



Infor LN Financials User Guide for Accounts Receivable

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Table of Contents

About this document

Chapter 1 Topics shared with Accounts Payable.....	9
Control accounts.....	9
Default control account.....	9
Dimensions.....	9
Search path for control account.....	10
Purchase and sales transaction types using multiple control accounts.....	10
Financial business partner groups.....	11
Financial business partner group ledger accounts.....	12
Common ledger accounts used for ACR and ACP.....	12
Advance Payments-Tangible Assets and Advance Receipts.....	12
Realized Currency Profit.....	13
Realized Currency Loss.....	13
Unrealized Cur. Profit.....	13
Unrealized Cur. Loss.....	13
Write-off Bad Debts.....	14
Payment Differences.....	14
Discount.....	14
Late Payment Surcharge.....	14
Ledger accounts used for ACP.....	15
Invoice Receipts.....	15
Price Differences.....	16
Commissions.....	16
Ledger accounts used for ACR.....	16
Rebates.....	16
Doubtful Invoices.....	16
Default amounts for bank transactions.....	16
Payment/receipt schedule.....	17
Discount/late payment surcharge.....	18

Tolerated payment differences.....	19
Tolerated payment differences.....	19
Payment schedules – overview.....	20
Receipt schedules.....	21
Payment schedules.....	21
Payment terms.....	21
Receipts against shipments.....	22
Receipts against shipments – overview.....	22
Due date calculation.....	22
Additional days after due date.....	23
Credit notes.....	23
Using credit notes.....	25
Using a Sales Credit Notes category.....	25
Using the Sales Invoices or Purchase Invoices transaction category.....	25
Assigning credit notes.....	26
Assigning credit notes to original invoices.....	26
Assigning credit notes to payment schedules.....	26
Trade notes – overview.....	27
Factoring.....	27
Currency differences.....	27
Ledger accounts by currency.....	28
Writing off currency profits.....	28
Fixed exchange rates.....	28
Writing off currency differences for anticipated payments.....	29
Unrealized currency differences.....	29
Realized currency differences.....	30
AP and AR dashboard navigation – examples.....	31
Reports on remittances made to pay-to business partners.....	31
View pay-to BP payments and all associated information.....	32
Report on pay-to BP payments and all associated information.....	32
View settled invoices for a payment (AP).....	32

View settled invoices for a receipt (AR).....	33
View purchase receipt, purchase invoice, or payment information on orders.....	33
Chapter 2 Accounts Receivable.....	35
Problem invoices.....	35
Advance installments.....	36
The advance invoice control account.....	36
Processing the advance invoice.....	36
To assign credit notes to receipt schedules.....	37
Credit control.....	37
Interest calculation on overdue invoices.....	38
The interest period.....	39
Interest calculation.....	39
Sales orders - interim revenue reconciliation.....	40
Appendix A Glossary.....	43
Index	

About this document

This document describes the process to set up and manage open invoices that may originate from various modules. The process to create manual sales invoices, send reminders, and generate interest invoices is also detailed.

Assumed knowledge

Understanding this document is easier if you have some basic knowledge of the functionality of the various logistic LN packages and Financials.

Document summary

This document is a compilation of the help topics for the Accounts Receivable module that are listed under Infor LN, Financials, *Online Manual Topics*.

How to read this document

This document was assembled from online Help topics. As a result, references to other sections in the manual are presented as shown in the following example:

- For details, refer to *To set up an integration mapping scheme*. To locate the referred section, please refer to the Table of Contents or use the Index at the end of the document.

Underlined terms indicate a link to a glossary definition. If you view this document online, clicking the underlined term takes you to the glossary definition at the end of the document.

Related documents

- User Guide for Accounts Payable (U9633)

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Chapter 1

Topics shared with Accounts Payable

1

Control accounts

Business practices in Japan, Spain, Italy, and other countries require that different types of receivables and payables are posted to different control accounts. You can use multiple control accounts for financial business partner groups to post real trade transactions and other purchase or sales-related transactions to different control accounts.

You can use the sales types and the purchase types to post the financial transactions generated during processing of the invoices to various control accounts. For each business partner group, you can define the control account to be used for each sales type and purchase type.

You can create as many sales types and purchase types as you need for your financial administration. You can define sales type exceptions and purchase type exceptions to post transactions with specific origins and with specific details, for example, specific items or projects, to specific control accounts.

Default control account

For each business partner group, you must define one default sales type or purchase type and its related control account. In other words, you must define at least one sales type and one purchase type because this is required to link at least one control account to a business partner group.

It is recommended that for regular sales/purchase activities, you use the default sales type and purchase type and control accounts. You can use the additional sales types and purchase types with their control accounts to post invoices that are not related to real trade transactions to separate control accounts. For example, non-trade sales invoices can concern the sale of fixed assets, intercompany transfers, and so on.

Dimensions

You can use the dimensions to split the transactions on the customer and supplier control accounts by departments, persons responsible for the revenues, costs, properties, debts, and so on. All the additional control accounts of the business partner groups must use the same dimensions as the control account linked to the default sale type or purchase type.

Search path for control account

To determine the control account for an invoice transaction, LN searches for the most specific sales type or purchase type in this order:

1. The manually entered sales type or purchase type of the sales invoice header or purchase invoice header.
2. The sales type or purchase type of the sales order line or purchase order line. This can be an 'exception' defined for specific order details such as the item code, the item group, or the project.
3. The default sales type or purchase type defined for the business partner group of the invoice-to or invoice-from business partner.

For manual purchase orders and purchase schedules, if no purchase type is found in the purchase type exceptions, LN retrieves the default purchase type from the business partner group of the invoice-to business partner.

For internal invoices with bilateral invoicing or triangular invoicing, LN uses the default sales type or purchase type of the business partner group linked to the internal invoice-to or invoice-from business partner. For example, internal invoices can be generated for transfers, manual transfers, WIP transfers, and internal freight orders.

Note

For purchase orders for which intercompany settlement transactions are generated, no sales type and purchase type are used and the corresponding field is disabled.

Purchase and sales transaction types using multiple control accounts

You can create as many sales types and purchase types as you need for your financial administration. You can define sales type exceptions and purchase type exceptions to post transactions with specific origins and with specific details, for example, specific items or projects, to specific control accounts.

Multiple control accounts are used for the following types of purchase and sales transactions:

- Purchase orders
- Freight orders
- Manual purchase invoices
- Invoices generated for procurement card statements
- Sales orders
- Warehouse orders for transfers that result in intercompany transactions
- Service orders
- Service contracts

- Calls
- Project orders
- Debit notes
- Credit notes
- Interest invoices
- Manual sales invoices
- Commission and Rebate invoices
- Purchase schedules
- Advance invoices
- Sales schedules

Payments and receipts processed in Cash Management are posted to the control accounts determined by the sales types and purchase types of the related orders or invoices.

This applies to the following types of cash management transactions:

- Manual and automatic payments/receipts for normal and anticipated payments/receipts
- Assignment of invoices to advances/unallocated
- Reconciliation of bank documents and electronic bank statements

Financial business partner groups

Financial business partner groups are used to establish the link between the accounts payable and accounts receivable. These groups are also used to establish a link to the General Ledger. For each business partner group, you must define a set of ledger accounts and dimensions to which transactions are posted.

In addition, you must define at least one control account. The received sales invoice amounts and sent purchase invoice amounts are posted to this account. When booking credit notes, the account is credited or debited in the opposite way, depending on the **Negative Amount for Credit Notes** parameter in the Transaction Types (tfgld0511m000) session. You can define multiple control accounts, and use the sales types and the purchase types to post the various types of invoice amounts to different control accounts. For details, refer to To set up control accounts.

