



Infor XA Enterprise Financials Reference Guide

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About this guide

This reference guide contains supplemental information, in addition to the online help, for the Infor XA Enterprise Financials application.

Intended audience

This reference guide is intended for users requiring additional information for Enterprise Financials.

Related documents

You can find the documents in the product documentation section of the Infor Xtreme Support portal, as described in "Contacting Infor" on page 13.

- *Infor XA – International Financial Management User's Guide*
- *Infor XA – Cross Application Support User's Guide*

Contacting Infor

If you have questions about Infor products, go to the Infor Xtreme Support portal.

If we update this document after the product release, we will post the new version on this website. We recommend that you check this website periodically for updated documentation.

If you have comments about Infor documentation, contact documentation@infor.com.

Enterprise Financials (EFIN) includes accounts receivable, accounts payable, cash management and general ledger functions. It handles multiple currencies, and conforms to global accounting standards and statutory requirements. You can use EFIN to analyze your financial data with online queries and integrations with applications for financial reporting, operational reporting, and business intelligence.

Enterprise Financials interfaces with these XA applications:

- Customer Service Management (CSM)
- Materials Management (MM)
- Procurement Management (PM)
- Production Management (PC&C, OBPM and REP)

These applications supply the non-financial data that EFIN uses for financial management. For example, EFIN receives customer invoice information from CSM and purchase order information from PM.

Features

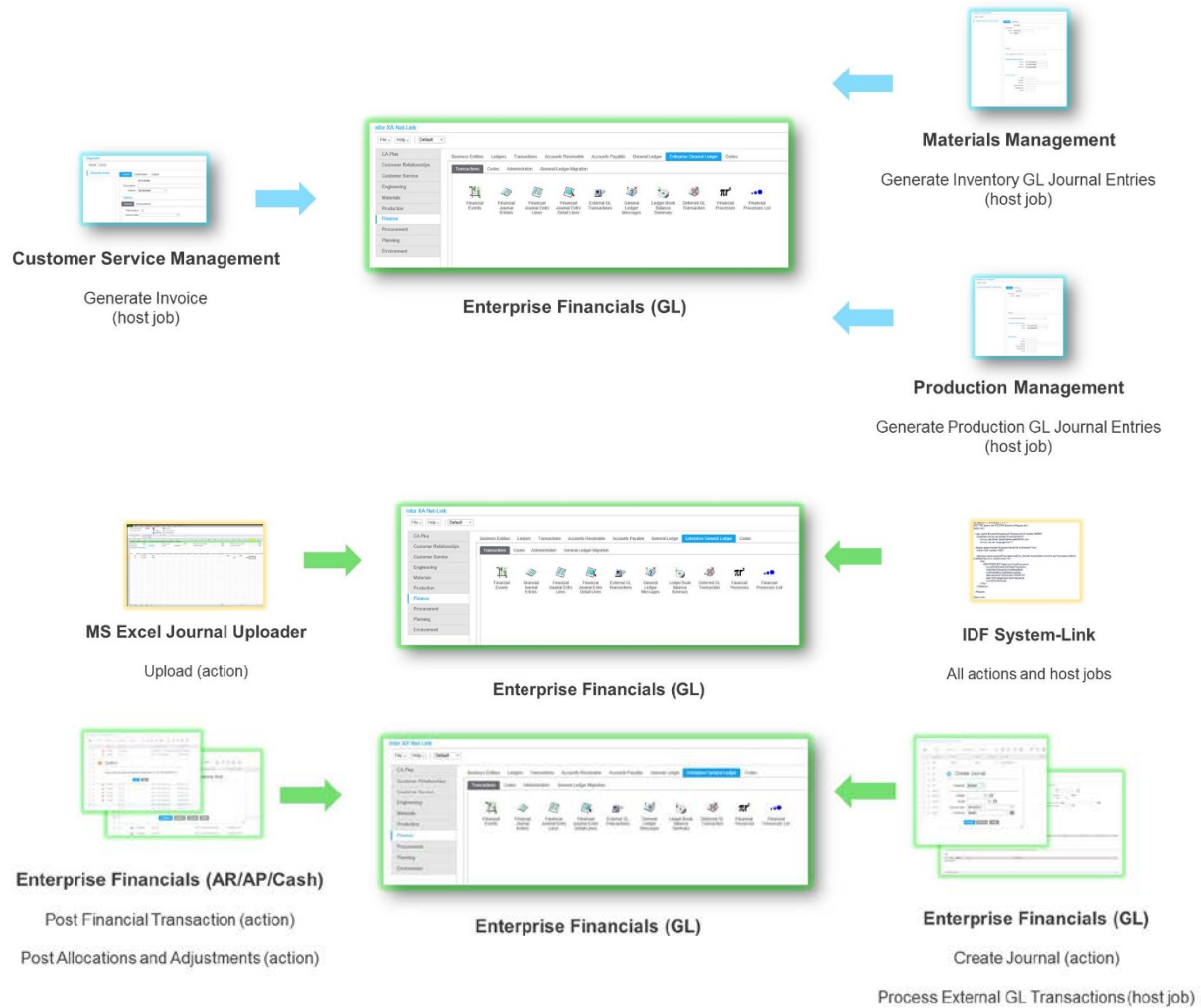
These features show the ability of EFIN to meet international business requirements:

- Integration with Infor XA products and third-party products.
- Automated accounting decisions, or journal entries, generated from ERP activities. For example, you can pay a vendor and automatically post the accounts payable and cash entries to the appropriate accounts.
- Central repository for financial accounting data.
- Online inquiry and ad-hoc reports of financial information for any areas in the organization.
- Account analysis tools with balances and drill-down to the source ERP transactions.
- Multi-company processing with flexible account structures and variable company organization structures and calendars such as:
 - Unlimited chart of accounts
 - Unlimited books
 - Multiple calendars

- Multiple simultaneous postings of each transaction to different target ledgers so that statutory reporting can be separate from standard corporate reporting.
- Enablement of regions such as Asia, Americas, and Europe to maintain autonomous financial activity.
- Multiple currency processing for vendors and customers, including foreign currency purchase orders, payables, payments, customer orders, invoices, receivables, and ledgers with postings in both the base currency, or company currency, and transaction currencies.
- Revaluation of different currency transactions at period end dates and on settlement dates.
- Currency translation for journal entries and ledger balances.
- Re-measurement for FASB 52 purposes and historical rate conversions for hyperinflationary economies. FASB 52 is the abbreviation for the United States Financial Accounting Standards Board – Statement of Financial Accounting Standards No. 52.
- Extensive credit management capabilities through online access to customer status, payment history, credit and collection notes, and action dates.
- Rapid automated cash application to accounts receivable and accounts payable.
- Exception-based and online resolution of cash application differences, deductions, and disputed items.
- Three-way matching between purchase orders, inventory receipts, and payable invoices.
- Allocation processing for the distribution and accrual of expenses within and between books.
- Allocation processing for budgeting.
- GL balance consolidations.
- Consolidate disparate Charts of Accounts.
- Consolidate region-level information to the corporate-level, converting multiple currencies.

EFIN Integration

This figure illustrates how the EFIN applications interact with each other and with other Infor XA products.



IDF level 1 and level 2

Currently in EFIN most of the financial functions are available in the IDF level 2 interface that includes Infor Ming.le, Power-Link, Net-Link and System-Link. A few of the financial functions are not yet available in IDF level 2, but they are available in IDF level 1. For example, in the first 9.2 release, Ledgers can be created in IDF level 2, but Settlement Terms can only be created IDF level 1. This document describes the functions available in IDF level 2. For information about the functions that are only available in IDF level 1, see “Functions in IDF Level 1” on page 225.

Superseded IFM objects

Currently in EFIN, the Enterprise GL application has superseded the IFM GL application. However, most of the EFIN functions still require IFM GL master data to process AR, AP, and Cash transactions. For example, the EFIN AR/AP/Cash transactions are only sent to EGL if they can post to the IFM GL. This requirement may be removed in a future release.

This table shows the IFM GL master data that is still required by EFIN, even though it has been superseded by EGL objects.

Original IFM table	Superseded by EGL object	IFM master data still required
Ledger (IFM General Ledger)	Ledger	Yes – IFM General Ledgers
Period	Financial Calendar Period	Yes – IFM Periods
Ledger Period	Financial Calendar Period	Yes – IFM Ledger Periods
Nature	Account Segment	Yes – IFM Natures

Depending on your business requirement, it may not be necessary to create an IFM record for each EGL record. For example, if the EGL Account Segment values are 100000 through 999999, it may only be necessary to create 2 natures in IFM, one to represent the asset or liability accounts and one to represent the income or expense accounts.

Master data includes these objects:

- Enterprise Financials Application Settings
- Enterprise General Ledger Application Settings
- Currencies
- Exchange Rates
- Exchange Rate Limits
- Exchange Rate Sets
- Account Segments
- Charts of Accounts
- Financial Calendars
- Ledgers (general ledgers)
- Ledger Books
- Journal Sources
- Ledgers (sub-ledgers for receivables, payables, and cash)
- Ledger Transaction Types
- Entities (trading partners)
- Entity groups
- Personal Accounts (trading partner accounts)
- Financial Macros
- Financial Macro Aliases
- Financial Models
- Financial Event Classes
- Subsystems
- Regions
- Countries
- Tax cities
- Tax counties
- Tax authorities
- Tax suffixes

- Tax indicators
- Date methods
- Collection statuses
- Personal Account Statuses
- Reasons for Dispute
- Currency Contracts
- Bank Instructions
- Bank Transaction Types
- Banks
- Bank Transmittal Codes

EFIN has two Ledger objects, one with object class LDG for sub-ledgers and one with object class ILDG for general-ledgers.

The general ledger object is used for general ledgers.

The sub-ledger object is used for accounts receivable ledgers, accounts payable ledgers, and cash ledgers. Each sub-ledger belongs to a financial division. A financial division can have any number of sub-ledgers.

The sub-ledger object also includes IFM general ledgers, but those are deprecated and may be removed in a future version of EFIN. This type of ledger has been superseded by the general ledger object.

Enterprise Financials application settings

This table shows the application settings of Enterprise Financials and provides a description of each.

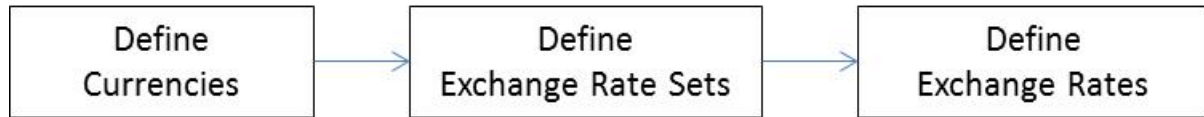
Application setting	Description
Activate currency and exchange rates	Allow maintenance of currencies and exchange rates in EFIN. This must be set to Yes in EFIN
ERP administrative division	The administrative division used by the XA applications.
ERP exchange rate set	The exchange rate set used by the XA applications.
Tax date	The date used for invoice tax calculations. These options are valid: <ul style="list-style-type: none">• Document date• Supply date

Application setting	Description
Tax withholding	Controls whether tax is withheld using a single method, as in the United States, or using multiple methods, as in some Latin American countries. This setting can be used throughout EFIN or overridden for individual financial divisions.
Item revision tax date	The date used to retrieve item revision information for invoice tax calculations. These options are valid: <ul style="list-style-type: none"> • Financial transaction tax date • System date
Allow invoicing for P.O.s completely invoiced	Controls whether the application will allow invoices to be generated from inventory receipts or purchase orders when the purchase order status has invoice status set to complete.
Payment list invoice count (error)	The maximum number of invoices that can be selected when generating a payment list for automatic payments.
Payment list invoice count (warning)	A warning message will be issued to the user if the number of invoices selected for a payment list exceeds this count.
Activate ledgers	Allow ledger maintenance in EFIN. This must be set to Yes in EFIN.
Activate financial transactions	Allow financial transaction maintenance in EFIN. This must be set to Yes in EFIN.

Currencies

With EFIN multi-currency processing, you can handle transaction amounts and gains and losses in your company currency and, at the same time, buy and sell goods and services in trading currencies. You can use as many currencies as required by your business.

This diagram shows the sequence of tasks you perform when you set up currencies, exchange rate sets, and exchange rates.



Currency codes

Currency codes identify the monetary unit in transactions and account balances. The Currencies object is used to store all currency definitions. You must define a currency before processing transactions in that currency. For each currency code, you also assign other attributes to it, such as the denomination unit, sub-unit, and rounding method.

Every currency has a name, an identifier, 0 or 2 required decimal places, and a symbol of 1 or 2 characters in length.

Euro currency in Infor XA

The European Union consists of member states. Most of the member states have adopted the single euro currency.

For a specified length of time before a country adopts the euro currency, the exchange rate between its national currency and the euro is fixed and all currency conversions to and from the national currency need to be made through the euro currency. This conversion through the euro currency is called euro-triangulation.

To set up Infor XA to process currencies, perform these tasks:

- 1 Add the euro currency and local currency in the Currencies object.
- 2 Create an Exchange Rate Set to be used throughout the XA applications. This is the ERP exchange rate set. Specify the euro currency and local currency on this Exchange Rate Set.
- 3 Update the Finance application settings to reference this ERP exchange rate set.
- 4 Define one or more exchange rates in this ERP exchange rate set.

Attributes

This table shows the currency attributes and a description of each.

Attribute	Description
Currency	This attribute is the identifier assigned to the currency. The three-character ISO currency abbreviation used by the international banking system is the recommended currency identifier to use. For example, GBP for Pounds sterling or USD for US dollars.
Decimal places	This attribute is the number of decimal places required to express a monetary value in this currency. For example, US dollars require two decimal places (\$100.00) whereas Japanese Yen do not require any decimal places. The valid values are 0 or 2. Whenever this currency is shown online or printed on a report, the application uses the specified number of decimal places.
Euro triangulation start date	This attribute is the date on which the currency becomes Euro-participating if the national currency was converted to Euros. A Euro-participating currency does not have a direct exchange rate with any currency other than the Euro. All currency conversions between Euro-participating currencies and all other non-euro currencies are done through the Euro in a process known as triangulation. For example, the initial amount express in a Euro-participating currency must first be converted to Euro, then the Euro amount can be converted into the target currency.
Price adjustment factor	This attribute is the uplift or discount when prices are converted from local currency to foreign currency in the XA Customer Service Management application (CSM). The default value is 1.00, but it can be changed if CSM is active.
Primary currency	<p>In an XA environment without IFM or EFIN, this attribute is the identifier of a national currency. If more than one set of exchange rates applies to the same national currency, then you can define a secondary currency for each of the different exchange rates. For example, primary currency USD with secondary currencies US1 and US2.</p> <p>With EFIN, it is not recommended to use primary and secondary currencies to implement different exchange rates. Instead, use multiple exchange rate sets in EFIN to specify different exchange rates for a single national currency.</p>
Rounding level	<p>This attribute indicates the level to which the currency is rounded in EGL. The rounding level must be one of these values: 0.01, 0.05, 0.1, 0.5, 1, 5, 10, 50, 100, 500.</p> <p>This rounding fulfills legal and fiscal requirements in several European countries. The method and level you select are then used throughout EGL to consistently round calculated amount attributes, displayed amount attributes, and amount attributes on audit reports.</p>

Attribute	Description
Rounding method	<p>This attribute indicates the type of rounding method used with this currency in EGL. The rounding method must be one of these values:</p> <ul style="list-style-type: none"> • Half adjust: The half adjust method rounds up to the designated decimal place if the next decimal place contains a value greater than or equal to 5. If the value in the next decimal place is less than 5, all values following the designated decimal place are truncated. • Increment: The incrementing method rounds up to the designated decimal place if any decimal place to the right contains a value greater than 0. • Truncate: The truncating method rounds down to the designated decimal place if any decimal place to the right contains an entry greater than 0.
Symbol	<p>This attribute is the symbol to be shown for this currency on reports. Up to two characters are allowed (for example, the £ sign for Pounds sterling or the \$ sign for US dollars). This entry is optional.</p>

Exchange Rates

Exchange rates define the relationships between two currencies at a specific date and time. For example, on March 4, you can exchange a U.S. dollar for .62 British pounds. When XA converts currencies, it uses the most recent exchange rate on or before the transaction's date.

You can update the exchange rates as frequently as necessary depending on how often the rates change.

If a currency becomes euro-participating, update the currency to specify the euro-triangulation start date and specify the fixed exchange rate between that currency and the euro currency. After the euro-triangulation start date, you cannot specify any other exchange rates for that currency.

You must create at least two currencies and one exchange rate set before you can define an exchange rate.

The Exchange Rate object stores all defined exchange rates. An exchange rate contains these attributes that are unique keys:

- From currency
- To currency
- Exchange rate set
- Effective from date

You can express an exchange rate as either a multiplier or a divider. For example, if there are 1.3 dollars to a British pound, you can express the exchange rate as $\text{GBP} \times 1.3 = \text{USD}$ or $\text{USD} / 1.3 = \text{GBP}$. For any pair of currencies, you can maintain multiple sets of exchange rates. For example, current rates, average rates and closing rates.

When you create an exchange rate, you specify the From and To currencies and specify whether the exchange rate should be multiplied or divide to do the conversion. EFIN automatically creates a record for the reciprocal relationship. For example, if you tell the system to multiply when converting British pounds to US dollars, it automatically divides when converting dollars to pounds.

Each exchange rate set can store any number of exchange rates, but only one rate can be active at a time. EFIN lets you specify upper and lower limits for any exchange rate, thereby validating the exchange rate values which can be entered.

When converting from one currency to another, Infor XA multiplies or divides the From currency amount by the exchange rate to arrive at the To currency amount. The multiply or divide operation is specified by the Type attribute on the Exchange Rate Limits object. When you create an exchange rate for the first time between two currencies EFIN will automatically create the default exchange rate limits. You can accept the default limits or change the limits.

During transaction processing, Infor XA checks the Exchange Rate object for the transaction date to determine the correct exchange rate to use. If an exchange rate does not exist for the transaction date, then the first previous rate is used.

You can update the exchange rate at any time reflecting current rates in the international currency market. When the update processes, the new rate for that date is available for all new journals and transactions.

Exchange rates are identified by date. If the official exchange rate changes, enter a new exchange rate record with an appropriate date. Normally you would only change an existing exchange rate record to correct a mistake.

Currency Conversion Simulator

Use the Convert Currency Value action on the Currencies object to test the exchange rates you have created. Enter trial data including From and To currencies, the exchange rate set you want to test, and the value you want to convert. Click the Calculate converted value icon next to the Converted value attribute. The panel will display the converted value.

Exchange Rate Limits

Exchange rate limits are the upper and lower boundaries of exchange rates. For example, you might identify the exchange rate limits for converting Japanese yen to US dollars as from 50 to 150 yen.

Exchange Rate Sets

Business needs may require you to have different exchange rates for buying and selling, budgeting, and financial reporting. You can accomplish this by grouping related exchange rates into exchange rate sets. In EFIN, “exchange rate sets” and “exchange rate types” are synonymous.

Exchange rate sets allow you to use different exchange rates for different purposes. For example, you could have a set of current rates for normal business activity, a set of average rates for reporting exchange rate fluctuations, and a set of forward rates for exchange rate hedging.

Each XA environment must have one exchange rate set specified as the “ERP exchange rate set” in the Finance application settings. This exchange rate set must identify the euro currency ID and the local currency ID.

During currency translation, different accounts may translate currencies using different exchange rate sets. For example, balance sheet accounts may be translated using a period-end rate, and income statement accounts may be translated using an average rate.

By default, the XA applications use the ERP exchange rate set specified in the Finance application settings. This exchange rate set generally contains spot rates.

When sending currency data to other XA applications, EFIN converts the amounts to the XA local currency. When receiving data from other applications, EFIN converts the amounts from the XA local currency to the financial division’s currency and the ledger book currency.

This list explains the currency relationship between EFIN and other XA applications.

- EFIN to CSM: When sending AR amounts to CSM, for example calculated tax values, EFIN passes the transaction currency amounts in the order/invoice currency.
- CSM to EFIN: When sending transactions to EFIN, for example AR invoices and cost of sales, CSM passes the transaction amount in the invoice currency and the local currency amount in the local currency.
- EFIN to IM and PC&C: When passing invoice data to these applications, EFIN converts the amounts to the XA local currency.
- IM, PC&C, REP, and PR to EFIN: When passing ledger entries to EFIN, these applications send transaction amounts in the XA local currency.
- EFIN to PM: When passing invoice amounts to PUR, for example invoiced values, EFIN passes the transaction amounts in both the invoice currency and local currency.
- PM to EFIN: When passing PO information to EFIN to create invoices, PM passes the amount in the order currency and the local currency.
- Fixed assets to EFIN: For consolidation purposes, fixed assets must sometimes be translated at their historical exchange rate. When this applies, you can tailor fixed assets to put the capitalization date in the translation date attribute for each IFM G/L line. Then IFM GL converts ledger entries at the exchange rate in effect on the translation date. In this release, fixed assets do not send transactions to EGL.

Ledgers: sub-ledgers for receivables, payables, and cash

Use the Ledgers object to create and maintain ledgers. Ledgers classify every transaction entered in a financial division.

A ledger is a set of accounts. Every ledger belongs to a financial division and every transaction belongs to a ledger.

In EFIN, ledgers serve two main purposes:

- To make the management and auditing of personal accounts, bank accounts and transactions as efficient as possible.
- To simplify transaction entry by providing appropriate default values wherever possible.

EFIN uses these four ledger types:

- Accounts receivable
- Accounts payable
- Cash
- General ledger

Accounts Receivable and Accounts Payable Ledgers

These ledgers record credit-based transactions between financial divisions and entities. An account receivable (AR) ledger contains receivable transactions. An accounts payable (AP) ledger contains payable transactions. Each AR ledger or AP ledger is in a single currency in which debts are denominated. All transactions in a receivable/payable ledger must be in the same currency as the ledger, so each trading currency must have a separate ledger. Transactions may be settled in any currency.

These ledgers group payables or receivables with the same terms, currency, defaults, and so on.

Each financial division can have as many receivable/payable ledgers as necessary to meet your business needs. For example, if you have different payment terms for services or merchandise sales, you can put each type of sale in a separate receivable/payable ledger.

Each receivable ledger or payable ledger operates in a specified currency, that is, amount due lines must be denominated in the currency of the ledger they belong to (but allocations to offset the lines may be created from transactions in any currency). Thus, you use a separate receivable ledger and a separate payable ledger for each currency in which you record invoices.

Cash Ledgers

A cash ledger (cash book) represents a bank account, money market account, borrowing facility, petty cash float or other monetary fund to and from which cash moves within a financial division. Each financial division can have multiple cash ledgers.

The cash book balances are maintained in the cash book currency.

Transactions in a cash book may be denominated in any currency, and are recorded in the transaction currency, the cash book currency and the financial division currency.

For each cash ledger, you can specify this information:

- Currency in which it is denominated
- Default transaction type for automatic payments
- If the cash ledger represents a bank account, the bank holding the account and the bank account name, number and branch code
- Upper and lower bounds within which you want the balance to operate. EFIN warns you if the balance goes above or below these figures.

You can maintain these two balances for each cash ledger and view them at any time:

- Cash balance - the net of all posted transactions in the cash ledger
- Reconciled cash balance - the net of all posted and reconciled transactions in the cash ledger

You can draw or deposit amounts in a currency different from the bank account currency. The currency exchange rate may be agreed in advance or may be determined by the bank at the time of processing the transaction and advised to you retrospectively.

If the exchange rate is agreed in advance, the transaction is processed normally. The transaction currency value and the bank account currency value are both specified on entry.

If the exchange rate is advised retrospectively, the expected bank currency value is entered on the cash line, and an attribute is set indicating that the actual rate applied by the bank is expected at a later date. The transaction is then posted and allocated in the normal way. When bank advice is received, the `actual' or realized values in bank and financial division currency are entered on the cash line. The IFM GL calculates and posts a gain or loss on exchange to accommodate the difference between the expected and realized financial division currency values.

Ledgers and transactions

Every transaction belongs to one ledger. For example:

- Invoices, credit notes, debit notes belong to an AR ledger or an AP ledger
- Cash payments and receipts of all types belong to a cash ledger. This applies to payments and receipts in settlement of accounts payable and receivable, and to those arising from cash sales and purchases.
- IFM general ledger journals belong to the IFM general ledger
- Financial journal entries belong to the Enterprise general ledger

Ledger periods

Ledger periods are the fiscal periods for posting transactions in a specific ledger. Although you can set them up separately, all the ledgers within a financial division should have a matching set of ledger periods. Typically, you can set up the ledger periods for the IFM general ledger and then use the copy facility to duplicate those periods in the AR ledgers, AP ledgers and cash books.

When you enter a transaction, it defaults into a ledger period according to its posting date, or you may specifically assign it to another ledger period.

Ledger transaction numerators

A ledger transaction numerator defines the next transaction number for a ledger. Numerators are assigned to ledger transaction types, and automatic transaction numbering can only work if each ledger transaction type has a current ledger transaction numerator.

Facilities such as the automatic payments system require that you set up ledger transaction numerators. For each ledger, you can use manual or automatic numbering for manually-entered transactions.

