Accounts Receivable Interface User Guide

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Feedback

Your suggestions and comments regarding this documentation are highly regarded. Please send or fax any suggestions to your Infor Public Sector office – lghelpdesk@infor.com.

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Pathway 3.09 (Thick Client Version)

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ACCOUNTS RECEIVABLE INTERFACE USER GUIDE

Overview

The Accounts Receivable function provides the ability to add and regularly update the debtors from TCS or other third party Accounts Receivable modules.

- To enable validation and subsequent extract of Debtors receipts within Pathway Receipting the following functions are provided.

- Provision for a file containing valid Debtor master records to enable validation within Receipting.

- Provide an import function where fields can be selected

- Ability to refresh this file regularly

- Ability to manually maintain this file to ensure that at any time this file is updated

- Provision to hold Ledger accounts for all Debtor Receipts to enable the financial transactions to be passed along with all other receipts.

- Ability to extract on at least a daily basis, appropriate Debtor Receipt data to be passed to the relevant financial system for import

Further details are covered in the following chapters:

Tax Processing
Global Tax Control
Tax Control – Accounts Receivable

Tax Processing

The GST requirements are such that when debts are raised, adjusted, written off, there are implications for GST. When payments are received, allocated, transferred, reversed there are also implications for GST. The financial transactions generated are to be used to prepare the tax returns and provide details of cash movement for both the current return plus historical audit information. The Pathway GST development does not cover this component, however it ensures that all tax entries generated are correct based on cash and accrual movement as generated by the Pathway PPR modules.

GST is defined by a percentage that could differ for specific goods and services and also could change in the future. As such provision for multiple tax rates per Tax Code has been made, however the use of 'effective' dates in determining which rate to use has not been implemented. When a new GST rate is announced (Australia or New Zealand), the processing requirements will be reviewed and changes implemented where necessary. To assist in reconciliation of returns and the General Ledger, it may be required to hold multiple Tax accounts therefore optional set up of specific Tax Codes per Pathway PPR module is provided.

Not all transactions generated within Pathway or within an individual Pathway module, are tax applicable and as such the control needs to be at the appropriate level to control this process. This is explained further in this document.

In most Pathway modules, the fee or rate that is defined is deemed to be inclusive of Tax and therefore the tax transaction generated is calculated on this amount (1/11 for 10% or 1/9 for 12.5% of fee/rate amount). The exception to this is for Applications, Licensing and the Accounts Receivable modules, where the operator can nominate whether the fee or rate entered is inclusive or exclusive of tax.

Rounding parameters are also available to control the calculation of the Tax.

NOTE: NEW ZEALAND TAX CHANGES - MISCELLANEOUS RECEIPTS
Changes have been made to the Reversal and Transfer Receipting functions for Miscellaneous Receipts. These functions now use the GST rate that was applicable at the time when the Miscellaneous Receipt was created, which results in the correct tax amount being calculated and written to the generated transaction records.

NOTE: NEW ZEALAND TAX CHANGES - USER-DEFINED RECEIPT TYPES
Changes have been made to the Reversal and Transfer Receipting functions for User-defined Receipt Types. These functions now use the GST rate that was applicable at the time when the User-defined Receipt was created, which results in the correct tax amount being calculated and written to the generated transaction records.

NOTE: NEW ZEALAND TAX CHANGES - BOOKINGS
Enhancements have been made to the Bookings module to cater for a change in GST scheduled to occur on the 1st of October 2010.
The Bookings module has been modified to calculate the tax rate applicable to a Booking based on the earliest transaction date for the booking line. All fees and adjustments for the Booking will have tax calculated at this tax rate except where the new 'Tax Override' flag is turned on for the Fee Code, see below for details. The earliest transaction date being the date the first fee was added to the booking line.

NOTE: NEW ZEALAND TAX CHANGES – ANIMAL REGISTRATION
Changes have been made to the Reversal and Transfer Receipting functions for Animal Receipts. These functions now use the GST rate that was applicable at the time when the Animal Receipt was created, which results in the correct tax amount being calculated and written to the generated transaction records.

NOTE: NEW ZEALAND TAX CHANGES - ACCOUNTS RECEIVABLE

Changes have been made to the Reversal and Transfer Receipting functions for Accounts Receivable (AR) Receipts. These functions now use the GST rate that was applicable at the time when the Account Receivable Receipt was created, which results in the correct tax amount being calculated and written to the generated transaction records.

NOTE: NEW ZEALAND TAX CHANGES - GENERAL LEDGER RECEIPTS
Changes have been made to the Reversal and Transfer Receipting functions for General Ledger (GL) Receipts. These functions now use the GST rate that was applicable at the time when the General Ledger Receipt was created, which results in the correct tax amount being calculated and written to the generated transaction records.

NOTE: NEW ZEALAND TAX CHANGES – EXTERNAL RECEIPT IMPORTS INCLUDING MSF
Enhancements have been made to the External Receipt Import batch function to calculate the correct GST amount for external Receipts that include Merchant Service Fees. The tax rate that is used in calculating the GST for Merchant Service Fees will be the rate that was applicable on the date of the external Receipt.

Councils are required to ensure the following tasks are performed prior to 01/10/10 in order for the earliest transaction date to produce the same tax rate as the earlier of payment and invoice date.
- Councils must ensure that any Fees added to a booking before 01/10/10 are transferred to Debtors (where applicable) and invoiced before 01/10/10, otherwise the fees must be removed from the Booking. Fees added before 01/10/10 will initiate a time of supply prior to 01/10/10. This results in a tax rate of 12.5% being applied to the booking.

  Fees added prior to 01/10/10 but invoiced on or after 01/10/10 will NOT be cater for and will result in a tax rate of 12.5% being applied instead of the 15% required by the time of supply.

Councils must ensure the following business practices are followed in regards to Bookings.
- Adjustments to Bookings with an Accounting Method of 'Pathway Debtors' must be made from the Booking then transferred to Debtors. Adjustments must not be made directly to the debtor.

Booking Parameters
A new parameter called *Tax Override* has been added to the Booking Fee Code Maintenance form.

Fee Code Maintenance form showing the new Tax Override flag

Fees with the *Tax Override* flag turned on will have tax calculated based on the date the fee was added to the booking instead of the date the first fee was added to the booking.