You can define the financial business partner groups and the control accounts and other ledger accounts and dimensions for the business partner groups in these sessions:

- In Accounts Payable:
 - Financial Business Partner Groups (tfacp0110m000)
 - Ledger Accounts by Business Partner Group (tfacp0111m000)
 - Control Accounts by BP Group (tfacp0515m000)
- In Accounts Receivable:
 - Financial Business Partner Groups (tfacr0110m000)
 - Ledger Accounts by Business Partner Group (tfacr0111m000)
 - Control Accounts by Business Partner Group (tfacr0515m000)

You can assign the financial business partner groups to business partners in one of these sessions in Common:

- Invoice-to Business Partner (tccom4112s000)
- Invoice-from Business Partner (tccom4122s000)

When a transaction is entered, LN retrieves the financial business partner group to which the business partner belongs. The transaction is posted to the ledger accounts and dimensions associated with the business partner group.

Financial business partner group ledger accounts

In addition to the debtors' and creditors' control accounts, specific ledger accounts are predefined for a number of transactions from the Accounts Receivable module and the Accounts Payable module.

For each financial business-partner group, you must define the control accounts and the ledger account and the dimensions for each type of transaction. For details, refer to *Financial business partner groups* (p. 11).

Note

Most kinds of transactions exist for both accounts payable and accounts receivable. A small number of transactions, however, are specific to either accounts payable or accounts receivable. If a transaction is specific to either accounts payable or accounts receivable, this is stated.

The accounts which you can set up for a financial business partner group depends on the functionality that you use. For example, sets of control accounts exist for factoring, trade notes, and fixed assets.

Common ledger accounts used for ACR and ACP

The commonly used control accounts for Accounts Payable and Accounts Receivable are described below.

Advance Payments-Tangible Assets and Advance Receipts

The advance payments or advance receipts are posted to this account. This account is credited when advance receipts are booked and debited when the advance receipt is assigned to an invoice. These transactions are entered, for example, in the Bank Transactions (tfcmg2500m000) session.

Realized Currency Profit

The realized currency profits are posted to this account. This account is used when a payment or receipt of an invoice in a foreign currency is processed. The exchange rate at the time of receipt is different from the exchange rate at the time of invoicing, which results in a currency profit.

The realized currency profit is posted when:

- An invoice is finally paid.
- Payment differences are written off.
- Advance payments or unallocated payments are assigned to an invoice.

Realized Currency Loss

The realized currency losses are posted to this account. This account is used when a payment or receipt of an invoice in a foreign currency is processed. The exchange rate at the time of receipt is different from the exchange rate at the time of invoicing, which results in a currency loss.

Unrealized Cur. Profit

Currency profits are posted to this account. This account is used if:

- An anticipated payment/receipt is processed for an invoice with a foreign invoice currency.
- The exchange rate at the time of receipt is different from the exchange rate at the time of invoicing, resulting in a currency profit.
- You write off currency differences by using the Write Off Currency Differences (tfacr2250m000) session or the Write Off Currency Differences (tfacp2240m000) session.

The realized currency profit is posted when:

- An invoice is finally paid.
- Payment differences are written off.
- Advance payments or unallocated payments are assigned to an invoice.

Note

An unrealized currency profit is only posted if you specified this in the Accounts Payable or Accounts Receivable parameters.

Unrealized Cur. Loss

Currency losses are posted to this account. This account is used if:

- An anticipated payment/receipt is processed for an invoice with a foreign invoice currency
- The exchange rate at the time of receipt is different from the exchange rate at the time of invoicing, which results in a currency loss.

- You write off currency differences by using the Write Off Currency Differences (tfacr2250m000) session. or the Write Off Payment Differences (tfacr2240m000) session. For the sessions Write Off Payment Differences (tfacr2240m000)/ Write Off Bad Debts (tfacr2255m000), the existing Unrealized Currency Loss is contra-posted and posted to the Payment Differences/Write Off Bad Debts account.

The realized currency loss is posted when:

- An invoice is finally paid.
- Advance payments or unallocated payments are assigned to an invoice.

Write-off Bad Debts

The Bad Debts written off are posted to this account by Write Off Bad Debts (tfacr2255m000) session. Using this session amounts that are no longer collectible can be written off automatically.

Payment Differences

Payment differences are posted to this account. Using the Write Off Payment Differences (tfacr2240m000) or Write Off Payment Differences (tfacr2230m000) session small differences can be written off automatically.

Discount

The discounts are posted to this account when you process receipts or payments that involve discounts.

Late Payment Surcharge

The late-payment surcharge amounts are posted to this account when they are deducted in the Bank Transactions (tfcmg2500m000) session.

Anticipated Payments and Anticipated Receipts

The anticipated payments and anticipated receipts are posted to this account. LN books anticipated transactions to this account if **Anticipated Payments** or **Anticipated Receipts** has been selected in the **Account Type** field of the Posting Data by Bank/Payment Method (tfcmg0146s000) session. When the receipt status is switched from **Anticipated** to **Final**, the amounts are transferred to the control account.

Deductions Anticipated Payments and Deductions Ant. Receipts

The use of this account depends on the setting of the **Deductions** field of the Posting Data by Bank/Payment Method (tfcmg0146s000) session.

As long as the payment or receipt is not reconciled (in other words, its status is anticipated), you can store all deductions (discounts, late payment surcharges, and payment differences) on this ledger account.

As long as the payment or receipt is anticipated, the different possible deductions are not posted to the final accounts for discounts, late payment surcharges, or payment differences, but are posted together to this interim account. When the payment or receipt is reconciled, the deductions are posted from this interim account to the final accounts.

Net Advance Payments-Tangible Assets and Net Advance Receipts

In some countries, for example Germany, tax must be paid on large advance payments/receipts. The paid amount without tax is posted to this account.

Note

To charge tax on advance payments/receipts, select the **Calculate Tax on Advance Payments/Receipts** check box in the CMG Parameters (tfcmg0100s000) session.

Gross Advance Payments-Tangible Assets and Gross Advance Receipts

If the **Calculate Tax on Advance Payments/Receipts** check box in the CMG Parameters (tfcmg0100s000) session is selected, tax is calculated on advance payments/receipts. The paid amount with tax added is posted to this account.

Unallocated Payments and Unallocated Receipts

Unallocated payments/receipts are posted to this account. This account is debited when an unallocated payment or an unallocated receipt is booked, and credited when it is assigned to an invoice.

Ledger accounts used for ACP

The commonly used control accounts for Accounts Payable are described below.

Invoice Receipts

Purchase invoices are posted to this account when you enter the purchase invoices that are related to orders in Procurement.

This account is debited when purchase invoices that are related to orders are entered in LN and the invoice status is set to **Registered**. The account is credited when the purchase invoice is approved. For details, refer to Processing purchase invoices.

This account only exists for accounts payable.

Price Differences

Price differences are posted to this account. Price differences can occur during the automatic matching and approval of purchase invoices. These differences must lie within the margins that are defined in the ACP Parameters (tfacp0100m000) session.

This account only exists for accounts payable.

Commissions

Commissions are posted to this account.

This account only exists for accounts payable.

Ledger accounts used for ACR

The commonly used control accounts for Accounts Receivable are described below.

Rebates

Rebates are posted to this account.

This account only exists for accounts receivable.

Doubtful Invoices

Doubtful invoices are posted to this account. This account only exists for the accounts receivable.

Note

If you think an invoice is not going to be paid, you can post the invoice as doubtful using an invoice correction. This invoice is credited from the normal control account and posted to the doubtful invoices account.

Default amounts for bank transactions

When you enter a payment in the Bank Transactions (tfcmg2500m000) session, LN determines the following default amounts based on the data recorded for the invoice to which the payment is related:

- The amount payable, if the payment concerns a purchase invoice
- The amount receivable, if the payment concerns a sales invoice
- The discount amount

- The late-payment surcharge amount

The existence of a payment/receipt schedule for an invoice affects the way default amounts are calculated. However, default discount amounts and late payment surcharge amounts are calculated based on different data. The default tolerated payment difference can also be calculated.

Payment/receipt schedule

You can link a payment/receipt schedule to an invoice when you register an invoice in one of these sessions:

- Sales Invoices (tfacr1110s000)
- Purchase Invoice Entry (tfacp2600m000)

To link a payment/receipt schedule to an invoice, choose the corresponding command on the appropriate menu. A payment/receipt schedule is defined for one invoice in one of these sessions:

- Receipt Schedules (tfacr1103m000)
- Payment Schedule (tfacp1103m000)

If a payment/receipt schedule is present for the invoice for which you are creating a payment, LN determines the default amount payable on the basis of the payment date or receipt date.