In the Ledgers object, you can create and maintain ledgers. You can access the Ledger Transaction Types object from the Display menu. In the Ledger Transaction Types list window, you can create and maintain ledger transaction types that contain transaction numerators. Transaction numerators are used to specify the format of automatic numbers generated for transactions.

Creating a ledger

- 1 Select **Maintain > Create** in the Ledgers list window.
- 2 Specify this information:

Template

The templates show only the attributes relevant to the purpose of the template. For example, you use the Accounts Payable template to create an AP ledger, and you use the Cash template to create a Cash ledger. Select an existing template in the list or click the **Template** button to modify a template.

Financial division

Specify the identifier of the financial division.

Ledger

Specify the ID for the ledger.

Name

Specify the text name of the ledger.

Currency

Select the currency of the ledger.

Settlement terms

Select the ID of the settlement terms that determines the information such as due date, settlement date, settlement discount for amounts due on a transaction using this ledger. The Settlement terms attribute is used when you create an AP or AR ledger.

Payable control nature

Specify the identifier of the general ledger natural account that is used in the IFM GL as the payables control account for transactions in this ledger.

Receivable control nature

Specify the identifier of the account that is used in the IFM GL as the receivable control account for transactions in this ledger.

Currency exchange calculation

Specify whether gain and loss calculations may be performed for transactions in this ledger when they post to the IFM GL. The Currency exchange calculation is used when you create an AP or AR ledger that uses a currency other than the financial division currency. These values are valid:

- **None:** Don't calculate. The system does not allow gain and loss calculation to be performed for this ledger in the IFM GL.
- **Losses and gains:** The system calculates both gains and losses on exchange in the IFM GL.
- **Losses:** The system calculates losses only in the IFM GL.
- **Losses and realized gains:** The system calculates losses and realized gains in the IFM GL.

EGL does not use the ledger's Currency exchange calculation attribute. Instead, to specify whether gain and loss calculations will be performed for transactions in this ledger when they post to EGL, use the Subsystem Event Rules and Financial Models.

Cash balance nature

Specify the general ledger natural account which records the balance of this cash ledger in the IFM GL.

Realized gain nature

Specify the identifier of the general ledger natural account where automatic postings caused by realized gains on currency exchanges are recorded in the IFM GL. These gains occur when an invoice is settled and the invoice currency is different from the financial division currency and the currency exchange rate has changed between the invoice date and the settlement date. The Realized gain nature attribute is used when you create an AP, AR, or cash ledger that uses a currency other than the financial division currency.

Realized loss nature

Specify the identifier of the general ledger natural account where realized losses on foreign currency exchanges are recorded in the IFM GL. These gains occur when an invoice is settled and the invoice currency is different from the financial division currency and the currency

exchange rate has changed between the invoice date and the settlement date. The Realized loss nature attribute is used when you create an AP, AR, or cash ledger that uses a currency other than the financial division currency.

Unrealized gain nature

Specify the general ledger natural account where unrealized losses on foreign exchange are posted in the IFM GL. These losses occur when you accrue currency exchange gains/losses on foreign currency invoiced that have not yet been settled. The Unrealized loss nature attribute is used when you create an AP or AR ledger.

Bank

Specify the bank where the bank account belongs. The Bank attribute is used when you create a cash ledger.

Bank account name

Specify the name on the bank account. The Bank account name attribute is used when you create a cash ledger.

Bank account number

Specify the bank account number used by the ledger. The Bank account number is used when you create a cash ledger.

Create Ledger Transaction Types

Select this check box to automatically create ledger transaction types when the ledger is created. Ledger transaction types are created for all active Transaction types that have the same ledger type as this ledger.

You can also create ledger transaction types during Preview before create.

A ledger transaction numerator is automatically created for each ledger transaction type.

Return here to create another

Select this check box to return to the Create Ledger dialog box when you click **Create**.

Preview before create

Select this check box to check or change information when you click **Create**.

- 3 Click **Create**.
- 4 If you selected the Preview before create check box, you can maintain object information.

Attributes

This table shows the ledger attributes and a description of each.

Attribute	Description
Ledger type	This attribute records whether the ledger is a receivables ledger, a payables ledger, a cash ledger, or an IFM general ledger.

Attribute	Description
Allow transaction number entry	<p>This attribute is used to determine whether you assign transaction numbers manually or have the system automatically assign the numbers when entering transactions. These values are valid:</p> <ul style="list-style-type: none"> • 0 = No: The system assigns the transaction number. System-generated numbers are determined by the ledger transaction numerators associated with the ledger transaction types. • 1 = Yes: You create the transaction numbers. If you leave blank, then the system assigns the number.
Accrual control nature	<p>You can also choose to post the double-entry in the IFM GL at the financial division or unit level.</p>
Accrue unposted transactions	<p>You can choose whether period accruals may be generated automatically for the ledger. Period accruals generation is a period-end procedure that is used to accrue the value of any unposted transactions into the next period, thus allowing the period concerned to be closed.</p> <p>If you choose to generate period accruals, you need to specify the Unposted transaction accrual nature and the Unposted transaction accrual transaction type.</p>
Prepayment control nature	<p>Enter the ID of the nature to which the double-entry of a prepayment is posted in the IFM GL.</p>
Accounting level: prepayments	<p>You can also choose to post the double-entry in the IFM GL at the financial division or unit level.</p>
Interdivision account type	<p>An interdivision transaction is one that involves units from more than one financial division. To maintain the trial balance of each division in IFM, the system requires additional general ledger lines to be posted to an interdivision account. The ledger transaction type determines whether the additional general ledger lines are created automatically.</p> <p>This attribute determines the default interdivision account to be used for transactions in this ledger.</p>
Duplicate reference entry	<p>This attribute determines whether the system checks for duplicate invoice transactions when a transaction is entered. An invoice is a duplicate of an existing invoice if the following four attributes are identical: Entity, Their reference, Currency, and Ledger type. These values are valid:</p> <ul style="list-style-type: none"> • [blank]: Allowed, duplicates are allowed during transaction entry • 1: Warning, duplicates are allowed during transaction entry, but a warning message is displayed • 2: Error, duplicates are not allowed during transaction entry

Attribute	Description
Duplicate reference posting	<p>This attribute determines whether the system checks for duplicate invoice transactions when a transaction is posted to the general ledger. An invoice is a duplicate of an existing invoice if the following four attributes are identical: Entity, Their reference, Currency, and Ledger type. These values are valid:</p> <ul style="list-style-type: none"> • [blank]: Allowed, duplicates are allowed during transaction posting • 1: Warning, duplicates are allowed during transaction posting, but a warning message is displayed • 2: Error, duplicates are not allowed during transaction posting
Calculate taxes	<p>This is the default used on transactions in the ledger. You can override the default by using the Allow tax calculation attribute on a financial transaction or by using the Calculate transaction tax attribute on a personal account. These values are valid:</p> <ul style="list-style-type: none"> • No: Tax is entered manually. No tax information is generated when a transaction is posted. • Yes: Tax lines are automatically generated during transaction processing, unless tax lines have already been manually entered by the user.
Calculated tax in control total	<p>This is the default used on transactions in the ledger. You can override the default by using the Include calculated tax in control total attribute on a financial transaction or by using the Control totals include tax attribute on a personal account. These values are valid:</p> <ul style="list-style-type: none"> • No: The charge and tax control total does not include system-calculated taxes. • Yes: The charge and tax control total includes system-calculated taxes. This is used to verify that a vendor has correctly calculated the tax. EFIN compares the sum of the charge lines you enter and the tax lines it generates to the Charge and tax control total. It reports any discrepancies.
Tax suffix	Classification of a customer or vendor for tax purposes.

Attribute	Description
Accounting level	<p>The `Accounting level' group of attributes determine whether the postings which EFIN generates to each of the named IFM general ledger accounts are made in summary at the company level, or to the individual units which originate the transactions.</p> <p>If you select the Financial division accounting level, then for any ledger, you must specify a unit in the Unit of division attribute for the financial division (company) the ledger belongs to.</p> <p>If you select the Business unit accounting level, then the IFM GL posting uses the header's originating unit. If that attribute is blank, then the IFM GL posting defaults to the Unit of division.</p> <p>If header originating unit is entered but the transaction has allocation lines, then the IFM GL posting uses the allocate-to transaction's originating unit. For example, unallocated cash (with discount taken) applied to a receivables invoice. IFM uses the invoice unit for debiting discounts and crediting A/R. This design helps to ensure that discounts taken and sales revenue are posted to the same unit.</p>
Currency	The currency of the ledger.
Automatic payments	This attribute only applies to payable ledgers and determines whether the automatic payments system (Payment Lists) can be used with this ledger. If this attribute is set to 1 for `Yes', you can still make payments manually if necessary.
Statement document type	This attribute establishes the document type for printed statements. The document type governs their style and format.
Currency exchange gain/loss calculation	<p>You can choose whether you want to use IFM GL facilities for automatically calculating gain or loss on exchange. You also can calculate losses only.</p> <p>EGL does not use this attribute. Instead, the EGL models control currency gain/loss calculations in Enterprise GL.</p>
Ledger suffix	A two-position user-assigned value from 01 to 99 that identifies a receivables ledger. For more information on the ledger suffix, see the section "CSM customers and IFM entities".

Attribute	Description
Natures	<p>This attribute identifies the natures for IFM general ledger postings. Separate natures are provided for 'Payable control' and 'Receivable control', and for both realized and unrealized gain and loss.</p> <p>The Contingent liability nature is used with the Contingent liability attribute on a Financial Transaction. If the Contingent liability attribute is set to 1 'Yes', the allocation of cash to amount due lines updates the Contingent liability nature specified on the ledger, rather than the control account.</p> <p>Note: Four of the nature attributes are duplicated on the Personal Account object. They are 'Write off', 'Correction', 'Debit note clearing' and 'Debit note income'. In each case, the nature on the Personal Account (if any) overrides the nature specified here on the Ledger.</p>
Personal Account Defaults	<p>You can enter default values for settlement terms, settlement method, and personal account status, which apply to new personal accounts in this ledger.</p>
Entity statistics	<p>This attribute determines whether entity statistics are maintained for the personal accounts in this ledger. The entity statistics keeps information such as the total number and value of transactions posted to each personal account in each period.</p>
Finance charge transaction type	<p>This attribute gives the transaction type to be used for the invoice transactions generated by the Generate Finance Charges host job on the Financial Transaction Amounts Due object. For more information, see the section "Generate Finance Charge Transactions".</p>
Minimum automatic payment value and Maximum automatic payment value	<p>These limits apply to payments generated by the automatic payments system. Normally the lower limit gives the value below which it is not economically viable to process a payment. The upper limit prevents abnormally large payments being generated automatically. If you leave these attributes blank, no limits are applied (however, a similar pair of limits may be enforced by the cash ledger from which payments are drawn).</p> <p>Payments generated outside these limits are held and must be individually reviewed.</p>

Aging structures

You can specify two aging structures: one for analysis for aged balance reports and collection status reviews and another for statements.

Typically, the structure used for statements contains fewer columns, that is, aging periods, than that used for analyses.

Although these two aging structures are usually different, you can specify the same aging structure in both attributes. If you do this, you also re-age the debts shown on statements when you request the system to re-age debts for the purposes of an aged balance report. Conversely, you also re-age the debts shown on an aged balance report when you re-age for the purposes of a statement.

Working with Purchasing details

This section describes the defaults for processing Purchase Order (PO) related invoices. For transactions involving PO-related invoices, you need to enter the following defaults on the Ledger, in addition to the ledger defaults that apply to all transaction processing:

- Tolerances for discrepancies that may exist when EFIN does a three-way match between invoice, purchase order, and receipt data. (See “Creating PO/GRN-related invoices”.)
- Optionally, methods for directly matching invoice line items to inventory receipts during transaction processing. Invoice matching can be automatic or manual and can match one invoice to one receipt, one invoice to many receipts or many invoices to one receipt. Direct invoice matching does these:
 - Eliminates confusion about which invoice charges are associated with which inventory receipts
 - Provides better cost adjustment data when you are tailored for average costing
 - Allows you to develop improved purchase/invoice/receipt reports

Note: You can override the invoice matching defaults for a specific entity (vendor) in the personal account.

Attributes

This table shows the ledger attributes for P.O. invoices and a description of each.

Attribute	Description
Allow favorable discrepancy	Determines if EFIN should ignore a discrepancy in your favor
Maximum item discrepancy value	Tolerance amount for a line item on an invoice.
Maximum total discrepancy value	Tolerance amount for an invoice.
Maximum item discrepancy percent	Tolerance percent for a line item on an invoice.

Attribute	Description
Maximum total discrepancy percent	Tolerance percent for an invoice.
Inventory matching method	<p>Method of matching invoice line items or credit memos to MM inventory receipts. One of the following is valid:</p> <ul style="list-style-type: none"> • 1 = None: No matching is allowed. • 2 = Manual: User does the matching during transaction entry. • 3 = Automatic: EFIN does the matching during transaction processing or the user does the matching during transaction entry.
Automatic matching type	<p>Type of automatic matching. One of the following is valid:</p> <ul style="list-style-type: none"> • 1 = FIFO by purchase order: Inventory transactions with older time stamps and the same PO number, warehouse, item, and release number (if applicable) are matched to financial transaction charges before newer inventory transactions. • 2 = By invoice: Inventory transactions the same invoice number, PO number, warehouse, item, and release number (if applicable) are matched to financial transaction charges. • 3 = By invoice then FIFO: Inventory transactions the same invoice number, PO number, warehouse, item, and release number (if applicable) are matched to financial transaction charges. If the items for the financial transaction charges are not fully matched, older inventory transactions with a blank invoice number and the same PO number, warehouse, item and release number (if applicable) are matched to the financial transaction charge.
Matching discrepancies allowed	<p>Which discrepancies are allowed by the system. One of the following is valid:</p> <ul style="list-style-type: none"> • 1 = All: Any discrepancy is allowed. • 2 = Within tolerance: The system makes sure that the value of the unmatched items does not exceed the line or order tolerances if no other errors are found. • 3 = None: Unmatched items of a financial transaction charge cause the transaction to be rejected and errors to be generated. • 4 = Receipt overages: If the invoice quantity may exceed the PO quantity if the invoice quantity matches the received quantity.

Attribute	Description
Purchase order item invoice status	<p>Status of invoicing activity for the PO.</p> <ul style="list-style-type: none"> • 1 = Partial: Invoicing activity is not complete. • 2 = Complete: Invoicing activity is complete. • 3 = Calculate: EFIN determines if the completion code should be partial or complete. It compares the invoiced quantity to the PO quantity.

Creating cash ledgers

Attributes

This table shows the cash ledgers attributes and a description of each.

Attribute	Description
Settlement method	<p>The default settlement method for cash lines entered in the cash ledger and for payments generated by the automatic payments system.</p> <p>The settlement method determines whether the cash ledger is eligible for automatic payments and whether the payment is by check or another method.</p>
Require reconciliation	<p>This attribute enables you to prohibit the cash ledger from EFIN bank reconciliation facilities.</p>
Automatic payment transaction type	<p>If you intend to draw payments from the cash ledger using the automatic payments system, you need to specify a transaction type for the cash transactions. This transaction type is used as a default.</p>
Minimum automatic payment value and Maximum automatic payment value	<p>You can also specify a pair of limits for the payments. Normally the lower limit gives the value below which it is not economically viable to process a payment. The upper limit prevents abnormally large payments being generated automatically. If you leave these attributes blank then no limits are applied; however, a similar pair of limits may be enforced by the payable ledger which owns the personal account to which the payment is made.</p> <p>Payments generated outside these limits are held and must be individually reviewed.</p>

Attribute	Description																					
Natures	<p>The natures to be used for the cash balance of the cash ledger, unallocated cash, foreign exchange gain or loss, bank charges, cash adjustment, in transit cash, and deferred checks.</p> <p>The `bank charges' nature is used for all cash lines posted to this cash book which are flagged as bank charges at the time they are entered. Whenever you create a new cash line, you can specify that cash line as `Bank charges'.</p> <p>The in-transit nature is used for in-transit (two-step) cash accounting to record cash receipts and payments. When you clear the in-transit items, EFIN generates transactions to clear the in-transit balance and to debit/credit cash.</p>																					
Deferred checks	Deferred checks are not supported in this release.																					
Payment sequence	<p>This attribute allows you to sequence payments of check printing by Entity (1), Payee name (2), or Entity name (3) in automatic payment processing.</p> <p>The following table shows the sequence and grouping combinations available for check printing.</p> <table border="1" data-bbox="574 968 1430 1562"> <thead> <tr> <th data-bbox="574 968 784 1037">Payment sequence</th> <th data-bbox="784 968 993 1037">Payment group</th> <th data-bbox="993 968 1430 1037">Results</th> </tr> </thead> <tbody> <tr> <td data-bbox="574 1037 784 1106">Entity</td> <td data-bbox="784 1037 993 1106">Entity</td> <td data-bbox="993 1037 1430 1106">One check per entity ID. Checks in entity ID sequence.</td> </tr> <tr> <td data-bbox="574 1106 784 1176">Payee name</td> <td data-bbox="784 1106 993 1176">Entity</td> <td data-bbox="993 1106 1430 1176">Once check per entity ID. Checks in payee name sequence.</td> </tr> <tr> <td data-bbox="574 1176 784 1245">Entity name</td> <td data-bbox="784 1176 993 1245">Entity</td> <td data-bbox="993 1176 1430 1245">Once check per entity ID. Checks in entity name sequence.</td> </tr> <tr> <td data-bbox="574 1245 784 1352">Entity</td> <td data-bbox="784 1245 993 1352">Payee name</td> <td data-bbox="993 1245 1430 1352">One check per payee within the entity ID. Checks in entity ID sequence.</td> </tr> <tr> <td data-bbox="574 1352 784 1459">Payee name</td> <td data-bbox="784 1352 993 1459">Payee name</td> <td data-bbox="993 1352 1430 1459">One check per payee within the entity ID. Checks in payee name sequence.</td> </tr> <tr> <td data-bbox="574 1459 784 1562">Entity name</td> <td data-bbox="784 1459 993 1562">Payee name</td> <td data-bbox="993 1459 1430 1562">One check per payee within the entity ID. Checks in entity name sequence.</td> </tr> </tbody> </table>	Payment sequence	Payment group	Results	Entity	Entity	One check per entity ID. Checks in entity ID sequence.	Payee name	Entity	Once check per entity ID. Checks in payee name sequence.	Entity name	Entity	Once check per entity ID. Checks in entity name sequence.	Entity	Payee name	One check per payee within the entity ID. Checks in entity ID sequence.	Payee name	Payee name	One check per payee within the entity ID. Checks in payee name sequence.	Entity name	Payee name	One check per payee within the entity ID. Checks in entity name sequence.
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Accounting level	Whether the cash balance, unallocated cash and foreign exchange gain or loss is posted to the IFM general ledger at the financial division level, or at unit level.																					
Bank details	If the cash ledger represents a bank account, identify the bank, and the bank account name and number.																					

Attribute	Description
Exchange rate advice transaction type	The Exchange rate advice transaction type is used as a default when IFM generates GL transactions to account for gain or loss on exchange. Gain or loss in the cash book arises when a transaction is posted with an estimated exchange rate and the actual exchange rate is advised later by the bank.
Cash balances lower and upper limits	The upper and lower bounds within which you want the balance to operate. If a cash line is posted to the cash book which would cause the balance to move outside these limits, then a warning is generated when the transaction is validated. You can ignore the warning and allow the transaction post.
Beginning cash balance and Reconciled beginning cash balance	Using these attributes, you can make manual adjustments to the two balances that are maintained for each cash book – the actual balance and the reconciled balance. The actual balance is updated each time a cash line is posted to the cash book (that is, to the cash balance nature). The reconciled balance is the actual balance less any unreconciled cash lines.

Ledger transaction types

A transaction type is a category of transactions (for example, payable invoice). EFIN enables you to set up any number of transaction types for different purposes.

Before transactions of a given type can be entered in a ledger, a corresponding ledger transaction type must exist.

Attributes

This table shows the ledger transaction types attributes and a description of each.

Attribute	Description
Ledger	This is the ledger in which the transactions are entered.
Journal type	Journal type to which the transaction is posted in the IFM GL. The journal type classifies the transaction for governmental reporting purposes.
Transaction template	This is an optional attribute. It only applies to manually-entered transactions and not to transaction types used with the automatic payments system. The template governs the number and type of transaction lines which can be included in each transaction. If no template is specified, EFIN allow you to create lines of your choosing.

Attribute	Description
Tax transaction type	Classification of a transaction for tax purposes.
Reverse sign on entry	This attribute gives you the option of reversing the signs of all monetary values when the transaction is entered. For example, when used with sales invoices entered in a receivables ledger or A/P cash payments, it saves you having to enter negative values in the transaction.
Generate interdivision GL amounts	<p>This attribute gives you the option of suppressing the automatic interdivision account processing in the IFM GL and requires the balancing lines to be entered manually. For example, you could use this option for general ledger journals when you want full control over interdivision postings.</p> <p>With this attribute set to `Yes`, when you enter a transaction involving units from different financial divisions, EFIN automatically creates balancing IFM general ledger lines posted to an interdivision account thus preserving the trial balance of each financial division.</p> <p>Setting this attribute to `No` only affects manually-entered general ledger lines. For example, if you entered an interdivision transaction comprising charge lines, the system still generates interdivision IFM general ledger lines.</p>
Enforce control totals	<p>This attribute governs the way in which the control totals on the header line of each transaction are used.</p> <p>With the attribute set to `No`, the control total attributes are for display only. The system updates the attributes with the required totals when the transaction is validated.</p> <p>With the attribute set to `Yes`, you must enter the required control totals. If the control totals do not match the actual totals entered on the transaction lines, the transaction will fail validation.</p> <p>Note: If the Enforce control total attribute is set to '0=No,' then the Calculated tax in control total attribute cannot be set to 'Yes.' An error message occurs when you try to post the transaction.</p>
Allow financial division currency invoices	A value of '1=Yes' is only valid for ledger transaction types in payable ledgers. The default is '0=No'.
Require their reference	Default is '0=No'. If this value is set to '1=Yes', then Their reference is required on the transaction header.

Ledger transaction numerators

A ledger transaction numerator defines the format of the numbers assigned to transactions. You must create ledger transaction numerators for the ledger transaction types used for automatically

created transactions. For example, the types used with the automatic payments system. Also, if the ledger specifies that manually-entered transactions are automatically numbered then a ledger transaction numerator is also required.

Transaction numerators are defined by date. To change the format of your transaction numbers, you can set up a new numerator with a suitable effective date rather than changing the existing numerator.

To work with ledger transaction numerators:

From the list window of Ledgers, select a Ledger and use the Transaction Types option on the Display menu to show the list of Ledger Transaction Types. Select a Ledger Transaction Type and open its card file to display the list card of Ledger Transaction Numerators.

Attributes

This table shows the ledger transaction numerators attributes and a description of each.

Attribute	Description
Effective from date	Each record includes an Effective from date attribute, indicating the date on which the record becomes active. Several numerator records can be created for each ledger transaction type, but only one can be active at a time.
Prefix and Suffix	Both the prefix and suffix can be between zero and four alphanumeric characters long. For example, if you entered a prefix of `AB' and a suffix of `/17' your transactions are number `AB000001/17', `AB000002/17' and so on.
Last number	<p>This is the number which was assigned to the most recent transaction governed by this numerator. The next transaction is given a number one higher than this number. This attribute is updated automatically by the system; however, you can also change the value of the attribute at any time.</p> <p>For example, you could reset the numerator to zero at the beginning of each year. Transactions are not uniquely identified by their transaction numbers – you can have two transactions with the same number</p>

Entities

An entity is a trading partner, that is, a person or institution with which you do business. Examples of entities are customers, vendors, banks, employees, related companies, and consignees.

EFIN handles entities for XA, including CSM customers and PM vendors. Information about entity trading relationships, such as the terms of a sale, are stored in personal accounts.

- Each XA customer is associated with an EFIN entity
- Each XA assignee vendor is associated with an EFIN entity

When you create a CSM customer, EFIN will automatically create the associated Entity and Personal Account. CSM customer addresses are automatically synchronized with EFIN entity addresses.

When you create a PM vendor it will remain suspended until you associate it with an Entity. PM assignee vendor addresses are automatically synchronized with EFIN entity addresses.

You can store the following information for an entity:

- Entity name
- Name & address: The entity's full name and address, exactly as you wish it to appear on invoices or mailing labels.
- Payee name: The name which EFIN uses on checks and other forms of payment automatically created for the entity. Although it defaults to the entity name, you can change it as required.
- Telecom numbers and types: Up to three telecom numbers for an entity. They can be an office or home telephone number, fax number, or a mobile telephone number.
- Region: Geographical location of an entity.
- Entity group: The group to which an entity belongs. Each group has its own nominated headquarters.
- Entity contact: The individuals that you deal with for each particular entity. You can store any number of entity contacts and their individual telecom numbers
- Entity alias: Alternate names by which an entity is known, such as: IBM, IBM UK, IBM United Kingdom Limited, I.B.M., and International Business Machines.
- User-defined fields for an entity

Attributes

This table shows the entity attributes and a description of each.