Tax Calculation
A booking line with fees added before 01/10/10 will be taxed as follows:
- New fees added on or after 01/10/10 that have the Tax Override flag turned OFF will be taxed at 12.5%.
- New fees added on or after 01/10/10 that have the Tax Override flag turned ON will be taxed at 15%.
- Adjustments made to fees added before 01/10/10 will be taxed at 12.5%.
- Adjustments made to fees added on or after 01/10/10 will be taxed at the tax rate that was applicable to the original fee. If the fee has the Tax Override flag turned ON then this would be 15%, if the fee has the Tax Override flag turned OFF then this would be 12.5 %

Booking lines that do NOT have fees added before 01/10/10 will be taxed as follows
- New fees that are added on or after 01/10/10 will be taxed at 15% regardless of whether the Tax Override flag turned on or off.
- All adjustments will be taxed at 15%.

Receipt Reversals will calculate tax using the tax rate applicable to the fee/debt that the payment was allocated to.

Receipt Transfers will calculate tax using the tax rate applicable to the fee/debt being transferred from/to.

Example:

```
Booking Date  Fee          Transaction Date  Tax Override          Amount        Tax Rate%
-------------------------------------------------------------------------------------------
01-Oct-2010   Fee 1        01-Sep-2010       OFF                      100           12.50
              Fee 2        01-Oct-2010       OFF                       50           12.50
              Fee 3        01-Oct-2010       ON                        50           15.00
01-Nov-2010   Fee 1        01-Sep-2010       OFF                      100           12.50
              Fee 2        01-Oct-2010       OFF                       50           12.50
              Fee 3        01-Oct-2010       ON                        50           15.00
01-Dec-2010   Fee 1        01-Nov-2010       OFF                      100           15.00
              Fee 2        01-Nov-2010       OFF                       50           15.00
              Fee 3        01-Nov-2010       ON                        50           15.00
```

Booking for October and November taken before 01-Oct-2010 and Fee 1 added attracting a tax rate of 12.5%.

Fee 2 and 3 add to each booking after 01-Oct-2010. Fee 2 has the Tax Override off so attracts a tax rate of 12.5%. Fee 3 has the Tax Override on so attracts a tax rate of 15%.

Additional booking date for December added after 01-Oct-2010. Time of supply is taken from the transaction date of the first fee on the booking line i.e. 01-Nov-2010. So fees with the Tax Override off and on are taxed at 15%.

The above occurs whether the fee is a booking or activity fee.

USER-DEFINED RECEIPT TYPES
As of Release 3.02, User defined Receipt Types use the GST rate that was applicable at the time when the User-defined Receipt was created, which results in the correct tax amount being calculated and written to the generated transaction records.

Global Tax Control

Many Tax Codes can be created that can then be applied within the various parameters within Pathway PPR.

The Tax Codes hold both the tax rate and the tax accounts which allows for the retrieval of the accounts and rate for Tax to be from the global Tax Code table, rather than at each module/fee/transaction level. This will minimise set up, and maintenance should the accounts need to be changed.

Accounts
Accounts required for each Tax Code established are:-
       Tax Accrual Account
       Tax Accrual Reversal Account
       Tax Cash Account

Tax Accrual Account
This account will carry the Tax transactions generated for applicable 'debt' entries. These transactions would be generated by Pathway modules such as:

       Rates
       Water Billing
       Infringements (if running in accrual mode)
       Licensing (if running in accrual mode)
       Applications (if running in accrual mode)

For those sites controlling and reporting GST at an accrual level (where debts are raised), this account will be the main control account used in determining returns.

Tax Accrual Reversal
The Tax Accrual Reversal Account is required to ensure that where an organisation is processing GST under accrual, the impact of Cash entries does not affect the ability to reconcile and prepare returns.

This account will receive entries generated by cash payments being allocated to Tax applicable debts, (those debts generated by the accrual Pathway modules noted above).

Those sites controlling and reporting GST at an accrual level (where debt are raised), MUST set this to a different account than the Tax Accrual.

Tax Cash Account
This account will carry the Tax transactions generated for ALL cash entries. Cash entries will be generated for any payment that is associated with a tax applicable fee, code, rate, account etc.

The transactions are generated by each Pathway module when the Receipt is initially allocated, or re-allocated.

For those sites controlling and reporting GST purely at a cash level for all modules (as per the current New Zealand procedures) this account will be the main control account used in determining returns.

Important: For those sites controlling and reporting GST at an accrual level (where debts are raised), it is critical that this account be set as follows:
❑   to that of the Accrual Reversal account for Tax Codes allocated to the debt modules
and
❑   to the appropriate Tax Cash account for the non-accrual type modules.

Non Accrual Modules:
❑   Applications (operating in cash mode)
❑   Licensing (operating in cash mode)
❑   Infringements (operating in cash mode)
❑   Animals
❑   Registers
❑   Miscellaneous Receipts
❑   GL Receipts
❑   Accounts Receivable (external)

Rounding
The ability to nominate the Rounding amount and process is provided as Up, Down, Nearest or None. The Rounding is at the Global level and not at the Application Level.

Note: The rounding amount will apply to each individual tax calculation and whilst the rounding that may apply to the amount returned to the Taxation Department may be whole dollars, this will not be applicable at this level. It is recommended that it be set to a low value such as .05 or .10. Where an individual tax amount is calculated to be less than the rounded amount, no tax entry shall be generated***

Where Rate is GST applicable, this rounding amount should NOT be set higher than Rates. This is required given the high occurrence of small tax cash entries being generated as a result of multiple Rate Types and proportionate apportioning of payments.

Effective Dates
Each Tax Code has the ability to record Effective Dates for each Tax Code and multiple rates for the Tax Code. Please note that the latest Effective Date, where it is equal to or less than the current system date, is the rate that is applied when processing.

As such, it is CRITICAL that when setting up the Tax Codes in preparation for GST, the Effective Date MUST be set to 1st July 2000.   This allows the parameters across all modules to be set up without the risk of GST being generated prior to the 1st July.

Use of Multiple Tax Codes
Multiple Tax Codes will be required for the following reasons:
Where sites need to control and report Tax at Accrual Level
Tax Codes will need to be different for accrual modules and cash modules

Where internal reconciliation or management/tax reporting is required at module level
If reports are required that show how much tax has been generated or received for a particular Pathway application (i.e. Rates, Applications etc).

Overpayments and Prepayment Parameter set up
In some situations under Cash processing, all payments are considered to be tax applicable, (only where the system parameter for the specific Pathway module is Taxable) until they are allocated to a non-tax fee/debt/account etc. Therefore all overpayments and pre-payments will generate tax entries upon receipt of payment and then re-calculate once the payment has been allocated.

Refer to notes within each section on recommendations.