Example

The total amount payable on a purchase invoice is USD 1,200.

Payment schedule:

Amount	Payment due date
USD 700	2017-02-15
USD 300	2017-03-01
USD 200	2017-03-15

If the first payment is made on 2017-02-18, the displayed default amount payable is USD 700.

If the first payment is made on 2017-03-04, the displayed default amount payable is USD 1,000 (700 + 300).

If the first payment is made on 2017-02-10, the displayed default amount payable is USD 700. If no payable amounts are found before the creation date of the payment, LN enters the amount specified

for the next payment date. Therefore, the payment date 2017-02-10 results in a default amount of USD 700.

Discount/late payment surcharge

When no payment/receipt schedule is present for the invoice for which you are creating a payment, LN determines the default amount payable/receivable based on:

- The payment/receipt document date.
- The open invoice amount.
- The discount dates recorded for the invoice.

The **LPS/Discount for Partial Payments** parameter in the CMG Parameters (tfcmg0100s000) session determines how discounts on partial payments are calculated. If this parameter is set to **None**, no default discount amounts are given.

If the **LPS/Discount for Partial Payments** parameter is set to **Proportionally**, the default discount amount is calculated as shown in the following example:

Example 1

The payable purchase invoice amount is USD 100. The allowed discount amount is USD 8.

The default amounts of the first payment will be: Amount paid = USD 92. The discount calculated = USD 8.

If the partial amount payable is USD 20, the default discount is USD 1.74 ($20 * 100/92 * 8/100$).

The default amount of the second payment will then be: Amount payable = USD 72.

Default discount: $72 * 100/92 * 8/100 = \text{USD } 6.26$

If the **LPS/Discount for Partial Payments** parameter is set to **Fully**, the default discount amount is calculated as shown in the following example:

Example 2

The payable purchase invoice amount is USD 1,000. The following discount data exist for this invoice:

Discount amount 1:	20	Discount date:	2017-01-01
Discount amount 2:	15	Discount date:	2017-02-01
Discount amount 3:	5	Discount date:	2017-03-01

The paid amount entered for the first payment is USD 800, and the discount amount is USD 18.

The next partial payment of USD 200 is made on 2017-01-15. The default discount amount is zero. Based on the payment's document date, LN determines the discount allowed at that time: USD 15. If this amount is smaller than the discount that was already taken at the first payment (which was USD 18), the default value given is zero.

Note

The default amount payable is first calculated in the invoice currency. If the receipt/payment currency is not equal to the invoice currency, the amount is calculated in the invoice currency based on the currency exchange rates of both currencies. If the invoice currency has a fixed exchange rate, this rate is used.

Tolerated payment differences

Tolerated payment differences

The allowed payment difference tolerances depend on the payment difference limits defined for specific users in the Payment Authorizations (tfcmg1100m000) session or as default values in the CMG Parameters (tfcmg0100s000) session.

LN determines the default tolerated payment difference for an invoice based on:

- The open amount.
- The invoice amount.
- The defined payment difference tolerances.

Example 1

The amount on the invoice is USD 1,000. The following tolerances are defined for payment differences:

Percentage of invoice lower than expected: 10%

Invoice amount lower than expected: 50 (in reference currency)

The default payment difference is 50.

The default payment difference must meet both conditions. In this case, the first condition dictates that the payment difference must be less than 100 ($10\% * 1,000 = 100$). However, the second condition dictates that the payment difference must be less than 50. Therefore, the default payment difference is 50.

Example 2

The amount on the invoice is USD 1,000. The following tolerances are defined for payment differences:

Percentage of invoice lower than expected: 3%

Invoice amount lower than expected: 50

The default payment difference is 30 ($3\% * 1,000$).

Note

If the payment difference for an actual payment is greater than the allowed default payment difference, the displayed default payment difference shown is zero.

Payment schedules – overview

A payment schedule defines agreements about the amounts to be paid by payment period. You can link a payment schedule to the payment terms. Each line of the payment schedule defines a part of the invoice amount that must be paid within a specific period, the payment method used for the payment, and the discount conditions that apply to the payment.

You can define payment schedules independently of the [payment terms](#), and you can reuse a payment schedule for several payment terms.

Receipt schedules

In the Accounts Receivable module, the payment schedules define the amounts and due dates of receivable amounts. Therefore, in Accounts Receivable, payment schedules are referred to as *receipt schedules*.

Note

The difference between payment schedules and *sales installments* is that a payment schedule defines a number of payments for a single invoice, whereas for sales installments, a separate invoice is created for each installment.

Payment schedules

A payment schedule consists of a payment schedule header and payment schedule lines. The payment schedule header defines whether the payment amounts are specified as a percentage or through a factor, and the payment period type, which can be **Days**, **Months**, or **Fiscal Periods**.

The payment schedule lines define a part of the invoice amount to be paid within a specific period. The payment schedule lines are independent of each other. You can specify a separate payment method or receipt method for each line. For each schedule line, you can define three discount periods and discount percentages. Payment schedule lines are identified by the invoice number followed by the payment schedule line number.

Invoices with a payment schedule result in an open entry in Accounts Payable or Accounts Receivable for every payment schedule line. The payment schedule lines take the place of the invoice, for example, for credit control, reminder letters, and late payment surcharges, for payment advice and direct debit advice, open entry balances, aging analysis, the various purchase invoice authorization methods, and to write off currency differences.

The due date calculation can be based on the payment terms details or you can use a payment calendar. For details, refer to [To use payment calendars](#)

In Invoicing, LN prints the payment schedule on invoices and draft invoices to inform the business partner of the due dates and discount conditions.

Note

LN also supports payment schedules for recurring invoices.

LN does not support payment schedules for subcontracting invoices.

Payment terms

You link payment schedules to sales invoices and purchase invoices through the [payment terms](#).

For every line of the payment schedule, LN uses the due date calculation defined for the payment terms to which you link the payment schedule. Several payment schedule lines can have the same due date. If you select invoices for payment or direct debit, LN selects invoices as well as payment schedule lines that must be paid based on their due dates.

Receipts against shipments

The payment schedules functionality is also used to implement the receipts against shipments functionality. If you use receipts against shipments, LN generates a receipt schedule line for each shipment.

Receipts against shipments – overview

You can use the receipts against shipments functionality to generate or enter payment transactions and receipt transactions in Cash Management based on shipment or order information and to maintain the balances by shipment or order.

If you use the receipts against shipments functionality, LN generates a receipt schedule line for each shipment. The receipt schedule lines for receipts against shipments of a single order all have the same due date, which is based on the invoice date and the payment terms of the invoice.

If you ship goods against a sales order, each order line can result in one or several shipments. For every shipment, you must create a packing slip. In Cash Management, you apply the receipts to the shipment lines using the details on the packing slip.

If your customer returns the goods, you create a return order. You send a credit note to customer for the returned shipment. The credit note contains a credit note line for every returned shipment line.

You can compose shipment lines and return shipment lines on a single invoice. If the amount of the return shipment lines exceeds the amount of the shipment lines payable, LN generates a credit note.

If you use receipts against shipments and you linked a receipt schedule to the payment terms of the invoice, LN ignores the receipt schedule. The processing of the invoice is entirely based on the shipments. LN generates interest invoices and reminder letters for the shipments for which payment is overdue.

If you do not use receipts against shipments, the processing of the invoice is based on the payment terms. LN creates invoices for sales orders according to the composing criteria you select in Invoicing. Credit notes can have a single receipt schedule line.

Due date calculation

Several methods exist to determine the due date of an invoice or of a payment schedule line. In the Payment Terms (tcmcs0113s000) session, you can specify how LN determines the due dates.