Attribute	Description
Entity	Unique identifier
Interfaces	Display-only attributes indicating whether this entity represents a CSM customer and/or a PM vendor.
Bank address entity	A display-only attribute indicating whether this entity is a bank.
Bank account address entity	A display-only attribute indicating whether this entity is a bank account.
Unit entity	A display-only attribute indicating whether this entity is a business unit.

Attribute	Description
Tax authority entity	A display-only attribute indicating whether this entity is a pay-to tax authority on a withholding method.
Address format	Code that indicates the address line sequence. One of the following is valid: <ul style="list-style-type: none"> • 1 = City, state, postal, country. US address format. • 2 = Country, postal, city, state. International address format. • 3 = Free-form.
Status	The default is 1 (Active). <ul style="list-style-type: none"> • 1 = Active: Active records are available without restriction. • 2 = Suspended: A suspended record cannot be referred to by newly created records. However, any existing references to a suspended record remain in the system. For example, you could change the status of an ex-customer to suspended. Any existing records would remain in the system, but you could not create new records for the ex-customer. • 3 = Archive: Please archive. This status means that the record will be removed from the system when the next archive procedure is run
Name & street address	You can enter a minimum of one and a maximum of four line (US and international address formats) or six lines (free-form address format). Type the name and address exactly as you want it to appear on any invoices or mailing labels. You do not need to restrict the entity name to the first line. If you choose address format 3, be sure to include the city, state, postal and country in the address line attributes.
City	This attribute is used in the US and international address formats.
State, Postal code	These attributes are included in the name and address (for the US and international address formats) when remittances, statements and invoices are printed. They are provided as separate attributes for analysis purposes. <p>Note: If you choose the free-form address format, be sure to include the state and postal code in the address line attributes.</p>
Country	Code that identifies the country of the entity. <p>Note: If you choose the free-form address format, be sure to include the country in the address line attributes.</p>
Payee name	Enter the name for use on checks and other forms of payment generated for the entity.

Attribute	Description
Phone numbers and types	<p>You can record up to three phone numbers for an entity. Specify the type for each number:</p> <ul style="list-style-type: none"> • 1 = Office phone • 2= Office fax • 3 = Other • 4 = Mobile phone • 5 = Home phone • 6 = Home fax
Tax city	<p>City (within a state and country) used for tax calculation purposes. The tax city is not used in the entity name and address.</p>
Tax county	<p>County (within a state and country) used for tax calculation purposes. The tax county is not used in the name and address.</p>
Region	<p>A geographic area of your business. For an entity that is a customer, the region entered must exist in CSM as a territory.</p>
District	<p>A sub-section of a region. You can tailor the region and district attributes to suit the geographic scope of your business. If you trade internationally, you may choose region to mean country and district to mean county or state. If most of your trade is domestic, you may choose region to mean county, and district to mean town or borough. You create and maintain territories using the Territories object; you must create a suitable region record before you can use it with an entity. Districts are not tabulated (that is, they do not have their own object), so you can enter whatever district is appropriate without creating it first. Nevertheless, it is useful to create a suitable naming convention.</p>
Entity group	<p>Identifies the parent trading group (if any) of which the entity is a member. You must specify an entity group for Credit check types 4=Group or 5=Group override. Entity groups are set up and maintained using the Entity Group object. See the “Entity Group” section.</p>

Attribute	Description
Credit check type	<p>Determines how CSM credit checking is done for customers linked to this entity. These values are valid:</p> <ul style="list-style-type: none"> • 1 = Personal account: Credit decisions are based on the available credit in a single personal account. • 2 = Entity: Credit decisions are based on the available credit in all personal accounts for the entity. You must enter Credit limit currency for use in checking the credit. The credit limit is the total of the balance limit amounts across all of the entity's personal accounts. • 3 = Entity override: Credit decisions are based on the credit limit you enter for the Entity. You must enter a Credit limit currency for use in checking the credit. • 4 = Group: Credit decisions are based on the available credit in all personal accounts in the entity group. The credit limit is the total of the balance limit amounts for the entity group's personal accounts. • 5 = Group override: Credit decisions are based on the credit limit you enter for the Entity Group. • 6 = Financial division: Credit decisions are made based on the available credit for all personal accounts associated with an entity within one financial division.
Credit limit currency	<p>Currency ID for the credit limit and the currency used to check credit for CSM orders regardless of the currency of a specific CSM order. CSM converts customer order and accounts receivable balances to the credit limit currency and compares the balances to the credit limit. You cannot use this attribute if the credit check type is 1=Personal account or 5=Group override.</p>
Credit limit	<p>Total of the credit limit balance amounts for the entity personal accounts. User-entered only if the credit type is 3=Entity override. If credit limit is zero, then the entity is assumed to have no credit.</p>

Entity Revisions

When you create an Entity, the application automatically creates an Entity Revision in effect on the system date. You can create other revisions for earlier or later dates.

If a vendor or customer notifies you of a future change of name or address, you can enter it in a revision to have it take effect on a specified future date.

Working with entity contacts

An 'entity contact' is any named person within the entity that you deal with. One entity can have many contacts. PM does not use the Entity Contact when you are creating a buy-from vendor. It uses the Vendor Contact instead.

In the Entity card file, use the list card of Entity Contacts to create entity contacts.

Attributes

This table shows the entity contact attributes and a description of each.

Attribute	Description
Contact	The identifier of the contact.
Contact name	The name of the contact.
Role	The job title of the person. For a vendor or a customer, it is probably someone in the entity's receivables or payables department, respectively.
Form of address	The correct form of address for the contact (e.g. 'Mr.', 'Mlle', 'Herr...').
Salutation	The words with which to begin a letter to the contact, for example, 'Dear Mr. Jones,', 'Dear Bill'. Include any punctuation that is required following the words of salutation.
Phone numbers and type	You can enter up to three phone numbers for each contact.

Working with entity bank accounts

When you create an entity and specify bank account details, the application automatically creates an entity bank account revision effective from the system date. You can also create earlier and later entity bank account revisions.

Entity bank accounts allow you to make payments to an entity. The details are dated so you can enter changed details ahead of time.

Security

To display and maintain entity bank accounts you must be authorized to the CAS security tasks Display Bank Account Numbers and Maintain Bank Account Numbers.

Entity bank account

You can enter the bank entity, bank and account number of the entity bank account. You can record the address and other details of the bank by entering the identifier of the corresponding bank account address entity.

Entities for Bank Addresses

Use the Entity object to create an Entity for a bank address. On the Bank object, select this Entity as the Address entity.

Use the Entity object to create an Entity for a bank account address. On the Entity that owns the bank account, select the bank account address entity as the Bank account address entity.

Creating entity tax identifiers

Tax identifiers are the tax registration numbers for your entities. To comply with tax laws, it is important to have a tax identifier for each customer and vendor.

To create a tax identification number for an entity, use the list card of Entity Tax Identifiers on the Entity object.

Entity Groups

An entity group contains entities that are related for purposes of inquiries or CSM credit checking. For example, an entity group can contain several company branches for which you want to see a single balance. After creating an entity group, you can add the group reference to each entity in the group.

Credit checking for an entity group

You do customer credit checking using CSM order processing. However, EFIN controls whether the credit is checked at the ledger, entity or entity group level.

Credit checking at the entity group level

This table shows credit checking at the entity group level.

	Customer A	Customer B	Customer C	Total
Entity group credit limit				100,000

	Customer A	Customer B	Customer C	Total
Unapplied cash	5,000		10,000	15,000
Adjusted credit limit				115,000
Less:				
Accounts receivable	10,000	10,000	10,000	30,000
Open customer orders	10,000	15,000	15,000	40,000
Credit available				45,000

Attributes

This table shows the entity group attributes and a description of each.

Attribute	Description
Entity group headquarters	Entity in the entity group designated as the headquarters for the group. It contains the name and address information for the group.
Telephone number	Telephone number of the entity group.
Group credit type	<p>Determines how CSM credit checking is done. When you select a group credit type, all entities in the group are automatically assigned that credit type.</p> <p>One of the following is valid:</p> <ul style="list-style-type: none"> • 1 = Personal account: Credit decisions are based on the available credit in a single personal account. • 2 = Entity: Credit decisions are based on the available credit in all personal accounts for the entity. You must enter Credit limit currency for use in checking the credit. The credit limit is the total of the balance limit amounts across all of the entity's personal accounts. • 3 = Entity override: Credit decisions are based on the credit limit you enter for the Entity. You must enter a Credit limit currency for use in checking the credit. • 4 = Group: Credit decisions are based on the available credit in all personal accounts in the entity group. The credit limit is the total of the balance limit amounts for the entity group's personal accounts. • 5 = Group override: Credit decisions are based on the credit limit you enter for the Entity Group. • 6 = Financial division: Credit decisions are made based on the available credit for all personal accounts associated with an entity within one financial division.

Attribute	Description
Credit limit currency	Currency ID for the credit limit and the currency used to check credit for CSM orders regardless of the currency of a specific CSM order. CSM converts customer order and accounts receivable balances to the credit limit currency and compares the balances to the credit limit. You cannot use this attribute if the credit check type is 1=Personal account or 5=Group override.
Credit limit	Total of the credit limit balance amounts for the entity personal accounts. User-entered only if the credit type is 3=Entity override. If credit limit is zero, then the entity is assumed to have no credit.

Personal Accounts

A personal account describes the trading relationship between an entity and a financial division. It links an entity to a receivables or payables ledger and provides defaults, such as settlement terms and tax information, that are automatically applied to the transactions for an entity.

Personal accounts can contain this information:

- Personal account revisions. The accounting defaults associated with a personal account kept by effective date, such as settlement terms, credit limits, and override status.
- Personal account tax data. The information that applies to sales and value added tax transactions with an entity. It is required only if you want to override the ledger defaults.
- Personal account user fields. Additional information for a personal account. For example, if the personal account is for money owed, you could add the name of the sales representative who is responsible.

To process receivable/payable transactions for an entity, you must create at least one personal account for the entity. However, you can maintain as many additional personal accounts as necessary for the entity.

For example:

- If the settlement terms vary when selling goods to a customer, you can set up a personal account for the customer for each type of terms.
- If an entity is both a customer and a vendor, you can set up two personal accounts for the entity, one linked to a receivables ledger and one linked to a payables ledger.

When you create a personal account, EFIN automatically creates a revision effective from the system date. You can add earlier and later revisions.

Depending on the way you manage account changes, you can set up new revision with different attribute values, each record being effective as of a precise date.

- An entity can have many personal accounts. For example, if you have separate receivable ledgers for merchandise and service invoices, a customer who buys only merchandise would

have a personal account in the merchandise ledger and one who buys both merchandise and services would have an account in each ledger.

- Each CSM customer must have a personal account in a receivable ledger. You can create a personal account without creating a customer.
- If an entity is used for a PM vendor you must have a personal account for that entity in a payable ledger for each PO currency used for this entity.
- If you do business with an entity in multiple currencies, you must setup a personal account for the entity in the receivable/payable ledger for each currency.

Attributes

This table shows the personal account attributes and a description of each.

Attribute	Description
Personal account status	The personal account status indicates the current state of your trading relationship with an entity. For example, you could specify a personal account status to prevent any new invoices being entered for a customer who is in debt to you.
Settlement method and Settlement terms	These two attributes give you the option of overriding the equivalent attributes on the ledger. They provide defaults for all amount due lines created for the account. If you leave the attribute blank, the system uses the corresponding attribute on the ledger as a default. If you specify a value, it is used as the default instead of the ledger value.
Personal account balance limit	If the balance due or payable on an account exceeds this figure, the attribute 'Balance limit exceeded' is set to Yes. For receivable accounts, you would normally enter a positive (debit) value. For payable accounts, you would normally enter a negative (credit) value.
Contact	You may nominate which of the contacts recorded for an entity is responsible for administering the personal account.
Aggregate personal accounts	This attribute only applies if payments to an entity are to be made through the automatic payments system and only if the entity has more than one personal account. If you set the attribute to 1=Yes, payments to this personal account are combined with the payments to other personal accounts belonging to the same entity which also have this attribute set to 1. One payment is generated for the personal accounts concerned. If you set the attribute to 0=No, the payments to the personal account are always separate from any other personal accounts.

Attribute	Description
Defaults	<ul style="list-style-type: none"> • Default apportionment: Invoices from the entity are apportioned to the IFM GL accounts based on the rules contained in the apportionment. • Default accrual nature: If the entity has invoices eligible for accrual at the end of the period, they are credited to the accrual nature for the entity. If left blank, the accrual nature comes from the ledger. • Default note method: Note method used when entering transactions for the entity. You can override the note method for a specific transaction if necessary. • Default withholding method: Use only when you are required to withhold tax from vendor payments. It triggers the withholding function in transaction processing. <p>Note: You can enter a withholding method only for a personal account in an accounts payable ledger.</p>
Calculate transaction tax	<ul style="list-style-type: none"> • 0=No: Tax is applied manually. No tax information is generated when a transaction is posted. • 1=Yes: Tax lines are automatically generated during transaction posting, if they were not entered manually.
Control totals include tax	<ul style="list-style-type: none"> • 0=No: The Charge and tax control total does not include calculated taxes. • 1=Yes: The Charge and tax control total does include calculated taxes. This can be used to verify that the vendor has correctly calculated to tax amount.
Tax suffix	Classification of a customer or vendor for tax purposes.
One-time account	Sometimes you need to set up a personal account which you only expect to use once. When this is the case, you can set the one-time account attribute. When a transaction is posted for this account, its number is recorded on the personal account, and no further transactions are accepted for the account. The only way to add further transactions would be to create a new account with the one-time account attribute set to 0=No (not a one-time account).
Default charge	This attribute identifies the charge code used when a new charge line is created. It is defaulted from the selected personal account.
1099 tax identifier	This attribute displays the 1099 tax identifier that applies to this personal account. 1099 tax identifiers are necessary for the successful functioning of the 1099 tax accumulation facility.
1099 tax accumulation	This indicates when 1099-MISC totals should be accumulated. It must be set to 3=Payment applied, so that totals are accumulated whenever a payment allocation is posted.

Attribute	Description
Nature attributes	These five attributes (Write off, Correction, Debit note clearing, Debit note income) override the equivalent attributes on the Ledger object.
Debit note transaction type	The transaction type associated with a debit note. The value in this attribute overrides the value, if any, in the corresponding attributes in the Ledger object.
Inventory matching method	Method of matching invoice line items and credit memos to MM inventory receipts. This overrides the equivalent attribute on the Ledger object.
Automatic matching type	Type of automatic matching. This overrides the equivalent attribute on the Ledger object.
Matching discrepancies allowed	How the system handles invoice/credit memo mismatches. This overrides the equivalent attribute on the Ledger object.
Automatic cost adjustment	Use this flag to turn off the creation of inventory cost adjustment transactions for AP invoices that are charged to a specific personal account. When you select 0=No, this value overrides the normal IFM/IM interface tailoring. This attribute is used for interdivision transfers in situations where "profit in inventory" is not allowed, and normal accounting procedures for eliminating profit in inventory cannot be used.

Personal account status

Use the list window of Personal Account Statuses to create and maintain personal account status records.

Each personal account has a status that determines key aspects of the trading relationship.

You can create as many personal account statuses as necessary for each payable/receivable ledger. You can also specify that one of these statuses is the default for all new personal accounts created in the ledger. For example, you could have a status of `New` which you apply to all new personal accounts.

To create a Personal Account Status, run the Create action from the list window of Personal Account Statuses.

Attributes

This table shows the personal account status attributes and a description of each.

Attribute	Description
Allow new amounts due	This attribute determines whether new financial transaction amount due lines may be posted for transactions in the personal account. That is, whether new invoices may be posted.
Allow new allocations	This attribute determines whether new financial transaction allocation lines may be posted for transactions in the personal account. That is, whether cash or credits can be allocated to invoices and then posted.
Omit from auto payment	This attribute determines whether automatic payments may be generated for the invoices in the personal account.

Regions

A region must already exist in the regions object before you can enter it as the region on an Entity.

Countries

Use the country object to maintain a list of country identifiers.

Attributes

This table shows the country attributes and a description of each.

Attribute	Description
Country	Code that identifies a country.
Name	Name of the country.
Standard country	ISO 3166-1 alpha-2 standard country code
EU country	Code assigned by your company that identifies an EU country.
EU statistical value %	Value that is a result of computations performed by your company.
EU member state	Status code that indicates whether this country is an EU member state.

States

Use the States object to maintain a list of state identifiers.

Tax Cities and Tax Counties

Use the Tax Cities object to define tax cities. Use the Tax Counties object to define tax counties.

Date Methods

Use the Date Methods object to create and maintain date methods. A date method is a formula which calculates a second date from a starting date (the base date).

Date methods can be used by settlement terms to automatically calculate:

- The due date of an amount due line
- The expected settlement date of an amount due line
- Any settlement discount or finance charge applicable to an amount due line.

In each case, you can use various dates as the base date. For example, you could use the posting date of the transaction or a date that you specify.

Date methods can take into account any public holidays and non-working days. For example, you could use this date method to determine the due date of an invoice dated 24th August 2017:

Base date	Document date (24 th August)
Base date modifier	End of month (31 st August)
Direction	Forward
Major increment	One month (30 th September)
Minor increment	15 days (Sunday 15 th October)

Sunday is a non-working day and Non-working day option = Move forward (Monday 16th October).

This means your invoice dated 24th August is due on the 16th October.

Attributes

This table shows the date method attributes and a description of each.

Attribute	Description
Direction	Determines whether the calculation goes backward or forward from the modified base date. These values are valid: 1=Forward or 2=Backward.
Base date modifier	You can either use the base date as supplied to the date method or modify it to the start or end of the period in which the base date lies, or the start or end of the month in which the base date lies.
Major increment and Major increment type	The number of days, periods or months (according to major increment type) which are added to or subtracted from (according to 'Direction') the modified base date.
Minor increment	The number of days which are added to or subtracted from the modified base date +/- major increment.
Public holiday set	The public holiday set associated with this date method. The public holiday set defines which days of the week are regarded as working days and which days are public holidays.
Non-working day option	If the date method calculation ends up on a weekend or a public holiday, the calculation may move forwards or backwards to the next working day.
Fixed day option	If you selected a fixed day of the week and the calculated date is not on the specified day, the due date is adjusted backward or forward to the fixed day of the week.
Fixed day	Determines which day of the week an invoice is due.

Collection Status

Use the Collection Status object to create and maintain the collection status records that identify and follow up overdue receivables.

The creation and operation of aging structures and aging periods are necessary for the successful operation of collection statuses.

To assign collection statuses to personal accounts use the host job "Update Collection Statuses" on the Personal Account object. Collection statuses are defined by the aging structure.

Having assigned collection statuses, you can use the list card on the Personal Account object to review the collection status history.

A personal account assumes a collection status when it has an overdue balance of a certain age. This collection status usually indicates the appropriate action to be taken to collect the debt, examples of which might be 'Make telephone call', 'Send polite letter' and 'Take legal action'.

You can use aging structures to define which collection status to apply to the personal accounts in each payable/receivable ledger depending on the size and age of the debt concerned.

Attributes

This table shows the collection status attributes and a description of each.

Attribute	Description
Confirmation required	It is possible to print collection letters based on the 'Collection status history'. If you intend to use this automated letter facility, you should adopt the safeguard of entering 1 'Yes' in the Confirmation required? attribute. This means that you must confirm the collection status history before a collection letter is generated.

Reasons for Dispute

A reason for dispute is any reason that temporarily blocks the payment of an invoice, such as a delay in sending or receiving goods, or a query over charges. Any amount due line can have the status 5 'In dispute'. An amount due line which has this status cannot be paid, either manually or automatically.

Currency Contracts

If you buy or sell currency forward to fund your foreign exchange transactions, you can record your currency contracts and relate them to the amount due lines against which you receive or pay foreign currency. If the contract is fixed rather than variable, then EFIN uses the exchange rate specified for the related contract to calculate the gain or loss (in the IFM GL) for each settlement line.

To use currency contract rates to calculate gain or loss in the Enterprise GL, enter those rates in a separate exchange rate set and reference that exchange rate set on the EGL ledger. Do not allow exchange rate overrides in that ledger.

Attributes

This table shows the collection status attributes and a description of each.

Attribute	Description
Bank	The identifier of a bank which is the third party to the contract. This is for your information only.
Financial division	The identifier of the financial division which is a party to the contract. This is for your information only.
Currency contract date	This is the date on which the contract was made. This attribute is for your information only.
Maturity date	This is the date on which the contract matures and is for your information only.
Fixed	You must specify whether the contract is fixed or optional. For amount due lines, which refer to fixed currency contracts, EFIN uses the exchange rate implied by the currency contract to convert the currencies and to calculate any gain or loss on exchange in the IFM GL. That is, Exchange rate = Buy value / Sell value. If the currency contract is optional, EFIN uses the default exchange rate instead.
Their contract reference	The third party's reference number. This is for your information only.
Buy currency	The identifier and value of the currency being bought.
Sell currency	The identifier and value of the currency being sold.

Bank Instructions

A bank instruction tells a bank how to handle the various settlement methods associated with electronic banking. In some countries, bank instruction codes are standardized and are the same for all banks. In other countries, there is a great deal of variation of the codes. EFIN allows you to define bank instructions globally and assign them to specific banks and settlement methods.

For each settlement method, you define for a bank, you can have multiple bank instructions and each bank instruction can apply to multiple settlement methods. When EFIN creates a generic payment file for a given bank and settlement method, the bank instructions become part of the file.

Attributes

This table shows the bank instruction attributes and a description of each.

Attribute	Description
Bank instruction	Code that identifies a bank instruction.
Bank instruction text	Description of the bank instruction.
Instruction type	These values are valid: <ul style="list-style-type: none"> • 1 = Remittance • 2 = Return • 3 = Remittance or return
Bank transmittal code	Type of bank transmittal. See “Bank Transmittal Codes” on page 60.
Protest wait days	Number of days the bank waits before protesting a note/installment to a customer.
Return wait days.	Number of days the bank waits before returning a note/installment to a customer.

Bank Transaction Types

A bank transaction type identifies a type of bank transaction associated with a settlement method. For example, a deposit, check or ATM transaction. This information is used in electronic banking and to simplify bank reconciliation. When EFIN creates a generic payment file, it automatically includes the bank transaction type in the payment record.

Attributes

This table shows the bank transaction type attributes and a description of each.

Attribute	Description
Bank transaction type	Identifier and description of a bank transaction type.

Banks

A bank is an establishment providing financial services. Create a bank instance for each bank with which your organization has an account.

When you create a cash ledger to represent a bank account, you can specify the bank to which the account belongs. When you create a currency contract, you enter the bank which is party to the contract.

Attributes

This table shows the bank attributes and a description of each.

Attribute	Description
Bank	Identifier. Code that identifies a bank.
Bank name	Description of a bank.
Bank entity	Identifier of the entity associated with the bank. This is useful for recording information such as the address of the bank.
Bank account format	Format of the bank account number.

Bank Transmittal Codes

A bank transmittal code identifies a type of bank transmittal. For example, a discounted note transmittal. Transmittal codes are used when creating bank instructions and are mainly associated with electronic banking. See “Bank Instructions” on page 58.

Tax Authorities

Use the Tax Code for Authorities object to add, change, or delete tax authority. A tax authority is an identifier representing a taxing jurisdiction. For example, if you report sales tax to the state of Georgia, you could have the tax authority GA. In addition, you would probably create a tax authority for some or all the counties in the state.

Tax Indicators

Use the Tax Indicators object add, change, or delete tax indicator codes.

Tax Suffixes

Use the Tax Suffixes object to add, change or delete tax suffix codes.

Enterprise General Ledger application settings

The Enterprise General Ledger (EGL) application settings are options that establish basic information processing characteristics within EGL.

You can use the EGL application settings to perform these tasks:

- Define the internal account and event numbers
- Control the retention of summarized journal lines and the availability of additional analysis attributes:

You can set these attributes to disable the storage of summarized lines if your system's file storage space is limited. If you enable these attributes, you can control the summarization at the journal source or natural accounts level.

- Enable security rules for EGL that define access privileges to financial data by Account or by Book. The rules logic is exception-based, which means that all actions and all users are rejected until you define specific *Allow* rules. You can define Allow rules to a ledger that grant All Access, Post-only Access, or Inquiry-only Access. These rules are valid:
 - Account Access Rules – use to define Reject and Allow security rules for an associated ledger, segment or account string combination
 - Book Access Rules – use to control access to ledger books

The security administrator can use the Financial Groups object to set up and maintain groups of users who share the same security authorization.

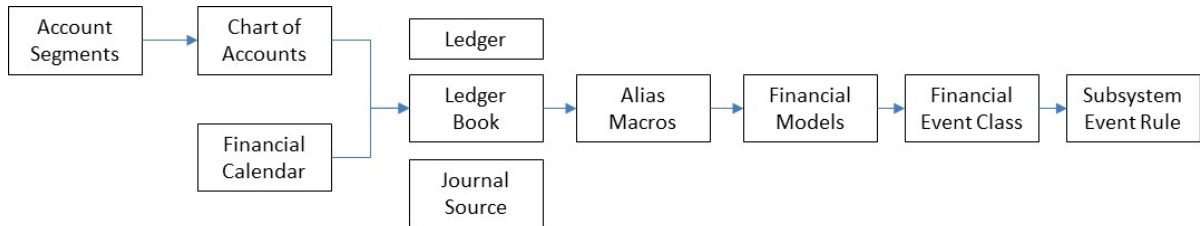
This table shows the application settings of EGL and provides a description of each.

