the General Ledger, and non-analytical accounts do not post to journals that will later post to the Analytical Ledger. For more information, see Analytical Ledger Setup.

Reporting

Several General Ledger reports have been modified so that they can track information from the Analytical Ledger when you select the **Analytical Ledger** field. They are:

- Trial Balance
- General Ledger
- General Ledger Check Information Report
- General Ledger Transaction Report

Printing Financial Statements

Use the **Financial Statement Definition** form to print all financial statements. If you want the statement to reflect data in the Analytical Ledger, select the **Analytical** check box.

Other

The following system functions support the Analytical Ledger:

- Compress General Ledger Transactions Utility
- Chart of Accounts - Budgets and Plan
- Copy Balances to Budgets
- Year-End Procedure Utility
- Rebalance Ledger Period Totals.

Analytical Ledger Setup

Some European countries traditionally use two accounting systems, one which posts to the General Ledger and a second which posts to a separate Analytical Ledger. You can set up an analytical accounting system to track expense and revenue accounts.

To set up an Analytical Ledger:

1 Open the **General Parameters** form and:

- Select the **General** tab.
- Select the **Use Analytical Ledger** check box.
- Save the form.

When you select this field, the system creates a separate **Analytical Ledger** and changes its journal posting and reporting mechanisms in important ways to support the second accounting system.

2 Open the **Chart Of Accounts** form.

Select **Analytical** in the **Account Type** field for each new account.

3 For each of the following forms and fields, enter an analytical account:

NOTE: A *labeled account field* consists of a drop-down list that allows you to select the desired account number. For example, on the **Project Parameters** form, **Default** tab, the first labeled account field is **Material**.

- **Project Parameters** form, **Default** tab, all labeled account fields
- **Purchasing Parameters** form, **Accounts** tab, all labeled account fields
- **Product Codes** form, all tabs *except* the **General** tab, all labeled account fields
- **Distribution Accounts** form, all tabs, all labeled account fields
- **End User Types** form, **Cost Of Goods Sold** tab, all labeled account fields
- **Employees** form, **General** tab, **Wage Acct** field
- **Departments** form:
  - **Direct Labor Applied Acct** field
  - **Fixed Ovhd Applied Acct** field
  - **Var Ovhd Applied Acct** field
- **Indirect Labor Codes** form, **Wage Acct** field
- **Work Centers** form, **Costing** tab:
  - **Fix Mach Ovhd Applied Acct** field
  - **Var Mach Ovhd Applied Acct** field

Closing the Year for General Ledger

CAUTION: This procedure creates debit and credit entries to close out all revenue and expense accounts for the date range specified. These entries are placed in the General Journal. You must then post the General Journal to the General Ledger.

NOTES:

- This procedure should be run only after all entries made to the fiscal year are posted.
- To close the journal, it must be a writable journal.

To close the year for the General Ledger:

1 On the **Year End Closing Journal Entries** form, select the general journal to close.

2 In the **Income Summary Account** field, select the "Retained Earnings" account for the year end closing transaction. The account's type must be set up in the **Chart of Accounts** as **Owner's Equity**.

3 (Optional) Change the **Fiscal Year Start Date** and **Fiscal Year End Date**.

4 To have the system first delete all journal entries for this journal before generating the year-end transactions, select the **Delete Current Journal Entries** check box.

This refers to the existing entries in the General Journal only. *Do NOT* change any of the references generated by the system on the entries in the General Journal. If this check box is selected, all journal transactions along with any associated text are deleted when the transactions are generated, prior to creating the closing transactions.

5 To have the system clear the unit code balances in the revenue and expense accounts as well, select the **Unit Code Detail** check box.

Clearing this check box leaves the balances in the unit codes, and carries them forward.

6 Click **Process**.

NOTE: You can close fiscal years an unlimited number of times. If you have closed the fiscal year and need to enter transactions for that year, you can post the transactions and then run the year-end close again.

Example: G/L Year End Closing

Suppose the following entries were the financial activity for a company for the fiscal year of 01/01/2002 to 12/31/2002 using the following accounts:

Account	Description
10000	Assets
20000	Liabilities

30000	Owner's equity
40000	Revenue
50000	Expense

Example of Ending Balances (12/31/2002)

Account	Balance
10000	100,000.00
20000	(64,500.00)
30000	(20,000.00)
40000	(23,500.00)
50000	8,000.00

Example of Year End Entries

Account	Balance
30000	15,500.00
40000	23,500.00
50000	(8,000.00)

Example of Ending Balance (12/31/2002) after Year End Balance

Account	Balance
10000	100,000.00
20000	(64,500.00)
30000	(35,500.00)

40000	00
50000	00

NOTE: No entries were generated for **Accounts Receivable of Cash**, because they are asset accounts. Only revenue and expense accounts are closed out.

Copying Ledger Balances into Budgets/Plans

You can copy ledger balances to account budget or plan amounts of another fiscal year, using the **Copy Balances to Budgets** or **Multi-FSB Copy Balances to Budgets** activity. You can then view the results with the **Chart of Accounts Budget and Plan** or **Multi-FSB Chart of Accounts Budget and Plan** form.

1. Open the Copy Balances to Budgets form.
2. In the **Account Types** group box, select the check box of each type of account of the balances you want to copy. Options include:
   - Asset
   - Liability
   - Owner's Equity
   - Revenue
   - Expense
   - Analytical

   NOTE: The **Analytical** check box is available for standard GL ledger balances only if the **Use Analytical Ledger** check box is selected on the **General Parameters** form. It is not available for multi-FSB ledger balances.
3. In the **Fiscal Year From** field, the prior fiscal year displays by default, but you can select a different year from which to copy the budget/plan information.
4. In the **Fiscal Year To** field, the current fiscal year displays by default, but you can select a different year to which to copy the budget/plan information.
5. Select the type of information you want to copy to: **Budget** or **Plan**.
6. In the **Starting** and **Ending Account** fields, select the range of accounts for the budget/plan information you want to copy, or leave both fields blank to copy the information of all accounts for the selected account types.
7. In the **Starting** and **Ending Unit 1-4** fields, select the range of reporting units you want to include in the activity.
8. Click **Process**.

FASB 52 Overview

NOTE: This adjustment is necessary only when all of these conditions are true:

- The ledger is consolidated in a multi-site setup with an entity's domestic currency different from the parent entity's domestic currency.
- Different account types are posted with different translation methods.
- The exchange rates vary.

This process automatically adjusts for the Financial Accounting Standards Board 52 (FASB 52) requirement after the Ledger has been consolidated. Adjustments occur to:

- All accounts that use the currency translation method of **End**.
- Expense/Revenue accounts.
- An out-of-balance ledger due to different account types having different currency translation methods.

Throughout the year, asset and liability accounts are posted to the ledger based on the **End** currency translation method. As the currency rates fluctuate, the totals for the balance sheet accounts should also fluctuate. The system creates a new ledger entry to the balance sheet accounts to manage these fluctuations. The system also creates a new ledger entry to the CTA account to ensure the ledger balances.

Expense and revenue accounts use the **Average** currency translation method. Due to this, the same amount in a balanced site journal can be rolled up to two different amounts. So, a new ledger entry is created to balance out the "Corp" entity ledger.

On the **Ledger Consolidation** form, if the **Year End** check box is selected, the system posts expense and revenue accounts to the ledger based on the **Average** currency translation method at the time of the posting. As the currency rates fluctuate, these accounts' totals should also fluctuate. The system creates new ledger entries to the following accounts:

- Asset and liability accounts, to adjust for the fluctuation.
- The CTA account, to ensure the ledger balances.

Order of Events:

1. Post the journal.
2. Run Ledger Consolidation.
3. Run Year-End Closing Journal Entries.
4. Post the journal.
5. Run Ledger Consolidation.

Posting to General Ledger - Actual Costing

This topic describes in detail the posting of inventory transactions to the General Ledger (GL) module. All transactions processed in the Customer, Material, Vendor, and Production modules that affect the value of inventory are posted to the appropriate inventory distribution journal (CO Dist, IC Dist, PO Dist, and SF Dist, respectively) using account numbers that can be found in the **Product Codes**, **Departments**, **Purchasing Parameters**, and **Distribution Accounts** forms.

Because the costs and account numbers used for the journal posting are quite different if using standard costing or one of the four actual cost flow methods, the transactions generated are explained for both standard and actual. If the system should not automatically generate these transactions, clear the **General Parameters** form's **Post to Journal** check box.

Actual Costing - Post to Journals

The system uses the same GL account numbers when posting to the appropriate inventory distribution journal, no matter which of the four actual cost flow methods is in use (**Average**, **LIFO**, **FIFO**, **Specific**). For this reason, the transactions outlined below are for *actual costing* in general.

The phrase *issue cost* is used several times in this topic to refer to the cost at which an item is being issued from inventory. The issue cost value varies depending on the cost flow method in use.

General Ledger Account Numbers Used

Before processing any transactions in the manufacturing modules, the GL account numbers which are used for posting to the GL inventory distribution journals must be set up. The key accounts are stored at the Product Code level, so that different account numbers may be assigned to different classifications of items and also allow for the tracking of cost details of a unit cost.

Maintaining individual accounts for the various cost details allows visibility of these costs through work in process, inventory and cost of goods sold and more accurately determines the exposure relating to material, labor, fixed overhead, variable overhead and outside service costs. It is also possible to use one account number for all the cost detail components of an item if this cost detail visibility is not desired.

Example - Maintaining Individual Account Numbers for Each Cost Detail Component

A finished goods inventory account number and a raw materials inventory account number may be used rather than having all items posted to the same inventory account.

Finished Goods Account	Account Number
FG INV Material Cost	1001
FG INV Labor Cost	1002

FG INV Fixed Overhead Cost	1003
FG INV Variable Overhead Cost	1004
FG INV Outside Service Cost	1005

Raw Materials Account	Account Number
RM INV Material Cost	2001
RM INV Labor Cost	2002
RM INV Fixed Overhead Cost	2003
RM INV Variable Overhead Cost	2004
RM INV Outside Service Cost	2005

These accounts may be used rather than having all items posted to the same inventory account.

Example - Maintaining One Account Number for All Cost Detail Components of Finished Goods Inventory and Raw Materials Inventory

Finished Goods Inventory Account	Account Number
FG INV Material Cost	1001
Labor Fixed Overhead Cost	1001
Variable FG INV Outside Service Cost	1001

Raw Materials Inventory Account	Account Number
RM INV Material Cost	2001
Labor Cost	2001
Fixed Overhead Cost	2001
Variable RM INV Outside Service Cost	2001

Accounts List

The following lists identify the accounts found in the **Product Codes**, **Departments**, **Purchasing Parameters**, **Work Centers**, and **Distribution Accounts** forms.