General Examples of Tax Calculations and Ledger Entries

Examples using 'Rounding = Nearest and .05'

Accrual Module (e.g. Rates)
Debt Raised for $100 and Tax deemed to be applicable at 10%

Credit Revenue Account	90.90	
Credit Tax Accrual Account	9.10	(calculated 1/11 of 100.00 and rounded)
Debit Control	100.00	

Payment Received for $100 and allocated to taxable debt (as above)

Credit Control Account	100.00	
Credit Tax Cash Account	9.10	(calculated 1/11 of 100.00 and rounded)
Debit Tax Accrual Reversal Account	9.10	
Debit Bank Account	100.00	

Cash Module (e.g. Miscellaneous Receipts)
Miscellaneous Receipt Type set up as Taxable

Receipt generated for $100.00

Credit Revenue Account	90.90	
Credit Tax Cash Account	9.10	(calculated 1/11 of 100.00 and rounded)
Debit Bank Account	100.00	

Modules where Tax can be 'Exclusive' (e.g.: Applications, Licensing, future Debtors)
Fee Code calculations or Rate Type specified as Tax Inclusive/Exclusive = Exclusive

'Inclusive' function as above examples.

Parameter or system calculated Fee = $100

Credit Revenue Account	100.00	
Credit Tax Cash Account	10.00	(calculated 10% 100.00 and rounded)
Debit Bank (cash mode)	110.00	

Or

Credit Revenue Account	100.00	
Credit Tax Accrual Account	10.00	(calculated 10% 100.00 and rounded)
Debit Control (accrual mode)	110.00	

Overpayment or Pre-Payments (e.g.: Rates, Applications, Licensing and Infringements)
Payment of $100 received

Credit Overpayment or Pre-payment	100.00	
Credit Tax Cash Account **	9.10	(calculated 1/11 of 100.00 and rounded)
Debit Tax Clearing Account **	9.10	(calculated 1/11 of 100.00 and rounded)
Debit Bank Account	100.00	

** These two accounts are effectively the Tax Accrual Reversal and Tax Cash Accounts as set up on the Tax Codes. However the Tax Codes that are linked to Overpayment or Pre-payment parameters, MUST be considered differently.

The Tax Cash Account will be the valid Tax Cash Account for the module, if you are required to assume tax is applicable on overpayments and pre-payments. If you are able to wait until this payment is allocated before determining tax liability, then this account should be a 'Clearing' account.

The Tax Clearing Account will always be a 'Clearing' account.

Allocation of Overpayment or Pre-Payments
Payment of $100 now allocated to a taxable debt

Debit Overpayment or Pre-payment	100.00	
Debit Tax Cash Account **	9.10	
Credit Tax Clearing Account **	9.10	
Credit Bank Account	100.00	

and

Credit Control Account (accrual module)	100.00	
Credit Tax Cash Account	9.10	(from Tax Code applicable to Debt)
Debit Tax Accrual Reversal Account	9.10	(from Tax Code applicable to Debt)
Debit Bank Account	100.00	

Or

Credit Revenue Account (cash mode)	90.90	
Credit Tax Cash Account	9.10	(from Tax Code applicable to charge)
Debit Bank Account	100.00	

Payment of $100 now allocated to a non-taxable debt

Debit Overpayment or Pre-payment	100.00	
Debit Tax Cash Account **	9.10	
Credit Tax Clearing Account **	9.10	
Credit Bank Account	100.00	

And

Credit Control or Revenue Account	100.00	
Debit Bank Account	100.00	

Receipt Reversals

Receipt Reversals will reverse both the standard Receipt Ledger entries AND any Tax entries that were generated as a result of the processing of the receipt.

Receipt for $100 allocated to a Taxable Fee in a Cash Module

Reversal entries

Debit Revenue Account	90.90
Debit Tax Cash Account	9.10
Credit Bank Account	100.00

Receipt for $100 allocated to a Taxable Fee in an Accrual Module

Reversal entries

Debit Control Account	100.00
Debit Tax Cash Account	9.10
Credit Tax Accrual Reversal	9.10
Credit Bank Account	100.00

Refunds

Processing of Refunds within a module that is Taxable = ON must be managed in a certain way to guarantee the correct tax ledger entries. Currently Pathway only supports Refunds within Rates and Water Billing, however the same logic will be applied to future refund processing within Applications and Licensing modules.

Refunds can be apportioned to a Receipt or a Credit and the following examples show the impact on Tax for both situations.

Refund of $100 allocated to a Taxable Credit

Debit Rates Control Account	100.00	(Control Account applicable to Credit transaction)
Credit Tax Accrual Account	9.10	
Debit Tax CashAccount	9.10	
Credit Refund Account	100.00	

Crediting the Tax Accrual, is reversing out the entries generated by the actual credit transactions
Debiting the Tax Cash, assumes that at some tine a payment was received, that ultimately caused the credit entry to be subsequently generated.

Note: It is uncommon for a Refund to be allocated to a Credit. In current Pathway modules and future refund processing, a Refund will always allocate to a payment first and only when the refund amount exceeds the amount of all receipts on the record (Assessment, application, license etc) will it be treated as a refund of a credit. In some situations a refund could be allocated partly to receipts and partly to credits.
The main example of a credit refund in Rates is where a Previous Period Rebate is processed (and the assessment was fully paid at year end) and a refund is required as opposed to allowing the credit to simply reduce the balance payable. Or indeed, where the Previous Period Rebates cover many years and exceed the current years rates.

Refund of $100 allocated to a Payment

Generated when RFND Journal entered

Debit Refund SuspenseAccount	100.00
Credit Refund Clearing/Control	100.00

Generated when Refund apportioned to Receipt

Debit Overpayment Account	100.00
Credit Overpayment Bank Account	100.00
Debit Overpayment Tax Cash Account	9.10
Credit Overpayment Tax Clearing Account	9.10

Debit Refund Bank Account	100.00	
Credit Refund SuspenseAccount	100.00	
Debit Refund Tax Clearing Account	9.10	Uses the O'payment Accounts
Credit Refund Tax Cash Account	9.10	Uses the O'payment Accounts

Note: Even if the receipt is not an overpayment, the refund process will unallocate from any debt and force the receipt into overpayment. The refund entries are then allocated to the overpayment.

As such, re-activation entries will be generated reversing out the allocation entries and generating overpayment entries. This caters for non tax and taxable debt transactions.

Re-activations of a Receipt to be refunded that was allocated to a taxable debt:

Debit Control Account	100.00
Debit Tax Cash Account	9.10
Credit Tax Accrual Reversal Account	9.10
Credit Bank Account	100.00
Credit Overpayment Account	100.00
Credit Overpayment Tax Cash Account	9.10
Debit Overpayment Tax Clearing Account	9.10
Debit Bank Account	100.00

Re-activations of a Receipt to be refunded that was allocated to a non-taxable debt:

Debit Control Account	100.00
Credit Bank Account	100.00
Credit Overpayment Account	100.00
Credit Overpayment Tax Cash Account	9.10
Debit Overpayment Tax Clearing Account	9.10
Debit Bank Account	100.00

Result is the same once it is in Overpayments.