Application setting	Description
Next internal account number	This number is used for the next system-generated internal account number.
Next financial event number	This number is used for the next system-generated event transaction.

Application setting	Description
Use analysis fields	<p>This setting is used to specify whether additional analysis fields for journal entries are to be used (0=No, 1=Yes).</p> <p>If you do not specify Yes, then journal entries for the standard configuration will only be four analysis fields.</p>
Retain journal detail lines	<p>This setting is used to enable the Summary with detail value for subsystem transactions (0=No, 1=Yes).</p> <p>For subsystem transactions, you have the option of summarizing journal lines but retaining the detail journal lines for subsequent drill-down and reconciliation.</p> <p>You must first activate this option at the system-level in this application. You can then define your summarization requirements at the natural account or journal source level.</p>
Use account security	<p>This setting enables the EGL security objects, which allows the security administrator to define up to 100 user groups.</p> <p>Each user group may be authorized to ledgers, books, and accounts.</p>
Tolerance limits	<p>The debits and credits on a financial journal entry must balance (net to zero). Debits and credits may be out of balance due to rounding, currency exchange gain/loss or an incorrectly defined Financial Model. If the discrepancy is within the defined tolerance limit, EGL will automatically adjust the value of the first financial journal entry line so that the debits and credits balance.</p>
Customer Service interface activation date	<p>Transactions from CSM can be sent to EGL after this date.</p>
Materials Management interface activation date	<p>Transactions from MM can be sent to EGL after this date.</p>
Production Management interface activation date	<p>Transactions from Production Management will be sent to EGL after this date.</p>
Finance activation date	<p>Financial Transactions from EFIN will be sent to EGL after this date.</p>

To properly implement EGL, you must set up the master files in a specific sequence. If you are migrating to EFIN from Accounting Management (AM) or International Financial Management (IFM) you can use the migration tools to automatically set up this data.

This diagram illustrates the setup sequence for the EGL objects that support transactions from the Infor XA applications.



EGL setup terminology

This table shows the EGL setup terms and a description of each.

Term	Description
Account Rule	These identify the combination of valid segment values that are used to prevent the creation of invalid combinations of accounts. Account Rules are also used to close segment values from a chart and, optionally, a ledger
Macro Alias	A Macro Alias defines an alternate name that represents one or more segments in an account.
Allocation	An Allocation is the process of distributing actual or budget expenses from one place to another.
Book	A Book uniquely identifies information within a ledger, and contains a specified type of balance, such as budget or actual balances pertaining to a specific period of time (for example, Actual - 2005, Actual - 2006, etc.). You can use each book for multiple years.
Chart of Accounts	Charts of Accounts combine specified segments into a sequential order. This order is used to generate a specific account code. You can define multiple charts to meet diverse processing and reporting requirements.
Currency	Each Currency identifies the monetary unit that is used in processing transactions. For organizations that operate in a multi- currency environment, you define and link two currencies for conversion from one to the other.

Term	Description
Financial Event Class	A financial event class is used to classify business events, to specify how each event of this type should be processed in Enterprise GL. The financial event class specifies which ledger books should be updated, and which financial models should be used to create the journal entries. When a business event occurs, EGL uses the Subsystem Event Rules to identify the corresponding Financial Event Class. EGL then uses the instructions in the Financial Event Class to create the Financial Event and the corresponding Financial Journal Entries.
Financial Event	A financial event records the occurrence of a business event. Thus, it is linked to all the Financial Journal Entries that EGL created.
Journal Source	Journal Sources are user-defined codes that classify journal entries and identify the originating transaction subsystem. A Journal Source becomes the first two characters of any journal entry number.
Ledger	Ledgers define an organizational entity. Books and journal sources are defined to a ledger.
Macro	Macros are mini-conversion programs that move information from a subsystem to a journal transaction.
Model	Models are like templates that define the characteristics that formulate a journal entry.
Financial Calendar	A Financial Calendar identifies the year and periods that are used for an organization's ledger. The date entered for each journal entry is checked against the period table to determine the proper period for posting.
Account Segment	An Account Segment identifies the chart of account components that are used for tracking information. Segment values define valid entries for that segment. Both segments and segment values are defined globally.
Wildcard	A Wildcard is a symbol that represents multiple values for a segment that was entered in setup attributes and in account strings.

Setting up a Chart of Accounts

A Chart of Accounts captures financial information and classifies it using a sequence of account segments. An account segment is a user-defined classification of data.

To set up a Chart of Accounts, you first must define account segments that make up the account string and then define valid values for the account segments.

This diagram shows the sequence of tasks you perform when setting up a chart of accounts.

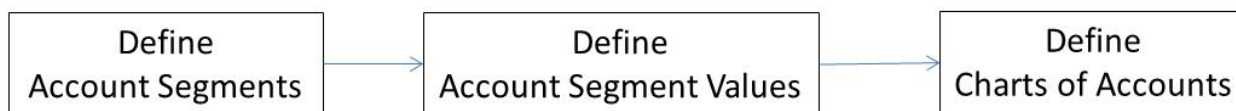


Chart of Accounts terminology

This table shows the chart of accounts terms and a description of each.

Term	Description
Account Segment	Segments are user-defined categories used for tracking information in a chart of accounts. Examples include Company, Country, Profit Center, Department, Account, and Subaccount.
Account Segment Value	A value that is allowed in an account segment.
Account String	An account string is a specific string of segment values used for classifying and posting financial and statistical data. Also, called an account code.
Chart of Accounts	This is a combination of segments and their segment values defined in a specific, sequential order to represent a specific set of account strings.
Natural Account	A segment that identifies financial information from a pure accounting perspective; that is, it defines whether the segment value is an asset, liability, income, expense, retained earnings, or statistical account. A Natural Account segment controls financial statement presentation, Transfer of Opening Balances processing (year- end processing), and currency translation.
Chart of Account Segment Sequence	This sequence orders user-defined segments within a chart of accounts.
Balancing Point	This is the chart of accounts segment at which a journal entry must balance. If you define a book as balanced within a ledger, you must designate one segment in the ledger's chart of accounts as the balancing point in ledger definition.

Account Segments

EGL employs a flexible, user-defined account structure that can contain up to 14 different segments. Each segment may be up to 16 alphanumeric positions long, which can result in a chart of accounts

with 224 possible characters. Typically, organizations use 5 segments or less. Segments can be defined as optional or mandatory. In addition, EFIN supports reference and analysis fields on each journal entry line so characteristics of the ERP transactions can be stored in the general ledger for analysis and reporting even though those characteristics are not included in the general ledger account number segments.

EGL allows you to define account segments in the Account Segments object and segment values in the Account Segment Values (GSV) object. Segments are user-defined categories that are used for tracking information within a chart of accounts.

- *Account Segments* identify the chart of accounts components that are used to track information.
- *Account Segment Values* define valid entries for each segment.

Once you define an account segment, you can use it in more than one chart of accounts. In each different chart of accounts, you can use a segment in a different sequence position. However, you can use each segment only once in each chart of accounts.

For a balanced ledger, you must have at least two segments in a chart of accounts. One segment is the balancing point for which all debits and credits must balance and the other is the Natural Account.

One, and only one, segment in a chart of accounts must be designated as a Natural Account. This segment must be a mandatory segment.

The *Natural Account* segment controls:

- Account type designation (asset, liability, income, expense, retained earnings or statistical)
- Transfer of opening balances processing
- Currency translation and re-measurement
- Financial statement preparation
- Descriptions on journals and inquiries

Account conversion

Account conversion consists of splitting existing legacy account numbers into the EFIN account segment values. For example, if account number 0178964610232 represents supplies for department A, you could split it into a company segment 1, a department segment 789646 and a natural account segment 10232, with the corresponding account names, Company 1, Department A and Supplies. The resulting account string would be 01-789646-10232.

Before redefining your chart of accounts, you should:

- Have the accounting and non-accounting areas of your organization agree on the reporting boundaries for the general ledger system.
- Identify the characteristics that need to be available for financial reporting and analysis. For example, company, business unit, project, customer class, item class, etc.
- Determine whether each characteristic should be included as an account segment value or a reference and analysis field.

Account Segment Values

Account Segment Values are user-defined alphanumeric codes that can be up to 16- characters long for a specific segment. The Account Segment Values object stores segment values.

The length of a segment value cannot exceed the length defined for the segment itself. If you want *blank* to be an eligible value, you must define the segment value as such. A *blank* is needed only if a blank value is posted to a mandatory segment. The segment is usually left empty for optional account segments. Blanks can be useful when setting up Aliases and Advanced Macros, which will be discussed later in the document.

You cannot delete a segment value if journal entries or account balances exist for the segment value. Instead, use Account Rules or Account Cross Reference to inactivate the segment value for posting and any accounts that contain the segment value.

Attributes

This table shows the account segment value attributes and a description of each.

Attribute	Description
Natural account type	Indicates an account's classification within a chart of accounts
Balance type	Indicates the type of entry that affects the value of the account. The default is debit.
Unit of measure	A statistical value for the natural account segment.
Translation method	This attribute defines how the corresponding debit or credit value is converted during the translation process. <ul style="list-style-type: none"> • None– No translation (system default) • Balance Sheet Basis– Calculation based on year-to-date balance • Net Period Basis– Calculation based on net period activity
Translation rate type	The default exchange rate set for the translation of the account.
Re-measurement method	This attribute defines how the corresponding debit or credit value is converted during the re-measurement process. <ul style="list-style-type: none"> • None– No translation (system default) • Balance Sheet Basis– Calculation based on year-to-date balance • Net Period Basis– Calculation based on net period activity
Re-measurement rate type	The default exchange rate set for the re-measurement of the account.

Attribute	Description
Create translation rates	<p>Select this option to apply a historical exchange rate to the account strings using this segment in the translation processing. The default is unchecked.</p> <p>Each of the journal lines for the account string in the period is translated based on the exchange rate set (rate type) selected above, the currencies of the source and target books, and the date of the journal line posting. You can create a weighted average rate for the period and use it to translate the total account string activity for the period.</p>
Create re-measurement rates	<p>Select this option to apply a historical exchange rate to the account strings using this segment in the translation processing for re-measurement. The default is unchecked.</p> <p>Each of the journal lines for the account string in the period is re-measured based on the exchange rate set (rate type) selected above, the currencies of the source and target books, and the date of the journal line posting. You can create a weighted average rate for the period and use it to re-measure the total account string activity for the period.</p>
Summarization	<p>This attribute determines whether a segment value is summarized by subsystem processing before posting. Selecting this option summarizes all resolved model lines with matching accounts. The valid values are:</p> <ul style="list-style-type: none"> • None: No summarization • Summary Only: Only the summary journal line is kept. Detail lines are discarded unless the journal source has the Summarize setting for the Summary with Detail option. • Summary with Detail: Both the summary and the original detail journal lines are kept.

Charts of Accounts

A Chart of Accounts specifies a sequence of account segments.

The Chart of Accounts object allows you to define and maintain data in the Chart of Accounts object and Chart of Accounts Segment object.

At a minimum, you must define a balance point segment and a natural account segment for a balanced ledger.

You designate the *natural account segment* during segment definition and the *balancing point segment* during ledger definition.

A chart of accounts uses *delimiters* to separate segment values during display. Periods, commas, and hyphens are common account delimiters. You cannot use a space, an apostrophe ('), an asterisk (*), a question mark (?), nor any character used in a segment value for a delimiter.

This example illustrates chart of account segments.

Chart	Sequence	Segment	Description
OPERCHRT	1	COUNTRY	Country
OPERCHRT	2	PROFIT CTR	Profit Center
OPERCHRT	3	ACCOUNT	Account
OPERCHRT	4	SUBACCOUNT	Sub-account
OPERCHRT	5	PRODUCT LN	Product

Once an active chart of accounts contains account balances, you cannot delete its segments. You can, however, add segments to an active chart at the end of the existing account string and you can increase the length of a segment. You cannot decrease the length of a segment once it is used in a chart of accounts.

Financial Calendars

Financial Calendars are user-defined fiscal calendars that contain up to 998 individual accounting periods in which one period can be an audit period.

A Financial Calendar classifies financial periods used in Ledgers and Books in EGL. EGL allows you to define and maintain data in the Financial Calendar object and the Financial Calendar Period object.

The Financial Calendar object stores all financial calendar definitions.

The Financial Calendar Period object stores all period details.

Use these objects to identify the year and periods for an organization's ledger. For example, you can define a financial calendar for a fiscal year, a quarterly reporting calendar, or a five-year forecast.

In fact, you can define each day or each week of the fiscal calendar as a separate period in a financial calendar. A typical annual financial calendar has 12 or 13 periods.

A ledger specifies the financial calendar used by all books in that ledger. A financial calendar must be defined for a year before you can open a book for that year. Individual books, however, are *opened* for each period for posting journal entries.

A financial calendar generally contains a number of years and, as new years are required, they are added to the financial calendar.

This diagram indicates the sequence of tasks you perform when setting up financial calendars.



Financial calendars terminology

This table shows the financial calendar terms and a description of each.

Term	Description
Financial Calendar	A financial calendar is used to set up user-defined fiscal calendars for an organization containing time intervals called periods. It consists of a financial calendar name and a year.
Financial Calendar Period	A period is a user-defined financial reporting interval with a designated length of time and definite start date and end dates. A financial calendar will build and contain a number of years. When the new year is added, it is validated to start on the first day of the prior year.
Audit Period	An audit period is a time interval used to accumulate end of year adjustments without effecting operating periods. It is added as the next period in the calendar. For a 13-period calendar, it would be period 14.
Year-End Period	Period 999 is a closing entry used by Create Opening Balances. This is a system-reserved period.
Ledger	A ledger represents an organizational entity (company) and is used to classify information. You must assign one financial calendar to each ledger.
Book	A book is a grouping of data within a ledger by type (actual, budget, forecast) and year (2006, 2007, etc.), or multiple years in the case of a 5-year Plan.

Periods for financial calendars

Financial Calendar Periods are three-digit, user-defined codes that identify a period in a period table. There are two period types, *Regular* and *Audit*.

- *Regular* periods (period 1-998) are the default format for a new financial calendar.
 - Period 0 is a reserved value and contains opening balances.

Opening balance periods are an inherent part of each financial calendar. Period 0 contains opening balances for a financial calendar for a given year or time range. However, entries may only be stored to this period during the Transfer Opening Balances process.

- Period 999 is also a reserved value and contains year-end closing entries.

Year-end closing entries are posted to period 999 during the Transfer Opening Balances process.

- The *Audit* periods can be defined to adjust year-end accounting balances without altering financial information in the final regular accounting period.
 - You add the audit period to a financial calendar once it is set up. The Start and End dates are generally the last day of the period. You can create one audit period per financial calendar year. For a 12-period table, the audit period will be period 13 and automatically has the type of *Audit* when it is created.
 - The audit period only accepts events with an event origin of Audit Adjustment.

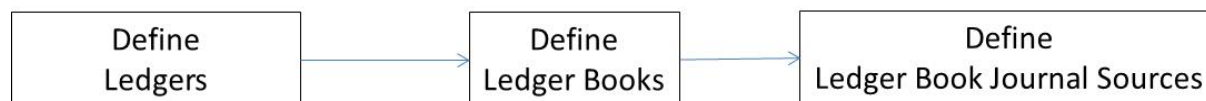
Generating periods

You can define periods manually, or EGL will generate them automatically when you specify Calendar type = 12 periods or 13 periods on the Financial Calendar create prompt.

CEA adjusts the dates for leap years. For 13 period calendars, CEA creates thirteen 28-day periods, totaling 364 days in the year. If desired, you can override the system-generated Start and End dates for each generated period. The system will not accept dates that overlap or that omit days.

Ledgers

This diagram illustrates the sequence of events for defining a ledger, a ledger book, and one or more ledger book journal sources.



A ledger is a collection of books and represents an organizational entity in EGL. A ledger can be a legal entity, such as a corporation, a capital projects ledger, or an operating ledger for a business unit or division.

Ledgers contain information for a specific part of an organization. For example, an international organization could use ledgers to distinguish regions such as North America, Europe, or Asia. A multi-site organization might employ ledgers to distinguish subsidiary sites from the corporate headquarters.

Attributes

This table shows the ledger attributes and a description of each.

Attribute	Description
Description	Description of the ledger.
Financial calendar	The financial calendar used in this ledger.
Chart of accounts	The chart of accounts used in this ledger.
Balancing point	<p>EGL requires that all entries posted to a ledger's balanced books be in balance (debits equal credits) for each segment value within the balancing point segment. EGL utilizes the balancing point segment to accomplish this.</p> <p>Each book in a ledger is designated as either balanced or non-balanced (EGL does not enforce the ledger's balancing point).</p> <p>You must designate one segment in the ledger's chart of accounts as the balancing point. Generally, the left-most segment is the balancing point.</p>
Retained earnings	<p>The retained earnings event class uses a model that contains the account (or accounts) to which the revenue and expense accounts close during the Create Opening Balances process.</p> <p>Each time you perform a Create Opening Balances process, EGL generates a retained earnings journal entry by using the ledger's retained earnings event. This entry is always posted to Period 999 and Period 0 for the next year opening balances.</p> <p>A model line is required for each balancing point segment value.</p>

Ledger Books

A *Ledger Book* is a user-defined group of accounts that contain posted financial transactions. A Ledger Books is a combination of Ledger, Book, and Year. You use books to maintain different types of information within a single ledger. For example:

- An Actuals book might contain posted journal entries.
- A Budget book might contain optimal balances in each account.
- A Forecast book might contain projected balances in each account.

Books allow you to maintain different types of information within a ledger. Each book inherits the ledger's financial calendar and chart of accounts. It also includes additional information such as period close overrides, book currency, journal numbering options, and book close status. Examples of books include: Actual Dollars, Budget Dollars, Actual British Pounds, and Statistics.

Journal entries can only be posted to a valid ledger-book-year combination.

- You define Ledger Books by the Ledger, *Book* and *Year* attributes.
- You should define Book IDs that do not require yearly updates. For example, define a Book ID of actuals, and use *year* to identify actual postings for each year.

This object also allows you to transfer balances from one year to the next.

The Copy action on the Ledger Book object does not copy balance data into the new book. It includes an option to copy the journal source values from the prior year into the new year.

Attributes

This table shows the ledger book attributes and a description of each.

Attribute	Description
Balanced	<ul style="list-style-type: none"> • No: Journals posted to a book need NOT be in balance. • Yes: Journals posted to a book must be in balance. EGL checks the balance for each segment value in the balance point segment.
Book closed	<p>This indicates whether a book is open for posting journal entries. EGL closes a book during the Transfer Opening Balances process.</p> <ul style="list-style-type: none"> • Yes: Journals cannot be posted to the book. • No: The book can be reopened later for posting.
Period override close	<p>This attribute identifies the period or periods that are open for posting within a book and year.</p> <p>The selected value overrides the period status set in the Post status attribute in the Period object. This attribute does not affect a book's audit period. The valid override choices are:</p> <ul style="list-style-type: none"> • None: No override occurs (system default). Use when the periods are not shared by different organizations and the status of the table. • All: Journals can be posted to all periods. Use when the periods are shared by different organizations and the status of the table. • Current: Journals can be posted to the current period. It contains the current system date. Use this functionality for non-balancing books or books not affected by subsystem journals. Use when the periods are shared by different organizations and the status of the table. • Prior Period: Journals can be posted to the current period or the period immediately prior to the current period. Use when the periods are shared by different organizations and the status of the table.
Override exchange rate	<ul style="list-style-type: none"> • No: The book will use the exchange rate created in the exchange rate object • Yes: The book will use the exchange rate entered on the source ERP transaction to create journals in transaction currency for this book.

Attribute	Description
Journal number reset	<p>EGL automatically numbers journal entries. Select either the Annual or Period option to indicate when the journal numbers are reset.</p> <p>Note these EGL journal numbering features:</p> <ul style="list-style-type: none"> Journal numbers are assigned in sequential order for each journal source code. These numbers can be reset to 1 on an annual or period basis. This selection applies to all journal source codes for this book. Manual journal entry numbers for a period should be a larger number than the total number of expected system-generated journal numbers for the book and year and/or using the same journal source. It is recommended, where possible, to use a different journal source for manual entries.
Currency	This is the base currency for the book.
Rate type	This is the default exchange rate set for events processing for the book.
Internal counter	<p>The Internal Counter indicates whether a unique, sequential number should be applied to journal entries at the time of posting. You can select to have an internal counter located at the Ledger Book level, at the Ledger Book Journal Source level, or not to use the internal counter. This feature enables you to use the internal counter at a more detailed level to accommodate any legal or company requirements that specify this level of accountability for all journal entries. Three values are included:</p> <ul style="list-style-type: none"> None: The Internal Counter is not used. This is the default. Book: Use the Internal Counter at book level. EGL assigns a unique, sequential number to this book's journal entries. Annual: Use the Internal Counter at the journal source level. ERP assigns a unique, sequential number to each journal source attached to a book. Then it assigns the next sequential number for this journal source to all journal entries with this specific journal source code. Therefore, no gap exists between the internal counter numbers for each journal entry posted with a particular journal source code. Period: Use the Internal Counter at the journal source level and reset it every period. This can be helpful when there is a large quantity of transactions for a particular journal source code each month. ERP assigns sequential numbers to a book's journal entries based on the journal source code and the period in which the entry is posted. No gap exists in the journal counter numbers for a particular journal source code in a specific period.

Attribute	Description
Use year/period	<p>Set this option to Yes (1) to include the year and period within the Internal counter number for tracking purposes.</p> <p>This option is only available if you selected Book, Journal Source Annual, or Journal Source Period in the Internal counter attribute. The default is No, and the internal counter starts numbering from 1.</p>
Next number	This is the next internal counter number for the ledger book and year. You cannot change this number.

Ledger Book Journal Source

A Ledger Book Journal Source is a user-defined code to identify the origin of journal entries. For example, you can define journal source *AP* to identify journal entries that originate in the Accounts Payable function.

The Copy action on the Ledger Book object can be used to create journal source records for the new year/book combination.

Summarization is the process of summing together two or more journal lines into one line based on matching accounts.

Summarization can be specified for a Ledger Book Journal Source with these options:

- None
- Summary Only: Only the summary journal line is kept. Detail lines are discarded.
- Summary with Detail: The summary journal line and the original detail journal lines are kept.

After performing all model resolution, the journal lines are summarized based on the following table, if you selected Group journal on the Financial Event Class Rule.

Journal source	Segment	Result	When used
Yes	Yes	All journal entry lines sharing the same account strings are summarized at natural account segment value level.	To summarize all lines of the journal
Yes	No	All journal entry lines sharing the same journal source are summarized at the natural account segment value level.	To summarize all lines of the journal
No	Yes	Only journal lines with natural account segment value are summarized.	To summarize only lines posted to certain accounts
No	No	No summarization (system default).	To maintain all detail lines in the journal

Macro

Macros are small programs that retrieve information from Infor XA objects. Macros can retrieve information from master objects such as the Vendor or Customer. Macros can retrieve information from transaction objects such as Purchase Orders, Customer Invoices, Financial Transactions, or Inventory GL Transactions.

A macro may be shared across subsystems or specific to a single subsystem.

You can use macros to define any part of a model including the amount value, an account segment, the amount that posts to an account balance, a reference, or an analysis field. EGL resolves the macros when creating journals from journal models. The transaction information is captured and posted to the Ledger Book Balance Summary.

Infor ships EGL with all available macros created.

As EGL processes each transaction, any macros in the model line definitions are resolved.

The Financial Macros object allows you to view the Infor XA pre-defined macros and configurable macros.

This table shows the types of financial macros and a description of each.

Types	Description
Macros	Macros retrieve data from Infor XA objects. The retrieved values are directly posted as an amount value, account segment, statistic, or reference in a financial journal entry line. No user setup is required. The Macros object includes all available macros.
Configurable Macros	Configurable macros also retrieve data from Infor XA objects. A configurable macro then performs an operation (numeric, character, or special) on the retrieved data. For example, a configurable macro could retrieve sales revenue, and then multiply the value by a percentage to calculate <i>sales revenue</i> .
Conditional Macros	A conditional macro references two macros. If the first macro returns a non-blank value it is used. If the first macro returns a blank value, the value of the second macro is used. Conditional macros can be used to retrieve EGL account segment values that were specified as overrides on the source ERP transactions.

When you create a model to process ERP transactions from an XA application (subsystem) you can use any macro defined for that subsystem and any macro that is shared across that subsystem and other subsystems.

Financial Models, Financial Macro Aliases, and Subsystem Event Rules can reference macros.

Attributes

This table shows the macro attributes and a description of each.