Product Codes

Inventory Adjustment

Material Fixed Overhead Applied

Material Variable Overhead Applied

NOTE: The Material Fixed Overhead Applied and the Material Variable Overhead Applied accounts are required only when basing overhead on job material issues.

Purchasing Parameters

Vouchers Payable Account

Department

Direct Labor Applied Account

Fixed Overhead Applied Account

Variable Overhead Applied Account

Although these rates default from this location, they are also maintainable on the **Current Operations**, **Job Operations**, and **Estimate Operations** forms.

Work Center - Costing

Fixed Machine Overhead Applied Account

Variable Machine Overhead Applied Account

Although these rates default from this location, they are also maintainable at the **Current Operations**, **Job Operations**, and **Estimate Operation** forms.

Distribution Accounts - Inventory

Inventory Material

Inventory Labor

Inventory Fixed Overhead

Inventory Variable Overhead

Inventory Outside

Distribution Accounts - Sales/Cost of Goods Sold

COGS Material

COGS Labor

COGS Fixed Overhead

COGS Variable Overhead

COGS Outside

Distribution Accounts - In-Transit

In-Transit Material

In-Transit Labor

In-Transit Fixed Overhead

In-Transit Variable Overhead

In-Transit Outside

NOTE: You can delete any distribution account record, including the default distribution account, with a blank warehouse and blank product code.

The inventory account numbers used for journal transactions do not come directly from the **Product Codes** form. Rather, the inventory accounts used come from the stock location being accessed when the transaction is performed. (When a stock location is added for an item in the Inventory module, inventory accounts are entered for the location, using the **Item Stockroom Location** form.) The default for this field is the inventory account numbers in the Distribution Account file to which the item belongs.

To locate the inventory account numbers:

1 The system searches for an exact match for both the warehouse and the product code.

2 If that fails, the system searches for a match for the product code and a blank warehouse.

3 If that fails, the system searches for a match for the warehouse and a blank product code.

If any of the account numbers the system is attempting to use have not been set up, the system does not post to the GL inventory distribution journals.

Transaction Posting to the Inventory Distribution Journals

The following subsections outline every transaction that is posted to the inventory distribution journals when some method of actual costing is being used.

Purchasing Transactions

The following transactions are posted to the inventory distribution journal named **PO Dist**.

- Purchase Order Receipt:

Transaction	Debit	Credit
Inventory Material	xxxx	
Vouchers Payable		xxxx

Because this item is purchased, only one posting (Inventory Material Cost) is applicable. All accounts for each cost details component would have the same account number, therefore only one posting entry is made.

The cost used is the quantity received multiplied by the purchase order line item unit cost. (This is the default cost. At the time of receipt, it is possible for you to update the receipt cost to anything.)

CU = (RQ * POUC)

where:

CU = Cost Used

RQ = Receipt Quantity

POUC = PO Unit Cost

- **Purchase Order Return:**

Transaction	Debit	Credit
Vouchers Payable		xxxx
Inventory		xxxx
Inventory Adjustment	xxxx or	xxxx

The cost used is the quantity returned multiplied by the item's issue cost:

CU = (QR * IIC)

where:

CU = Cost Used

QR = Quantity Returned

IIC = Item's Issue Cost

- **Voucher Generation:**

  Transaction

  a. If vouchered cost > receipt cost:

  Vouchers Payable

Accounts Payable

b. If vouchered cost < receipt cost:

Vouchers Payable

Inventory Adjustment

Accounts Payable

The previous transaction is created only if any line items were vouchered at a different cost than the cost at which they were received into inventory. (The cost at which the items were received into inventory is the line item unit cost field at the time of the receipt.)

xxxx = (quantity received * (vouchered cost - receipt cost))

xxxx = (cost of receipt - cost of voucher) - adjustment

POVC = QR * (VC - RC)

where:

POVC = Purchase Order Variance Cost

QR = Quantity Received

VC = Voucher Cost

RC = Receipt Cost

Production Transactions

The following transactions are posted to the inventory distribution journal named **SF Dist**.

- **Job Material Issue:**

Transaction	Debit	Credit
WIP Material Costs	xxxx	
WIP Labor Costs	xxxx	
WIP Fixed Overhead Costs	xxxx	
WIP Variable Overhead Costs	xxxx	
WIP Outside Costs	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx

Inventory Fixed Overhead	xxxx
Inventory Variable Overhead	xxxx
Inventory Outside	xxxx
Fixed Material Overhead Applied	xxxx
Variable Material Overhead Applied	xxxx

The inventory accounts used are those of the item being issued to the job, not the item being manufactured. The inventory credit amount is the quantity issued from inventory multiplied by the issue cost of the item.

ICA = QIFI * IC

where:

ICA = Inventory Credit Amount

QIFI = Quantity Issued from Inventory

IC = Issue Cost

The credits to the overhead accounts are calculated by multiplying the actual material cost by the fixed and variable overhead rates in the Product Codes form.

COA = MC * (FO + VOR)

where:

COA = Credits to the Overhead Account

MC = Material Cost

FO = Fixed Overhead

VOR = Variable Overhead Rate

The debit to WIP is the sum of the direct material, fixed overhead, and variable overhead amounts.

DTWIP = DM + FO + VOA

where:

DTWIP = Debit to WIP

DM = Direct Material

FO = Fixed Overhead

VOA = Variable Overhead Amounts

- **Job Material Withdrawal:**

Transaction	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
WIP Material Costs		xxxx
WIP Labor Costs		xxxx
WIP Fixed Overhead Costs		xxxx
WIP Variable Overhead Costs		xxxx
WIP Outside Costs		xxxx
Fixed Material Overhead Applied	xxxx	
Variable Material Overhead Applied	xxxx	

The debit to inventory is the quantity of the item withdrawn from the job multiplied by a unit cost figure which varies depending on the costing method in use.

DTI = QIWJ * VUCF

where:

DTI = Debit to Inventory

QIWJ = Quantity of the Item Withdrawn from the Job

UCF = Unit Cost Figure

The debits to the overhead accounts are calculated by multiplying the average cost of all items issued. The job material total actual cost/job material quantity issued.

DOA = MT / JI

where:

DOA = Debits to the Overhead Account

MT = Job Material Total actual cost

JI = Job material quantity issued

The credit to WIP is the sum of direct material, fixed overhead, and variable overhead amounts.

CTWIP = DM + FO + VOA

where:

CTWIP = Credit to WIP

DM = Direct Material

FO = Fixed Overhead

VOA = Variable Overhead Amounts

- **Post Job Transaction Labor:**

Transaction	Debit	Credit
WIP Labor Costs	xxxx	
WIP Fixed Overhead Costs	xxxx	
WIP Variable Overhead Costs	xxxx	
Direct Labor Applied		xxxx
Fixed Labor Overhead Applied		xxxx
Variable Labor Overhead Applied		xxxx

The credit to labor is the actual hours in the transaction multiplied by the specified manufacturing rate of the employee who reported the transaction.

CTL = AH * SMR

where:

CTL = Credit To Labor

AH = Actual Hours

SMR = Specified Manufacturing Rate

The credits to the overhead accounts are calculated by multiplying the actual labor hours by the fixed and variable overhead rates in the **Departments** form.

COA = LH * (FO + VOR)

where:

COA = Credits to the Overhead Account

LH = Labor Hours

FO = Fixed Overhead

VOR = Variable Overhead Rate

The debit amount to WIP is the sum of direct labor, fixed overhead, and variable overhead amounts.

- **WIP Amount** = (actual hours * employee manufacturing rate) + (actual hours * department fixed overhead rate) + (actual hours * department variable overhead rate)
- **Direct Labor** =(actual hours * employee manufacturing rate)
- **Fixed Labor Overhead** = (actual hours * department fixed overhead rate)
- **Variable Labor Overhead** = (actual hours * department variable overhead rate)
- **Post Job Transactions: Machine transactions**

Machine costs apply machine overhead charges to a job operation for the hours a machine was run, along with the quantity of goods completed, scrapped, and moved to the next operation. If the work center for the operation is machine scheduled, the remaining scheduling time for the operation will be reduced by the total hours posted.

The additional posting described below for the "Move" transaction is also performed for all "Run" transactions.

- **Job Finish (Put to Stock):**

Transaction	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
WIP Material Costs		xxxx
WIP Labor Costs		xxxx
WIP Fixed Overhead Costs		xxxx
WIP Variable Overhead Costs		xxxx
WIP Outside Costs		xxxx

When inventory is received from a job, the receipt cost used is determined by:

- The Shop Floor Control Parameter form's Costs Based on Complete field.
- The status of the job.
- The Complete flag on the job's operations.

If the receipt is being performed using a labor transaction on the last operation, you have the option of closing the job order. If the job is closed when the transaction is entered, the receipt cost used is always the actual unit cost of the job. If the job is not closed and the **Costs Based on Complete** parameter is set to **Jobs**, the receipt cost used is the planned unit cost of the job.

The planned unit cost is based on the setup, run-times, run rates, and labor overhead rates in the **Job Operations** form as well as the unit costs and the material overhead rates in the **Job Materials** form.

If the job is not closed and the **Costs Based on Complete** parameter is set to **Operations**, the receipt cost used is determined by the **Complete** flag of the job's operations. Actual costs from complete operations are accumulated while planned costs from incomplete operations are accumulated to determine the final receipt cost.

- **Job Closed Manually:**

Transaction	Debit	Credit
a. If actual cost > planned cost:		
Inventory Adjustment	xxxx	
WIP Material Costs		xxxx
WIP Labor Costs		xxxx
WIP Fixed Overhead Costs		xxxx
WIP Variable Overhead Costs		xxxx
WIP Outside Costs		xxxx
b. If actual cost < planned cost:		
WIP Material Costs	xxxx	
WIP Labor Costs	xxxx	
WIP Fixed Overhead Costs	xxxx	

WIP Variable Overhead Costs	xxxx	
WIP Outside Costs	xxxx	
Inventory Adjustment		xxxx

If the job is being closed manually by changing the status from **Released** to **Complete** an adjustment needs to be made since the job's planned cost would have been used for the transaction that put the item to stock.

The amount used is the difference between the total planned and actual cost of the job:

AU = TPC - AC

where:

AU = Amount Used

TPC = Total Planned Cost

AC = Actual Cost

Customer Order Transactions

The following transactions are posted to the inventory distribution journal named **CO Dist**.

- Customer Order Shipment:

Transaction	Debit	Credit
COGS Material	xxxx	
COGS Labor	xxxx	
COGS Fixed Overhead	xxxx	
COGS Variable Overhead	xxxx	
COGS Outside	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx
Inventory Fixed Overhead		xxxx

Inventory Variable Overhead	xxxx
Inventory Outside	xxxx

The amount used is the quantity shipped multiplied by the issue cost of the item.