Effectively the final result of a Refund, is a debit balance in the Refund Control Account and the reversal of Tax entries in Cash Accounts, but leaving a Tax amount in Tax Accrual (only where original debt was taxable that receipt being refunded was allocated).

Payment of Refund cheques processed through Accounts Payable will simply zero out the Refund Control Account, they MUST not generate any further tax.

Summary of Accounting Entries

At any point in time, the Accrual Account will reflect tax applicable to those debts that have been generated, regardless of whether they have been paid.

Tax Cash Account will reflect Tax applicable to payments received for Tax debts or fees/charges, regardless of whether a debt has actually been raised.

Tax Accrual Reversal will reflect the reduction of accrued tax liability based on payments received for debts raised as accrual.

Therefore, given the above example, if a site prepares returns to the Tax Department on an Accrual basis, the Tax Cash Account specified on the Tax Code applicable to Rates (module used in the example, but could be any module operated in accrual mode) would need to be set up the same as the Tax Accrual Reversal Account.

This account WOULD not be the same as the Tax Cash Account used on Cash modules.

The Tax Cash and Accrual Reversal entries for Rates would nett out to zero.

Where a site prepares returns to the tax department on a Cash basis, then the Tax Accrual Reversal Account on the Tax Code applicable to Rates would be set up the same as the Tax Accrual Account.

Thus the Tax Cash Accounts are always used to prepare returns and the Tax Accrual Account will always represent the accrued tax liability.

Ledger entries generated are passed to financial systems as part of the standard General Ledger Interface output and will detail the receipt or application reference that the tax applies to.

The Source Application will be applicable to the type of receipt or debt.

It is recommended that the Tax Accounts set up are different to those used within the Financial System for other modules to enable reconciliation, however this will up to each site.

To assist with reconciliation it is strongly recommended individual Tax Codes and Accounts are created at least initially. If further discussion is required to assist with specific site set up to enable reconciliation, please refer to Infor support consultants.

Non-Taxable Types

A Non-Taxable Type field has been introduced into Pathway to cater for the split between GST Free and Division 81 exemptions. There is a third type called GST Exempt, which may or may not be required within Australia.
The Non-taxable Types are:
N = GST Free
8 = Division 81
X = GST Exempt

Within each module, various rules apply to the way this value is defaulted and used. Where no Non-taxable Types are defined anywhere in a module and the module is Non-Taxable, the default will be assumed as N (GST Free).

This Non-Taxable Type will be output in the 'Taxable' field in the Financial Transaction interface file to be used by the financial systems against the transaction.
Previously this value was either Y(taxable) , N (non-taxable) or blank (balance sheet type entries). It will now be Y, N, 8, X or blank.

Rules that apply per module in relation to where the Module is set to Non-Taxable, are as follows:
Account Numbers

If the Non-taxable type is left blank, it will assume N
If direct GL Receipts are to be used for Division 81 transactions, the relevant Account Numbers
MUST be accessed in Account Maintenance and the Non-taxable Type set to 8 (Division 81)
Project Codes
If the Non-taxable type is left blank, it will assume N
If direct Project Receipts (PR) are to be used for Division 81 transactions, the relevant Project
Code MUST be accessed in Project Code Maintenance and the Non-taxable Type set to 8
(Division 81)
Misc Receipt Codes
If the Non-taxable type is left blank, it will assume N
If any Misc Receipt Codes are to be used for Division 81 transactions, the relevant Misc
Receipt Code MUST be accessed in Receipts/Parameters/Transaction Group Maintenance
and the Non-taxable Type set to 8 (Division 81)
User Defined Receipt Application Types
If the Non-taxable type is left blank, it will assume N
Therefore no special set up is required.
External Accounts Receivable - Ledger/Sub Ledger level
If the Non-taxable type is left blank, it will assume N
Therefore no special set up is required.

Animals
Animal Type
If Non-Taxable, the Non-taxable Type should be set to the value that is to apply to all
transactions for this Animal type.
We recommend that the Animal Type Parameter is accessed and this value set to N - GST
Free.
Animal Class
        If all Classes are non-taxable, and all GST Free, then no changes are required at this
level, as the system will use the Non-taxable type from the Animal Type.
        However, if the Class parameter is accessed and a change made or OK taken, the
operator will be forced to nominate the Non-taxable Type.
Operators having access to these parameters should be aware of what Type to apply.
Alternatively, access each Class and set to the same Non-taxable type as the Animal Type.

Infringements
        If all Infringement Types are Non-Taxable, the Non-taxable Type should be set to the
value that is to apply to all Fees and Transactions for each Infringement Type.
        Therefore as a minimum, each Infringement Type should be selected In Infringement
Type Parameters and the Infringement Type Option selected.
        At the System Accounts level, the Non-taxable Type should be set to 'N'.
        At the Fee Account level, the Non-taxable Type should be set to 'N'.

        Note: If the Infringement Type parameters are not accessed and changed at all, they
will default a Non-taxable Type value of 'N'.

        Where there is an Infringement Type that is Taxable, but different Fees are Non-
Taxable, those Fees should be accessed and the Non-taxable Type set to the required value.
(We would assume an 'N').

Applications
        Normally Applications have a mixture of Taxable and Non-Taxable and our
understanding is that Development Contribution Fees may be classed as Division 81.
        As such, the following needs to be set up within each Application Class:
        Where Class is totally Non-Taxable
Select System Parameters
System Accounts and set Non-taxable Type to required value.
                        Application Accounts/Fee Accounts and set Non-taxable Type to
required value
        Application Accounts/Deposit Retained Accounts and set Non-taxable Type to required
value

Contribution Accounts/Fee Accounts and set Non-taxable Type to required value
Contribution Accounts/Deposit Retained Accounts and set Non-taxable Type to required value
Where Class is a combination of Taxable and Non-Taxable
Assuming that System, Fee and Contribution Accounts set up indicates Taxable
Select Application Fees
Select all Non-Taxable Fees and select the required Non-taxable Type value.
Note: If all Non Taxable Fees are GST Free, then if parameters not accessed, it will default the Non-taxable Type value of 'N' when generating the Financial transactions.
Select Contribution Fees
Select all Non-Taxable Fees and select the required Non-taxable Type value.
Note: If all Contribution Fees are Non-Taxable, the Class System Parameters should be accessed and Contribution Accounts/Fee Accounts set to Non-taxable Type of N or 8, whichever is to apply.
This then avoids the need to access each Fee individually.