Attribute	Description
Macro	The unique identifier of the macro.
Description	The description of the macro.
Subsystem origin	Select the subsystem origin or subsystem process for the macro. A shared value indicates that the macro is valid for more than one subsystem origin. During model setup, you can only enter macros in the model line if the macro's subsystem origin matches the model's subsystem origin. However, you can use macros with a shared subsystem origin for all models.
Check parameter list	Indicates that the macro result is retrieved from a process data structure.
File	The name of the subsystem transaction file or master file accessed by the macros to retrieve the information.
Field	The name of the field the macro retrieves.
Length	The total length of the retrieved data field that is used for quantities.
Decimals	The number of decimals in the retrieved data field that is used for quantities.
Use macro as	<p>These options determine how the macro can be used and the position of the macro in the model line:</p> <ul style="list-style-type: none"> • Segment Value: The value returned is a whole or partial journal entry account string. • Amount: The value returned is a debit and/or credit value to be used as an amount attributes. Amount macros can also be used in statistic attributes. • Date: The value returned is a date field. • Reference: The value returned is a reference field.
Subsystem origin	Either Shared, an XA application, or Batch transactions (External GL Transactions).

During model resolution, EGL resolves macros and creates the financial journal entry lines with the retrieved results.

When to Use a Financial Macro

You can use macros to assign data values within a journal model line. Other methods used to define data to models include hard coded values, wildcards, and alias macros.

The following summarizes the options available to generate journal line information:

- Hard coded values are static and are the same for every journal created from this model.
- Wildcards are dynamic and are resolved through user intervention prior to posting. Use the Change action on the Financial Journal Entry Line to resolve wildcards.

- Macros are dynamic. The macro resolution program replaces the macro with the Infor XA returned value in the journal line.
- Alias Macros are dynamic. EGL resolves alias macros first as an ordinary macro, and then uses the returned value as an alias name to retrieve segment values.

Caution: Do not use certain combinations of macros on a single model line. Debit and credit macros on a model line must have a unique relationship with each macro on the line that resolves to a single database record.

Creating additional macros

The macro functionality enables you to create user-defined macros. See the *Enterprise General Ledger for System i Configurable Macro User Guide*.

Macro Alias

The Financial Macro Alias object allows you to resolve segment values during model resolution. An alias is a shortened name for a segment value or group of segment values. An alias can represent either of the following:

- A complete account that contains segment values for all segments in its chart of accounts.
- Any number of contiguous segments in a chart of accounts (a partial account string).

The system resolves aliases and translates aliases into segment values during events processing.

You can define this information in the Financial Macro Alias:

Option	Description
Alias	Enter a unique value to identify the alias. You can then use this shortened name in place of all the segment values in model lines. If a macro is assigned, the alias value is the expected value for this macro.
Chart of Accounts	Enter the chart of accounts for which the alias is being defined.
Macro	Select a macro name from a list of available macro names. This creates an advanced macro.
Segment values	Enter the segment values that resolve when the alias is used.

The returned value of the resolved macro is the unique value that identifies the alias to be resolved.

For example, assume this information:

The subsystem transaction is a vendor invoice for electricity.

Country	USA
---------	-----

Unit	MFG
Vendor	6000
Vendor tax suffix	UTIL

The model contains a line with the following data. The equal sign represents macros and the X represents an advanced macro. In this example XGBHTXSF is an advanced macro.

CTY	UNIT	ACCOUNT	Adv	Item acctg class
USA	=XSA6KTCD	=XGBHTXSFX	X	

The alias file contains a record with this data:

Alias name	Macro name	CTY	UNIT	ACCOUNT	Item acctg class
UTIL	XGBHTXSF			20645	MARK

The returned value of the resolved macro is cross referenced to the alias UTIL. The journal line written from the model line above is illustrated below.

CTY	UNIT	ACCOUNT	Item acctg class
USA	MFG	20645	MARK

In addition, if another alias was set up that cross-references the same macro XGBHTXSF, the segment values for this alias will also be retrieved. Model resolution does not allow multiple aliases to resolve to the same segment value. For example, an error occurs if the alias UTIL for macro XGBHTXSF resolves to both the unit segment and the account segment. The alias UTIL for macro XGBHTXSF and macro XSA6KTCD would both resolve the unit segment.

Processing alias macros

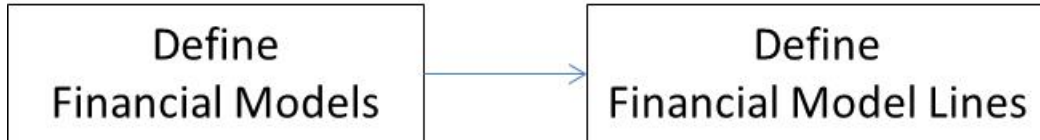
Alias macro processing occurs when the model resolution program encounters a model line segment that is identified as an advanced macro. An advanced macro signals the model resolution program to perform an extra resolution step as described in these steps:

- 1 Regular macro resolution is performed.
- 2 The value of the macro returned from the subsystem transaction, the chart of accounts, and the name of the macro just resolved are combined to retrieve a record from the Financial Macro Alias object.
- 3 The corresponding alias segment values are placed in the resulting journal entry line.

Note: When using an alias macro from numeric attributes, you must enter leading zeros for the alias in numeric attributes. For example, alias 000050 would resolve for attribute value 50 (length 6, numeric). Alias 002 for macro DTLINE would resolve for attribute value 2 (length 3, numeric).

Financial Models

You can perform this sequence of tasks to set up a model.



The Financial Models object allows you to create and maintain templates used to create Financial Journal Entries in events processing. Financial Models are the basis of all journal entry activity in EGL.

Each model corresponds to a specific chart of accounts and journal source. Models contain one or more model lines that contain accounts, an amount, statistical values, reference information, and other information.

Models support the use of financial macros which retrieve model line information from the source ERP applications automatically before posting.

You can use models for manual journal entries, allocations, consolidations, translations, transferring opening balances, retained earnings, External GL Transaction processing, and ERP transaction processing.

When you define an event class rule, you link a model with a ledger and book. Then, EFIN uses the event class during events processing to record transactions for a specific country, profit center, and account combination.

For example, you can define a model called DEPREC8 for recording depreciation. You can then link the model to a specific ledger and book in the Event Class object. Finally, you can use the event during events processing to record depreciation for a specific country, profit center, and account combination.

Financial Model attributes

This table shows the financial model attributes and a description of each.

Attribute	Description
Journal Entry	Identifies the journal source and journal entry numbers for journal entries created from the model.
Reversing Entry	Identifies the journal source, journal entry number, and timing of a reversing journal entry.
Chart of Accounts	Identifies the chart of accounts for this model
Subsystem Origin	Identifies the subsystem process associated with the model. A model can use macros associated with its subsystem and any macros that are shared across subsystems.

Attribute	Description
Reason code	This is a user-defined code identifying the purpose of a manual or audit adjustment transaction.

Financial Model Line attributes

This table shows the financial model line attributes and a description of each.

Attribute	Description
Segments	Identifies values for the segments in the accounts or the method by which the values are determined. The Assign Account Segments action on the Account string attribute aids you in defining these account segments.
Debit macro	Identifies the macro that resolves into the Debit amount attribute.
Credit macro	Identifies the macro that resolves into the Credit amount attribute.
Statistics macro	Identifies the macro that resolves into the Statistics attribute.
Reference attributes Analysis attributes	Enter the reference/analysis values or the macros that resolve into reference/analysis values.
Write zero amount	Indicates that a journal line should be written even if the amount is zero.
Gain or loss line type	Indicates that a particular model line is used in gain or loss processing. EGL uses this indicator during model resolution to determine when to calculate gain or loss. The attribute has four values: <ul style="list-style-type: none"> • Not a gain or loss. Regular exchange rate processing executes. The value is returned by the macro in transaction currency is converted to book currency using the payment exchange rate. • Positive gain or loss. Line is written only when the gain/loss calculation returns a positive value. • Negative gain or loss. Line is written only when the gain/loss calculation returns a negative value. • Invoice. The value is returned by the macro in transaction currency is converted to book currency using the invoice exchange rate.
Line description	Description to be included on the journal entry line.

Attribute	Description
Allocation line type	Type of account used in a model for an allocation process: <ul style="list-style-type: none"> • None • Source • Target • Source contra • Target contra

Assign Account Segments

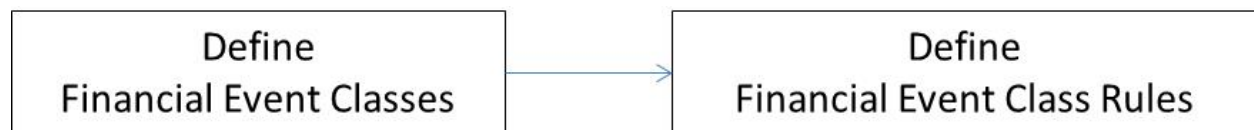
The Assign Account Segments action on the Account string attribute allows you to define the account segments for a model line.

This action opens the card file of the Financial Model Line Account object. On that object, the Financial Model Line Account Maintenance card includes these find actions and attributes.

Option	Description
Find Financial Macros	Displays the list of financial macros
Find Account Segment Value	Displays the list of all valid values for the segment
Advanced Macro	Identifies the selected macro as an advanced macro that will be resolved using an alias

Financial Event Classes

This diagram illustrates the sequence of tasks to set up a financial event class.



Financial Event Class

A financial event class is used to classify business events, to specify how each event of this type should be processed in Enterprise GL. The financial event class specifies which ledger books should be updated, and which financial models should be used to create the journal entries. When a business event occurs, EGL uses the Subsystem Event Rules to identify the corresponding Financial

Event Class. EGL then uses the instructions in the Financial Event Class to create the Financial Event and the corresponding Financial Journal Entries.

Financial Event

A financial event records the occurrence of a business event. It is linked to all the Financial Journal Entries that EGL created because of that business event.

From the Financial Event, you can access the corresponding Financial Journal Entries, Financial Journal Entry Lines and Financial Journal Entry Detail Lines. You can edit, approve and post journal entries. You can also create ad-hoc events.

You can use the Financial Event Class object to process information from the XA applications, or to create and post manual journal entries. Event Classes consist of one or more Event Class Rules. Each rule contains a ledger, book, and model.

Event classes contain one or more models or allocations that define the accounting for that particular transaction. Each model creates a journal entry during events processing. Within an event class rule, a model is assigned to a specific ledger and book. Therefore, an event can post the same accounting entry to multiple ledgers and books simultaneously by assigning a model to a specific ledger and book. Events then post to all or none of the models. This process retains the integrity of the transaction by updating all or none of the affected ledgers and books.

Before you define a Financial Event Class, you must first set up this information:

Chart of accounts	Ledgers	Books
Journal Sources	Models	

Attributes

This table shows the financial event class attributes and a description of each.

Attribute	Description																								
Business event origin	<p>The event origin informs Infor XA where an event is used when it is encountered during processing. These options are available:</p> <table border="1" data-bbox="574 386 1414 1703"> <thead> <tr> <th data-bbox="574 386 854 422">Option</th> <th data-bbox="859 386 1138 422">Result</th> <th data-bbox="1143 386 1414 422">When Used</th> </tr> </thead> <tbody> <tr> <td data-bbox="574 428 854 596">Manual adjustment</td> <td data-bbox="859 428 1138 596">Event uses models to post journal entries to normal periods (system default)</td> <td data-bbox="1143 428 1414 596">Allows manual journal entry of a transaction that did not originate from the ERP application.</td> </tr> <tr> <td data-bbox="574 602 854 806">Audit adjustment</td> <td data-bbox="859 602 1138 806">Journal entries post to the audit period defined to the ledger's period table</td> <td data-bbox="1143 602 1414 806">Used to enter journals to the audit period which are adjustments distinguished from monthly activity.</td> </tr> <tr> <td data-bbox="574 812 854 974">Allocation</td> <td data-bbox="859 812 1138 974">Event distributes actual or budgeted balances</td> <td data-bbox="1143 812 1414 974">Used for allocations of EGL activity without manual calculation of the amounts.</td> </tr> <tr> <td data-bbox="574 980 854 1142">Retained earnings</td> <td data-bbox="859 980 1138 1142">Event contains a retained earning entry</td> <td data-bbox="1143 980 1414 1142">Used when the user runs the Create Opening Balances action on the Ledger Book object.</td> </tr> <tr> <td data-bbox="574 1148 854 1352">Consolidation</td> <td data-bbox="859 1148 1138 1352">Event containing a single model generates journal entries for consolidation processes</td> <td data-bbox="1143 1148 1414 1352">Used to consolidate or combine books for reporting purposes.</td> </tr> <tr> <td data-bbox="574 1358 854 1520">Subsystem</td> <td data-bbox="859 1358 1138 1520">Event contains user-defined information to allow the subsystem to prepare journals for EGL</td> <td data-bbox="1143 1358 1414 1520">Used by all Infor XA server programs that send transactions to EGL.</td> </tr> <tr> <td data-bbox="574 1526 854 1703">Translation</td> <td data-bbox="859 1526 1138 1703">Event contains a single model that generates journal entries for translation process</td> <td data-bbox="1143 1526 1414 1703">Used by structure processing that requests a journal instead of a balance record.</td> </tr> </tbody> </table>	Option	Result	When Used	Manual adjustment	Event uses models to post journal entries to normal periods (system default)	Allows manual journal entry of a transaction that did not originate from the ERP application.	Audit adjustment	Journal entries post to the audit period defined to the ledger's period table	Used to enter journals to the audit period which are adjustments distinguished from monthly activity.	Allocation	Event distributes actual or budgeted balances	Used for allocations of EGL activity without manual calculation of the amounts.	Retained earnings	Event contains a retained earning entry	Used when the user runs the Create Opening Balances action on the Ledger Book object.	Consolidation	Event containing a single model generates journal entries for consolidation processes	Used to consolidate or combine books for reporting purposes.	Subsystem	Event contains user-defined information to allow the subsystem to prepare journals for EGL	Used by all Infor XA server programs that send transactions to EGL.	Translation	Event contains a single model that generates journal entries for translation process	Used by structure processing that requests a journal instead of a balance record.
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Translation	Event contains a single model that generates journal entries for translation process	Used by structure processing that requests a journal instead of a balance record.																							
Subsystem origin	<p>Applies only when the Business event origin is Subsystem. Identifies the ERP application that originates the business event.</p>																								

Attribute	Description
Allow journals in error	<p>This option applies only to events with an event origin of Subsystem.</p> <p>Selecting this option allows subsystem journal entries containing errors to be posted to EGL in an in-error status and thus stored as journal headers and journal lines.</p> <p>By allowing an in-error journal entry, the record is still available for future corrections. To post to EGL balances, you must first correct any errors.</p> <p>If you do not select this option, the subsystem is not updated and no journals are created.</p>
Approve journals before posting	<p>This option, if selected, requires that all valid journal entries created for this journal source be approved prior to posting to the Ledger Book Balance Summary.</p>

Financial Event Class Rules

Events are made up of one or more Financial Event Class Rules. Each rule contains a ledger-book combination and a model or an allocation. This allows a single event to simultaneously create journals for multiple ledger-book-model combinations. All models within an event post simultaneously or none post at all.

The model and ledger in an event class rule must use the same chart of accounts.

Attributes

This table shows the financial event class rule attributes and a description of each.

Attribute	Description
Post only on currency match	<p>If you select this attribute, the event posts to the ledger and book combination only if the transaction currency equals the book's currency. If you do not select this option, the event sequence always posts to the ledger and book combination regardless of the transaction and the book currencies.</p>

Subsystems

The Subsystem object allows you to define and maintain subsystems and subsystem event rules. Subsystems represent the Infor ERP XA applications that send transactions to EGL. Subsystem

Event Rules define which event to process for each reason code. Infor delivers EGL with all XA Subsystems defined.

Subsystem event determination is the process that EGL calls to select the event used to create the journal entry or entries for the subsystem transaction. You must update each subsystem process with its associated subsystem event rule records. Each Subsystem may have multiple Subsystem Event Rules.

Subsystem Event Rules

In the XA Customer Service subsystem, you can define and maintain a default event for each reason code and company combination.

In the XA Finance subsystem, you can define and maintain a default event for each reason code and financial division combination.

In the XA Materials subsystem and the XA Production subsystem, you can define and maintain a default even for each reason code and warehouse combination.

Attributes

This table shows the subsystem event rule attributes and a description of each.

Attribute	Description
Reason	Enter or select a valid Infor XA reason code for this subsystem.
Company	<p>Enter a valid company number. Use this attribute to further define subsystem event determination by using a combination of subsystem, reason code, and company number (optional).</p> <p>If you do not enter a company number, this attribute defaults to zero (00), and the reason code specified in the Reason attribute may be used by all companies. The system determines the event using a one-to-one relationship between the subsystem program and the reason code.</p>
Warehouse	<p>Enter a valid warehouse identifier. Use this attribute to further define subsystem event determination by using a combination of subsystem, reason code, and warehouse (optional).</p> <p>If you do not enter a warehouse, this attribute defaults to blank, and the reason code specified in the Reason attribute may be used by all warehouses. The system determines the event using a one-to-one relationship between the subsystem and the reason code.</p>

Attribute	Description
Financial division	<p>Enter a valid financial division identifier. Use this attribute to further define subsystem event determination by using a combination of subsystem, reason code, and financial division (optional).</p> <p>If you do not enter a company number, this attribute defaults to blank, and the reason code specified in the Reason attribute may be used by all financial divisions. The system determines the event using a one-to-one relationship between the subsystem and the reason code.</p>
Journal processing	<p>Select one of these methods for journal processing:</p> <ul style="list-style-type: none"> • Post Immediate: Post journal entries from the subsystem immediately. (default) • Bypass Journals: If you select this option, a subsystem transaction executes without creating journal entries. This option also allows you to separate the transactions that create journal entries from the transactions that do not.
Event	<p>Select the event class based on the subsystem origin that corresponds to the subsystem. You can use the event class to retrieve associated models during the creation of journal entries. If you do not select Bypass Journal Entry, the event class is required.</p>
Macro	<p>Use the Macro attribute when the reason code is shared by multiple events. The macro allows data to define which event to execute. If you enter a macro in this attribute, you must create events named for the resolved macro value. The result is an event determination program that executes to a two-step event determination: (1) Resolves the macro by retrieving information from the subsystem transaction. (2) Uses the retrieved data to locate the event of the same name. If an event with the same name cannot be found, the default event is used.</p>

Macroable Event Example

For example, if you enter a macro called "MUVMTXSF" in the Macro attribute, the event determination program resolves the "MUVMTXSF" macro to "UTIL" for the current transaction. The program then retrieves a CEA event called "UTIL." If the second transaction has a vendor tax suffix called "SERV," the macro resolves to "SERV," and then the event determination program retrieves an event called "SERV."

The macro or two-step subsystem event determination is important because the specific posted event can be dependent on the information about the customer, vendor, item, or any other data related to the transaction processed. If an event does not match the returned value, the event determination program uses the default event entered.

Ledger Account

The Ledger Account object decreases the processing time for events by altering the way in which journals validate.

The journal line account validation process functions as follows:

- EGL checks the segment values, segment rules, and account rules for validity when an account string is encountered for the first time in event processing.
- EGL system creates a Ledger Account record for each account string.
- For all subsequent times that an account string is encountered in event processing, EGL only checks the Ledger Account to determine the validity of the account string.

The Ledger Account object allows you to:

- Set the Posting status to valid or invalid
- Change the Effective date range
- Change Natural account type
- Determine whether the account rules should be ignored for this account

Accounts Payable Reason Codes

EFIN Accounts Payable is part of the XA Finance subsystem defined in EGL.

Financial Transactions are sent from EFIN AP to EGL with reason codes that start with P (for invoices and credit memos) and C (for cash payments).

Accounts Payable Models

Models to process AP invoices and credit memos (reason codes P*, excluding P40) may use debit/credit value macros from either the Financial Transaction GL Amount object or Financial Transaction Charge, Financial Transaction Tax, Financial Transaction Amount Due objects.

Models to process cash payments (reason codes C*) may use debit/credit value macros from either the Financial Transaction GL Amount object or Financial Transaction Cash object.

The P40 reason code is for allocations to AP invoices and credit memos. It should only be used if the cash payment models use the Financial Transaction Cash object instead of the Financial Transaction GL Amount object.

Models to process allocations to AP invoices and credit memos (reason code P40) should only use debit/credit value macros from the Financial Transaction Allocations object.

Accounts Receivable Reason Codes

EFIN Accounts Receivable is part of the XA Finance subsystem defined in EGL.

Financial Transactions are sent from EFIN AP to EGL with reason codes that start with R (for invoices and credit memos) and C (for cash receipts).

Accounts Receivable Models

Models to process AR invoices and credit memos (reason codes R*, excluding P40) may use debit/credit value macros from either the Financial Transaction GL Amount object or Financial Transaction Charge, Financial Transaction Tax, Financial Transaction Amount Due objects.

Models to process cash payments (reason codes C*) may use debit/credit value macros from either the Financial Transaction GL Amount object or Financial Transaction Cash object.

The R40 reason code is for allocations to AR invoices and credit memos. It should only be used if the cash receipt models use the Financial Transaction Cash object instead of the Financial Transaction GL Amount object.

Models to process allocations to AR invoices and credit memos (reason code R40) should only use debit/credit value macros from the Financial Transaction Allocations object.

Materials Management Models

Materials Management is the XA Materials subsystem defined in EGL.

Models to process inventory transactions should use debit/credit value macros from the Inventory GL Transactions object.

Production Management Models

OBPM and REP are the XA Production subsystems defined in EGL.

Models to process inventory transactions should use debit/credit value macros from the Inventory GL Transactions object.

Financial Transactions

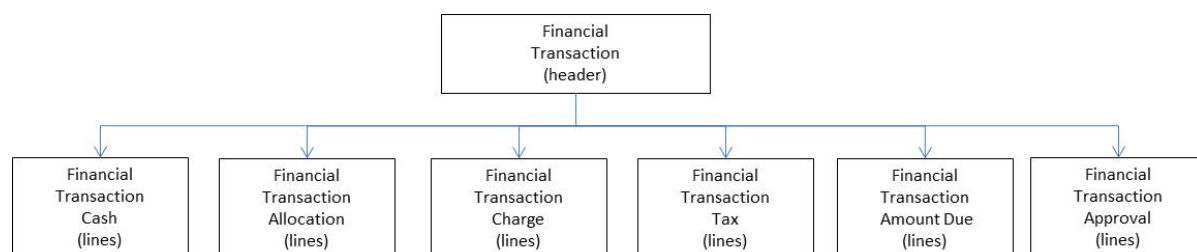
A Financial Transaction records a change to the balances in a receivable ledger, payable ledger or cash book.

The Financial Transactions object includes:

- Receivable invoices
- Receivable credit memos
- Payable invoices
- Payable debit memos
- Cash receipts
- Cash payments

All Financial Transactions consist of a header and one or more special purpose lines. There are six possible transaction line types depending on the type of transaction. You can also write comments consisting of additional information for any of these special purpose lines.

Elements of an AP/AR/Cash financial transaction



- Approval. The person who approves the transaction. You can have more than one approver for a transaction.
- Cash. The information about payments received or issued corresponding to cash deposits and payments in a cash ledger.
- Allocation. The amount of cash that was applied to an invoice either as a receipt or a payment.
- Charge. The details for an invoice. For inventory items, they show information like item, invoice quantity, unit price, and extended price.
- Amount Due. The amount to be collected or paid against an invoice.

- Tax. The information required to prepare sales and VAT compliance reports.

EFIN handles sales and purchases that allow multiple scheduled payments for an invoice. You can define the down payment, the number of payments, the principal and the interest. You can calculate the amounts manually or have them calculated by the system.

A note (draft) is a document authorizing a bank to pay an invoice. EFIN allows you to handle notes for CSM customers (and PM vendors). For example, you can generate a note each time you issue an invoice.

In the Financial Transaction object you can perform entry and maintenance tasks for receivables, payables and cash. In the Financial Journal Entry object you can perform entry and maintenance tasks for Enterprise GL transactions. IDF level 1 options are still available for entry and maintenance of general ledger transactions in IFM GL.

Transaction values are recorded in the receivable ledger, payable ledger or cash book, and in the general ledger, in the currency used for the transaction. They are also recorded in the financial division's currency – you can convert from one currency to the other manually, or you can ask EFIN to do this for you automatically.

Before you can enter financial transactions, you must set up the prerequisite data: user, administrative division, financial divisions, ledgers, entities, personal accounts, units, natures, periods, charges, tax rules, settlement methods and so on.

Before entering a transaction, it is important to understand these objects and files:

- Ledger object. Every transaction belongs to either a receivable ledger, payable ledger, cash ledger or general ledger. A ledger provides a range of default values for its transactions.
- Transaction type. You can create as many transaction types as necessary (such as cash purchase and sales invoice).
- Transaction template. A transaction template controls which line types are allowed or mandatory for each transaction type.
- Ledger Transaction Type object. A ledger transaction type authorizes transactions of a given type to be entered in each ledger.
- Ledger Transaction Numerator object. A ledger may require its transactions to be numbered automatically. If so, the numerator determines the format of these numbers.

Creating a Financial Transaction

Select the Create action on the Financial Transaction object. The first step is to select the Create template for the type of transaction that you want to create. On the Create template, specify a financial division, ledger and transaction type. EFIN automatically selects the applicable transaction template and Ledger Transaction Numerator.