AU = QS * ICI

where:

AU = Amount Used

QS = Quantity Shipped

ICI = Issue Cost of the Item

- **Customer Order Return:**

Transaction	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
COGS Material		xxxx
COGS Labor		xxxx
COGS Fixed Overhead		xxxx
COGS Variable Overhead		xxxx
COGS Outside		xxxx

The amount used is the average value of all shipments.

AU = CST / IQS

where:

AU = Amount Used

CST = Item's Cost of Goods Sold Total

IQS = Item's Quantity Shipped

Inventory Control Transactions

The following transactions (unless otherwise specified) are posted to the inventory distribution journal named **IC Dist**.

- **Inventory Adjustment:**

Transaction	Debit	Credit
a. Increase quantity:		
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
Inventory Adjustment		xxxx
b. Decrease quantity:		
Inventory Adjustment	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx
Inventory Fixed Overhead		xxxx
Inventory Variable Overhead		xxxx
Inventory Outside		xxxx

The amount used for an inventory adjustment transaction varies depending on the cost flow method in use. If you are using:

- Average costing, the system uses the **Items** form's unit cost.

- Specific, the system uses the cost tied to the location that is being adjusted.
- LIFO or FIFO and increasing the quantity, the cost used is the cost tied to the last item LIFO record on file for the item.
- LIFO or FIFO and decreasing the quantity, the system consumes records from the item LIFO stack until the adjustment quantity is satisfied.

Cycle counting and physical inventory posting create transactions like the ones described above. Either transaction a or b is created, depending on whether the count quantity is greater than or less than the original quantity.

- **Inventory Move:**

Transaction	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx
Inventory Fixed Overhead		xxxx
Inventory Variable Overhead		xxxx
Inventory Outside		xxxx
Inventory Adjustment		

This transaction is posted only if the From and To locations have different inventory accounts tied to them or if specific costing is being used and the From and To locations have different unit costs tied to them.

The inventory account debited is the account tied to the To location. The credited inventory account is the account tied to the From location. The inventory adjustment account is used only for specific costing when the From and To accounts have different costs assigned to them.

- **Location Update:**

A transaction is created if you change the inventory account tied to the location:

Transaction	Debit	Credit
Inventory (New Accounts):		
Inventory Material Cost	xxxx	
Inventory Labor Cost	xxxx	
Inventory Fixed Overhead Cost	xxxx	
Inventory Variable Overhead Cost	xxxx	
Inventory Outside Cost	xxxx	
Inventory (Old Accounts):		
Inventory Material Cost		xxxx
Inventory Labor Cost		xxxx
Inventory Fixed Overhead Cost		xxxx
Inventory Variable Overhead Cost		xxxx
Inventory Outside Cost		xxxx

A transaction is also created if specific costing is in use and you change the unit cost tied to the location.

(This example assumes that all cost detail values are changed.)

Transaction	Debit	Credit
a. Increase cost:		
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	

Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
Inventory Adjustment		xxxx
b. Decrease cost:		
Inventory Adjustment	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx
Inventory Fixed Overhead		xxxx
Inventory Variable Overhead		xxxx
Inventory Outside		xxxx

- **Location Insertion:**

Transaction	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
Inventory Adjustment		xxxx

This transaction is only posted if a quantity is entered for the location at the same time it is added.

- **Miscellaneous Receipt:**

Transaction	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
Inventory Adjustment		xxxx

The debit amount used is the quantity received extended by the unit cost you entered.

DAU = QR * UCEBU

where:

DAU = Debit Amount Used

QR = Quantity Received

UCEBU = Unit Cost Entered by you

The unit cost defaults to the value in the **Items** form's **Unit Cost** field at the time the transaction is entered.

The credit account is the GL account number you entered. The account defaults to the item's **Inventory Adjustment** account.

- **Miscellaneous Issue:**

Transaction	Debit	Credit
Account Entered	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx
Inventory Fixed Overhead		xxxx
Inventory Variable Overhead		xxxx
Inventory Outside		xxxx

The debit account is the GL account number you entered. The account defaults to the item's Inventory Adjustment account.

The credit amount used is the quantity issued multiplied by the issue cost of the item:

CA = QI * IC

where:

CA = Credit Amount

QI = Quantity Issued

IC = Issue Cost

- **Job Material Issue:**

  The following transactions are posted to the inventory distribution journal named **SF Dist**.

Transaction	Debit	Credit
WIP Material Costs	xxxx	
WIP Labor Costs	xxxx	
WIP Fixed Overhead Costs	xxxx	
WIP Variable Overhead Costs	xxxx	
WIP Outside Costs	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx
Inventory Fixed Overhead		xxxx
Inventory Variable Overhead		xxxx
Inventory Outside		xxxx
Fixed Material Overhead Applied		xxxx
Variable Material Overhead Applied		xxxx

- **Job Receipt:**

  The following transaction(s) are posted to the inventory distribution journal named **SF Dist**.

Transaction	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
Fixed Material Overhead Applied	xxxx	
Variable Material Overhead Applied	xxxx	
WIP Material Costs		xxxx
WIP Labor Costs		xxxx
WIP Fixed Overhead Costs		xxxx
WIP Variable Overhead Costs		xxxx
WIP Outside Costs		xxxx

Posting to General Ledger - Standard Costing

The *standard* costing system posts all transactions that affect the value of inventory to the GL inventory distribution journals. All transactions are processed using standard costs that have been established with variances being posted to a series of variance account numbers.

General Ledger Account Numbers Used

Before processing any transactions in the manufacturing modules you must set up the GL account numbers to use for posting to the inventory distribution journals. These account numbers can be found in the **Product Codes**, **Departments**, **Purchasing Parameters**, and **Distribution Accounts** forms.

The following list details the accounts you need to set up.

Product Codes - WIP

WIP Material

WIP Labor

WIP Fixed Overhead

WIP Variable Overhead

WIP Outside

Product Codes - Miscellaneous

Inventory Adjustment

Product Codes - Applied Overhead

Material Fixed Overhead Applied

Material Variable Overhead Applied

NOTE: The Material Fixed Overhead Applied and the Material Variable Overhead Applied accounts are required only when basing overhead on job material issues.

Product Codes - Variance

Purchase Cost

Material Usage

Routing

Product Codes - Labor Variance

Labor Rate

Labor Usage

Product Codes - Overhead Variance

Labor Fixed Overhead Usage

Labor Variable Overhead Usage

Material Fixed Overhead Usage

Material Variable Overhead Usage

Machine Fixed Overhead Usage

Machine Variable Overhead Usage

NOTE: The Material Fixed Overhead Usage and the Material Variable Overhead Usage accounts are required only when basing overhead on job material issues.

Purchasing Parameters

Vouchers Payable

Departments

Direct Labor Applied Account

Fixed Overhead Applied Account

Variable Overhead Applied Account

NOTE: The Fixed Overhead Applied and the Variable Overhead Applied accounts are required only when basing overhead on job labor.

Although these rates default from this location, they are also maintainable at the **Current Operations**, **Job Operations**, and **Estimate Operations** forms.

Work Centers - Costing

Fixed Machine Overhead Applied Account

Variable Machine Overhead Applied Account

Although these rates default from this location, they are also maintainable at the **Current Operations**, **Job Operations**, and **Estimate Operations** forms.

Distribution Accounts - Inventory

Inventory

Inventory Labor

Inventory Fixed Overhead

Inventory Variable Overhead

Inventory Outside

Distribution Accounts - Sales/Cost of Goods Sold

COGS Material

COGS Fixed Overhead

COGS Variable Overhead

COGS Outside

Distribution Accounts - In-Transit

In-Transit Material

In-Transit Labor

In-Transit Fixed Overhead

In-Transit Variable Overhead

In-Transit Outside

NOTE: You are allowed to delete any distribution account record, including the default distribution account with a blank warehouse and blank product code.

The inventory account number used for journal transactions does not come directly from the **Distribution Accounts** form. Rather, the inventory accounts used comes from the stock location being accessed when the transaction is performed.

When a stock location is added for an item in the Inventory module, an inventory account is entered for the location, and an account number for each cost detail component is added.

The default for these fields are the inventory account numbers in the Distribution Accounts file to which the item belongs.

To locate the inventory account numbers, the system searches, in the following order, for:

- An exact match for both the warehouse and the product code.
- A match for the product code and a blank warehouse.
- A match for the warehouse and a blank product code.

The system does not post to the G/L inventory distribution journals if any of the account numbers it is attempting to use are not set up.

Transaction Posting to the Inventory Distribution Journals

Outlined below is every transaction that is posted to the inventory distribution journals when standard costing is being used.

Purchasing Transactions

The following transactions are posted to the inventory distribution journal named **PO Dist**.

- **Purchase Order Receipt:**

	Debit	Credit
Inventory	xxxx	
Vouchers Payable		xxxx

Purchase Variance	xxxx	or	xxxx

NOTE: Since this transaction is for a purchased item, only inventory material cost details component is posted.

- **Inventory** = (quantity received * standard unit cost from the **Items** form)
- **Vouchers Payable** = (quantity received * po unit cost)
- **Purchase Variance** = (qty received *(std unit cost - po unit cost))

The amount that inventory is debited is the quantity received multiplied by the item's standard unit cost:

AID = QR * ISUC

where:

AID = Amount that Inventory is Debited

QR = Quantity Received

ISUC = Item's Standard Unit Cost

Vouchers Payable is credited with quantity received multiplied by the purchase order line item unit cost. If there is a difference between the item's standard unit cost and the purchase order unit cost, the purchase cost variance account is either debited or credited with the difference, which balances the transaction.

If (ISUC - POUC) >> 0, then PCVA = DD or CD

where:

ISUC = Item's Standard Unit Cost

POUC = Purchase Order Line Item Unit Cost

PCVA = Purchase Cost Variance Amount

DD = Debited with the Difference

CD = Credited with the Difference

- **Purchase Order Return:**

	Debit	Credit
Vouchers Payable	xxxx	
Inventory		xxxx
Purchase Variance	xxxx or	xxxx

NOTE: Since this transaction is for a purchased item, only inventory material cost details component is posted.

- **Vouchers Payable** = (quantity returned * po unit cost)
- **Inventory** = (quantity returned * Items standard unit cost)
- **Purchase Variance** = (qty returned *(std unit cost - po unit cost)

The amount that vouchers payable is debited is the quantity returned multiplied by the purchase order unit cost. Inventory is credited with quantity returned multiplied by the item's standard unit cost. If there is a difference between the item's standard unit cost and the purchase order unit cost the purchase cost variance account is either debited or credited with the difference, which balances the transaction.