The invoice's document date (date of creation) is the base for the due date calculation. The final due date is determined by the following details:

- In the Payment Terms (tcmcs0113s000) session:
 - **The payment period**
The payment period is the number of days or months that is added to the invoice's document date before or after calculating the due date to obtain the actual due date.
 - **The due date calculation method**
The algorithm for calculating the due date.
 - **The fixed payment days**
Specific days of the month, on which payments are due. If you specify fixed payment days, LN changes the calculated due date into the next fixed payment day. You can specify up to three fixed payment days, for example, the first, the tenth, and the twentieth day of each month.
- **The payment calendar**
For pay-by business partners and for your own financial company, you can optionally define a payment calendar. If the calculated due date is marked as a holiday on the payment calendar, LN changes the due date to the previous working day or, in some situations, to the next working day. This results in the actual due date.

Additional days after due date

In the Pay-by Business Partner (tccom4114s000) and the Pay-to Business Partner (tccom4124s000) sessions, you can specify a number of additional days in the **Extra Days after Due Date** field. For example, the number of days that the bank needs to transfer the money.

The **Extra Days after Due Date** field is used in Financials to:

- Calculate the expected payment date in the Sales Invoices (tfacr1110s000) session
- Maintain the expected payment date in the Purchase Invoice Cash Dates (tfcmg3111m000) session
- Calculate a cash flow forecast on the basis of the expected payment date in the Update Cash Forecast (tfcmg3210m000) session.

Credit notes

If a customer returns part of the goods, or if you create invoice corrections, you or your business partner can create a credit note to correct the amount payable for an invoice. If you automatically process the invoices, LN automatically generates credit notes and assigns credit notes to invoices.

You can create credit notes for the transaction types of different categories, such as:

- **Sales Credit Notes**
- **Purchase Credit Notes**
- **Sales Invoices**

■ Purchase Invoices

Credit notes are linked to invoices rather than to invoice lines. However, if you use payment schedules or receipts against shipments, you can assign credit notes to the payment schedule lines. For details, refer to [To use payment schedules](#).

If you select open entries for payment or direct debit, LN searches for credit notes that you can apply to the open entries before you perform the payment or direct debit procedure.

Creating a credit note

To create a credit note in the Transactions (tfgld1101m000) session, select a transaction type that has one of these categories. To actually create the credit note, you can now start one of the following sessions:

- Purchase Invoice Entry (tfacp2600m000)
- Sales Invoices (tfacr1110s000)

If you use one of the transaction categories **Sales Invoices** or **Purchase Invoices**, you can create a credit note by entering a negative invoice amount.

Generating an overview of applied credit notes

If you reduce payments to a pay-to business partner by the amounts of existing credit notes, it can be unclear for the business partner which credit notes you used to reduce the payment amounts. This can lead to confusion and misunderstandings.

To solve this situation, you can create a report of the invoices, the credit notes linked to the invoices, and their amounts, for a selection of invoice-from business partners. You can send this report to your suppliers for information.

Use the Assigned Credit Notes Letter (tfacp4160m000) session to generate and print an overview of the credit notes and the related invoices. You can define the credit notes letter layout in the Assigned Credit Notes Layout (tfacp4161m000) session.

Credit notes in reports

A credit note amount is displayed as negative. If a credit note is linked to one or more invoices, the assigned amount of the credit note is deducted from the open invoice amount. The linked amount is then visible as a payment line.

The invoice amount that is displayed for an invoice to which a credit note is linked is the original invoice amount. The open invoice amount is the invoice amount minus the linked credit note amount. The linked credit note amount is visible as a payment line.

Using credit notes

You can use credit notes for the transaction types of different categories, such as:

- **Sales Credit Notes**
- **Purchase Credit Notes**
- **Sales Invoices**
- **Purchase Invoices**

Using a **Sales Credit Notes** category

If you use one of the transaction categories **Sales Credit Notes** or **Purchase Credit Notes**, you must enter a positive amount.

The **Negative Amount for Credit Notes** parameter in the Transaction Types (tfgld0511m000) session, where the transaction type is defined, determines if the credit note is posted as a negative or positive amount. If this check box is selected, LN saves and regards the amount that was entered as a negative amount.

Example

A credit note of USD 800 is entered for a transaction type of a **Credit Note** category. You enter a positive invoice amount of USD 800. Two scenarios are possible:

- If the **Negative Amount for Credit Notes** check box in the Transaction Types (tfgld0511m000) session is cleared for the used transaction type, a credit amount of USD 800 is posted to the ACR control account. The default value for the transaction line is then a debit of USD 800.
- If this check box is selected, a debit amount of USD -800 is posted to the ACR control account. The default value for the transaction line is a credit of USD -800.

Using the **Sales Invoices** or **Purchase Invoices** transaction category

If you use a transaction type that belongs to one of the categories **Sales Invoices** or **Purchase Invoices**, you can create a credit note by entering a negative invoice amount in the invoice header.

Note

You can only create a credit note in this way if the **Negative Amount for Credit Notes** check box in the Transaction Types (tfgld0511m000) session is selected for the used transaction type. If this check box is cleared, you cannot enter a negative invoice header amount.

Example

A credit note of USD -800 is entered for a transaction type that belongs to the **Sales Invoices** category. When the credit note is posted, LN debits the ACR control account for -800. The default amount for the entry of the sales invoice transaction lines in the **Transaction Type** session is -800 credit.

Assigning credit notes

You can assign credit notes to the following documents:

- Original Invoices
- Payment Schedules

Assigning credit notes to original invoices

You can assign a credit note to one invoice or to several invoices. You can also include credit notes, without assigning them to invoices, as a payment in the automatic payment procedure.

These two situations are illustrated below:

You can link a credit note to one invoice when you enter the credit note in the Purchase Invoice Entry (tfacp2600m000) session. In the **Original Invoice** field, you can enter the document number of the invoice to which you want to link the credit note.

A credit note can also be related to several invoices. To assign a credit note to more than one invoice, take the following steps:

1. In the Transactions (tfgld1101m000) session, select a transaction type of the **Sales Corrections** category or the **Purchase Corrections** category.
2. In the Transactions (tfgld1101m000) session, select the record you created and click **Transaction Entry** on the appropriate menu. One of the sessions Assign Credit Notes to Invoices (tfacp2120m000) or Business Partner - Credit Notes (tfacr2120m000) is started.
3. Select the credit note and link it to the appropriate purchase invoices or sales invoices.
4. On the appropriate menu, start one of the sessions Assign Invoices/Schedules to Credit Notes (tfacp2121s000) or Assign Credit Notes to Invoices (tfacr2121m000). In these sessions you can distribute the total credit note amount over the related invoices.

Note

- You can only link credit notes and invoices if they have the same invoice currency and currency exchange rate.
- In the Accounts Receivable module, LN checks if the credit note you are linking is marked as a doubtful invoice. A doubtful credit note can only be linked to a doubtful sales invoice.
- Credit notes that are not linked to invoices are included in the automatic payment procedure. The credit note is selected for payment in the same way as normal invoices.
- Credit notes that are linked to invoices are deducted from the total invoice amount before it is paid.

Assigning credit notes to payment schedules

If you link payment schedule to sales invoices and purchase invoices, you can assign credit notes to the payment schedule lines or receipt schedule lines.

Related topics

- To use payment schedules
- *To assign credit notes to receipt schedules (p. 37)*
- To assign credit notes to payment schedules

Trade notes – overview

Trade notes are legally accepted forms of payment such as bank drafts, checks, promissory notes, and bills of exchange. Trade notes can be used instead of cash payments. Because trade notes are negotiable, they can also be used as a credit instrument, for example, for discounting and endorsing. Trade notes can exist on paper and on magnetic supports, according to local business practices and banking standards.

Two types of trade notes exist:

- Trade notes payable
- Trade notes receivable

Factoring

LN supports factoring of your outstanding receivables and payment of purchase invoices to factors used by your suppliers.

For *accounts receivable*, you can set up the factoring of your sales invoices. The factor becomes the pay-by business partner and the pay-by business partner that is linked to the invoice-to business partner becomes the original pay-by business partner.

For *accounts payable*, if your supplier factors the invoices, you can specify the pay-to business partner's factoring company and the factor's bank. Payments of purchase invoices are then made to the factor.