In the Financial Transaction card file, add transaction lines from either the list cards or the overview cards. Each transaction line type has its own set of create templates and card files to choose from.

EFIN allows you to enter a partially completed transaction and return to it later. The system stores whatever values you have entered.

Default values and transaction entry

The transaction entry system makes extensive use of defaults. In most cases, the default values for attributes are not displayed during entry but are supplied automatically during validation. Therefore, you can leave many of the attributes blank and the system automatically supplies the values.

You can change the default values applicable to an unposted transaction without changing the transaction itself. For example, if you change the ledger default values, these values become the defaults for all transactions associated with that ledger when the transactions are validated. These defaults do not override any values you supplied when entering a transaction.

Using the defaults system, you can have EFIN create transaction lines for you. For example, when entering an invoice, you only need to enter a charge line. EFIN can automatically create the required amount due and tax lines.

To create a receivable, payable or cash transaction:

- 1 Use the Create action from the list of Financial Transactions.
- 2 Select a Create template on the Create prompt.
- 3 Enter the prompted values, or accept the defaults. Use the preview before create option to open the card file.

EFIN checks that the specified Ledger Transaction Type exists, and if the ledger specifies that transaction numbers are to be assigned automatically, EFIN checks that the Ledger Transaction Numerator exists.

Creating a Financial Transaction header

EFIN validates that the required values are specified or available as defaults.

For transactions in receivable ledgers or payable ledgers, the entity must have a personal account in the ledger.

Attributes

This table shows the financial transaction attributes and a description of each.

Attribute	Description
Entry control totals	If the ledger transaction type enforces control totals, a transaction will only pass validation if the control values you enter on the header match the actual values calculated by the system.
Entry charge and tax control total	This is the total of user-entered charge and tax lines. It does not include any tax lines which may be generated automatically during validation unless you select "Include calculated tax in control total" on the Financial Transaction.
Entry cash control total	This is the total of cash lines in the transaction.

Attribute	Description
Entry amount due control total	This is the total of manually-entered amount due lines.
Dates	There are three dates on the transaction header (Document date, Posting date, and Supply date). Although they all default to today's date, each date is used for a different purpose, and it may be appropriate to change one or all of them.
Document date	This is the date on the original document that defined the transaction. This date determines which exchange rate applies to the transaction.
Posting	This is the date on which the transaction takes place for accounting purposes. This date determines the accounting period into which the transaction falls (unless a specific period is entered on the Financial Transaction).
Supply date	This is the date on which the goods or services were supplied. It can be used for tax purposes; for example, to determine which tax rate is currently effective.
Originating unit	The default unit for the transaction. If you leave the originating unit blank when entering a transaction, EFIN inserts a unit based on the ledger and financial division. Otherwise, you must enter a unit for the transaction to pass validation. If you leave the unit blank when entering a Financial Transaction Charge line, EFIN inserts the originating unit.
Originating user	User who initiates the transaction.
Period	This is the IFM period to which the transaction is posted. It must be an open ledger period in the transaction ledger. Normally you would leave this attribute blank and allow the period to default from the posting date.
Contact	Entity contact for the transaction.
Installment payment method	Only for invoice transactions. Select an installment method if the invoice is to be paid in installments.
Note method	<p>Select a note method if you want to generate a note for this transaction.</p> <p>If the personal account for the transaction entity has a default note method, it will be used as a default. Otherwise, you can enter a note method. If the Generate with invoice attribute for the selected note method is 1=Yes, EFIN generates a note when processing the transaction. If the attribute is 0=No, the note is generated using the IDF Level 1 option to generate notes.</p>

Attribute	Description
Note transaction number	Number of the note associated with this transaction. This attribute is required if the transaction number assignment for the note method is user entered.
Note due date	Date the note is due. This attribute is required if the Due date option for the note method is user entered.
Apportionment	This is an apportionment to be used for all Financial Transaction Charge lines. Any apportionment you enter is automatically copied to all Financial Transaction Charge lines during transaction processing. If you leave this attribute blank, EFIN may provide a default if one has been specified on the associated personal account.
Interdivision account type	Classification of the interdivisional account. For example, payable, current or loan. This attribute controls how the IFM GL records transactions that affect multiple financial divisions. This normally defaults from the ledger for the transaction.
Order/ship entity	Entity who places the order or to whom the order is shipped. It is the buy-from vendor if the transaction was automatically generated from the PO.
Order/ship reference	PO or invoice sequence number associated with the order.
Currency	Transaction currency.
Exchange rate	<p>Multiplier or divider used to convert the transaction currency to the financial division currency. This is used to override the rate from the Exchange Rate Set.</p> <p>The exchange rate must fall within the exchange rate limits between the two currencies. If both the transaction currency and the financial division currency are euro-participating, or if either currency is euro-participating and the other is the euro, the override is not allowed.</p>

Attribute	Description																														
Exchange rate operation	<p>Whether the exchange rate is a multiplier or divider. If both the transaction currency and the financial division currency are euro-participating, or if either currency is euro-participating and the other currency is the euro, you cannot change the multiplier/divider.</p> <p>Note: When a country becomes euro-participating, a permanent rate of exchange is established between the national currency of that country and the euro currency. This action prevents you from entering exchange rate overrides.</p> <p>Before a transaction is processed, note the following:</p> <ol style="list-style-type: none"> 1 Are the From Currency and To Currency both euro participants? 2 Is either euro-participating and the other euro? <p>If the answer is yes for either question, then the exchange rate override is not allowed. The system displays an error message when processing the transaction.</p> <p>This table outlines the relationship between the currencies and the exchange rate override.</p> <table border="1" data-bbox="553 947 1425 1520"> <thead> <tr> <th data-bbox="553 947 829 1041">Transaction currency</th> <th data-bbox="829 947 1105 1041">Financial division currency</th> <th data-bbox="1105 947 1425 1041">Exchange rate override allowed?</th> </tr> </thead> <tbody> <tr> <td data-bbox="553 1041 829 1094">Euro</td> <td data-bbox="829 1041 1105 1094">Euro</td> <td data-bbox="1105 1041 1425 1094">No</td> </tr> <tr> <td data-bbox="553 1094 829 1146">Euro</td> <td data-bbox="829 1094 1105 1146">Euro participant</td> <td data-bbox="1105 1094 1425 1146">No</td> </tr> <tr> <td data-bbox="553 1146 829 1199">Euro</td> <td data-bbox="829 1146 1105 1199">Non-euro participant</td> <td data-bbox="1105 1146 1425 1199">Yes</td> </tr> <tr> <td data-bbox="553 1199 829 1251">Euro participant</td> <td data-bbox="829 1199 1105 1251">Euro</td> <td data-bbox="1105 1199 1425 1251">No</td> </tr> <tr> <td data-bbox="553 1251 829 1304">Euro participant</td> <td data-bbox="829 1251 1105 1304">Euro participant</td> <td data-bbox="1105 1251 1425 1304">No</td> </tr> <tr> <td data-bbox="553 1304 829 1356">Euro participant</td> <td data-bbox="829 1304 1105 1356">Non-euro participant</td> <td data-bbox="1105 1304 1425 1356">Yes</td> </tr> <tr> <td data-bbox="553 1356 829 1409">Non-euro participant</td> <td data-bbox="829 1356 1105 1409">Euro</td> <td data-bbox="1105 1356 1425 1409">Yes</td> </tr> <tr> <td data-bbox="553 1409 829 1461">Non-euro participant</td> <td data-bbox="829 1409 1105 1461">Euro participant</td> <td data-bbox="1105 1409 1425 1461">Yes</td> </tr> <tr> <td data-bbox="553 1461 829 1520">Non-euro participant</td> <td data-bbox="829 1461 1105 1520">Non-euro participant</td> <td data-bbox="1105 1461 1425 1520">Yes</td> </tr> </tbody> </table>	Transaction currency	Financial division currency	Exchange rate override allowed?	Euro	Euro	No	Euro	Euro participant	No	Euro	Non-euro participant	Yes	Euro participant	Euro	No	Euro participant	Euro participant	No	Euro participant	Non-euro participant	Yes	Non-euro participant	Euro	Yes	Non-euro participant	Euro participant	Yes	Non-euro participant	Non-euro participant	Yes
Transaction currency	Financial division currency	Exchange rate override allowed?																													
Euro	Euro	No																													
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Non-euro participant	Euro	Yes																													
Non-euro participant	Euro participant	Yes																													
Non-euro participant	Non-euro participant	Yes																													
Allow tax calculation	<p>Determines if the tax is user-entered or automatically generated by the tax calculator. See “Applying taxes to transactions” on page 104.</p> <p>Note: Regardless of this setting, the application allows you to manually enter either tax lines or charge line taxes for the transaction. However, if you do so, no tax information is generated when the transaction is posted.</p>																														
Include calculated tax in control total	<p>Determines whether the charge and tax control total includes calculated taxes.</p>																														

Attribute	Description
Tax transaction type	Classification of a transaction for tax purposes. Defaults from the associated ledger transaction type. Used when the sales tax or VAT depends on the contractual terms of the sale or purchase. For example, an FOB seller's dock sale may be taxed differently than an FOB buyer's dock sale.
Withholding method	Withholding method associated with the transaction. This is used in situations where a government requires tax to be withheld from a vendor payment.
Journal type (posted)	Journal type to which the transaction is posted in the IFM GL. The journal type classifies the transaction for fiscal (legal) reporting purposes. Used for situations when you need to combine multiple EFIN transaction types for governmental reporting purposes. Assigned based on the applicable ledger transaction type. See "Ledger transaction types" on page 40.
Journal number (posted)	Display-only. Journal number for the posted transaction.
Journal type (reassigned)	Display-only. Journal type to which the transaction is reassigned. See "Reassign Journal Numbers" in the IFM User's Guide.
Journal number (reassigned)	Display-only. Reassigned journal number for the transaction.
Include in unposted transaction accrual	Determines if an unposted transaction is to be included when EFIN calculates the accrual.
Contingent liability	This attribute indicates that the invoice value should be recorded in a contingent liability GL account instead of the receivable control GL account or the payable control GL account.
PO currency ID	The currency code displayed on the purchase order.
PO exchange rate	This is the override exchange rate from the purchase order. It is used to convert the purchase order currency to the local currency.
PO exchange rate operation	This attribute determines whether you multiply or divide by the exchange rate.
Ignore warnings	There are some situations that occur as part of transaction processing that the system treats as errors. These errors prevent the transaction from passing validation. Other situations only produce warnings – for example, if posting a transaction would cause a cash ledger to exceed its given upper or lower cash limits. If you choose to 'Ignore warnings', the warnings will not prevent the transaction from being posted. Otherwise, the transaction is not posted.

Exchange rates and transactions

Each transaction is in a particular currency, which defaults from the ledger in which it is entered. Payable and receivable transactions must be in the currency of the ledger; cash ledger and general ledger transactions may be in a different currency, as specified on the transaction header.

If the transaction's currency is not the same as the financial division's currency, the financial division value may be obtained in these ways:

- You can specify the values explicitly when you enter each transaction line.
- EFIN can calculate the values automatically, using the exchange rate from the exchange rate set.
- You can override the default exchange rate by entering a different exchange rate on the transaction header. The specified exchange rate must lie within the upper and lower limits or errors occur on posting.

You can override the default exchange rate on an amount due line by specifying that the system is to obtain the exchange rate from a fixed currency contract. See “Currency Contracts” on page 57 for details of currency contracts.

If the transaction's currency is not the same as the Ledger Book currency, the value in book currency may be obtained in these ways:

- EGL calculates the value automatically, using the exchange rate from the Ledger Book's exchange rate set.
- You can override the default exchange rate, if the ledger book allows overrides, by entering a different exchange rate on the ERP transaction. EGL will use this rate if the ledger book currency matches the ERP base currency (which is local currency for CSM, MM and Production Management transactions, and financial division currency for EFIN AR, AP and Cash transactions).

Creating Financial Transaction Charges

A Financial Transaction Charge (line) documents the sale, purchase or credit of an item or service. Each Financial Transaction Charge represents the value of a charge on an invoice or credit memo. One or more different taxes may apply to each charge line.

For a purchase order invoice, you can manually match a charge line to its associated inventory transactions.

These values are required:

- Charge or Nature, or both
- Entry value (transaction currency)

If you enter both a charge and a nature and the specified charge has a nature associated with it, then the nature on the Financial Transaction Charge takes precedence.

Although an entry value is required, you do not necessarily have to enter it. If there is sufficient data (for example, a quantity and price), EFIN calculates the value.

To enter a negative charge value, specify a negative quantity and not a negative price.

These values are the default values:

- Charge defaults from the personal account. You can override the defaulted charge code.
- Quantity defaults to 1.
- Allow settlement discount attribute defaults to Yes, unless a charge has been specified in the Charge attribute. In this case, EFIN derives a default value from the Allow settlement discount attribute on the relevant Charge.
- Item tax class defaults from Item Revision or the charge.
- Tax indicator defaults from Item Revision.
- Tax transaction type defaults from the Financial Transaction.
- Tax withholding defaults to the value from the charge record for a payables transaction. You can have some charge lines that are subject to withholding and others that are not for the same transaction.
- Tax withholding code is the unique 2-character identifier for the withholding routine. This value defaults from the entity or the personal account.
- Unit defaults from originating unit.
- Nature defaults from Charge nature.
- Apportionment defaults from the Financial Transaction.
- The apportionment for a charge line cannot be one which apportions based on 'Criteria nature' for each target. Only apportionments which use an apportionment criteria or 'Target criteria value' may be entered.

Charges

A Financial Transaction Charge line may reference a Charge. When creating a charge, you specify whether the quantity, price and discount values are to be entered for the charge. The Charge object is like an Item or Item Revision object, except that it does not contain detailed price information and stock is not kept.

Tax transaction type is the classification of a charge for tax calculation purposes.

Financial Transaction Charges attributes related to POs

These Financial Transaction Charges attributes are related to purchase orders:

- **Debit memo number** if a credit invoice is entered against a PO for returned goods.
- **Prorate** determines if the value is prorated across all non-prorated Financial Transaction Charges on the invoice.
- **Freight** designates this as a freight charge. Freight charges can be sent to MM or PC&C.
- **Charge type** assigned to this item on the purchase order. These values are valid:
 - Blank = None
 - E = Field service expense

- F = Miscellaneous (create)
- I = Inventory
- O = Outside operation
- M = Miscellaneous (update)
- **Warehouse** associated with this item on the purchase order.
- **Purchase order** is the number that identifies the purchase order to which this is charged.
- **Manufacturing order** is the number that identifies the manufacturing order to which this is charged.
- **Operation sequence**, required if charge type is O. The operation sequence number to which this charge applies.
- **Miscellaneous charge number**, required if the charge type is M or F. The miscellaneous charge number to which this invoice is charged.
- **Prepayments** cause the expense associated with a charge line to be recognized over the periods that you specify. The first expense period cannot be a past period.

When the system posts the invoice, it generates Financial Transaction GL Amount lines (these are the IFM GL lines, not EGL Journal Entry Lines). It generated Financial Transaction GL Amounts: first, for the initial prepaid expense (which is offset by Accounts Payable), and then in each of the future amortization periods. During posting, the GL line will issue an error message if the same number of ledger periods as specified during charge entry are not found. This error could result from a particular ledger period not being a trading period. GL lines posted in IFM are sent to Enterprise GL for processing.

Creating Financial Transaction Taxes

Tax lines show how taxes were calculated for a transaction. They contain the information required to report the taxes. Tax lines can be user-entered or automatically generated by the system.

EFIN accumulates tax lines from both its own and CSM or PM transactions. Most tax calculation is automatic and is based on references at the ledger, personal account, and transaction levels. However, you can override EFIN by entering your own tax lines.

The tax lines generated from EFIN and CSM or PM transactions are used for tax compliance reporting. Reports print tax data by date or ledger period.

Tax authority and tax are required values.

Financial Transaction Tax attributes

This table shows the financial transaction tax attributes and a description of each.

Attribute	Description
Tax rate Tax amount	<p>If you have a tax rate, then the tax amount is calculated by multiplying the tax base amount and the tax rate.</p> <p>If you have a tax amount and the tax invoiced is 1=Yes, then a tax liability or receivable nature is required.</p> <p>You can also enter a tax line unit.</p>
Unit	The business unit associated with the tax.
Use tax not invoiced	<p>If Use tax not invoiced is Yes or EU tax not invoiced is Yes or the Tax invoiced is No, then the Non-invoiced tax nature and the Non-invoiced tax offset nature are required.</p> <p>You can use only one of these conditions to identify a non-invoiced tax (that is, a tax that does not affect the invoice amount):</p> <ul style="list-style-type: none"> • Use tax is Yes • EU tax not invoiced is Yes • Tax invoiced is No <p>If you have any one of these conditions, then the Include tax in settlement discount base must be No.</p>
Tax base value substituted	If the Tax base value substituted is Yes , then Entry original charge value (transaction currency) is required.
Include tax in settlement discount base	If Include tax in settlement discount base is Yes , then the settlement discount nature, write-off nature and adjustment nature are required.
Tax adjusted for settlement discount	If the Tax adjusted for settlement discount is Yes , then the Settlement discount percent or the Settlement discount value (transaction currency) is required.
Tax in price (Europe – rate applies to price excluding tax) Tax in price (Brazil – rate applies to price including tax)	<p>Tax in price (Europe – rate applies to price excluding tax) and Tax in price (Brazil – rate applies to price including tax) cannot both be Yes. If either is Yes, then the Entry original charge value (transaction currency), Tax in price calculation, Entry extended price excluding tax (transaction currency) and Entry extended price including tax (transaction currency) are required.</p>
Compound tax base multiplier Compound tax base tax authority Compound tax base tax	The Compound tax base multiplier, the Compound tax base tax authority and the Compound tax base tax must all be blank or must all contain values.

Applying taxes to transactions

Depending on your selection in the Allow tax calculation attribute on the Financial Transaction header, the taxes for a transaction can be user-entered or system-generated during transaction posting or during transaction entry.

The taxes can apply to the individual charge lines (Financial Transaction Charge Taxes) or the entire transaction (Financial Transaction Taxes). If a user enters a tax line, then the taxes cannot be system-generated.

- System-generated taxes

The system automatically generates tax information according to the tax rules you defined during transaction posting or when you use the Calculate Taxes action during transaction entry if:

- No user-entered Financial Transaction Tax lines exist
- Allow tax calculation is Yes on the Financial Transaction header

The system generates tax information in these two steps:

- The tax calculator creates Financial Transaction Charge Tax lines taxes for each Financial Transaction Charge line. (If Financial Transaction Charge Taxes already exist for a specific Financial Transaction Charge line, no additional Financial Transaction Charge Taxes are created for the Financial Transaction Charge.)
- The system summarizes the Financial Transaction Charge Taxes into Financial Transaction Taxes under certain conditions.

- User-entered taxes

- To manually enter Financial Transaction Taxes, use the Create action on a list card of Financial Transaction Taxes, or use the Create Tax action on the Financial Transaction.
- To enter a Financial Transaction Charge Tax, use the Create action on a list card of Financial Transaction Charge Taxes, or use the Create Charge Tax action on the Financial Transaction Charge.

User-entered Financial Transaction Charge Taxes are summarized into tax lines during transaction posting.

Summarizing Financial Transaction Charge Taxes

When a transaction is posted or you use the Calculate Tax action on the Financial Transaction object, the system summarizes both system-generated and user-entered Financial Transaction Charge Taxes with matching attributes and creates Financial Transaction Tax lines. All attributes must match except: Item, Order quantity, Order unit of measure, Charge and the amount attributes (the amount attributes are added together). Financial Transaction Charge Taxes that do not have matching attributes or have a tax substitution condition are not summarized and result in their own Financial Transaction Tax lines.

If Financial Transaction Tax lines already exist, transaction posting validates the tax information.

Removing taxes

Use the Remove Tax action on the Financial Transaction object to remove system-generated and user-entered Financial Transaction Charge Taxes and Financial Transaction Taxes.

Creating Financial Transaction Amount Due lines

A transaction has one Financial Transaction Amount Due line for each payment due in settlement of the transaction. A simple invoice has one Financial Transaction Amount Due representing the total amount payable or receivable. A more complex transaction, which has payment due in several installments by different methods or due dates, has one Financial Transaction Amount Due for the down payment and one Financial Transaction Amount Due for each installment. The due date for the down payment is the invoice date. The due date for the installment Financial Transaction Amount Due lines is determined by the installment method and the installment overrides. There are no required values for Financial Transaction Amount Due lines.

If the financial transaction is not posted, you can change the Financial Transaction Amount Due using the Change task. If the financial transaction is posted, you can change a subset of attributes on a Financial Transaction Amount Due using the Change Payment Settings action or Mass Change Payment Settings action. Changing a subset is particularly useful if you have settlement lines whose status is **Held**. This task enables you to change the status to allow the line to be settled either automatically or by manual allocation.

Defaults

These values are the defaults:

- Settlement method and Settlement terms default from the personal account. If the personal account does not specify a value then the default is taken from the ledger.
- Entry settlement discount base (transaction currency) is calculated by EFIN as the total of those Financial Transaction Charges on which settlement discount is allowed. This is determined by the Allow settlement discount attribute on the Financial Transaction Charge.
- Due date and Expected settlement date default from the settlement terms.
- Payment status defaults from settlement method.
- Installment payment number is the identifier of the installment to be paid.
- Entry installment interest (transaction currency) is the amount of the payment that is interest.
- Entry installment principal (transaction currency) is the amount of the payment that is the principal.

With some exceptions, EFIN applies default values during processing, not on-screen during transaction entry.

Transaction balance

A transaction is balanced when the sum of Financial Transaction Charges and Financial Transaction Taxes equals the sum of Financial Transaction Amounts Due.

Settling a Financial Transaction Amount Due

A Financial Amount Due records a debt against a personal account. If an amount is to be paid, or received, it has a balance outstanding. This balance may be reduced all at once, or in stages. When it equals zero, it is said to be settled, and the corresponding invoice is said to be closed. For information on how to settle a Financial Transaction Amount Due, see “Apply Cash Receipts To Invoices” on page 113.

Creating installment payment schedules

If you selected an installment method when entering a CSM customer order, a PM purchase order or an EFIN financial transaction, you can manually enter the installment payment schedule on the list card of Installment Schedule Lines or you can allow EFIN to calculate the schedule when you save the order or transaction.

Installment attributes

This table shows the installment attributes and a description of each.

Attribute	Description
Initial due date	Due date of the first installment. The default date is based on the date method defined for the installment method; however, you can override the date if necessary.
Down payment	Down payment for the order or transaction.
Financing	Difference between the total value and the down payment.

Manually entering Installment Schedule Lines

On the list card of Installment Schedule Lines, click on the Create icon.

Installment Schedule Line attributes

This table shows the installment schedule line attributes and a description of each.

Attribute	Description
Installment	Identifier of the installment to be paid.
Due date	Date the payment is due.
Value	Total amount of the installment payment.
Interest	Amount of the payment that is interest.
Principal	Amount of the payment that is the principal.

Taxes on installment interest

Sometimes installment interest is subject to sales tax or VAT. The tax transaction type for the installment method controls the calculation for taxes on installment interest. You can override this information when entering installment data for the order or transaction. EFIN treats the tax on the interest as being due on the same date as the down payment. It prints the installment interest tax as a separate line on the invoice, using the interest charge type from the installment method. You can see the tax on the installment interest on the Installment Totals card.

Accounting for installment transactions

The amount of an installment sale is recorded in the accounts receivable control account and includes both interest and principal. Since the interest is not yet earned, the interest portion of the installment amount is credited to an accounts receivable contra account. The principal amount is recorded as a sale.

Example of accounting for installment payments for sales

	A/R Control	A/R Contra	Sales
Sale	110		
Payment		10	
			100

	Interest Income	Cash
Payment		110
	10	

Note: When you report your accounts receivable balances, you should net the accounts receivable control and contra amounts to determine the receivable balance.

Creating Financial Transaction Cash lines

A Financial Transaction Cash line is entered for a Financial Transaction in a cash ledger.

Default values

The default attribute values include:

- **Settlement method** defaults from the cash book.
- **Bank transaction type** defaults from the settlement method.
- **Unit** defaults from the originating unit.
- **Nature** defaults from the unallocated cash nature on the ledger. However, if the cash line is flagged for posting as bank charges, the nature defaults from the bank charges nature on the ledger.

With some exceptions, EFIN applies default values during processing, not on-screen during transaction entry.

Note: You may enter values in the cash book currency or financial division currency in addition to transaction currency. If you do not, these values are calculated from the transaction currency values when the transaction is posted.

Financial Transaction Cash Lines attributes

This table shows the financial transaction cash attributes and a description of each.

Attribute	Description
Entry value (transaction currency)	This attribute is required. This attribute shows the value of the financial transaction cash line, expressed in the transaction currency.
Deposit reference	A reference number for the deposit you entered.
Drawing reference	The bank drawing reference number.
Issued check	The check number of an issued check on a cash payment to a vendor entity.
Received check	The check number of a received check on a cash receipt from a customer entry.
Settlement method	A settlement method is a means of paying a debt. Settlement methods include cash, check, electronic funds transfer, credit card, etc.
Bank transaction type	Classifies a cash transaction from the viewpoint of the bank. Used mainly for electronic funds transfer.
Unit	Business unit used to post the cash value to the IFM GL.