- **Voucher Generation:**

	Debit	Credit
a. If vouchered cost is greater than receipt cost:		
Vouchers Payable	xxxx	
Purchase Variance	xxxx	
Accounts Payable		xxxx
b. If vouchered cost is less than receipt cost:		
Vouchers Payable	xxxx	
Purchase Variance		xxxx
Accounts Payable		xxxx

The previous transaction is created only if any line items were vouchered at a different cost than the cost at which they were received into inventory. (The cost at which the items were received into inventory is the line item unit cost field at the time of the receipt.)

Variance = (VP - AP)

where:

VP = (qty vouchered * received cost)

AP = (qty vouchered * vouchered cost)

Production Transactions

The following transactions are posted to the inventory distribution journal named **SF Dist**.

- **Job Material Issue:**

	Debit	Credit
WIP Material	xxxx	
WIP Labor	xxxx	
WIP Fixed Overhead	xxxx	
WIP Variable Overhead	xxxx	
WIP Outside	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx
Inventory Fixed Overhead		xxxx
Inventory Variable Overhead		xxxx
Inventory Outside		xxxx
Fixed Material Overhead Applied		xxxx
Variable Material Overhead Applied		xxxx

At the time of issue, the work in process account is debited with the total standard cost of the material being issued plus the fixed and variable material overhead amounts:

WIPA = MC + (FMO * MC) + (VMO * MC)

where:

WIPA = WIP Amount

MC = Material Cost

FMO = Fix Material Overhead

VMO = Variable Material Overhead

MC = SUC * QI

where:

MC = Material Cost

SUC = Standard Unit Cost of Material

QI = Quantity Issued

Inventory is credited with the material cost shown above. The Overhead accounts are credited with the material cost multiplied by the material overhead rates.

- **Job Material Withdrawal:**

	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
WIP Material		xxxx
WIP Labor		xxxx
WIP Fixed Overhead		xxxx
WIP Variable Overhead		xxxx
WIP Outside		xxxx

The amount used is the quantity withdrawn multiplied by the item's standard unit cost.

- **Post Job Transaction:**

	Debit	Credit
WIP Material	xxxx	
WIP Labor	xxxx	
WIP Fixed Overhead	xxxx	
WIP Variable Overhead	xxxx	
WIP Outside	xxxx	

Direct Labor Applied		xxxx
Fixed Overhead Applied		xxxx
Variable Overhead Applied		xxxx
Labor Rate Variance	xxxx or	xxxx
Labor Usage Variance	xxxx or	xxxx
Fixed Overhead Usage Variance	xxxx or	xxxx
Variable Overhead Usage Variance	xxxx or	xxxx

Work in process (WIP) is debited (increased) by what the labor and overhead should be for the transaction entered based on the standard run and setup times in the **Job Operations** record and the standard setup and run rates in the **Work Centers** form. The calculation varies depending on the type of job transaction being processed.

WIP amount for (S)etup transaction =

[(SSH * WCSSR) * EFFICIENCY FACTOR]+

[(SSH * DFOR) * EFFICIENCY FACTOR] +

[(SSH * DVOR) * EFFICIENCY FACTOR]

where:

SSH = Standard Setup Hours

WCSSR = Work Center Standard Setup Rate

DFOR = Department Fixed Overhead Rate

DVOR = Department Variable Overhead Rate

WIP amount for (R)un Transaction =

[(AP * SRHU * WCSRR) * EFFICIENCY FACTOR] +

[(AP * SRHU * DFOR) * EFFICIENCY FACTOR] +

[(AP * SRHU * DVOR) * EFFICIENCY FACTOR]

where:

AP = Actual Pieces

SRHU = Standard Run Hours (Labor) per Unit

WCSRR = Work Center Standard Run Rate

DFOR = Department Fixed Overhead Rate

DVOR = Department Variable Overhead Rate

Direct labor applied, fixed overhead applied, and variable overhead applied amounts are based on the actual hours reported for the transaction:

WIP Amount for (C) Machine Transaction =

[(AP * SRHMU * WCFOR) * Efficiency Factor] +

[(AP * SRHMU * WCVOR) * Efficiency Factor]

where:

AP = Actual Pieces

SRHMU = Standard Run Hours (Machine) per Unit

WCFOR = Work Center Fixed Overhead Rate (Machine)

WCVOR = Work Center Variable Overhead Rate (Machine)

FO = (AH * DFOR) or (M * MFOR)

where:

FO = Fixed Overhead

AH = Actual Hours (Labor)

DFOR = Department Fixed Overhead Rate

M = Material

MFOR = Material Fixed Overhead Rate

VO = (AH * DVOR) or (Material * MFOR)

where:

VO = Variable Overhead

AH = Actual Hours (Labor)

DVOR = Department Variable Overhead Rate

M = Material

MFOR = Material Fixed Overhead Rate

An entry is made for labor rate variance if there is any difference between the actual employee manufacturing rate and the work center standard pay rate:

LRV = (MR - SR) * AH

where:

LRV = Labor Rate Variance

SR = Standard Rate

MR = Manufacturing Rate

AH = Actual Hours (Labor)

A labor usage variance, fixed overhead variance, and variable overhead variance are posted if the actual hours are less than (<) or greater than (>) the time it should have taken to complete the pieces that were reported:

LUV = ((((SRHU / EF) * PC) - AH) * SPR)

where:

LUV = Labor Usage Variance

SRHU = Standard Run Hours per Unit

PC = Pieces Complete

AH = Actual Hours (Labor)

SPR = Standard Pay Rate

EF = Efficiency Factor (100/ER)

ER = Efficiency Rate

WCSSR = Work Center Standard Setup Rate

SET-UP: LUV = ((SSHU - AH) * WCSSR) / ER

FOUV = (((SRHU / EF) * PC) - AH) * DFOR)

where:

FOUV = Fixed Overhead Usage Variance

SRHU = Standard Run Hours per Unit

PC = Pieces Complete

AH = Actual Hours (Labor)

DFOR = Department Fixed Overhead Rate

SSHU = Standard Setup Hours per unit

EF = Efficiency Factor (100/ER)

ER = Efficiency Rate

SET-UP: FOUV= ((SSHU - AH) * DFOR) / ER

VOUV = (((SRHU / ER)* PC) - AH) * DVOHR)

where:

VOUV = Variable Overhead Usage Variance

SRHU = Standard Run Hours per Unit

PC = Pieces Complete

AH = Actual Hours (Labor)

DVOHR = Department Variable Overhead Rate

SSHU = Standard Setup Hours per Unit

ER = Efficiency Rate

SET-UP: ((SSHU) - AH) * DVOHR) / ER

FMOUV = (((SRHU / ER) * PC) - AH)) * WCFOR

where:

FMOUV = Fixed Machine Overhead Usage Variance

SRHU = Standard Run Hours (Machine) Per Unit

PC = Pieces Complete

AH = Actual Hours (Machine)

WCFOR = Work Center Fixed Overhead Rate (Machine)

ER = Efficiency Rate

VMOUV = (((SRHU / ER) * PC)- AH)) * WCVOR

where:

VMOUV = Variable Machine Overhead Usage Variance

WCVOR = Work Center Variable Overhead Rate (Machine)

ER = Efficiency Rate

- **Job Finish (Put to Stock):**

	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	

Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
WIP Material		xxxx
WIP Labor		xxxx
WIP Fixed Overhead		xxxx
WIP Variable Overhead		xxxx
WIP Outside		xxxx

Both inventory and WIP are posted with the quantity being put to stock multiplied by the Items form's standard unit cost of the item being moved to inventory.

xxxx = (quantity completed * Items standard unit cost)

- **Job Close:**

If the quantity of any material issued is more or less than the standard quantity required, the following accounts are adjusted:

- Material Usage Variance
- Fixed Material Overhead Usage Variance
- Variable Material Overhead Usage Variance
- WIP Material
- WIP Labor
- WIP Fixed Overhead
- WIP Variable Overhead
- WIP Outside

The material usage variance amount is the difference between the standard quantity required and the actual quantity issued, extended by the standard cost of the material.

The overhead variance amounts are material usage variance extended by the fixed and variable material overhead rates.

If subsequent to this transaction there is any remaining WIP amount (+ or -), the following adjustment is made.

	Debit	Credit
a. If remaining WIP amount is greater than (>) 0 then:		

Routing Variance	xxxx	
WIP Material		xxxx
WIP Labor		xxxx
WIP Fixed Overhead		xxxx
WIP Variable Overhead		xxxx
WIP Outside		xxxx
b. If remaining WIP amount is less than (<) 0 then:		
WIP Material		xxxx
WIP Labor	xxxx	
WIP Fixed Overhead	xxxx	
WIP Variable Overhead	xxxx	
WIP Outside	xxxx	
Routing Variance		xxxx

This transaction may be necessary since the WIP account is increased with amounts that are based on the standard times and rates that are established for the job. The decrease of the WIP in the job finish transaction is based on the standard cost of the item being manufactured. If the total standards for the job do not match the standard unit cost of the item, this adjustment to WIP needs to be made.

If the job is not closed at the time the job transaction is posted, the above transaction is posted at the time the status of the job is manually changed from (R)eleased to (C)omplete.

Customer Order Transactions

The following transactions are posted to the inventory distribution journal named **CO Dist**.

- **Customer Order Shipment:**

	Debit	Credit
COGS Material	xxxx	

COGS Labor	xxxx	
COGS Fixed Overhead	xxxx	
COGS Variable Overhead	xxxx	
COGS Outside	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx
Inventory Fixed Overhead		xxxx
Inventory Variable Overhead		xxxx
Inventory Outside	xxxx	

This transaction is processed using the quantity shipped and the item's standard unit cost:

xxxx = (quantity shipped * Items form's standard unit cost)

- **Customer Order Return:**

	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
COGS Material		xxxx
COGS Labor		xxxx
COGS Fixed Overhead		xxxx

COGS Variable Overhead	xxxx
COGS Outside	xxxx

This transaction is processed using the quantity returned and the item's standard unit cost:

xxxx = (quantity returned * Items form's standard unit cost)

Inventory Control Transactions

The following transactions (unless otherwise specified) are posted to the inventory distribution journal named **IC Dist**.

- **Inventory Adjustment Transaction:**

	Debit	Credit
a. Increase quantity:		
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
Inventory Adjustment		xxxx
b. Decrease quantity:		
Inventory Adjustment	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx
Inventory Fixed Overhead		xxxx
Inventory Variable Overhead		xxxx

Inventory Outside	xxxx

The amount used for an inventory adjustment transaction is the adjustment quantity multiplied by the standard unit cost of the item.