You usually receive a factor's advance from the factor against the receivables factored with it. Usually, the factor's advance is 70% to 80% of the factored amount.

Currency differences

When currency differences are posted, several parameters affect the way the entries in the General Ledger are created. This section explains the possible parameter settings:

- Ledger accounts by currency.
- Writing off currency profits.
- Fixed exchange rate.

- Writing off currency differences for anticipated payments.

Ledger accounts by currency

This parameter is recorded in the Finance Company Parameters (tfld0503m000) session.

If the **Ledger Accounts Currency Differences by Currency** check box is selected, the (un)realized currency differences are posted to the ledger accounts defined in the Currency Difference Ledger Accounts by Currency (tfld0119s000) session.

LN retrieves the related dimensions from these sessions:

- General Ledger: Finance Company Parameters (tfld0503m000)
- Accounts Payable: Ledger Accounts by Business Partner Group (tfacp0111m000)
- ACR: Ledger Accounts by Business Partner Group (tfacr0111m000)

If the **Ledger Accounts Currency Differences by Currency** check box is cleared, the currency differences are posted to:

- General Ledger: the ledger accounts specified in the Finance Company Parameters (tfld0503m000) session.
- Accounts Payable/ Accounts Receivable: the ledger accounts recorded for the business partner group.

Writing off currency profits

This parameter is defined in one of these sessions:

- ACP Parameters (tfacp0100m000)
- ACR Parameters (tfacr0100s000)

If the **Currency Profits** check box is selected, the unrealized currency profits are posted as well as the unrealized currency losses. Unrealized currency losses are always posted when writing off currency differences.

Fixed exchange rates

For each invoice, the rate determiner defines:

- Which date is used to determine the exchange rate.
- If currency differences are calculated.
- For which (home) currencies the currency differences are calculated.

The **Rate Determiner** is set in the Sales Invoices (tfacr1110s000) session or the Purchase Invoice Entry (tfacp2600m000) session.

Unrealized currency differences are written off in one of these sessions:

- Write Off Currency Differences (tfacp2240m000)

- Write Off Currency Differences (tfacr2250m000)

Writing off currency differences for anticipated payments

This parameter is defined in one of these sessions:

- ACP Parameters (tfacp0100m000)
- ACR Parameters (tfacr0100s000)

If the **Currency Difference Anticipated Payments** check box is selected, invoices with anticipated payments or anticipated receipts are considered for writing off currency differences.

Unrealized currency differences

Unrealized currency differences are currency differences that are calculated for invoices that are not yet paid. Currency differences become realized (actual) at the moment:

- The invoice is paid.
- The unallocated payments/receipts or advance payments/receipts are assigned to an invoice.
- The payment differences are written off.

Note

Whether unrealized currency differences are calculated, depends on several parameter settings. These settings are explained in *Currency differences* (p. 27).

Unrealized currency differences can occur when:

- Open invoices are present.
- Currency differences are written off, and the exchange rate of a currency has changed.

If part of the invoice has been paid, LN calculates the currency difference over the remaining open invoice amount, using the following formula:

$$\text{unrealized curr. difference} = \text{open invoice amount} * (\text{invoice rate/rate factor} - \text{new rate/rate factor})$$

The unrealized currency profits or losses are posted to the ledger accounts specified for the financial business partner group.

Example

The purchase invoice amount is EUR 10,000

The invoice currency is EUR.

The home currency is USD.

The invoice date is 2007-01-01.

Exchange rates :

Start date	Rate EUR to USD	Invoice amount in USD
2007-01-01	1.362	USD 13,6210
2007-02-01	1.264	USD 12,6423
2007-02-15	1.269	USD 12,6904

The rate factor is 1.

The Write Off Currency Differences (tfacp2240m000) session is run on 2007-02-10.

On 2007-02-10, the calculated unrealized currency difference is:

$$10,000 * (1.362 - 1.264) = \text{USD } 978.00$$

For sales invoices, this currency difference would be an unrealized currency loss. Because this invoice is a purchase invoice, this difference is an unrealized currency profit.

Realized currency differences

Realized currency differences are final currency differences calculated over paid invoices.

Realized currency differences can originate from these sessions:

- Bank Transactions (tfcmg2500m000)
- Reconciliation of Payments (tfcmg2103s000) and Reconciliation of Receipts/Payments (tfcmg2104s000)
- Assign Unallocated/Advance Receipts to Invoices (tfcmg2105s000) and Assign Unallocated/Advance Payments to Invoices (tfcmg2106s000)
- Assign Invoices/Schedules to Credit Notes (tfacp2121s000) or Assign Credit Notes to Invoices (tfacr2121m000). Realized currency differences originate from these sessions when another currency/rate is concerned.
- Write Off Payment Differences (tfacp2230m000) or Write Off Payment Differences (tfacr2240m000)

Example

The purchase invoice amount is EUR 10,000

The invoice currency is EUR.

The home currency is USD.

The invoice date is 2017-01-01.

Exchange rates :

Start date	Rate EUR to USD	Invoice amount in USD
2017-01-01	1.362	USD 13,6210
2017-02-01	1.264	USD 12,6423
2017-02-15	1.269	USD 12,6904

The rate factor is 1.

On 2017-02-10, the unrealized currency differences have been calculated as described in *Unrealized currency differences (p. 29)*. There was a currency profit of USD 978.

On 2017-02-15, the invoice is paid as follows:

In invoice currency:	EUR 10,0000
In home currency:	USD 12,6904

The realized currency difference is $10,000 * (1.362 - 1.269) = \text{USD } 930$

For sales invoices, this difference would be a realized currency loss. Because this invoice is a purchase invoice, this difference is a realized currency profit.

When the realized currency difference is posted, the unrealized currency differences are reversed.

AP and AR dashboard navigation – examples

Reports on remittances made to pay-to business partners

To respond to audit and supplier inquiries, you require reports on remittances that were made to pay-to business partners. For this purpose, use the Print Business Partner Payments (tfacp6402m100) session.

From this session, you can print these reports:

- **Business Partner Payments Remittance Data**
Select a pay-to business partner.
- **Business Partner Payment Totals**
The total amounts that were paid to each pay-to business partner are printed based on currencies. To print monthly totals, specify a payment date range.
- **Business Partner Payments Batch Totals**
Specify a range of payment batches or a single payment batch. Otherwise, data from non-payment batch payments will also be included in the report.

View pay-to BP payments and all associated information

To respond to audit and supplier inquiries, you need to view payments that were made to business partners and corresponding information against payments, such as invoice information and order information.

For this purpose, you can use these sessions:

- Business Partner Payments - Order Information (tfacp6502m000)
- Business Partner Payments - Order Information by Payments (tfacp6502m100)

Note

The availability of this functionality is determined by the new **Store Business Partner Payment - Order Information** setting in the ACP Parameters (tfacp0100m000) session.

Report on pay-to BP payments and all associated information

You require a report in Excel of the payments that were made to business partners and corresponding information against payments, such as invoice information and order information. This report can then be updated to extract the information required. For this purpose, use the Print Business Partner Payments - Order Information to XML (tfacp6402m000) session.

Note

The availability of this functionality is determined by the new **Store Business Partner Payment - Order Information** setting in the ACP Parameters (tfacp0100m000) session.

View settled invoices for a payment (AP)

1. On the Accounts Payable dashboard, click **Open Entries**.
2. From the open entry, find out the payments done on the open entry.
3. From the payments, look up the list of invoices that have been settled by that payment.

Accounts Payable 360 (tfacp2560m000) > Invoice-from Business Partner Open Entries (tfacp2520m000) > Payment-related Documents by Open Entry (tfacp2523m000) > Invoices/Documents by Payment-related Documents (tfacp6501m000)

View settled invoices for a receipt (AR)

1. On the Accounts Receivable dashboard, click **Open Entries**.
2. From the open entry, find out the receipts done on the open entry.
3. From the receipts, look up the list of invoices or credit notes that were settled by that receipt.