Attribute	Description
Nature	Nature used to post the cash value to the IFM GL.

Creating Financial Transaction Approval lines

A Financial Transaction Approval line requests someone's approval of a transaction, and documents whether approval has been granted. Payable invoices, receivable credit notes and cash payments typically require approval, but any transaction may have Financial Transaction Approval lines.

To approve a transaction, the approving user must be authorized to the CAS security task "Approve Financial Transactions (IFMTXN APPROVE)".

To approve a transaction on behalf of another user, the user must be authorized to the CAS security task "Maintain Approver (FIELDS APPROVER)".

It is possible to approve the transaction you are entering yourself, provided that you have the required authorization. It could be the case, for example, that the transaction requires your approval as well as the approval of one or two colleagues, in which case it would make sense to grant your own approval at the time you enter the transaction.

The **Approved by** and **Request date** attributes are required.

Default values

The default attribute values include:

- Request date defaults to today's date
- Approval status defaults to 0 = Not yet reviewed

Review Approval Lines

Use the Financial Transaction Approvals object to review and respond to approval requests.

The transaction cannot be posted until you respond to the request and approve the transaction. An approval line is used in these ways:

- Entered on a transaction to request the approval of a user
- Created by the note method for a note transaction to request an approval for a note sent to a customer. When the customer returns the signed note, the note transaction can be approved and posted.
- A Financial Transaction Approval can also be for 'information only'. In this case, no user action is required for the transaction to be posted.

For information on approval lines for purchase order related invoices, see "Three-way match: comparing invoices to purchase orders and receipts" on page 158.

Using this option

Use subsets on the Financial Transaction Approvals object to select approvals to review.

From the Financial Transaction Approvals object, you can:

- Display the financial transaction
- Approve and reject a transaction
- Specify a comment to provide the reason for an approval status, for example, the reason you rejected a transaction
- Post the financial transaction

Approving or rejecting a transaction

To approve a transaction:

Select the financial transaction approval line and run the Approve action.

To reject a transaction:

Select the financial transaction approval lines and run the Reject action.

Displaying the financial transaction

Select the financial transaction approval line and select the menu action **Display > Transaction options > Financial Transaction details**.

Posting the financial transaction

Select the financial transaction approval line and select the menu action **Maintain > Transaction options > Post**.

Copying and reversing transactions

Actions on the Financial Transaction object allow you to copy and reverse transactions. These actions are useful for performing these tasks:

- Reversing the effect of a transaction you have posted by mistake
- Creating a copy of transaction that you want to repeat in a similar form. This task is an alternative to using repeating transactions.

To copy a transaction:

- 1 Select the financial transaction and click **Maintain > Copy**, or click the **Copy** button on the toolbar.
- 2 Select the line types to copy.
- 3 Choose whether to reverse the sign of values.

To reverse a transaction, select the financial transaction and click **Maintain > Reverse**, or click the **Reverse** button the toolbar.

User fields

You can use the user-fields that are available on the Financial Transaction object to set and maintain user-defined values on the header and lines.

Using VAT rounding

With the rounding function, you can select to half-adjust or round-up when calculating the tax amount. A user exit was created for this purpose. If you use half-adjust, then rounding works as it does currently. If you use round up, the tax will be rounded up.

Example:

1546.7890101 would round up to 1547

1546.1234001 would round up to 1547

1546.0000000 would not round up, it would be 1546

Short Invoice Entry

Use the Short Invoice template on the Financial Transaction's Create prompt to enter simple invoices and credit memos without using the Financial Transaction's card file.

Short invoice entry simplifies transaction entry by taking advantage of default values.

Attributes

This table shows the short invoice entry attributes and a description of each.

Attribute	Description
Financial division	The financial division within which the transaction was originated.

Attribute	Description
Transaction type	This must have ledger type AR or AP, and be of a payable or receivable type.
Entity	Entity associated with the transaction.
Document date	Typically, the invoice date; also used as the date of supply. This attribute determines the exchange rate used for the transaction.
Charge	Charge for a Financial Transaction Charge line. The value of this attribute will be defaulted from the personal account, if a default charge code exists for that account. You can override the default.
Charge value	If you enter a Charge value, EFIN creates one Financial Transaction Charge line with this value.
Tax value	If you enter a tax value, EFIN creates one Financial Transaction Tax line with this value.

Short Cash Entry

On the Financial Transaction object, run the Create task. On the create prompt, use a create template to enter a simple cash transaction without using the Financial Transaction card file.

Create template	Purpose
Cash Payment	Create a cash payment with a single cash line
Allocate Cash Payment	Create a cash payment with a single cash line. Automatically allocate it to invoices in order by due date.
Allocate Cash Payment (Transaction Number)	Create a cash payment with a single cash line. Automatically allocate it to the invoice that is identified by the transaction number.
Cash Receipt	Create a cash receipt with a single cash line
Allocate Cash Receipt	Create a cash receipt with a single cash line. Automatically allocate it to invoices in order by due date.
Allocate Cash Receipt (Customer Invoice)	Create a cash receipt with a single cash line. Automatically allocate it to the invoice corresponding to the customer invoice.
Allocate Cash Receipt (Packing List)	Create a cash receipt with a single cash line. Automatically allocate it to the invoice that corresponds to the customer invoice.
Allocate Cash Receipt (Transaction Number)	Create a cash receipt with a single cash line. Automatically allocate it to the invoice that is identified by the transaction number.

Short cash entry can be used for cash payments and receipts, and allows you to allocate cash to invoices automatically.

Short cash entry simplifies transaction entry by making full use of default values from the cash ledger, and other objects in the system.

Attributes

This table shows the short cash entry attributes and a description of each.

Attribute	Description
Transaction type	This must have the ledger type 'Cash'.
Allocate	Use this attribute to automatically allocate the cash value to invoices based on the entity ID and invoice due date.
Allocate to transaction number	Use this attribute to automatically allocate the cash value to the invoice that has this transaction number.
Allocate to customer invoice	Use this attribute to automatically allocate the cash to the receivable transaction that corresponds to this customer invoice.
Allocate to packing list	Use this attribute to automatically allocate the cash to the receivable transaction that corresponds to this CSM packing list.
Entity	The allocate-from entity.
Cash value	Enter the value of the cash receipt/payment.

Apply Cash Receipts To Invoices

This table shows card files in the Financial Transaction object that you can use to allocate cash to invoices.

Card file	Tab	List section
Cash Receipt	General	Allocations, Not Posted
Cash Receipt Advanced	General	Allocations, Not Posted
Cash Payment	General	Allocation, Not Posted
Cash Payment Advanced	General	Allocations, Not Posted

Allocation is the process of reducing outstanding balances, as represented by unsettled Financial Transaction Amount Due lines, by matching them to the available funds (such as cash or credit notes) or offsetting them against Financial Transaction Amount Due lines of the opposite sign.

You can use these EFIN methods for performing allocation:

- Financial Transaction – Create templates.
- Financial Transaction – Allocate action.

- Financial Transaction – Actions on any of the list sections identified in the table. These list sections are on the Transaction Allocations From list card.
 - Allocate
 - Change
 - Quick Change
 - Mass Allocate

In addition, the Payment List object creates allocations to those payable amount due lines which it settles.

Which transactions are involved in allocation?

Allocation involves these three types of financial transactions:

- Receivable/payable transactions having an outstanding settlement balance, such as invoice which has not yet been paid
- Cash transactions having an outstanding allocation balance, which represents cash received or paid in settlement of debts
- Receivable/payable transactions having an outstanding credit balance, such as a credit note

What is an allocation line?

Allocation lines associate an amount due line with the cash transaction or credit note which settles it. Allocation lines can associate any two transactions involving the same entity, provided that one has an allocation balance and one has an outstanding settlement balance. One transaction can be allocated to any number of amount due lines on any number of transactions, and one amount due line can be offset by any number of allocation lines from any number of transactions.

Financial Transaction – Allocate action

Use this option to automatically allocate a cash transaction to amount due lines based on the allocate-from entity and the invoice due dates. This option will also offset invoices and credit memos based on the allocate-from entity.

Transaction Allocations From list card

On a cash transaction or credit transaction, this card shows the unsettled amount due lines from invoices which pertain to the allocate-from entity.

- To allocate to one of these amount due lines, select a record and click **Allocate**. The application will automatically calculate the cash allocation values and the discount value.
- To allocate to multiple amount due lines, select the records and click **Mass Allocate**.
- To manually enter the allocation values, select a record and click **Change** or **Quick Change**.
- To clear the allocated values, select a record and click **Clear Allocations**.

EFIN allows you to enter invoice adjustments in the form of write-offs, corrections and debit notes. Adjustments can be made for either positive or negative amounts. To enter adjustments, select a record and click on the Change or Quick Change action.

Clear balance with currency exchange gain/loss

This option only applies to cross-currency allocations, that is, amount due lines that are in a different currency to the cash being allocated. It enables you to clear the settlement balance of a transaction even though, according to the current exchange rate, the allocated value is not sufficient.

For example, suppose that, having allocated a cross-currency amount due line, a small settlement balance remains. Setting Clear balance with currency exchange gain/loss to Yes will clear the remaining balance and create an allocation line of type 4 'Gain or loss on exchange' to account for the change in exchange rate.

The system only allows this option if the implied exchange rate is within the current exchange rate limits. These are taken from the exchange rate set of the cash transaction whose value is being allocated.

To use this option, select a record and click **Change**.

Allocating from one entity to another

If the cash/credit transaction is for an entity defined as an allocation entity, the list of eligible invoices will include those for the entities that the allocation entity is configured to allocate to. Some allocation entities can allocate to any other entity, and some can only allocate to specified member entities.

Posting allocation lines

If the cash/credit transaction is not posted, the allocation lines will be posted when you run the Post action on the cash/credit financial transaction.

If the cash transaction was posted before you added allocation lines, the allocation lines will be posted when you run the action Post Allocations and Adjustments on the cash financial transaction.

Deleting a transaction

If you delete a transaction, its transaction lines are also deleted. If you delete an individual transaction line, only that line is deleted.

Use CAS security to control whether a user is allowed to delete Financial Transactions.

Transaction Batches

Use the Financial Transaction Batch object to define and manage financial transactions as a group, or batch, rather than individually. Use batches to enforce separation of duties.

To create a batch of transactions, you first create a record for the Financial Transaction Batch itself. This record may include a number of control values such as the total number and value of transactions in the batch. You can then add transactions to the batch. One batch may contain transactions of any type in any ledger.

When you process a batch that enforces control totals, EFIN first checks that the control values match the actual values of the transactions entered. The batch is processed as a whole – those transactions that pass validation are posted; if any fail, the batch assumes a status of `Error`. You must correct any failed batch transactions before they can be posted.

From the list window of Financial Transaction Batches, these actions are available:

- Create
- Change
- Quick Change
- Delete
- Create Financial Transaction (in the selected batch)
- Change Control Totals
- Validate
- Post
- Hold
- Release
- Allocate

Creating a Financial Transaction Batch

To create a batch:

Click **Create** on the Financial Transaction Batches list window.

From the overview card, you can add financial transactions and financial transaction lines using these actions:

- Create Financial Transaction
- Create Cash (line)
- Create Charge (line)
- Create Tax (line)
- Create Amount Due (line)
- Create Approval (line)
- Calculate Tax

Control and actual values

If the batch enforces control totals, it may only be processed if the control values you enter on the batch match the actual values calculated by the system. The actual values are calculated from the corresponding attributes on the transaction headers of all the transactions entered in the batch.

The total values are `hash' totals. This means that they are calculated regardless of the currency in which they are expressed. For example, the hash total of €130, £5.56 and \$75.00 is 210.56 (130 + 5.56 + 75).

Attributes

This table shows the short cash entry attributes and a description of each.

Attribute	Description
Charge and tax value	This is the total of manually-entered charge and tax lines (it does not include any tax lines which may be generated automatically during validation).
Cash value	This is the total of manually-entered cash lines in the batch.
Amount due value	This is the total of manually-entered amount due lines.
General ledger value	This is the total of manually-entered general ledger debits. It does not include credits since the credits and debits must total zero.
Transaction count	This attribute gives the number of transactions in the batch. The Transaction count control total and the Transaction count must be equal before you can process the batch.
Hold	If this is set to 1 `Yes', then the batch cannot be processed.

Change Control Totals

To change control totals after a batch is created, use the Change Control Totals action. A user may be authorized to change a batch, but not authorized to change the control totals on a batch.

Processing batches

To process a batch, use the Post action.

If the batch enforces control totals, EFIN checks that your control values match the actual values. If they do not match, you must either change the transactions you entered or, if you are authorized, the control totals. If they match, each transaction is processed in turn. Even if one transaction fails validation, others in the same batch are still posted. If any transaction is in `Error', then the batch is in `Error'.

Listing batch transactions

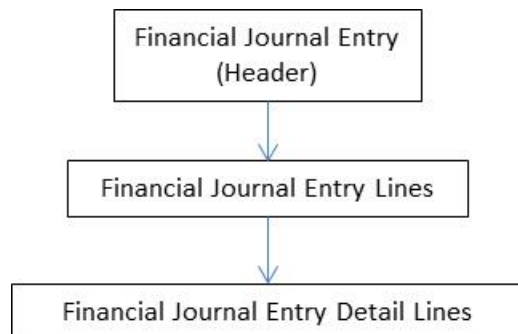
To view a list of transactions in a batch, select the batch and click Display > Transactions.

Working with installments

Installments for batch transactions work the same way as installments for regular transactions.

Financial Journal Entries

The Financial Journal Entries object contains general ledger transactions.



The elements of a financial journal entry include:

- Line: Identifies the GL account string and the total debit or credit value in transaction currency and book currency
- Detail line: Identifies the individual debit or credit values that are totaled up on the corresponding line

In the Financial Journal Entries object you can perform entry and maintenance tasks for general ledger transactions in Enterprise GL.

Manual Journal Entries can be created directly in EGL using one of these:

- Create task on the Financial Journal Entry list window
- Create task on the Financial Event list window

The Create task on the Financial Journal Entry object will use the Manual journal entry event class specified on the Ledger.

The Create task on the Financial Event object allows the user to select the Event Class.

EGL Journal Upload

The Journal Upload application accepts journal entry data from Microsoft Excel®. It is useful when you need to create a manual journal that contains a large volume of journal lines.

EGL Journal Upload uses System-Link to create the journals.

Using EGL Journal Upload, journals are created in an Unposted status and can be subsequently reviewed and posted from the Financial Events object.

EGL Journal Upload Columns

The Microsoft Excel® worksheet includes these columns:

- **Line Number** cannot exceed seven digits.
- **Segments 1-14** are for valid segment values in the segments that are used by your chart of accounts. All segment values must have been previously created in the Account Segment Values object.
- **Debit Transaction** and **Credit Transaction** amounts may be populated with positive or negative amounts. All amounts may have up to 13 whole number digits and 2 decimals. The negative sign must be on the left side of the number.
- **Debit Book and Credit Book amounts** are required for all journals. The book amount should match the transaction amount if the journal is in the same currency as the book currency. If the book currency is different from the transaction currency, then the book amounts should be manually calculated and entered into these attributes.

These attributes can also be populated with positive or negative amounts. All amounts can have up to 13 whole number digits and 2 decimals. The negative sign must be on the left-side of the number.

- **Statistic** may be populated with positive or negative numbers. The numbers can include up to 10 whole number digits and 5 decimals. The negative sign must be on the left-side of the number.

Chapter 5 Financial Transaction Processing

5

The four main stages to the entry and processing of transactions include:

- Entry
- Validation
- Posting
- Printing

Depending on the requirements of your organization, you may use one or more of these stages.

Transaction validation

The system performs most transaction validations during a separate validation process that includes these tasks:

- Checks the values you have entered
- Retrieves all default values
- Creates any additional default transaction lines

If a transaction fails validation, then the system produces a list of errors and warnings. You can ignore the warnings but not the errors.

Transaction posting

A transaction must pass validation before it can be posted. Once posted, it becomes part of the financial record and you can make only limited changes. For example, you can copy or reverse a posted transaction.

Transactions are always validated prior to posting, even if they have previously passed validation. This is to account for any changes which may have occurred since the transaction was previously validated.

You can use the overview cards on the Financial Transaction object to view any errors that prevented a transaction from being posted.

Here is a summary of the stages involved when EFIN validates and posts a transaction. The system does the following:

- Supplies all possible appropriate defaults.
- Validates every attribute.
- Validates every line.
- Checks for consistency across attributes. For example, it does not allow a charge line to include both a unit or nature and an apportionment.
- Determines which automatic lines, if any, it should supply. For example, if you have entered a charge line which has tax applied to it at line level, the system generates the corresponding tax line.
- For PO related invoices, compares invoice, purchase order, and receipt data (called the three-way match) to determine if any discrepancies exist that exceed user-defined tolerances. See “Working with Purchasing details” (defaults for processing PO related invoices).
- Performs the required security checks.
- Updates the ledgers with the transaction values.
- Sends the transaction to EGL to create a journal entry and update the Ledger Book Balance Summary.

Identifying transactions in error

If a transaction contains errors which cause it to fail validation and posting, EFIN automatically generates a summary of these errors. By referring to the overview card, you can see exactly where and why the errors arose, and correct them.

To view the transactions containing errors, display the overview card on the Financial Transaction object.

Errors in EGL

A transaction may post successfully in AR/AP/Cash and the IFM GL, but not in EGL. If the transaction did not post in EGL that may be because the EGL event could not be created, or because the EGL journal entry could not be posted.

If the EGL event could not be created, then view the errors in the overview card on the Financial Transaction object.

If the EGL event was created but EGL journal entry could not be posted, then view the errors by running the Post action on the Financial Event object.

Transaction printing

Many transactions have a formatted document such as an invoice, credit note or remittance associated with them. These documents are printed automatically when the transaction is posted.

A document type specifies the format and layout of the printed document. Each transaction type specifies the document type to be used for its transactions (if there is no document type specified, no document is printed).

EFIN processes all financial transactions that originate in EFIN and the interfacing XA applications. This processing updates the balances in the cash ledgers, receivable ledgers, and payable ledgers.

EFIN processes the transactions without user intervention by performing these processes:

- Uses header information that applies to an entire transaction and line information that applies to a specific part of a transaction
- Edits, validates, and posts the transactions and updates the appropriate ledgers

There is a single routine for processing sales tax and VAT in CSM, PM and EFIN. When you enter a transaction in one of these applications, the tax routine calculates taxes based on the tax condition that applies to the transaction. For example, governmental sales are usually not taxed; therefore, if your customer is the government, you do not charge tax.

You can do some of these functions when using the XA tax routine:

- Calculate taxes in country-specific formats
- Use tax inquiries to see the details of tax calculations
- Vary tax on items based on how they are treated

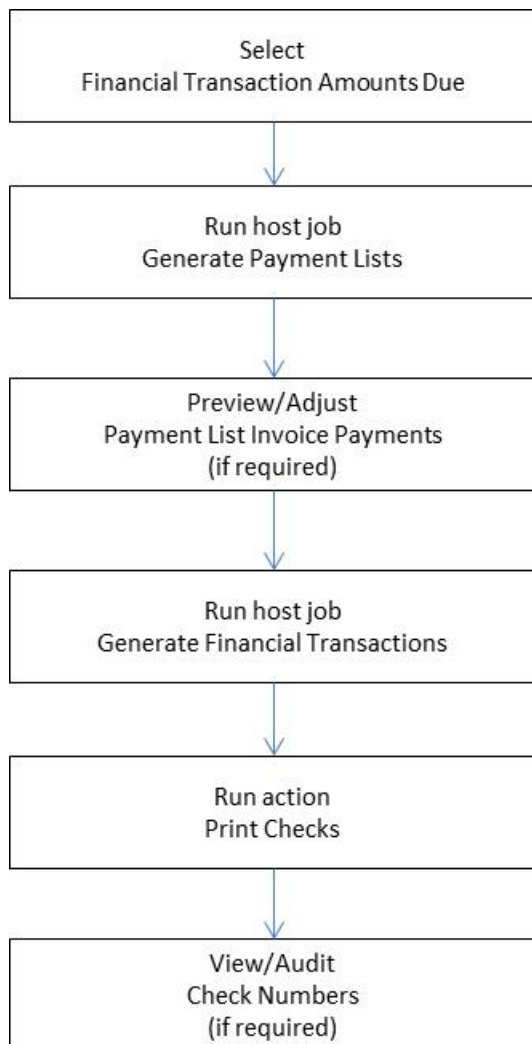
Typically, a posted transaction cannot be changed; however, it can be copied or reversed. In some limited exception cases a posted transaction can be change after it is posted. For example:

- The entity can be changed on a posted cash transaction
- Cash corrections and cash adjustments can be added to a posted cash transaction
- Payment settings can be changed on a posted invoice amount due
- Posted cash transactions can be allocated

Payment Lists

Use this object to automatically generate payments and issue checks for selected payable invoices.

This diagram shows the stages of the automatic generation of payments.



First, on the list window of Financial Transaction Amounts Due, select the invoice lines to be paid and then run the host job Generate Payment Lists. If all the selected lines have the same settlement method, the application will create a single payment list. If the selected lines include multiple different settlement methods, the application will create a separate payment list for each settlement method.

The payment details, which can be reviewed in the Payment List card file, show the value of each payment, the total value of all the payments, and all the amount due lines. As you review payments, you can:

- Cancel or confirm individual payments
- Cancel or hold the entire payments list
- Override the value which EFIN has calculated for individual payments
- Add invoice lines to the payment list

Note: A rounding difference may exist if the payment currency is not the same as the cash ledger currency.

When you are satisfied with the contents of the payment list, you can generate the payment transactions using the host job Generate Financial Transactions and then print the checks or generate the electronic funds transfer records using the action Print Checks.

Generic payment files

When EFIN generates payment transactions (when you select the Print Checks action), it creates the generic payment files used to create the payment document or payment file in the appropriate format. In most cases, the EFIN financial transaction cash records need to be updated with the check numbers and other references. If a user-provided program is used to do this it must use System-Link to update the Financial Transaction Cash lines.

Notes:

- When you set up Document Type, you must set Document Use = 4 and Payment Function=UAWN XFR, UAWOXFR, UAWPXFR, or UAWQXFR.
- When you set up the settlement method, you must create a Remittance Document Type and a Check/note Document Type. Check/note Document Type should match Document Type from note 1, above.
- When you set up an entity, you must use the settlement method created in note 2 for the Personal Account.

A generic payment file has three types of information:

- Information about the total payment to an entity. For example, the entity name and address, entity bank account and the note amount.
- Information about individual invoices settled by the payment. For example, the invoice number, invoice date, gross payment amount, cash discount and net payment amount.
- Bank instructions associated with the payment.

Payment Lists object

The list window on the Payment List object shows you all the payment lists which have been created to date. From here, you can:

- Change payment lists
- Hold or cancel payment lists
- Review payment list details
- View payment list totals
- Review payments and invoice payments
- Generate transactions
- Print checks and remittances
- Redirect (split) payment lists based on payment amounts, postal codes, and so forth.

Creating payment lists

To create a payment list:

On the list window of Financial Transaction Amounts Due, select the invoice lines to be paid and then run the **Generate Payment Lists** host job. If all the selected lines have the same settlement method, a single payment list is created. If the selected lines include multiple different settlement methods, a separate payment list for each settlement method is created.

Attributes

This table shows the payment list attributes and a description of each.

Attribute	Description
Payment list	The identifier is automatically assigned by EFIN.
Status	<p>Current stage of list processing, automatically updated by the system.</p> <ul style="list-style-type: none"> • 2 = Payments generated: For a list with a 2 status, you can review the payments and their associated invoice payments before generating transactions. • 3 = Transactions generated: For a list with a 3 status, you can view, but not change, the payments in the list. The next stage is to generate the associated checks or electronic funds transfer payments, after which the list status changes to Printed or Complete. • 4 = Printed: Payments have been generated for one or more settlement methods which require a check number audit to be performed. In this case, the payment list is only complete when all the checks have been accounted for.

Attribute	Description
	<ul style="list-style-type: none"> 5 = Complete: Once the payment list has been fully processed its status changes to 5.
Held	You can hold a payment list if the status is Payments generated or Transactions generated. While it is `Held' it cannot be processed any further. Normally you would only hold a payment list temporarily, for example, to prevent transactions from being generated until all the invoice payments have been reviewed.
Cancelled	You can only cancel a payment list with a status of Payments generated. A cancelled list cannot be processed any further. When you cancel a payment list the application automatically cancels all of its payments and removes the financial transaction amounts due from the payment list.
Discount date	This attribute determines how much settlement discount is to be taken on each selected financial transaction amount due. This is normally the same as the settlement date. However, you may enter an earlier date to claim extra discounts. The default is today's date.
Payment/check date	Enter the date which you want as the posting date of all generated transactions. In the case of check payments this will also be the date that is printed on the checks.
Include amounts due without discounts	This display-only attribute shows whether a payment list contains payments without discounts.
Cash book	This is the cash ledger that represents the bank account from which the payments is drawn. It also determines the default transaction type for payments, the currency in which payments are made, and the minimum and maximum amounts for which auto-payments are normally made.
Settlement method	The settlement method determines the medium by which payments are made (check, electronic funds transfer or UK BACS) and whether a check audit is required. The settlement method is specified on the selected Financial Transaction Amounts Due.
Payment list currency	Currency in which the payments will be made.
Exchange rate set	The system requires an exchange rate set to calculate payment values in the payment list currency.
Exchange rate	This is the exchange rate used to convert values in payment list currency to financial division currency.