Cycle counting and physical inventory posting create transactions like the transactions depicted previously. Either transaction a or b is created, depending on whether the count quantity is greater than (>) or less than (<) the original quantity.

- **Inventory Move:**

	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx
Inventory Fixed Overhead		xxxx
Inventory Variable Overhead		xxxx
Inventory Outside		xxxx

This transaction is only posted if the From and To locations specified on the form have different inventory accounts tied to them. The amount used is the move quantity times the standard unit cost.

- **Location Update:**

A transaction is created if you change the inventory account tied to the location. (The example assumes that all cost details accounts are changed.)

	Debit	Credit
Inventory (New accounts)		

Inventory Material Cost 1101	xxxx	
Inventory Labor Cost 1102	xxxx	
Inventory Fixed Overhead Cost 1103	xxxx	
Inventory Variable Overhead Cost 1104	xxxx	
Inventory Outside Cost 1105	xxxx	
Inventory (Old accounts)		
Inventory Material Cost 1001		xxxx
Inventory Labor Cost 1002		xxxx
Inventory Fixed Overhead Cost 1003		xxxx
Inventory Variable Overhead Cost 1004		xxxx
Inventory Outside Cost 1005		xxxx

The amount used is the quantity at the location multiplied by the standard unit cost of the item.

- **Location Insertion:**

	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
Inventory Adjustment		xxxx

This transaction is only posted if a quantity is entered for the location at the same time it is added. The amount is the quantity entered multiplied by the item's standard unit cost.

- **Roll Current Cost to Std Cost utility:**

	Debit	Credit
a. If the new standard is greater than (>) old standard:		
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
Inventory Adjustment		xxxx
b. If the new standard is less than (<) old standard:		
Inventory Adjustment	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx
Inventory Fixed Overhead		xxxx
Inventory Variable Overhead		xxxx
Inventory Outside		xxxx

- **Miscellaneous Receipt:**

	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	

Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
Account Entered		xxxx
Purchase Cost	xxxx	xxxx

The amount used is the quantity entered multiplied by the item's standard unit cost.

The credit account is the GL account number entered by you. The account defaults to the item's Inventory Adjustment account.

All variances are posted to the account found in the Purchase Cost field on the item's Product Codes form.

- **Miscellaneous Issue:**

	Debit	Credit
Account Entered	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx
Inventory Fixed Overhead		xxxx
Inventory Variable Overhead		xxxx
Inventory Outside		xxxx

The amount used is the quantity entered multiplied by the item's standard unit cost.

The debit account is the GL account number you entered. The account defaults to the item's Inventory Adjustment account.

- **Job Issue:**

The following transactions are posted to the inventory distribution journal named SF Dist.

	Debit	Credit
WIP Material	xxxx	

WIP Labor	xxxx	
WIP Fixed Overhead	xxxx	
WIP Variable Overhead	xxxx	
WIP Outside	xxxx	
Inventory Material		xxxx
Inventory Labor		xxxx
Inventory Fixed Overhead		xxxx
Inventory Variable Overhead		xxxx
Inventory Outside		xxxx
Fixed Material Overhead Applied		xxxx
Variable Material Overhead Applied		xxxx

At the time of issue, the work in process account is debited and the inventory account is credited with the standard unit cost of the item issued multiplied by the quantity issued plus overhead. At the time of job close, the material quantity variance is calculated, the work in process account debited, and the material usage variance account credited.

	Debit	Credit
Material Usage Variance		xxxx
WIP Material	xxxx	
WIP Labor	xxxx	
WIP Fixed Overhead	xxxx	
WIP Variable Overhead	xxxx	
WIP Outside	xxxx	

- **Job Receipt:**

The following transactions are posted to the inventory distribution journal named SF Dist.

	Debit	Credit
Inventory Material	xxxx	
Inventory Labor	xxxx	
Inventory Fixed Overhead	xxxx	
Inventory Variable Overhead	xxxx	
Inventory Outside	xxxx	
WIP Material		xxxx
WIP Labor		xxxx
WIP Fixed Overhead		xxxx
WIP Variable Overhead		xxxx
WIP Outside		xxxx

Both inventory and WIP are posted with the quantity being put to stock multiplied by the Item Maintenance standard unit cost of the item being moved to inventory.

xxx = (quantity completed * item standard unit cost)

If, subsequent to this transaction, there is any remaining WIP amount (+ or -) the following adjustment is made.

	Debit	Credit
a. If remaining WIP amount is greater than (>) 0:		
Other WIP Variance (Routing Variance)	xxxx	
WIP Material		xxxx
WIP Labor		xxxx
WIP Fixed Overhead		xxxx

WIP Variable Overhead		xxxx
WIP Outside		xxxx
b. If remaining WIP amount is less than (<) 0:		
WIP Material	xxxx	
WIP Labor	xxxx	
WIP Fixed Overhead	xxxx	
WIP Variable Overhead	xxxx	
WIP Outside	xxxx	
Other WIP Variance (Routing Variance)		xxxx

Reversing a Set of Related Journal or Ledger Entries

To reverse a set of related journal or ledger entries all at one time, use the **Reverse Transaction** form. You can reverse entries from the General Journal or a user-defined journal, and the entries must have a shared control number. They must all be part of the same business transaction.

1. Open the appropriate form and search for the entries to reverse. You can use the **Journal Entries**, **G/L Posted Transactions**, or **A/L Posted Transactions** forms.
2. Select an entry from the business transaction and then click **Reverse Transaction**. The **Reverse Transaction** form is displayed.
3. Click **Process**. A set of reversing entries is automatically created in the originating journal, but the entries are not posted.
4. Post the reversing entries. If necessary, you must also create and post corrected entries to replace the reversed entries.

Setting Up a Consolidation Reporting Structure

The system allows you to set up or modify the hierarchical structure of your entities and sites. We recommend that you carefully plan the relationship between entities and sites before using the

system. We suggest that you contact our Consulting Services group to help with your implementation.

NOTE: Appropriate replication rules must be set up between the sites and entities.

Sites must have the same base (domestic) currency as the entity they will report to. If a chart of accounts or accounting periods have been set up at the site, they must match those established for the entity.

Setting or Changing the Reports To Entity

If you modify an existing consolidation reporting structure, historic data will not change. For additional information, see the Consolidation Overview.

Following is the typical process:

1. Log in to each site whose Reports To entity will be set or changed.
2. If general ledger activity has been performed at the site, do the following. (If this is a new site with no activity, skip to the next step.)
   - Post all journals and consolidate the ledger for transactions in the current site. Run the **Ledger Consolidation** activity at each site to calculate the *ending* balances for every account number at the site and consolidate them up through the *old* entity hierarchy.
   - Since the full account balances will be closed out and moved, any balances that are to remain in the old structure must be manually transferred to other sites by journal entries in both sites. Those journal entries must be posted and consolidated.
3. Run the **Change Reports To Entity** utility at each site that you are changing to report to a new entity.
   - If this utility is run at a *site*, you can only change **Reports To Entity** to a financial entity that has the same base (domestic) currency, chart of accounts and accounting periods. Also, the system verifies that all accounts defined at the site already exist at the financial entity. If this validation fails, the change is not allowed and a report is created detailing the failures.
   - If chart records exist at the site that do not exist at the entity, you can use the **Multi-Site Chart Copy Utility** to copy the site's Chart of Accounts to the financial entity.

     If no chart of accounts or accounting periods have been set up yet at the site, this **Change Reports To Entity** utility will copy them from the entity to the site.
4. If this utility is being run at a financial *entity* at any level, the closing balances for each account at every site beneath the financial entity are calculated and consolidated all the way up the hierarchy. Then the **Reports-To** value is changed. All the **Reports To** account mappings for the entity's **Chart of Accounts** must be corrected to map to the chart of accounts of the new **Reports-To** financial entity.
5. Run **Ledger Consolidation** (again) at each site/entity in the new structure. This consolidates the *beginning* balances for each account up through the *new* financial entity hierarchy.
6. The G/L Ledger references created when the process is complete are:
   - SITE MOVE AWAY, which holds the closing balance.

- SITE MOVE TO, which is the beginning balance for the new Reports-To entity.

NOTE: No financial reporting should be run between steps 3 and 4, because the books will be temporarily out of balance.

Changing Currency Replication Rules

If the **Change Reports To Entity** utility is performed at a site (not an entity), and that site includes a replication rule for shared currency to and from the entity that it was previously reporting to, that replication rule should be deleted. Then a new replication rule for shared currency should be set up between that site and the new entity. Regenerate replication triggers and run manual replication of the **Shared Currency** category.

This ensures that users at the site will be viewing the currency records of their new financial entity instead of their old one.

Removing a Site from the Hierarchy

The **Change Reports To Entity** utility can also be run if a site is sold and needs to be removed from the financial consolidation structure. In this case you would run the utility with the **Reports To** field blank.

Reconsolidation

The **Set Ledger Consolidated Flag** utility rebuilds an entity. Use it to reconsolidate entities whose data was lost, corrupted or discarded due to a complete change in corporate structure.

After running this utility, you should then run the **Change Reports To Entity** utility to correct the current site structure, using the option to not post the closing balances. You can then run the **Ledger Consolidation** activity to consolidate into the new structure. In this case, it is assumed that the entities into which you are consolidating are new and thus empty of ledger records.

Specifying Dimensions and Attributes for G/L Accounts

If you assign dimensions to accounts, your G/L data becomes multi-dimensional. For example, not only can you drill down to detail about an account, but you can also drill across to details about the customer or the item involved in a particular A/R transaction posted to that account.

To support this, predefined dimensions related to Customer, Item and Vendor information are included in the SyteLine initialized data and can be attached to an account. Each dimension has a predefined set of attributes. (Your system administrator can modify or add dimensions and attributes, and set up additional joins between database tables, to meet your company’s needs. For more information, see Creating Dimensions and Attributes for Extended Data Analysis.)

Overview of the Process

Typically, the process includes these steps:

1 You tell the system administrator how you want to analyze the Chart of Accounts and posted ledger transactions. Be specific about the information you need to see, including any functions or calculations.

For example, for an account related to employees, you might want to see employee-specific information. The system administrator can join the employee database table in the dimension, so that employee-related fields are made available for your reports. You do not need to see all of the fields in the employee table, so unwanted fields can be hidden. You might also want to see some fields from other tables. The number of possible joins and dimensions that are applicable to an account is unlimited; the predefined data only includes a small sample.

2 The system administrator finds the appropriate information in the database and builds any additional calculations based on that data, creating dimension attributes. For more information, see Creating Dimensions and Attributes for Extended Data Analysis. The system administrator then makes the attributes available to you through the **Chart of Accounts Dimensions** form.