Licensing
Normally Licensing has a mixture of Taxable and Non-Taxable.
As such, the following needs to be set up within each Licensing Class:
Where Class is totally Non-Taxable
Select System Parameters
System Accounts and set Non-taxable Type to required value.
License Accounts/Fee Accounts and set Non-taxable Type to required value
License/Deposit Retained Accounts and set Non-taxable Type to required value
Where Class is a combination of Taxable and Non-Taxable
Assuming that System and License Accounts set up indicates Taxable
Select License Fees
Select all Non-Taxable Fees and select the required Non-taxable Type value.
Note: If all Non Taxable Fees are GST Free, then if parameters not accessed, it will default the Non-taxable Type value of 'N' when generating the Financial transactions.

Rates
Normally Rates is Non-Taxable, however some sites may be raising Legal Fees that are subject to GST.
It is also our understanding that the non-taxable Rates charges are treated as Division 81, therefore the following set up is recommended.

If your site is using Pathway Accounts Receivable, refer to Accounts Receivable set up section., if not, then continue:
a)
If your site is not using Pathway Water Billing
and
If Legal Fees and GST is not being raised, then,
System Parameters
Should be set to Non-Taxable
Select the Non-taxable Type as 8 (Division 81)

No further action is required.
b)
If Legal Fees and GST is being raised, then,
System Parameters
Should be set to Taxable
To achieve GST calculation on Legal Fees alone, a separate Rate Type would have needed to have been set up.
Select all Rate Types other than Legal Fees and set Non-taxable Type to 8 (Division 81)
c)
If your site is using Pathway Water Billing and Legal Fees and GST is not being raised, then.
System Parameters

Should be set to Non-Taxable with Non-taxable Type set to 8 (Division 81)
Select ALLRates Types (both Water and Rates) and set the Non-taxable type to the relevant value (either 8 – Division 81 or N – GST Free)

Transaction Types – these can be left untouched
Rules that apply are:
Where the Rate Type is Non-Taxable and Transaction Type is Non-Taxable, the Non-taxable Type is retrieved from the Rate Type
Where Rate Type is Non-Taxable and Transaction Type is Taxable, the generated transaction is deemed Non-Taxable and the Non-taxable Type is retrieved from the Rate Type
d)
If your site is using Pathway Water Billing and Legal Fees and GST is being raised, then.
System Parameters
Should be set to Taxable
To achieve GST calculation on Legal Fees alone, a separate Rate Type would have needed to have been set up.
Select all 'Rates' Rate Types other than Legal Fees and set Non-taxable Type to 8 (Division 81)
Select all 'Water' Rates Types and set the Non-taxable type to N (GST Free)

All situations:
Transaction Types
Rules that apply are:
Where the Rate Type is Non-Taxable and Transaction Type is Non-Taxable, the Non-taxable Type is retrieved from the Rate Type.

Where Rate Type is Non-Taxable and Transaction Type is Taxable, the generated transaction is deemed Non-Taxable and the Non-taxable Type is retrieved from the Rate Type.

Where Rate Type is Taxable, but Transaction Type is Non Taxable, then the Non-taxable Type is retrieved from the Transaction Type.
Note: This could apply where Fines are applied to Legal Fees. In this situation, the Transaction Type would be used to determine the Non-taxable Type. If no Type had been assigned, it will default to N.

Pathway Accounts Receivable
Pathway Accounts Receivable share some of the Rates parameters and Accounts Receivable will always have a mixture of Taxable and Non-Taxable transactions. As such, the following set up is recommended:
Rates System Parameters
Should be set to Taxable
Select all Non-Taxable 'Rates' and 'Water' (where applicable) Rate Types and set Non-taxable Type to the relevant value (8 -Division 81 or N – GST Free).
Select all Non-Taxable 'Debtor' Rate Types and set Non-taxable Type to the relevant value.
Transaction Types
Ensure that specific User Generated Transaction Types exist for Invoice, Credit Note and Journals
If any of these Transaction Types have been set to Non-Taxable, then select and nominate the relevant Non-taxable Type value.

The same rules apply to Debtors Rate Type/Transaction Types as per Rates.

Financial Transaction Export
The template does not need to be changed as the existing Taxable Flag field (where previously was output with 'N') will be populated with the relevant Non-taxable Type value (N, 8 or X).

TCS Sites: Where this value is now an 8, the import into TCS has been modified and will accept the 8 and treat as a Division 81 transaction.

Finance One Sites: The 'calculation expression' that is entered on Detail section of the Template field, has been modified to cater for the new values. It will continue to treat the N, Y and blank as per the current process, but it will leave an 8 as an 8 and an X as an X. If values other than this are required, please request Technology One to advise Deirdre Todd in the Infor Adelaide office of the required values.

Tax Control - Accounts Receivable (External)

Calculation and generation of Tax applicable to Accounts Receivable is normally managed by the module itself, however Accounts Receivable Receipts in Pathway DO NOT have to be part of a full debt system within a Financial product.

In these situations, it is important that there is the ability to capture any tax that is applicable on such payments. As such, the set up within Pathway will be determined purely on how these receipts are processed once they are passed back to an originating system.

Parameters – Ledger/Sub Ledger
A Taxable ON/OFF flag is available. Where Pathway is required to calculate tax on the payments received, set this to ON.
Where this flag is set to ON a valid Tax Code is required.

Where Taxable is set to 'OFF' a Non-Taxable Type can be defined, i.e. N=GST Free, 8=Division 81 and X=GST Exempt (applicable to NZ). Please refer to the Tax Processing notes above for details of set-up.

Accounts Receivable
General Processing
The control for any tax calculations is as the Sub-Ledger level only not at the individual debtor record, therefore depending on requirements thought may have to be given in setting up multiple sub-ledgers.

Tax calculation is performed on the receipt amount allocated to a Debtor within a Taxable Sub-Ledger.
Calculation will be 1/11 of receipt amount where rate = 10% or 1/9 of receipt amount where rate = 12.5%.

The Tax amount calculated will appear on the Receipts against the allocation line applicable.

Reversal or Transfers 'from' of such receipts will generate the reverse of any Tax entries.

The export of Receipts will NOT include the GST amounts. The receipt amount will be the full receipt amount.

Ledger entries generated will be sourced CARR.