Accounts Receivable 360 (tfacr2560m000) > Invoice-to Business Partner Open Entries (tfacr2520m000) > Sales Invoices (tfacr2522m000) > Invoices/Documents by Receipt-related Documents (tfacr6501m000)

View purchase receipt, purchase invoice, or payment information on orders

1. On the Accounts Payable dashboard, click **Invoice Information on Purchase Orders**.
2. From the order, go to the purchase receipts.
3. From the order, go to the linked purchase invoices.
4. From the purchase invoices, go to the linked payments.

Accounts Payable 360 (tfacp2560m000) > Invoice Information on Purchase Orders (tfacp2540m000) > Purchase Actual Receipt History (tdpur4556m000)

Accounts Payable 360 (tfacp2560m000) > Invoice Information on Purchase Orders (tfacp2540m000) > Purchase Invoice Inquiry (tfacp2600m100) > Payment-related Documents by Open Entry (tfacp2523m000)

Problem invoices

You can use a problem code to indicate that a problem exists for a sales invoice. If the invoice-to business partner notifies you about a problem with the invoice and does not pay it, you can link a problem code to the invoice.

In the direct debits procedure, problem invoices are ignored. For each problem code, you can set an option to prevent linked invoices from being selected on reminder letters.

Use the Problem/Reason (tfacr0120m000) session to define problem codes. You can define different problem codes for different problems that can arise.

Some examples of problems are:

- The business partner does not receive all goods
- The business partner rejects the goods or some of the goods
- The invoice amount is different from the business partner's order amount

For each problem type, you can indicate whether:

- Reminders must still be sent that concern this invoice
- The invoice must still be included in the direct debit selection

To indicate that a certain problem exists for a sales invoice, you can link the appropriate problem code to the invoice. You can manually link a problem code to an invoice:

- When you register the invoice in the Sales Invoices (tfacr1110s000) session
- At a later time in the Invoices (cisli3105m000) session

You can remove the problem code from the invoice in one of the above sessions.

Advance installments

For regular sales orders, you invoice the business partner for delivered goods. The invoice amount is posted to the control account for sales invoices. LN calculates and posts the tax amount when you generate the sales invoice.

However, long-term projects such as the building of a ship are often paid in installments. For sales installments, LN creates an invoice for each installment line.

If you request advance payment of the installments from the business partner before you deliver the goods, you can post the advance invoice to a separate control account for advance installment invoices. For each financial business partner group, you can define separate control accounts for advance installment invoices per sales type.

To calculate and register the tax on advance installments when the invoice is paid, use a tax code of the **On Payments** tax type for the advance installment invoice.

In addition, to distinguish *invoiced* advance installments and *paid* advance installments for reporting purposes, you can map and post invoiced advance installments and paid advance installments to separate ledger accounts. For more information, refer to *Separate ledger accounts for advance installments*.

The advance invoice control account

In the **Control Account (Advance Invoice/Payment Request)** field of the Control Accounts by Business Partner Group (tfacr0515m000) session, you can select the control account for advance invoices. If you post advance installment invoices in Invoicing, LN posts the invoices to this account.

The control accounts for advance invoices is included in the Open Entries details. LN uses the control accounts for the advance installment invoice and all subsequent transactions, such as receipts and currency differences.

When the advance installment invoice is paid in Cash Management, written off, factored, or set to **Doubtful Invoices**, the control account is reversed.

If you change the sales type of the business partner, the control account changes. For subsequent transactions, LN uses the new control account. However, if you make the invoice **Doubtful**, the control account does not change.

Processing the advance invoice

The advance installment invoice can be paid through the following processes:

- Assignment of an advance or unallocated receipt to the advance installment invoice
- Application of the receipt to the sales invoice
- Reconciliation of anticipated receipts with the sales invoice
- Processing of Electronic Bank Statements
- Factoring

Note

You cannot use the Sales Invoice Corrections (tfacr2110s000) session to make corrections to advance installment invoices.

To assign credit notes to receipt schedules

If shipments or parts of shipments are returned, LN creates credit notes for the shipments. If the credit note covers several shipments, the credit note contains several schedule lines, one line for each shipment.

A credit note can cover the returned goods of various returned shipments. LN automatically assigns the credit note to the first shipment of the invoice. You can manually assign credit notes to shipments and to receipt schedule lines in the new Link Credit Notes to Schedules (tfacr2122m000) session.

You can start the Link Credit Notes to Schedules (tfacr2122m000) session from the appropriate menu of the following sessions:

- Business Partner - Credit Notes (tfacr2120m000)
- Assign Credit Notes to Invoices (tfacr2121m000)

Credit control

Credit control determines:

- How reminders are sent to business partners who do not pay on time.
- Whether or not orders can be entered and goods can be delivered for a business partner.

Credit control is partly defined in Common. In the Credit Ratings (tcmcs0164s000) session, you can define various credit ratings which define, for example:

- The action to be taken when a sales order is processed.
- At which times you must repeat the credit check.

You must enter the date and time when you carried out a credit review for a business partner in the Invoice-to Business Partner (tccom4112s000) session. As a result of an overdue credit review, LN can place a business partner's orders on hold. This depends on the selections of the relevant parameters in the Sales Order Parameters (tdsls0100s400) session.

You can link a credit rating to an invoice-to business partner in the Invoice-to Business Partner (tccom4112s000) session.

Other credit control parameters that you can set for a business partner in the Invoice-to Business Partner (tccom4112s000) session are:

- The interval between the sending of statements of account and invoices
- The credit analyst

- The credit limit
- The credit insurance company
- The tolerance amount for due invoices

The Accounts Receivable module controls the reminders that are sent to business partners with overdue invoices or payment schedule lines.

In this module, you can create and process reminders for overdue sales invoices and payment schedule lines. The reminders take place on the basis of the due date of the invoice or the payment schedule line. When the invoice has passed its due date plus a certain margin of days, LN generates a reminder advice for the invoice.

On the **Credit Control** tab of the ACR Parameters (tfacr0100s000) session, you can define:

- The margin of days after which a reminder letter must be sent
- Which reminder letter must be sent

You can define the layout and contents of the reminder letters starting from the Reminder Letters (tfacr3508m000) session. The different reminder letters are indicated by a letter number. This number indicates the degree of the reminder. In other words, the reminder with letter number 1 is the most mild, the reminder with the highest letter number is the most threatening. The letter number also tells you how many reminders have been sent to a business partner and which reminder is sent next. You can define the text on the letters.

You can define reminder methods in the Reminder Methods (tfacr3520m000) session. The reminder method determines the period of time between the sending of two reminders and defines if interest is calculated on overdue invoices. To each pay-by business partner a reminder method is linked in the Pay-by Business Partner (tccom4114s000) session.

A reminder diary is available in which you can view the reminders that were generated for invoices that have now passed their action date (the due date + reminder margin).

Note

If you use the DEM Content Pack with Infor LN, consider using the MFI6100 (Reminder Notes) wizard to set up reminders. You can execute this predefined wizard from the Wizards by Project Model (tgwzr4502m000) session after you specified the business function model for your company.

Interest calculation on overdue invoices

You can generate interest invoices for overdue invoices. In addition, after generating and sending an interest invoice, you can generate a subsequent interest invoice for the next period.

In the Interest Percentages (tfacr5102m000) session you can define the interest percentages for each financial business-partner group, and for different periods of days.

The interest period

For an interest invoice, LN calculates the interest amount over a specific period. LN determines the number of days of this period as follows:

- **The start date**
 - If interest invoices were already generated earlier, the start date is the end date of the most recent period for which the interest was calculated. for each open entry, LN records the date on which an interest invoice advice was last transferred to Invoicing.
 - If no interest invoices were already generated, the start date is the due date of the invoice or the planned receipt date of the transaction schedule line.
- **The end date**
 - For documents of the **Sales Invoice** type, the end date is the **Interest As on Date** date entered in the Select Inv.-to BP Receipts for Interest Invoices (tfacr5210m000) session.
 - For documents of the **Normal Receipt** and the **Assignment** type, the end date is the earliest of the following dates:
 - The document date.
 - The **Interest As on Date** date entered in the Select Inv.-to BP Receipts for Interest Invoices (tfacr5210m000) session.