3 Use the Dimensions tab on the **Chart of Accounts** to assign one or more dimensions to an account. The same dimension can be added to any or all G/L Accounts.

4 Click **Dimensions** to open the **Chart of Account Dimension Details** form, where you can review, and possibly resequence, the attributes in that dimension.

Note: The **Joins** and **Attributes** buttons on this form by default require System Administration permission. We suggest that you preserve this requirement. The system administrator must ensure that the selected fields are the ones the user expects to see, and that the fields made available are within the available permissions of the user who will define a dimension that uses those fields. In a Sarbanes-Oxley environment, the creation of table joins and fields should be in the control of the service provider who maintains the certification. Also, by default the **Dimension Attributes** form, where you assign predefined attributes to a dimension, is restricted to the MGR-General Ledger permission. You can change this so that users with the General Ledger permission can also access the form. This is dependent on your company structure and is independent of Sarbanes-Oxley requirements.

You can perform these actions on the attributes in this form:

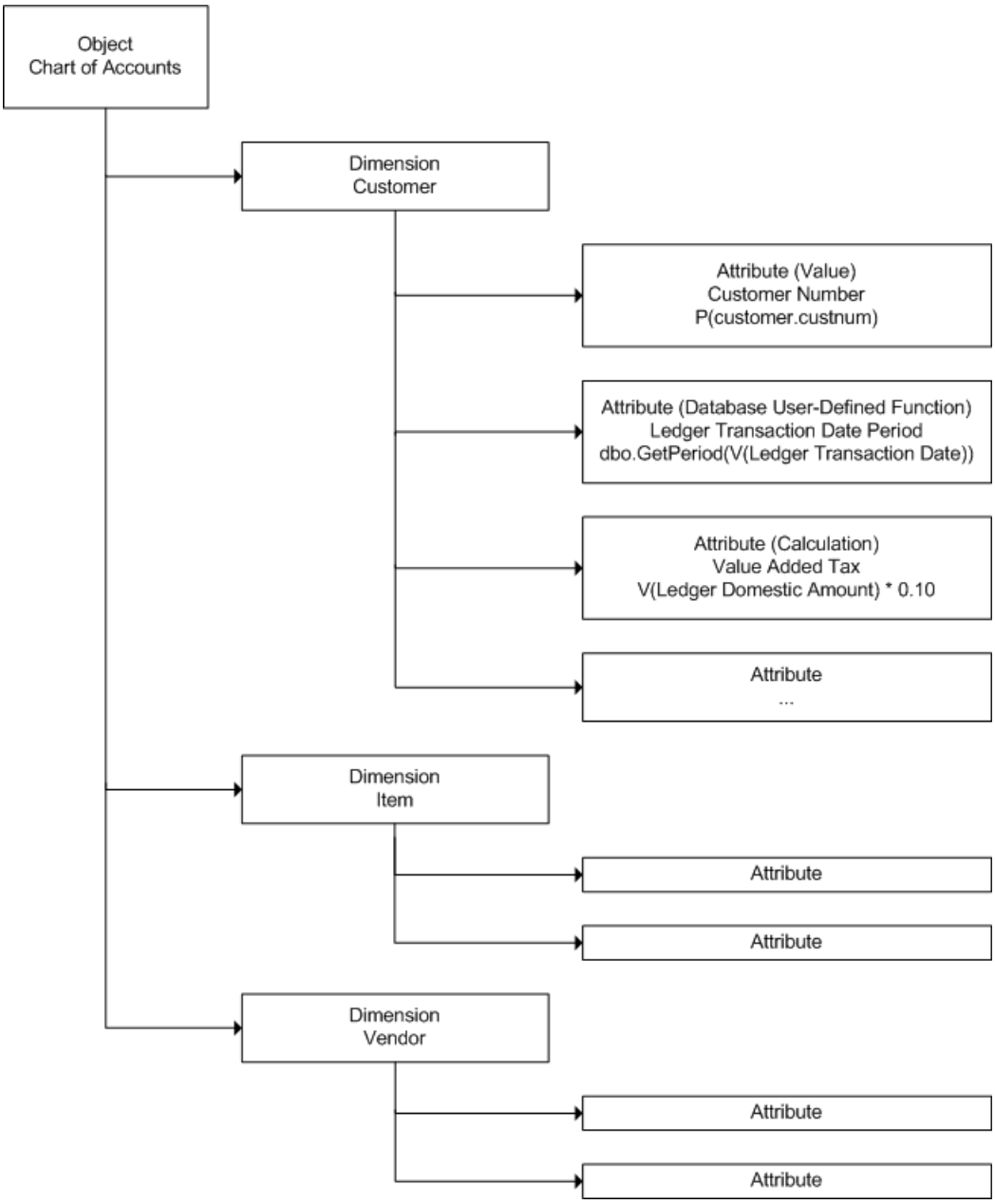
- View the name and description of the attribute.
- View the underlying database schema and/or calculation used to produce the output data.
- See whether the attribute is read-only or hidden in the output, and whether a mask is used to display the data (for example, display a date as MM/DD/YY or DD/MM/YYYY). If you have the appropriate permissions, you can modify these options for an attribute.
- Resequence the order that the attributes are displayed in the output. To do this, change the numbers in the **Sequence** column and click **Resequence**.

5 Click **Details** to view the actual output data for the dimension on the **Dimension Details** form.

6 Export the Dimension Details grid to Excel for further analysis and reporting.

Example: Dimensions and Attributes

This diagram shows an example of how an object can have multiple dimensions and attributes:



In the diagram, the example shows the predefined object Chart, which is used for Chart of Account analysis. The Chart object has three predefined dimensions. Each of the dimensions have predefined attributes that can include fields (properties), or calculated values. For more information about how to use dimensions and attributes with the Chart of Accounts, see Specifying Dimensions and Attributes for G/L Accounts.

The system administrator can create additional dimensions. The number of dimensions for an object is unlimited. The administrator also can create additional attributes. For more information, see Creating Dimensions and Attributes for Extended Data Analysis.

Note: A maximum of 100 attributes of any data type per dimension can be displayed on certain forms.

Multiple Financial Sets of Books (Multi-FSB)

Multiple Financial Sets of Books Overview

SyteLine provides Multi-Financial Sets of Books (FSB) functionality for businesses that require reporting for one or more ledgers in addition to the General Ledger. Each new ledger can contain any combination of a fiscal calendar, chart of accounts, and currency that are different from those used for the standard General Ledger. Each combination creates a separate financial set of books, and you can set up as many as you need.

A setting on the **General Parameters** form is used to enable multi-FSB functionality. With this option selected, you can define and activate multiple financial sets of books using the SyteLine multi-FSB forms. Many of the forms function similarly to the standard General Ledger forms.

This table lists all Multi-FSB forms and the related standard GL forms, if applicable:

Multi-FSB Forms	Related Standard General Ledger Forms
Multi-FSB Accounting Periods	Accounting Periods
Multi-FSB Charts	N/A
Multi-FSB Chart of Accounts	Chart of Accounts
Multi-Financial Sets of Books	N/A
Multi-FSB Chart of Accounts Budget and Plan	Chart of Accounts Budget and Plan
Multi-FSB Journal Entries	Journal Entries
Multi-FSB Ledger Posting for Journal	Ledger Posting for Journal
Multi-FSB Copy Balances to Budgets	Copy Balances to Budgets
Multi-FSB Copy Chart of Accounts	N/A
Multi-FSB Chart of Accounts Mapping Report	N/A

Multi-FSB General Ledger	General Ledger
Multi-FSB General Ledger Check Information Report	General Ledger Check Information Report
Multi-FSB General Ledger Transaction Report	General Ledger Transaction Report
Multi-FSB General Ledger Worksheet Report	General Ledger Worksheet Report
Multi-FSB Journal Account Summary	Journal Account Summary
Multi-FSB Journal Transaction Report	Journal Transaction Report
Multi-FSB Trial Balance	Trial Balance
Compress Multi-FSB Ledger Transactions	Compress General Ledger Transactions
Multi-FSB Rebalance Ledger Period Totals	Rebalance Ledger Period Totals
Multi-FSB Refresh Account/Unit Combinations	Refresh Account/Unit Combinations
Multi-FSB Accounting Periods Query	Accounting Periods Query
Multi-FSB Charts Query	N/A
Multi-FSB Chart of Accounts Query	Chart of Accounts Query
Multi-Financial Sets of Books Query	N/A
Multi-FSB Chart of Accounts Budget and Plan Query	Chart of Accounts Budget and Plan Query
Multi-FSB Journal Entries Query	Journal Entries Query

Multi-FSB Accounting Periods

Multi-FSB accounting periods for each new fiscal calendar must be created using the **Multi-FSB Accounting Periods** form and given a name that differentiates them from all other accounting periods. They must be maintained manually, because period changes and closing are not performed by the system, even if the settings match the standard GL accounting periods.

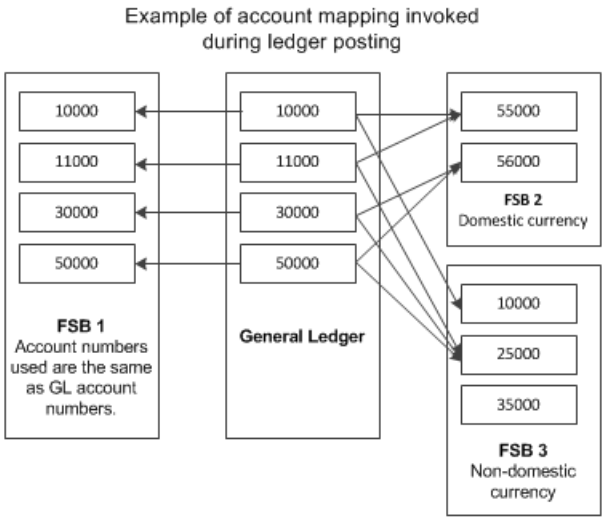
Multi-FSB Chart of Accounts

After creating a unique multi-FSB chart of accounts record using the **Multi-FSB Charts** form, accounts typically are added automatically using the **Multi-FSB Copy Chart of Accounts** form. The accounts also can be added manually using the **Multi-FSB Chart of Accounts** form.

Accounts added to a multi-FSB chart of accounts can exist only on that chart; they cannot be used on other multi-FSB charts. However, the same account numbers can be used on other charts of accounts. They are treated as different accounts for each chart.