Note: Ledger entries in this situation will use the Revenue/Control/Clearing Account set up for the Sub-Ledger and the Tax Cash Account.
      Credit Accounts Receivable Revenue/Clearing Account
      Credit Tax Cash
      Debit Bank

It is assumed that if Tax is set to ON, then the above account would normally be a revenue account and not a control clearing account.

Maintenance

The following topics are covered in this section:

Debtor Ledger Maintenance
Debtor Maintenance

Debtor Ledger Maintenance

This function enables the selection of Ledger and Sub Ledger fields.

Debtor Ledger Maintenance Form

This form enables the setting up of Debtor Ledger Codes. This is the only method by which Debtor Ledger Codes may be established.

Revenue and Bank Accounts are established for each unique combination of General Ledger Code and Sub Ledger Code.

Debtor Ledger Maintenance Form

Ledger
This field allows the selection of the General Ledger to be used for the Debtor Ledger entries.

This field is not mandatory. If this field is not entered then the Sub Ledger Code becomes mandatory.

The General Ledger code must be established in the General Ledger Interface – Ledger Maintenance option.

If the General Ledger code is known then it may be entered directly into the field or alternatively the pop up button may be pressed to select from the Ledger Pop Up. The full description of the Ledger code will be displayed.

Sub Ledger
This field contains a description of each Sub Ledger used. Up to 6 characters may be entered.

This field is not mandatory. If this field is not entered then the Ledger field becomes mandatory.

Active
If this box is checked on then that ledger is currently active. If the box is checked off then the Ledger is inactive and postings may not be made.

Debtor Account Detail Button
The Debtor Account Detail Button is only activated when the corresponding Ledger is active. Selecting this button will take you to the Debtor Account Maintenance form which will allow you to enter the Bank and Revenue Account's for the particular General/Sub Ledger.

Debtor Account Maintenance Form

This form enables the selection of Bank and Revenue Account's for the selected Debtor Ledger.

When creating Debtor Master File records a Ledger/Sub Ledger must be nominated. Any receipts posted to the Debtor Record will use the accounts nominated here for the General Ledger postings.

Debtor Account Maintenance Form

Ledger
This field displays the Ledger Code, Description and Sub Ledger Code for which the accounts are being established.

Bank Account / Revenue Account

Bank Account

This field contains the Bank Account to be used when posting receipts for Debtor Master File records that are linked to this Ledger/Sub Ledger.

The Bank Account may be entered directly into the field or alternatively press the Pop Up Button to display the Account Pop Up Form.

Revenue Account

This field contains the Revenue Account to be used when posting receipts for Debtor Master File records that are linked to this Ledger/Sub Ledger.

The Revenue Account may be entered directly into the field or alternatively press the Pop Up Button to display the Account Pop Up Form.

Account Description
This field contains a full description of the Bank or Revenue Account used for the debtor ledger

Taxable
This field indicates whether or not Tax should be calculated on the current Debtor Ledger. If this flag is turned on then a Tax Code must be selected. If the flag is turned off then a Non-taxable Type needs to be selected.
All receipts being processed for a Debtor, will have Tax calculated only where the Ledger/Sub Ledger it belongs to is set to Taxable = Y.

When a payment is received, the Tax component will be calculated based on the payment amount (Tax Inclusive).

Where Taxable Flag = 'Y'

Debit Bank Account	Full payment amount
Credit Revenue Account	Payment amount less GST
Credit Tax Cash Account	GST amount

Where Taxable Flag = 'N'

Debit Bank Account	Full payment amount
Credit Revenue Account	Full payment amount

Receipts reversed/transferred will generate the opposite of above.

Non-taxable Type
If the Taxable field has not been flagged on, therefore making it Non Taxable, then a Non-taxable Type needs to be defined. There are 3 options available in the dropdown list. These are GST Free, GST Exempt and Division 81. It is expected that Australian sites will use GST Free and Division 81 only. Financial systems can use these values, as the applicable codes (N - GST Free, X - GST Exempt and 8 - Division 81) are output in the Pathway Financial Transaction File in place of the previous 'N' value.

Tax Code
This field contains the Tax Code applicable to the current debtor ledger. This code determines the amount of tax calculated and the general ledger accounts to which the tax amount will be written.

Ledger Pop Up Form

The Ledger Pop Up form lists all valid Ledger Codes and Descriptions.

Ledger Pop Up Form

Ledger
This field contains a list of all Ledger Codes that are available for selection. This field is display only and cannot be maintained.

Description
This field contains a full description of each available Ledger Code. This field is display only and cannot be maintained.

Search Profile - Ledger
Enter a Ledger Code (or part thereof) on which to base your search and use the Search button to initiate the search. Wildcard search is available on this field.

Search Profile - Description
Enter a Description (or part thereof) on which to base your search and use the Search button to initiate the search. Wild card searching is available on this field.

Account Pop Up Form

This form displays Ledger Accounts and their descriptions.

Account Pop Up Form

Ledger
This field contains a list of all Ledger Codes that are available for selection. This field is display only and cannot be maintained.

Account
This field contains the Account Number of the selected Account. This field is display only and cannot be maintained.

Description
This field contains a full description of each available Account. This field is display only and cannot be maintained.

Search Profile Ledger
This field contains a full description of the Ledger Account.

Search Profile Account
Enter an Account Code (or part thereof) on which to base your search and use the Search button to initiate the search. Wildcard searching is available on this field.

Search Profile Description
Enter a Description (or part thereof) on which to base your search and use the Search button to initiate the search. Wildcard searching is available on this field.

Debtor Maintenance

This function enables the modification of Debtor Account's that have been imported or 'refreshed' from an external financial system.
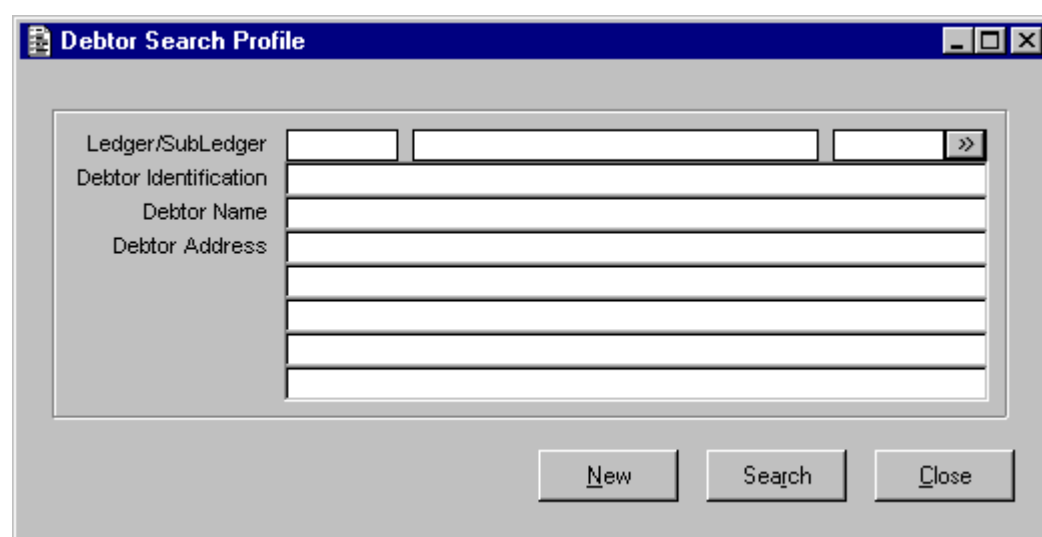
New debtors may be created, however, duplicate Debtor Accounts within the same ledger code are not allowed.