Interest calculation

The interest amount is calculated in the invoice currency. The general formula to calculate interest amounts is:

$\text{Interest amount} = \text{invoice amount} * (\text{payment date} - \text{due date}) / 365 * (\text{interest \%}) / 100$

For receipts and for the paid part of partly paid invoices, this results in the following calculation:

$\text{Interest amount} = \text{Paid invoice amount} * \text{actual interest rate on the payment date} / \text{number of days in year} * (\text{receipt date} - \text{due date or previous interest calculation date})$

For unpaid invoices, this results in the following calculation:

$\text{Interest amount} = \text{Open invoice amount} * \text{actual interest rate on the interest invoice date} / \text{number of days in year} * (\text{interest invoice date} - \text{due date or previous interest calculation date})$

Depending on the value of the **Interest Invoice Selected Based On** field in the Interest Invoice Related Data (tfacr5101s000) session, LN calculates the interest on the receipt amounts, on the remaining open invoice amount, or both, as follows:

- **Fully Paid Invoices**
LN calculates the interest on the receipt amounts.
- **Partly and Fully Paid Invoices**
LN calculates the interest both on the receipt amounts and the remaining open invoice amounts.
- **Paid and Unpaid Invoices**
LN calculates the interest both on the receipt amounts and the open invoice amounts.

All received payments and credit notes are considered to determine the remaining open amount of the sales invoice. Once the remaining open amount is equal to zero no further interest is calculated.

Sales orders - interim revenue reconciliation

The mapping and posting of the Accounts Receivable open entries allows the reconciliation of sales order interim revenue. This involves the following transactions entered or generated in Invoicing:

- Sales invoices
- Manual sales invoices
- Interest invoices

Posting of interim revenue

- When the invoice is created and stored in the Non-finalized Transactions (gld102) table, the credit side is posted to the accounts and dimensions defined in the integration mapping scheme for the Sales/Revenues Analysis debit posting. For reconciliation purposes, reconciliation data is logged when the open entry is created.
- To allow you to use different accounts for different tax codes, the tax code and tax country are available as mapping elements for the ledger and dimension mapping.
- Accounts Receivable open entries created through Invoicing are posted to the following accounts:
 - **Debit**
The Accounts Receivable control account. The dimensions are determined through the integration mapping scheme.
 - **Credit**
The accounts and dimensions to which you mapped the debit side of the Sales Order/Revenue Analysis integration document type in the integration mapping scheme.
- If the sales invoice has lines with different tax codes, multiple lines for interim revenue are created. For a sales invoice, LN calculates and registers the tax amounts based on the net invoice amount aggregated by tax code. Because of this, the Interim Revenue accounts to which sales orders, service orders and so on are mapped must be identical for a specific tax code. LN checks this consistency when you check a mapping scheme.
- If you want to use other interim revenue accounts for sales orders and service orders, you must define different tax codes for sales and service.
- For an Accounts Receivable open entry, Invoicing logs the details in the Reconciliation Data (tfgld495) table. This data is logged as follows:
 - Reconciliation group = Interim Revenue 5
 - Business Object = Sales Invoice
 - Business Object ID = sales invoice number (11 positions)
 - Kind of Entry = Sales Invoice.

- For the new Interim Revenue 5 reconciliation group, the business objects of the debit transactions, such as the sales order or the service order, are linked through a [reference link](#) to the business objects of the credit transactions, which consist of the sales invoices.

Reconciliation of manual sales invoices and interest invoices

The following functionality facilitates the reconciliation for manual sales invoices and interest invoices entered in Invoicing:

- The revenue postings for manual sales order lines and interest invoice lines are posted through the integration mapping scheme through the following integration document types:
 - Interest Invoice / Revenues Analysis
 - Manual Sales Invoice / Revenues Analysis
- LN retrieves the sales ledger account from the integration mapping scheme.
- The Interim Revenue 5 reconciliation group is used for posting sales invoices.
- The interim revenue on interest invoices is posted as defined for Interest Invoice / Revenues Analysis in the integration mapping scheme.
- In the Manual Sales Invoice Lines (cisl2125m000) session, you can optionally enter a [GL code](#) for the posting of the invoice line.

Note

The default manual sales account for manual sales invoice lines, defined in the Invoicing Parameters (cisl0100m000) session is only used for fixed assets disposal, and it must have an integration with the Fixed Assets module for fixed asset disposal.

To facilitate tax auditing, you can use the Print Tax Transactions for Interim Revenue on Sales Invoices (tfgld1433m000) session to print a report of the revenues and the tax lines in the Finalized Transactions (tfgld106) table.

Appendix A

Glossary

A

account

See: *ledger account* (p. 47)

advance payment/receipt

A paid or received amount, which cannot be allocated to an invoice or any other document. After an invoice has been created, the advance payment or receipt can be allocated to it. Unlike an unallocated payment/receipt, you can calculate tax on a advance payment/receipt.

anticipated payment

A payment that is not entirely executed yet, or is on its way to be executed.

These anticipated payments can be created:

- Automatically, for example when a check is generated by the automatic payment procedure.
- Manually, for example, when a check is written.

Antonym: anticipated receipt

anticipated payment

See: *anticipated receipt* (p. 44)

anticipated receipt

See: *anticipated payment* (p. 43)

anticipated receipt

A receipt that is not completed yet.

Anticipated receipts can be created:

- Automatically, for example, in case of direct debit.
- Manually, for example, when a check is entered.

Antonym: anticipated payment

appropriate menu

Commands are distributed across the **Views**, **References**, and **Actions** menus, or displayed as buttons. In previous LN and Web UI releases, these commands are located in the *Specific* menu.

automatic payment

See: *direct debit* (p. 46)

business-function model

A part of a business model that is built from a selection of business functions that are initially created in the repository.

cash forecast

The expected cash position at a future date. The current cash amount is increased by the amounts to be received and reduced by the amounts to be paid, in all periods in between.

commission

The amount of money to be paid to an employee (sales representative) or buy-from business partner (agent) for closing a sales order.

control account

A ledger account used to reflect the balance of a number of related subsidiary accounts.

In LN, 'control account' usually refers to the creditors' account or the debtors' account defined for the financial business partner groups in Accounts Payable and Accounts Receivable.

In addition to the creditors' account and the debtors' account, you can define a number of specific control accounts for a business partner group, such as control accounts for doubtful invoices, advance and anticipated payments or receipts, and realized and unrealized currency profit or loss.

credit analyst

One of your employees in charge of controlling and monitoring the credit that you give to an invoice-to business partner.

credit insurance company

The company where (part of) the credit limit of the invoice-to business partner is insured.

credit limit

The maximum financial risk that you accept or are insured against concerning an invoice-to business partner, or that an invoice-from business partner accepts concerning you.

When you create orders, LN continually checks that the total amount of created and invoiced orders does not exceed the credit limit. When you exceed the limit, LN gives a warning message.

credit note

The correction form for a (partly) returned purchase or sales order. The credit note states the quantity and value of the goods concerned and the reason for the credit.

credit rating

A system of classifying customers and possible future customers according to their financial strength and the degree of trust that a supplier can place in them.

The credit rating is linked to an invoice-to business partner and defines a number of details such as, the action to be taken when a sales order is processed, and when the credit check must be repeated.

currency differences

Currency result caused by fluctuations in the exchange rate, for example, if the exchange rate between the invoice currency and your home currency differs between the invoice date and the payment date.

currency exchange rate

The factor by which an amount in a different currency is multiplied to calculate the amount in the currency base.

Synonym: currency rate

currency rate

See: *currency exchange rate* (p. 45)

dimension

Analysis account for ledger accounts to get a vertical view on ledger accounts. Dimensions are used to specify ledger account information.

See: dimension type

direct debit

The initiation of pay-by business partner receipts by means of sending requests to the bank for transfer of the amounts due from the customers bank account to the company's bank account.