Each multi-FSB account can be mapped to one or more accounts in the standard GL Chart of Accounts, but they are not required to be mapped. All GL accounts must be mapped to a multi-FSB account, except for analytical accounts, which are not mapped. Also, a GL account can be mapped to only one account per multi-FSB chart of accounts. You can specify unit codes for multi-FSB accounts or inherit them from the mapped GL accounts. A utility can be run to verify that all GL accounts are mapped correctly for a selected multi-FSB chart of accounts. The **Multi-FSB Chart of Accounts Mapping Report** is provided for reviewing this mapping.

This example shows how different accounts can be mapped for multi-FSB charts of accounts:



The **Multi-FSB Chart of Accounts Budget and Plan** form also is provided so you can enter budget, plan, and actual amounts for each individual account, accounting period, and fiscal year.

Multi-FSB Ledger

The **Multi-Financial Sets of Books** form is used to name, set up, and activate the combination of a multi-FSB fiscal calendar, multi-FSB chart of accounts, and a new or selected currency. If you want to use the same chart of accounts or fiscal calendar as that in the standard General Ledger for one of your multi-FSBs, you must create that COA or fiscal calendar a second time using the multi-FSB forms.

After activation, the multi-FSB ledger is ready to receive transactions. As records are posted to the General Ledger, they are also posted to all active multi-FSB ledgers. Multi-FSB ledgers also can receive records that you post using the **Multi-FSB Journal Entries** form.

Multi-FSB ledger records use the multi-FSB currency and are recorded to multi-FSB accounts based on the mapping of the standard GL accounts.

Journal entries can be created for any active multi-FSB, but transactions can be entered only into the General Journal. No multi-FSB transactions are posted to the General Ledger or to other multi-FSB ledgers.

Year-End Journal Entries

When the General Ledger set of books is closed for the year, it gets posted to all active multi-FSBs based on account mappings. However, these transactions are not shown on the multi-FSB ledger reports. Also, multi-FSBs are not closed when the GL set of books is closed, even if they have the same fiscal calendar. Each active multi-FSB must be closed separately and manually. Year-end transactions or adjustments made in a multi-FSB are not recorded in any other financial set of books.

Different Fiscal Year Ends

All year-end transactions are recorded into the accounting period based on the date of the transaction. Therefore, as transactions are copied from the GL financial set of books to all active multi-FSBs, each transaction is recorded in the accounting period as assigned to its financial set of books. This way, a transaction can be recorded into different periods, and even different fiscal years, based on the accounting periods of each financial set of books.

Reporting

You can run reports on the multi-FSB ledgers to show transactions:

- In the multi-FSB accounts
- In the multi-FSB currency
- In the multi-FSB accounting period

General Ledger and Trial Balance reports are available, but multi-FSB transactions are not available on the financial statements. Also, any ledger entries with the reference of Income Summary or Year Closing are not shown on the multi-FSB GL reports.

Limitations

SyteLine multi-FSB functionality does not include the following:

- Mapping of transactions from a multi-FSB with the standard GL FSB, including year-end transactions.

- Mapping of a single GL account to multiple accounts in the same multi-FSB chart of accounts.
- Multi-FSB support in multi-site/entity configurations.
- Period sorting for multi-FSBs. Standard GL sorting is used.
- Ability to copy multi-FSB chart budgets and plans from the standard GL. They must be entered manually for the multi-FSB.
- Ability to create different multi-FSB unit codes. Multi-FSB accounts receive the same unit codes as the standard GL accounts they are mapped to. If a multi-FSB account is not mapped to a GL account, then unit codes can be specified for the multi-FSB. The unit codes values that can be selected for a multi-FSB account come from the Unit Code (number) forms.

Setting Up Multiple Financial Sets of Books

To set up a multi-FSB, follow these steps:

1. On the **General Parameters** form, select **Multiple Financial Sets of Books**.
2. If this set of books will use a currency that is not already set up in SyteLine, use the **Currency Codes** form to add the new currency.
3. On the **Multi-FSB Accounting Periods** form, create a fiscal calendar for the new set of books.
4. On the **Multi-FSB Charts** form, specify a name and description for the chart of accounts for this set of books.
5. Save the record.
6. Add accounts to the new chart of accounts, either automatically or manually.
    a. To add accounts automatically, click **Copy COA** on the **Multi-FSB Charts** form. This opens the **Multi-FSB Copy Chart of Accounts** form so you can copy the standard GL chart of accounts for the new set of books.
    b. To add accounts manually, use the **Multi-FSB Chart of Accounts** form. See Maintaining the Multi-FSB Chart of Accounts.
7. On the **Multi-FSB Charts** form, click **Confirm Mappin**g to run a check on account mapping. A message is displayed to let you know if there are any problems. If successful, the **Accounts Mapped** option is selected automatically.
8. On the **Multi-Financial Sets of Books** form, define the new set of books with this information:
    - **FSB**: Specify a name and description for the new set of books.
    - **FSB COA**: Select the chart of accounts created above.
    - **Fiscal Calendar**: Select the fiscal calendar created above.
    - **Currency**: Specify the currency to use for this set of books.
    - **CTA Account**: Select the account to use for recording debits and credits that may occur to rebalance the Multi-FSB ledger due to currency conversion during general ledger posting. This is necessary only if the selected **Currency** is not Domestic.
9. Save the record.

10 If you need beginning balances for the multi-FSB ledger, use the **Multi-FSB Journal Entries** form to enter them manually and then post them.

11 To activate the new financial set of books for use, select **Active** on the **Multi-Financial Sets of Books** form. Once active, the multi-FSB receives all posted GL ledger transactions, regardless of the date.

If you select **Compress Ledger**, ledger records for this set of books are compressed automatically by date, account, and unit code. For additional flexibility, you can use the **Compress Multi-FSB Ledger Transactions** utility to set different compression options and process the compression.

Maintaining the Multi-FSB Chart of Accounts

Use the **Multi-FSB Chart of Accounts** form to manually set up and maintain mapping of multi-FSB accounts with accounts from the standard GL Chart of Accounts.

NOTE: You can initially map multi-FSB accounts automatically by copying the standard GL Chart of Accounts using the **Copy COA** button on the **Multi-FSB Charts** form. Then use this form to add, remove, or change account mapping.

To map an account:

1 Open the **Multi-FSB Chart of Accounts** form.

2 Select **Actions > New**.

3 In the **FSB COA** field, select a multi-FSB chart of accounts to work with.

4 In the **FSB Account** field, specify an identifier for the multi-FSB account.

5 In the field to the right of the **FSB Account** field, specify a description of the account for reference.

6 In the **FSB Account Type** field, select the account type.

7 Optionally, you can specify an **FSB Account Class** for financial reporting.

8 Do one of the following:

- To map to an existing account from the standard GL Chart of Accounts, select the account on the GL Accounts tab.
- For an unmapped account, specify unit code requirements for the account. In each of the **Unit Code 1-4** fields, select one of these options:
  - No Access: The reporting unit field will not be accessible for this account. The system also disables the corresponding Unit Code tab on the form.
  - Accessible: The reporting unit field will be accessible for this account.
  - Required: The reporting unit field is required for this account.

On the associated Unit Code tabs, you can add or remove unit codes.

9 To save the account mapping, select **Actions > Save**.

Deleting Multi-FSB Records

You can use the **Delete** button on the toolbar to delete a selected multi-FSB record on the **Multi-Financial Sets of Books** form. When a multi-FSB record is deleted, all FSB ledger records and associated data are deleted as well.

Unit Codes

About Unit Code Implementation

Due to a change in unit code functionality beginning with SyteLine 6.0, you may need to perform the following procedure if you upgrade from version SyteLine 6.0 or earlier to SyteLine 7.0 or later.

NOTE: Beginning with SyteLine 6.0, unit codes can be marked as Required on the **Chart of Accounts** form.

Change Existing Accounts

1. Upgrade to SyteLine 7.0 or later.

   All unit codes marked as not accessible are assigned a status of **Not Accessible**. All unit codes marked as accessible are assigned a status of **Accessible**.

2. If you want to change unit code status to **Required** on the **Chart of Accounts** form, post to journals first. If you do not, a warning message tells you to post before you change the status.

3. Run the Unit Code Where Used Report.

   This report identifies areas in the system where a particular unit code is referenced.

4. Make corrections in the areas of the system where the **Unit Code Where Used Report** indicated that a unit code should be filled in for the account.

About Unit Code Reporting

These are the basic assumptions of unit code reporting throughout the system.

Account Structure

The account structure in the system is:

- Account - Main account
- Unit Code 1 - Department
- Unit Code 2 - Product Code
- Unit Code 3 - User Defined
- Unit Code 4 - User Defined

Account is part of the account template, unit codes are not. Any unit code can be tied to a main account, provided the Chart of Accounts setup allows that chart record access to that unit code.

Chart of Accounts

On the Chart of Accounts, you can set each unit code with one of the following three attributes:

- **Not Accessible** - The Reporting Unit field is not accessible for this account in the system. If this option is selected, the unit code will not be posted. The system also disables the corresponding Unit Code tab on the form.
- **Accessible** - The Reporting Unit field is accessible for this account everywhere in the system. If this option is selected, you may enter that unit code for the associated account, but it is not mandatory.
- **Required** - The Reporting Unit field is required for this account everywhere in the system. If this option is selected, you are required to enter the unit code for the associated account. An error occurs if you leave the unit code blank when one is required. If no unit code is entered, posting will fail.

Inventory Transactions

For transactions involving inventory distribution accounts, the system pulls unit codes from Item Stockroom Locations.

Job Transactions

WIP transactions pull Acct, Unit Code 1, Unit Code 3, and Unit Code 4 from the Product Codes - WIP tab. Unit Code 2 comes from the Product Codes - General tab.

EXAMPLE: For example, a job is created for Item A. Item B is the material issued to that job. Unit Codes 1, 3 and 4 are defined on the Product Codes - WIP tab. For a job material issue, the following accounts and unit codes are used.

	Acct	UC1	UC2	UC3	UC4
(Debits) From Job Header WIP Accounts (Cost Detail)					
WIP Material	XXXX	XXX	XXX	XXX	XXX
WIP Labor	XXXX	XXX	XXX	XXX	XXX
WIP Fixed Overhead	XXXX	XXX	XXX	XXX	XXX
WIP Variable Overhead	XXXX	XXX	XXX	XXX	XXX
WIP Outside Services	XXXX	XXX	XXX	XXX	XXX
(Credits) From Item					

Stockroom Locations		
Inventory Material	XXXX	XXX
Inventory Labor	XXXX	XXX
Inventory Fixed Overhead	XXXX	XXX
Inventory Variable Overhead	XXXX	XXX
Inventory Outside Services	XXXX	XXX

Labor Posting

	Acct	UC1	UC2	UC3	UC4
(Debits) From Job Header WIP Accounts (Cost Detail)					
WIP Material	XXXX	XXX	XXX	XXX	XXX
WIP Labor	XXXX	XXX	XXX	XXX	XXX
WIP Fixed Overhead	XXXX	XXX	XXX	XXX	XXX
WIP Variable Overhead	XXXX	XXX	XXX	XXX	XXX
WIP Outside Services	XXXX	XXX	XXX	XXX	XXX
(Credits) From Work Center of Operation (Dept. of WC) Departments record					
Direct Labor Expense	XXXX	XXX	XXX	XXX	XXX
Fixed Labor Overhead Applied	XXXX	XXX	XXX	XXX	XXX
Variable Labor Applied	XXXX	XXX	XXX	XXX	XXX

In standard costing, variance transactions use Unit Code 2 from the Product Codes - General tab. For labor rate variance, it also uses Unit Code 1 from the Departments form. Other unit codes are pulled from the Product Codes - Variance Tab.