Existing debtors may only be deleted if no dependencies exit.

Debtor Search Profile Form

Searches for debtors may be carried out using the:

- Debtor Identification
- Debtor Name
- Debtor Address

Debtor Search Profile Form

Ledger / Sub Ledger

If the search is to be carried out over a specific Ledger/Sub Ledger Combination then enter the valid sub ledger code in the field next to the pop up button. If more than one match on the Sub Ledger code is found the Debtor Ledger Pop Up will be displayed.

If the code is not known then press the pop up button. This button will display the Debtor Ledger Pop Up Form. Once a ledger has been selected only those debtors relating to that ledger/sub ledger will be displayed.

If a ledger is not selected and a search is performed all ledger records will be displayed.

Debtor Identification
Enter a unique Debtor Identification Code (or part thereof) on which to base your search and use the Search Button to initiate the search.

Wildcard searching is available on this field.

Debtor Name

Enter a Debtor Name (or part thereof) on which to base your search and use the Search Button to initiate the search.

Wildcard searching is available on this field.

Debtor Address

The address field consists of 5 lines
Enter address details (or part thereof) on which to base your search and use the Search Button to initiate the search.

Wildcard searching is available on this field.

Debtor Ledger Pop Up Form

Debtor Ledger Pop Up Form

Ledger
This field displays the code and description of each available Ledger Code.

This field is display only and may not be maintained.

SubLedger
This field displays the name of the sub ledger selected.

This field is display only and may not be maintained.

Search Profile - Ledger
This pop up field displays a list of Ledgers from which a search can be run on.

Search Profile - SubLedger
This field is used to search on a subledger that exists.

Debtor Selection Form

This form displays the results of a search across Pathway Debtors.

Debtor Selection Form

Ledger / Sub Ledger
This field displays the code and description of the selected ledger.

This field is display only and may not be maintained.

Debtor Identification
This field displays the unique debtor identification code.

This field is display only and may not be maintained.

Debtor Name
This field displays the full debtor name.

This field is display only and may not be maintained.

Debtor Address
This field displays the Debtor Address.

This field is display only and may not be maintained.

Outstanding Balance
This field displays the Outstanding Balance.

This field is display only and may not be maintained.

Modifying or Creating Debtors

This form is used to modify existing debtors or to create new ones. If a debtor is highlighted from the Debtor Selection form and the Modify option selected then details of the debtor will be displayed for modification. If the New option from the Debtor Selection form is selected then a blank form will be displayed for the input of details of a new debtor. The Debtor Maintenance Form is used for both functions.

Debtor Maintenance Form

This form allows the entry of debtor account details.

Debtor Maintenance Form

Ledger

This field displays the Ledger/Sub Ledger to which the Debtor is related.

This field is mandatory.

A Sub Ledger code may be entered directly into the field next to the pop up button. If the code is not known then press the pop up button to display the Debtor Ledger Pop Up Form.

Debtor Identification
Enter a unique Debtor Identification Code. This would be the Debtor Number (or equivalent) from the external Financial system.

This field is mandatory.

Debtor Name*
This field contains the Debtor Name from the external Financial system.

This field is mandatory.

Debtor Address

The address field consists of 5 lines of free format text.

Enter a street number, street name, suburb, city, state and postcode on the appropriate address line.

Outstanding Balance
This field displays the Outstanding Balance of the debtor.

Processing

The following topics are covered in this section:

Debtor Import

The Debtor Import Control function enables the import of Debtor Accounts from the external financial system.

An Import Parameter Format must have been established using the entity CARDBTR prior to running this option. Please refer to the Query User Guide for more information on Import Formats.

The Query Import Format must match the format of the "flat" file that was generated from the external Financial system that contains the details for the debtor accounts.

Debtor Master Record Import Control Form

This form enables the import of Debtor Accounts from the external financial system.

An Import Parameter Format must have been established using the entity CARDBTR prior to running this option. Please refer to the Query User Guide for more information on Import Formats.

The Query Import Format must match the format of the "flat" file that was generated from the external Financial System that contains the details for the debtor accounts.

Debtor Master Record Import Control Form

Search Profile
Select the Import Format from the Pop Up List. The Import Format must have been established using the entity CARDBTR prior to running this option.

When the Pop Up List is displayed only Import Formats where the entity name is CARDBTR will be available.

Processing Options
Update Only is the only available Processing Option. No report is produced from this function.

Delete/Deactivate Existing Records not imported from ASCII file
If this flag is checked on then any debtor records contained in Pathway that are not contained in the ASCII file being imported will be deleted or de-activated.

If this flag is not checked on then no checking will occur.