Antonym: automatic payment

doubtful invoice

An invoice that probably cannot be collected.

due date

In LN, the date that a payment or receipt is required.

exchange rate

The price at which one currency can be exchanged for another currency. In other words, the amount which one currency will buy another currency at a particular time.

factor

The funding source for the company. The factor is usually a bank or a commercial finance company that purchases the accounts receivable (sales invoices) from the company.

factor's advance payment

The money the factor sends to the company in advance, after the verification process is complete, and before the factor receives payment from the company's customer.

factoring

A form of accounts receivable financing that consists of the sale of a company's accounts receivable to a third party (the factor), in order to obtain funding. The sale is made at a discount from the account's value.

Customers remit to the factor either directly or indirectly through the seller. Factoring can be with or without recourse. For factoring with recourse, the risk of customer non-payment remains with the company.

financial business-partner group

A group of business partners with common characteristics, for which you can define the creditors' account or the debtors' account and a set of additional control accounts such as control accounts for doubtful invoices, advance and anticipated payments or receipts, and realized and unrealized currency profit or loss. LN automatically uses these control accounts in business processes such as sales invoice registration, and the payment process.

GL code

Represents a ledger account and the corresponding dimensions. GL codes are used to represent ledger accounts to users who are not familiar with the structure of the chart of accounts.

To specific logistic transactions, you can link a GL code. Such integration transactions are mapped directly to the ledger account and dimensions of the GL code, they are not included in the mapping process.

interest invoice

An invoice to charge interest.

You can create interest invoices for:

- Unpaid overdue invoices.
- Invoices that were paid or partially paid later than their due dates.

invoice currency

The currency in which the invoice amount is expressed.

invoice-to business partner

The business partner to which you send invoices. This usually represents a customer's accounts payable department. The definition includes the default currency and exchange rate, invoicing method and frequency, information about the customer's credit limit, the terms and method of payment, and the related pay-by business partner.

late payment surcharge

The percentage that is charged over the goods amount or over rendered services that the recipient of the invoice must pay if the invoice is not paid within a specified period.

ledger account

A register used to record financial transactions and to accumulate the values of the transactions for reporting and analysis. The ledger accounts classify the transactions into categories such as revenues, expenses, assets, and liabilities.

Synonym: account

open entry

See: *open invoice* (p. 48)

open invoice

Unpaid invoices.

Synonym: open entry, outstanding invoice

outstanding invoice

See: *open invoice* (p. 48)

packing slip

An order document that shows in detail the contents of a particular package for shipment. The details include a description of the items, the shippers or customers item number, the quantity shipped, and the inventory unit of the shipped items.

payment difference

A difference between the invoice amount and the payment amount. If the payment difference falls within the user-defined margins, it can be accepted and written off automatically.

payment period

A number of days or months added to the invoice date. If no other due date calculations apply, the invoice must be paid within this period.

payment schedule

Agreements about the amounts that must be paid by payment period. You can link a payment schedule to the payment terms and, in this way, to sales invoices and purchase invoices.

Each line of the payment schedule defines a part of the invoice amount that must be paid within a specific period, the payment method used for the payment, and the discount conditions that apply to the payment.

Note

In many sessions, 'payment schedule' refers to a payment schedule *line*.

If you use receipts against shipments, 'payment schedule' refers to a shipment.

Synonym: receipt schedule

payment terms

Agreements about the way in which invoices are paid.

The payment terms include:

- The period within which invoices must be paid.
- The discount granted if an invoice is paid within a given period

The payment terms allow you to calculate:

- The date on which the payment is due
- The date on which the discount periods expire
- The discount amount

price difference

A difference between the invoice amount and the order amount or the goods received amount which is caused by a difference between the price per unit on the order and the price per unit on the invoice.

purchase type

A purchase order property that enables you to identify the kind of purchase made and in this way, the kind of payable. This property is used to post the purchase to the correct Accounts Payable account when the invoice is created. To post a purchase invoice, LN retrieves the control account from the purchase type linked to the purchase order line.

rate determiner

The method to decide which date is used to determine the exchange rates.

During the composing process, all amounts in foreign currencies are converted to the home currency, based on the determined exchange rate.

rebate

The amount of money to be paid to a sold-to business partner as a kind of discount for closing a sales order.

receipts against shipments

A method to make payments or receipts separately for the approved quantity of each shipment rather than for the invoice that covers the complete order.

receipt schedule

See: *payment schedule (p. 48)*

reference link

A generated code that is attached to the debit posting and the credit posting of an integration transaction. You can use the reference link to match the postings on interim accounts that you cannot match business object ID because they belong to different business objects, for example, a Purchase Receipt and an Inventory Transaction.

Note

The reference link is not the same as a business object reference.

reminder

A financial letter, urging a business partner to pay.

reminder method

The way in which the invoice-to business partner is reminded. This information includes the frequency of the reminders, if the reminders must be sent to the invoice-to or pay-by business partner or to their parent business partner, and if you charge interest over the amount.

sales type

A sales order property that allows you to identify the kind of sale made and the kind of receivable. This property is used to post the sales to the correct Accounts Receivable account when the invoice is created. To post a sales invoice, LN retrieves the control account from the sales type linked to the sales order line, project contract, and so on.

statement of account

A report that gives information about the account status of an agreement between business partners.

A statement of account can include:

- The unpaid balance due
- Any invoices that were changed since the statement was last printed

unallocated payment/receipt

A payment/receipt, appearing on a bank statement, which cannot be allocated to an invoice or other document. This payment can be registered as unallocated. An unallocated payment/receipt can be allocated to invoices later.

wizard

A special form of user assistance that automates a task by setting the parameter values within a business model and which directs the software to meet the specific requirements of an organization.

Index

- account**, 47
 - Advance installments**, 36
 - advance payment/receipt**, 43
 - anticipated payment**, 43, 44
 - anticipated receipt**, 43, 44
 - AP dashboard navigation**
 - examples, 31
 - appropriate menu**, 44
 - AR dashboard navigation**
 - examples, 31
 - automatic payment**, 46
 - Bank transactions**
 - default amounts, 16, 17, 18, 19
 - business-function model**, 44
 - Business partner groups**
 - financial, 11
 - cash forecast**, 44
 - commission**, 44
 - control account**, 44
 - Control accounts**, 9, 10, 10
 - credit analyst**, 44
 - Credit control**, 37
 - credit insurance company**, 45
 - credit limit**, 45
 - credit note**, 45
 - Credit notes**, 23, 25, 26
 - for shipments, 37
 - credit rating**, 45
 - currency differences**, 45
 - Currency differences**, 27
 - currency exchange rate**, 45
 - currency rate**, 45
 - Currency**
 - realized differences, 30
 - unrealized differences, 29
 - Default amounts**
 - bank transactions, 16, 17, 18, 19
 - dimension**, 45
 - direct debit**, 46
 - doubtful invoice**, 46
 - due date**, 46
 - Due date calculation**, 22
 - exchange rate**, 46
 - factor**, 46
 - factor's advance payment**, 46
 - factoring**, 46
 - Factoring**
 - overview, 27
 - financial business-partner group**, 46
 - Financial business partner group**
 - ledger accounts, 12, 12, 15, 16
 - Financial**
 - business partner groups, 11
 - GL code**, 47
 - Interest calculation**
 - overdue invoices, 38
 - interest invoice**, 47
 - invoice currency**, 47
 - invoice-to business partner**, 47
 - late payment surcharge**, 47
 - ledger account**, 47
 - Ledger accounts**
 - financial business partner group, 12, 12, 15, 16
 - open entry**, 48
 - open invoice**, 48
 - outstanding invoice**, 48
 - packing slip**, 48
 - payment difference**, 48
 - payment period**, 48
 - payment schedule**, 48
 - Payment schedules**
 - overview, 20
 - payment terms**, 49
 - price difference**, 49
 - Problem invoices**, 35
-

purchase type, 49
rate determiner, 49
rebate, 49
receipts against shipments, 49
Receipts against shipments
 overview, 22
receipt schedule, 48
Receipt schedules
 credit notes, 37
Reconciliation
 interim revenue, 40
reference link, 50
reminder, 50
reminder method, 50
sales type, 50
statement of account, 50
Trade notes
 overview, 27
unallocated payment/receipt, 50
wizard, 50