CO Shipping Transactions

Customer order unit codes can be handled in one of two ways. On the **Customers** form there is an **End User Type** field. End User Type accounts can then be set up on the **End User Types** form. The accounts defined here are Sales, Sales Discount, Accounts Receivable, Cost of Goods Sold Material, Cost of Goods Sold Labor, Cost of Goods Sold Fixed Overhead, Cost of Goods Sold Variable Overhead, and Cost of Goods Sold Outside. If End User Type is defined on the **Customers** form, that type is pulled into the order and the default values for Acct, Unit Code 1, Unit Code 2, Unit Code 3, and Unit Code 4 are used from the **End User Types** form. If there is no Unit Code 2 on the End User Type form, it is pulled from the **Product Codes** - General tab.

If End User Type is not used, the system pulls the Acct, Unit Code 1, Unit Code 2, Unit Code 3, and Unit Code 4 from the Sales/COGS tab on the **Distribution Accounts** form for all accounts listed above except Accounts Receivable. If there is no Unit Code 2 on the Sales/COGS tab of the **Distribution Accounts** form, it is pulled from the **Product Codes** - General tab. Accounts Receivable is pulled from the Accounts Receivable Parameters form and uses all Acct, and all Unit Codes.

NOTE: See Where Unit Codes Come From for a table illustrating how unit codes are applied by activity performed.

Where Unit Codes Come From

Use the following table to see where unit codes come from when performing certain activities. For example, in the table you see that when performing an RMA Return Transaction with No End User Type, the Credit Cost Of Goods Sold unit codes come from Product Code Distribution Accounts.

Activity	Account	Where unit codes come from
Customer Payments	DR Cash	Bank Rec of Bank Code
	CR Accounts Receivable	Unit Code designated on artran record for type "Invoice"
	CR	Unit Code designated on A/R Payment Distributions form for type "Open Credit", "Finance Charge" and "Non-A/R". The Unit Code defaults from Accounts Receivable Parameters form, but can be overwritten at A/R Payment Distribution level.
Customer Shipment - No End User Type	CR Inv.	Item Stockroom Locations

	DR COGS	Product Code Distribution Accounts
Customer Shipment - With End User Type	CR Inv.	Item Stockroom Locations
	DR COGS	End User Type, then Product Codes (Unit Code 2 only)
Cycle Count and Physical Inventory	DR or CR Inv.	Item Stockroom Locations
	DR or CR Inv. Adj.	Product Codes Misc, tab then Product Codes General Tab (Unit Code 2 only)
Invoicing (with End User Type)	DR Accounts Payable	Unit Code 1,3,4 from End User Type, Unit Code 2 from Product Code General
	CR Sales	Unit Code 1,3,4 from End User Types form, and Unit Code 2 from General tab on Product Codes form
Invoicing (without End User Type)	DR Accounts Receivable	Unit Code from Accounts Receivable Parameters form, and Unit Code 2 from Product Codes form
	CR Sales	Unit Code from Product Code Distribution Account, then General tab on Product Codes form
JIT Transactions	DR Inv.	Item Stockroom Locations
	CR WIP	Work Center WIP Accts, then Product Codes (Unit Code 2 only)
Job Close	DR or CR WIP	Job Orders
	DR or CR Inv. Adj. Or Routing Variance	Product Codes Variance tab for Standard Cost item or Product Codes Misc tab for Actual Cost item, then Product Codes General tab (Unit Code 2 only)
Job Labor Transactions	DR WIP	Job Orders Cost Detail tab
	CR Exp.	Unit Code 1 from Dept. UC

		field, all other codes from Dept. DL & OH applied defaults, then Product Codes (Unit Code 2 only)
Job Material Issues	DR WIP	Job Orders
	CR Inv.	Item Stockroom Locations
Job Move to Inventory (includes Job Receipt	DR Inv.	Item Stockroom Locations
	CR WIP	Job Orders
Manual LIFO/FIFO Adjustment Utility	DR or CR Inv.	Item Stockroom Locations
	DR or CR Inv. Adj.	Product Codes Misc, tab then Product Codes General Tab (Unit Code 2 only)
Miscellaneous Issue	CR Inv.	Item Stockroom Locations
	DR Misc.	Product Code Misc. tab Inventory Adjustment account
Miscellaneous Receipt	DR Inv.	Item Stockroom Locations for existing locations; Inventory Distribution Accounts for new locations
	CR Misc.	Product Code Misc. tab Inventory Adjustment account
Payroll Transactions	DR Labor Exp.	Wage account on Employee General, then Departments (Unit Code 1 only), then Payroll Parameters for Unit Codes 2, 3, and 4
	DR All Other Exp.	Unit Code 1 from Employee Dept. UC Field, all other codes from Payroll Parameters and PR Tax Tables
	CR Tax Payable	Unit Code 1 from Employee Dept. UC Field, all other codes from Payroll Parameters and PR Tax Tables
	CR Cash	Unit Code 1 from Employee Dept. UC Field, all other

		codes from Payroll Parameters and PR Tax Tables
Project Labor Transactions	DR Proj Labor	Unit Code 1 from Employee Dept. UC field, all other codes from Product Codes Project tab
	DR Proj Overhead	Unit Code 1 from Employee Dept. UC field, all other codes from Product Codes Project tab
	DR Proj G & A	Unit Code 1 from Employee Dept. UC field, all other codes from Product Codes Project tab
	CR Labor Exp.	Unit Code 1 from Employee Dept. UC field, all other codes from DL & OH applied defaults
	CR Applied Ovhd	Unit Code 1 from Employee Dept. UC field, all other codes from Project Default Parameters
	CR Applied G & A	Unit Code 1 from Employee Dept. UC field, all other codes from Project Default Parameters
Project Resource Transactions	DR WIP	Unit Code on Project Header (Defaults from Product Code associated with Project)
	CR Inv.	Unit Code from Stockroom Location of item being issued
	CR	Unit Code entered during Resource Transaction for "Non-Item Master" issues
PS Complete Transactions	DR Inv.	Item Stockroom Locations
	CR WIP	Work Center WIP Accts, then Product Codes (Unit Code 2 only)
PS Scrap Transactions	DR Scrap Exp.	Product Codes Misc tab, then Product Codes General Tab

		(Unit Code 2 only)
	CR WIP	Work Center WIP Accts, then Product Codes (Unit Code 2 only)
Purchase Order Receiving	DR Inv.	Item Stockroom Locations
	CR Vouchers Payable	Purchasing Parameters, then Product Codes (Unit Code 2 only)
Purchase Order Variance	DR or CR Vouchers Payable	Purchasing Parameters, then Product Codes (Unit Code 2 only)
	DR or CR Inv. Adj. or PPV	Product Codes Variance tab for Standard Cost item or Product Codes Misc tab for Actual Cost item, then Product Codes General tab (Unit Code 2 only)
Quantity Adjustment Transactions	DR or CR Inv.	Item Stockroom Locations
	DR or CR Inv Adj	Product Codes Misc, tab then Product Codes General Tab (Unit Code 2 only)
RMA Return Transaction - No End User Type	DR Inv.	Item Stockroom Locations
	CR COGS	Product Code Distribution Accounts
RMA Return Transaction - With End User Type	DR Inv.	Item Stockroom Locations
	CR COGS	End User Type, then Product Codes (Unit Code 2 only)
Transfer Orders (Single Site) Quantity Move	DR To Loc	Transit account, then Item Stockroom Locations for existing locations; Inventory Distribution Accounts for new locations, then Product Codes (Unit Code 2 only)
	CR From Loc	Transit account, then Item Stockroom Locations for existing locations; Inventory Distribution Accounts for new

		locations, then Product Codes (Unit Code 2 only)
Transfer Orders (Multi-Site, Inter-Entity), MS Quantity Move	(From Site) CR Inv.	Item Stockroom Locations
	(From Site) DR I/E A/R	Intersite Parameters, then Product Codes (Unit Code 2 only)
	(From Site) DR I/E COGS	Intersite Parameters, then Product Codes (Unit Code 2 only)
	(From Site) CR I/E Sales	Intersite Parameters, then Product Codes (Unit Code 2 only)
	(From Site) CR I/E Profit	Intersite Parameters, then Product Codes (Unit Code 2 only)
	(To Site) DR Inv.	Item Stockroom Locations
	(To Site) CR I/E A/P	Intersite Parameters, then Product Codes (Unit Code 2 only)
Transfer Orders (Multi-Site, Intra Entity	(From Site) CR Inv.	Item Stockroom Locations
	(From Site) DR I/E Clear Ship	Intersite Parameters, then Product Codes (Unit Code 2 only)
	(To Site) DR Inv.	Item Stockroom Locations
	(To Site) CR I/E A/P	Intersite Parameters, then Product Codes (Unit Code 2 only)
Vendor Payments	CR Cash	Bank Rec of Bank Code
	DR Accounts Payable	Unit Code designated on aptrxp record for type "Voucher"
	DR	Unit Code designated on A/P Payment Distributions form for type "Open Payment", "Commission" and "Non-A/P". The Unit Code defaults from Accounts Payable Parmeters form, but can be overwriteen

		at A/P Payment Distribution level.
Voucher (with Vendor Category)	DR Vouchers Payable	Purchasing Parameters form, then Unit Code 2 from General tab on Product Codes form
	CR Accounts Payable	Vendor Categories form
Voucher (without Vendor Category)	DR Vouchers Payable	Purchasing Parameters form, then Unit Code 2 from General tab on Product Codes form
	CR Accounts Payable	Purchasing Parameters form
WC Labor Transactions	DR WIP	Work Center WIP Accts
	CR Labor Exp.	Unit Code 1 from Dept. UC field, all other codes from Dept. DL & OH applied defaults
WC Material Transactions	CR Inv.	Item Stockroom Locations
	DR WIP	Work Center WIP Accts, then Product Codes (Unit Code 2 only)

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