Import File Pop Up Button
Enter the network file name of the "flat" file to be imported. The file name may be entered
directly into the field or alternatively the Pop Up button may be used to search the network for
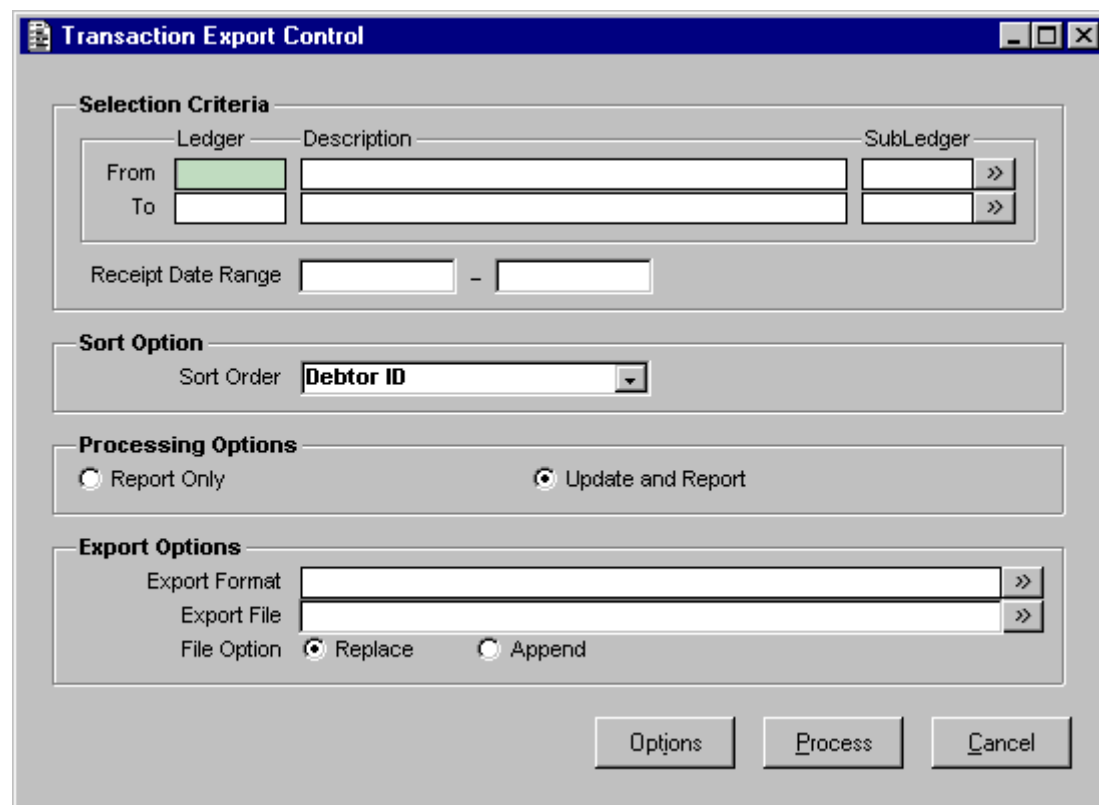the file name.

Debtor Transaction Export

The Transaction Export function enables the export of all Debtor Receipt transactions (held in CARTRAN) to be output to an ASCII file in preparation for import into an external Debtors system.

An export format must have been established prior to running this function. The export format determines the file layout of the ASCII file to be generated from this process. The export format is created over the entity CRPAR01. (Query Parameters, Export/Import Format Maintenance)

Transaction Export Control Form

The Transaction Export function enables the export of all Debtor Receipt transactions to be output to an ASCII file in preparation for import into an external Debtors system.

When run with the Update option, all Debtor Receipt transactions will be written to the ASCII file nominated and deleted from the Debtor Receipt transaction file.

Transaction Export Control Form

Ledger

These fields can only be selected through using the pop up button. These fields are not mandatory yet can be used to define selection criteria.

Debtor Ledger Pop Up Button

Using this Pop Up button displays the Debtor Ledger Pop Up Form

Receipt Date Range

The export MUST be run with the Receipt Date Ranges left blank. Failure to do so may result in not all Receipts being exported.

The only instance where the date range may be used, would be where an Accounts Receivable system cannot manage multiple date transactions and each day is to be exported separately.

Sort Order Option
This drop down arrow enables the selection of the following sort orders
by:
- Debtor ID
- Receipt Number
- Cashier ID/Receipt Number

Processing Options - Report Only
Select this option if a report only is required. Debtor Transaction data will not be deleted.

Processing Option - Update and Report
Selecting this option will produce a report and delete the Debtor Transaction data.

Export Format
Select the format from the Export/Import Format Pop Up form. The export format must have been established previously over the entity CRPAR01. (Query Parameters, Export/Import Format Maintenance)

Export File
This field will be populated automatically when an export format is selected. It holds the file name of the ASCII file that will be generated by the export.

The file name may be overridden if required.

File Option

Replace

If the output ASCII file already exists it will be deleted and replaced with the new file.

Append

If the output ASCII file already exists then the debtor transaction records generated will be added to the end of the file.
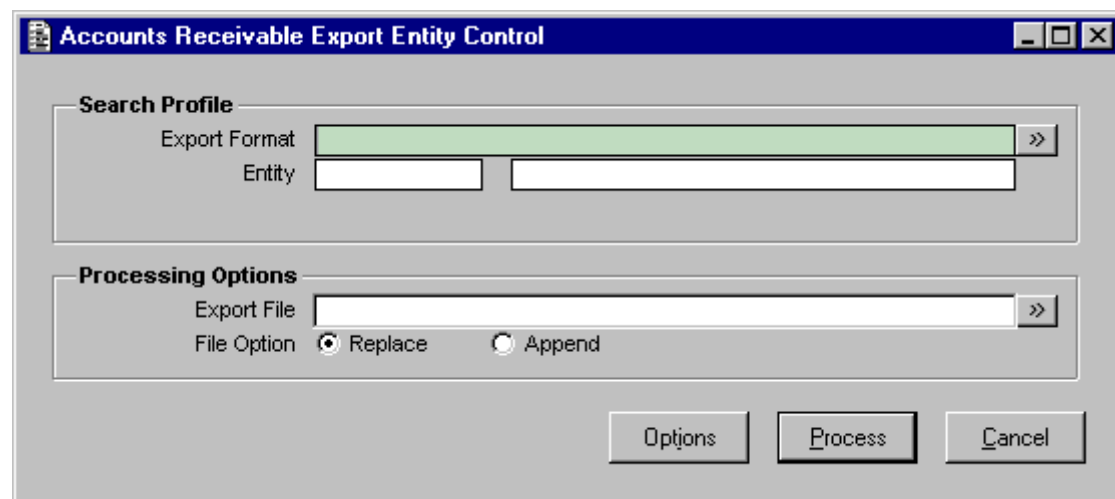
Transaction Export Recovery

Accounts Receivable Export Entity Control Form

This form is the standard query export form however when initiated via the Accounts Receivable – Transaction Export Recovery option the form is restricted to only processing records in the CRPAR01 entity. The form title is also changed to "Accounts Receivable Export Entity Control".

The Transaction Export Recovery is used when an export file is to be regenerated due to a problem in the processing of the original file.

No updating of Debtor Transactions will occur. This function will only process records via the CRPAR01 entity. (Accounts Receivable Reporting Entity)

Accounts Receivable Export Entity Control Form

Search Profile
Using this Pop Up button displays the Export/Import Format Pop Up Form. Select the export format that is to be processed

Export Format Pop Up Button
This Pop Up button is used to select the export format that will be used in the export process.

Processing Options
These fields identify the options available for processing an export file.

Export Format Pop Up Button
This Pop Up button enables the user to select the file that will be exported in the recovery process.