Attribute	Description
Exchange rate operation	<p>Shows whether the exchange rate used to convert from the payment list currency to the financial division currency.</p> <p>Possible values are:</p> <ul style="list-style-type: none"> • 1 = Multiplier. Payment list currency value times rate equals financial division currency value • 2 = Divider. Payment list currency value divided by the rate equals financial division currency value.

Notes:

- No entry is allowed in Exchange rate or Exchange rate operation if payment list currency is the same as the financial division currency.
- A Financial Transaction Amount Due line is eligible for payment if it:
 - Is posted and has a settlement balance outstanding
 - Has Allow payment set to Yes and Allow automatic payment set to Yes
 - Is not in use by another payment list or by the manual allocations facility
- Payments records are created with a Payee name and an Entity name.
- The Payee name is taken from the Financial Transaction to be paid. If it is blank on the Financial Transaction, the Payee name from the Entity is used instead.
- The Entity name attribute is always the Entity name from the Entity object.

Aggregated payments

If an entity has more than one personal account in a payment list, the payments for the accounts may be aggregated. Each personal account specifies if it is eligible to be aggregated.

Using File > Status diagnostics

When you run the **Generate Payment Lists** host job, if any Financial Transaction Amounts Due could not be included in a payment list, then diagnostic messages will be included in Status diagnostics. To view these messages, select the **File > Status** menu option.

Changing payment list payments

Each payment represents a payment to an entity, with the amount to be paid derived from one or more Financial Transaction Amount Due lines. As soon as a financial transaction amount due is included in a payment list, it is locked so that it cannot be paid twice. The lock also excludes manual allocation.

To change a Payment, select the payments, and then click **Change**.

Payment attributes

This table shows the payment attributes and a description of each.

Attribute	Description
Status	<p>Each payment has a status of 1 `Confirmed', 2 `Held', 3 `Cancelled' or 4 `Printed'. When payments are first generated, they are given a value of `Confirmed' or `Held' depending on the default specified when the payment list was generated. The transactions for a payment list cannot be generated while any of its details are in `Held' status. You must decide whether to confirm or cancel the payment. `Confirmed' means that the payment is made. `Cancelled' means that the payment is not made and the associated financial transaction amounts due are removed from the payment list.</p> <p>If a payment is generated that is outside the minimum or maximum specified by the ledger, the payment is held (even if the default status is `Confirmed'). You must select the Payment and run the 'Confirm' action or the 'Cancel' action.</p>
Narrative	<p>For each payment, you can enter up to 40 characters of text to be included in the narrative for the associated transaction.</p>
Payment sequence	<p>The payment sequence determines the order in which checks are printed. Normally, you would only use this attribute to ensure that a specific check is printed first in a print run.</p>

Payment Bank Instructions

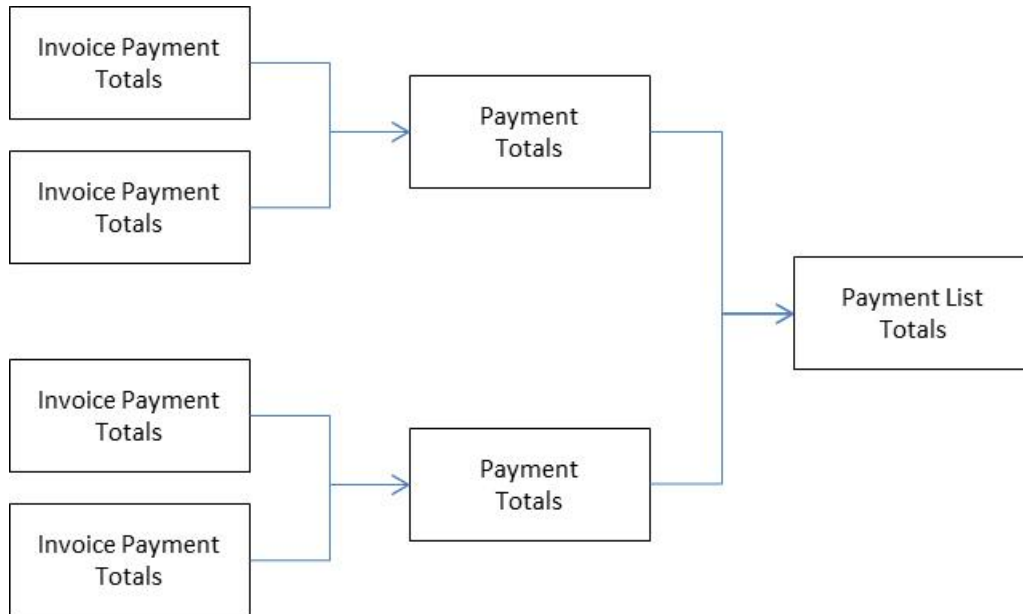
Under limited circumstances, you may need to use bank instructions in a payment list. For example, if you electronically send collection information to a bank, there may be requirements to include messages with the transmittal.

To select bank instructions for a Payment, select the Payment and then run the Add Bank Instruction task.

Viewing payment list totals

To view totals after generating a payment list use the Default card file on the Payment List object.

Derivation of payment list totals



Attributes

This table shows the attributes and a description of each.

Object	Attribute	Description
Invoice Payment	Calculated Value	The system-calculated value of the invoice payment.
Invoice Payment	Value	This defaults to the calculated value when the payment list is generated. The user may change this value. If the user changes this value, then the application will automatically change the corresponding values on the Payment and Payment List.
Payment	Calculated value	The total of the Calculated values of all invoice payments included in this payment.
Payment	Actual value	Before payment transactions are generated this is the total of the Value of all invoice payments included in this payment. After payment transactions are generated this is the value paid.

Object	Attribute	Description
Payment	Value	<p>This is a user-specified value, but it is defaulted to the Calculated value when the payment list is generated. If the user changes this value the application will automatically change the corresponding values on the Payment List.</p> <p>If the user reduces the Value it may not be sufficient to settle all of the financial transaction amounts due, so when payment transactions are generated the system will pay each financial transaction amount due in order, paying each its Actual value until this is no longer possible. this may result in one partially paid amount due line and any number of unpaid amount due lines.</p>
Payment List	Total calculated value	The total of the Calculated values of all invoice payments included in this payment list.
Payment List	Total override value	The total of the Values of all payments included in this payment list.
Payment List	Total actual value	The total of the Actual values of all payments included in this payment list.
Ledger (Cash Ledger)	Payment sequence	With this attribute, you can sequence payments of check printing by Entity number (1), Payee name (2), or Entity name (3) in automatic payment processing.
Ledger (Cash Ledger)	Payment Group	<p>Use this attribute to sequence checks by groups, such as Entity number (1) or Payee name (2), in automatic payment processing.</p> <p>See “Creating cash ledgers” on page 38 for additional information on selecting and grouping combinations for check printing.</p>

Changing payment lists

If you decide that you do not want to include a particular Invoice Payment in a Payment, you can select the Invoice Payment, and then run the Change Payment List task or the Mass Change Payment List task to set the Invoice Payment’s financial division to blank and its payment to zero.

If you decide that you do not want to include a particular Payment in a Payment List, you can select the Payment and then run the Change Payment List task or the Mass Change Payment List task, to set the Payment’s financial division to blank and its payment to zero.

After reviewing the Payments and finding that none of them are held, you can generate and post transactions.

Note: Generating and posting the transactions is the point of no return. Payment list transactions will be generated and posted. Make sure you have reviewed the Payments, as described in the previous section, before you continue.

To generate and post transactions, select the payment list, and then run the Generate Financial Transactions host job.

The transactions are generated as a batch and the batch ID is an attribute on the payment list.

Printing checks and remittances

Once the transactions are generated, you can print the remittances and checks. The document types on the settlement method determine the content and layout of the checks and remittances. You should create your own document types to suit your organization's stationery and checks. If the settlement method does not specify a document type for remittances, no remittances are printed.

To print checks and remittances:

Select the Payment List and run the Print action.

When the printing is complete, the status of the payment list changes to either 'printed' or 'complete', depending on whether the settlement method requires a check number audit.

Reprinting remittances

You have the option of reprinting the remittances for the whole payment list. This may be useful if there was a problem with the printer or if a payee has requested a duplicate copy of the remittance.

Reprinting all the remittances for a payment list.

Select the Payment List and run the Reprint Remittances action.

The Reprint text attribute specifies some text to be printed on the reprinted remittance. For example, you could print 'DUPLICATE' on each remittance. The value of this attribute defaults from the settlement method.

Confirming a check run

Some settlement methods stipulate that a check audit must be conducted before payment processing is considered complete. If you have a payment list that type of settlement method, the list status of printed checks '4' (Printed) instead of '5' (Complete). This is the only situation which gives a list status of '4'.

To confirm the check run:

From the list window of Issued Checks (the Check Number object), use the Payment list subset to find the checks in this payment list. Select each check and use the Change action or the Mass Change action to set the audit status of each check.

Entering payment redirection or splitting options

You can split a status 2 (Payments generated) payment list into separate lists containing a subset of entities or invoices with certain characteristics. For example, invoices over or under a specified amount.

To split a single payment or invoice payment from a payment list, select the payment or invoice payment and then run the action Generate Payment List.

To split multiple payments or multiple invoice payments from a payment list, select the payments or invoice payments and then run the action Mass Generate Payment List.

Audit Check Numbers

Use the Check Numbers object to record what has happened to one or more checks – whether they were issued, spoiled or lost. This facility can be used for both hand-written checks and for checks generated by EFIN's automatic payments system.

In a typical organization, the check audit facility would be in the normal check control process. The department responsible for controlling checks issues to the computer operations department enough continuous check stationery for a specific check run. Following the check run, operations return every check to the controlling department. The controlling department then updates the check audit file, creating one record for each check in the run of check numbers.

For example, if checks 000201 to 000204 were used to align the stationery, and checks 000205 to 000244 were printed, the first four check number records would indicate that checks 000201 to 000204 were spoiled and the subsequent check number records would indicate that checks 000205 to 000244 were issued.

On the Check Number object, you can:

- Create a check number
- Change the audit status for one or more check numbers

1099-MISC Tax Accumulation and Reporting

Use these objects to work with 1099-MISC tax accumulations:

- Personal Account object – Calculate 1099 Totals host job
- Entity object
 - Calculate 1099 Totals host job
 - Print 1099 MISC Form host print
- Financial Division object
 - Calculate 1099 Totals host job

- Export 1099 MISC File host job
- Print 1099 MISC Form host print
- Financial Transaction Charge object – Change Charge ID task

Understanding the option

1099 tax classifications are typically such items as rent, royalties, prizes and awards and others regarded as miscellaneous income by the US Internal Revenue Service.

1099 tax accumulation for the current year is automatically carried out during transaction processing, and is always therefore complete for the year to date. This is true even if you reverse or copy transactions - the system updates the 1099 tax accumulation accordingly.

The 1099 tax identifier for a personal account is displayed and maintained on the Taxes card. To view or maintain the 1099 tax identifier the user must be authorized to these IFM Field Level Security tasks in CAS:

- Display Tax Identifiers
- Maintain Tax Identifiers

1099 tax accumulation tasks include:

- Run an accumulation
- Display and maintain 1099 box values
- Export 1099 tax accumulation data
- Print 1099 documents

Running an accumulation

1 To run an accumulation, do one of these:

- Select one or more Personal Accounts from the Personal Accounts list window
- Select one or more Entities from the Entities list window
- Select one or more Financial Divisions from the Financial Divisions list window

2 Specify the calendar year to accumulate, and then run the Calculate 1099 Totals host job.

The system runs the tax accumulation and updates the 1099 MISC object with the results.

When you run an accumulation, the accumulated value of all charge lines is calculated for the chosen records that:

- Have a 1099 tax class
- Are in a personal account that has a 1099 tax identifier

Displaying and maintaining 1099 box values

You can view 1099 box accumulation totals in the Default card file on the 1099 MISC object, or by selecting a 1099 MISC object and using the 1099 MISC Box Totals option on the Display menu.

To view the Financial Transaction Charges included in a 1099 MISC Box Total, select the 1099 MISC Box Total and use the 1099 Transaction Charges option on the Display menu.

If a Financial Transaction Charge was incorrectly included in the 1099 MISC Box Total, select the Financial Transaction Charge and use the Change Charge ID option on the Maintain menu.

Clearing the accumulations

Although this is not essential, it is a good housekeeping practice to clear the accumulations if you no longer have need of the data. To clear the accumulations, select the 1099 MISC Totals record(s) and use the Delete option on the Maintain menu.

Generating 1099 documents

You can print or export 1099-MISC forms data in accordance with United States Internal Revenue Service guidelines.

To print, use the **Print 1099 MISC Form** host print on the Entities object or the Financial Division object.

To export, use the Export 1099 MISC File host job on the Financial Division object.

If you print using with 'Final print' set to **Yes**, the 1099 totals can only be subsequently changed by a user authorized to the security task "Calculate 1099 Totals After Final Print".

If you export, you must choose whether to generate the file as a test file or a live file.

Attributes

This table shows the 1099-MISC tax accumulation attributes and a description of each.

Attribute	Description
Test file	<ul style="list-style-type: none">0=Not: If you choose this value, the IRS will process the file as 'live' data. If you export with 'Test file' set to No, the 1099 totals can only be subsequently changed by a user authorized to the security task "Calculate 1099 Totals After Final Print".1=Yes: If you choose this value, the IRS will regard the file as a test file and report the validity of the contents back to you.

Attribute	Description
Transmitter control code	This attribute displays the control code assigned to you by the IRS. You must have this code before you can begin electronic filing.
Transmitter	You must submit information about the company generating and transmitting the 1099 file; this includes company name, mailing address, city, state, zip code, contact name, and contact phone number.
Payer	You must submit information about the payer; this includes name, shipping address, city, state, and zip code.

Tax Withholding

The Tax withholding attribute in the Finance application settings controls whether EFIN withholds taxes using a simple 'Single method' (used for US tax withholding), or using 'Multiple methods' (used for Latin American tax withholding).

On a financial transaction, the information necessary for calculation withholding can be defaulted from attributes on the ledgers, personal accounts, entities, and charges.

The Payment List function can then calculate withholding taxes and update the payment list to reflect the calculations.

Multiple Method Withholding

Multiple method withholding supports three types of withholding tax calculations:

- A value-added tax (VAT) amount
- A fixed rate of the payment amount
- A graduated tax rate, which takes previous payments and withholdings into consideration

The withholding function also:

- Reduces the vendor invoice by the amount of the withholding and creates invoices for payments to the third party
- Credits the vendor's accounts payable balance
- Pays the taxing authority with the required supporting documentation

IDF level 1 contains options for creating and maintaining the necessary withholding tax tables for the multiple methods withholding tax function

You can update personal accounts to use a valid withholding method for your transactions. If an entity is subject to withholding, EFIN refers to the withholding method on the entity's personal account.

When the environment is configured for 'Multiple methods' withholding, you can update charges to use a valid Tax withholding code for your transactions. The IFM 'Subject to withholding ID' is the 'Tax withholding code' in EFIN. The Subject to withholding ID can be defined on the Charge. The Tax withholding code can be set on the 'Financial Transaction Charge' object.

On a financial transaction, you can override the withholding method that defaulted from the personal account. Likewise, on a financial transaction charge you can override the tax withholding code IDs that defaulted from the charge.

When the environment is configured for 'Multiple methods' withholding, withholding amounts are not calculated when the invoice is posted. Instead, they are calculated when the payment transaction is posted. The application creates separate withholding invoices for each supplier/withholding calculation type.

EFIN analyzes the invoices selected for payment by entity and withholding method. The different withholding calculations that are performed depend on the withholding calculation type that applies to the withholding method sequence. Separate withholding invoices will be created for each supplier/withholding calculation type.

Updating personal accounts

The Personal Account object allows you to specify a default withholding method for your transactions.

Generating payments

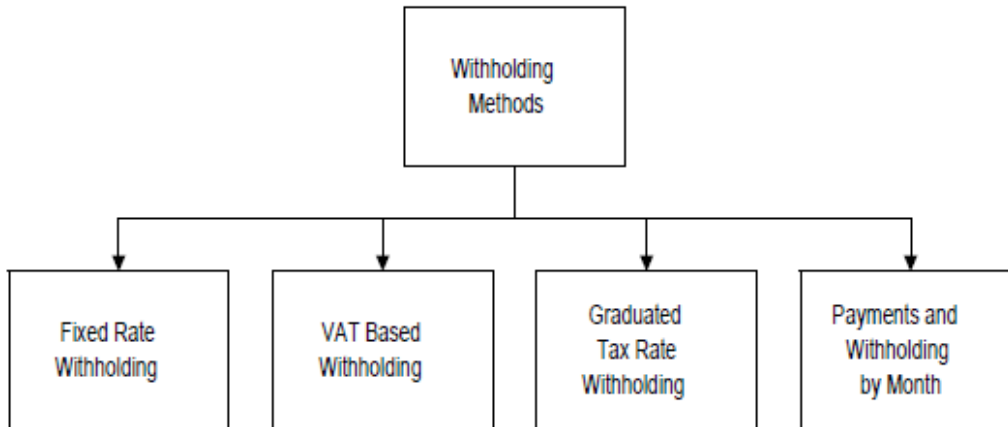
The first step in calculating Latin American withholding is making sure that the Tax withholding is set to Multiple methods in the Finance application settings.

When taxes apply, the EFIN payment list object calculates withholding taxes before it generates financial transactions to record payments. This process happens in three stages:

- 1 Withholding tax calculations. The system scans the invoices on the payment list.
- 2 Generate withholding invoices. The system generates withholding invoices to record the liabilities for the tax withheld to the vendor's invoices.
- 3 Update payment list. EFIN updates payment list amounts to reflect the amounts withheld.

EFIN analyzes the invoices selected for payment by entity and withholding method. The different withholding calculations that are performed depend on the withholding calculation type that applies to the withholding method sequence.

This diagram shows withholding tables for multiple-method withholding calculations.



Withholding calculation type = VAT (1)

If Withholding calculation type = VAT (1), then the calculation is performed for each vendor's invoice. The first calculation is always for that withholding type. The base amount is the sum of the VAT tax amounts on the invoice's tax line records. This calculation ignores the Tax withholding codes.

If the sum of the tax amounts is less than the minimum amount to trigger the tax calculations, the amount withheld is zero. If the sum of the tax amounts is not less than the minimum amount to trigger the tax calculation, EFIN multiplies the base amount by the tax rate to get the tentative withholding amount.

If the minimum withholding amount is greater than zero, then EFIN compares the tentative withholding amount to the minimum amount. If it is greater than or equal to the minimum withholding amount, then the withholding amount is the tentative withholding amount. Otherwise, the withholding amount is zero.

If the forced withholding amount is greater than zero, then EFIN compares the tentative withholding amount to the forced withholding amount. If it is greater than or equal to the forced withholding amount, then the withholding amount is the tentative withholding amount. Otherwise, the withholding amount is the forced withholding amount.

Note: This condition applies only if the forced withholding amount is less or equal to the base amount; otherwise the withholding amount is zero.

Then, EFIN sums the calculated withholding amount to a cumulative VAT withholding amount for the payment. After all the invoices are processed, the system compares the cumulative VAT withholding amount for the payment. If the cumulative VAT withholding amount is greater than the payment amount, the system sets the VAT withholding amount to zero.

Withholding calculation type = Fixed Rate (2)

If Withholding calculation type = Fixed Rate (2), then the calculation is performed at the payment level. The base amount is the sum of the entity invoices less VAT and cash discounts. If the base amount is less than the minimum amount to trigger the tax calculation, the amount withheld is zero. If the base amount is not less than the minimum amount to trigger the tax calculation, the system multiplies the base amount by the tax rate to get the tentative withholding amount.

If the minimum withholding amount is greater than zero, then EFIN compares the tentative withholding amount to the minimum withholding amount. If it is greater than or equal to the minimum withholding amount, then the withholding amount is the tentative withholding amount; otherwise, the withholding amount is zero.

If the forced withholding amount is greater than zero, then EFIN compares the tentative withholding amount to the forced withholding amount. If it is greater than or equal to the forced withholding amount, then the withholding amount is the tentative withholding amount; otherwise, the withholding amount is the forced withholding amount.

When the withholding amounts are greater than the payment amount:

- 1: If the withholding sequence is performed, the VAT is calculated first, followed by the fixed rate calculation. EFIN compares the sum of the VAT withholding amount and the fixed rate withholding amount to the payment amount. If this sum is greater than the payment amount, EFIN sets the fixed rate withholding amount to zero.
- 2: If the withholding sequence is performed, the VAT is calculated first, followed by the graduated tax and fixed rate calculations. EFIN compares the sum of the VAT withholding amount and the graduated withholding amount. If this sum is greater than the payment amount, EFIN sets the fixed rate withholding amount to zero.

Withholding calculation type = Graduated rate (3)

If Withholding calculation type = Graduated rate (3), then this calculation type is performed at the payment level. The base amount is the sum of the entity invoices' charge line by Tax withholding code.

For each Tax withholding code, the base amount by Tax withholding code is the charge line amounts minus the cash discounts plus the cumulative payment amount of previous payments during the month.

Line amounts are reduced for settlement discounts. EFIN calculates the settlement discount by using the settlement terms code on the Financial Transaction Amount Due line to determine which settlement terms apply. Then, the system calculates graduated withholding tax using the Graduated Tax tables. EFIN reduces the calculated withholding tax by the tax previously withheld during the month.

If the minimum withholding amount is greater than zero, then EFIN compares the tentative withholding amount to the minimum withholding amount. If it is greater than or equal to the minimum withholding amount, then the withholding amount is the tentative withholding; otherwise, the withholding amount is zero.

If the forced withholding amount is greater than zero, then EFIN compares the tentative withholding amount to the forced withholding amount. If it is greater than or equal to the forced withholding amount, then the withholding amount is the forced withholding amount.

The charge line amounts minus the cash discounts and the withholding amounts are added to the Cumulative Graduated Tax table.

When the withholding amount is greater than payment amount:

- 1: If the withholding sequence is performed, the VAT is calculated first, followed by the graduated tax calculation. The system compares the sum of the VAT withholding amount and the graduated tax withholding amount to the payment amount. If this sum is greater than the payment amount, EFIN sets the graduated tax withholding amount to zero. Otherwise, EFIN adds the graduated withholding amount to the cumulative tax withheld. This tax is added in the Cumulative Graduated Tax table.
- 2: If the withholding sequence is performed, the VAT is calculated first, followed by the fixed rate and graduated tax calculations.

The system compares the sum of the VAT withholding amount, fixed rate withholding amount, and graduated withholding amount. If this sum is greater than the payment amount, EFIN sets the graduated tax withholding amount to zero. Otherwise, EFIN adds the graduated withholding amount to the cumulative tax withheld. This tax is added in the Cumulative Graduated Tax table.

Generating withholding invoices

Separate withholding invoices are created for each vendor and their withholding calculation type.

Data that is necessary to create a withholding invoice is kept in a Pseudo Invoice and Pseudo Invoice Data file. If the records do not exist when you create the withholding invoice, then no withholdings will be calculated, and no withholding invoices will be created. You will get a message that the payments do not include the corresponding withholdings.

Withholding invoices are generated in batch mode. When the batch is already processed, all withholding invoices must be posted successfully before the next step. Use the Financial Transaction object to correct withholding invoices that are not posting before proceeding.

The invoice payment amounts on the payment list are adjusted to reflect the amounts withheld. The amounts of these adjustments should be the same as the allocation lines on the withholding invoice transaction.

The withholding invoice transaction consists of these lines:

- Transaction header. Data comes from the Pseudo Invoice Data file. If the Pseudo Invoice file has a non-blank transaction number, the system assigns that number to the transaction and increments it by one.
- Financial Transaction Charge line:
 - VAT withholding: one charge line per invoice. Narrative = payment list ID and underlying invoice number.
 - Fixed rate withholding: one charge line per payment. Narrative = payment list ID.
 - Graduated rate: one charge line per subject to withholding code. Narrative = payment list ID and tax withholding code.
- Financial Transaction Allocation line. The sum of the allocation lines cannot exceed the Financial Transaction Amount Due line's value. First, allocation lines for VAT withholding are created and allocated to the appropriate invoices. Since fixed and graduated withholding tax calculations are done at the payment level, there is no way to allocate them directly to invoices, so a first-in and first-out basis is used.

In this example, suppose that we have a payment for 10,000. The VAT withholding amount is 1,000. The fixed rate withholding amount is 2,000. The graduated withholding amount is 3,000. The withholding amounts would then be allocated to invoices like this:

Invoice	Gross	VAT	Fixed	Graduated	Net
1	1,000	100	900		0
2	2,000	200	1,100	700	0
3	3,000	300		2,300	400
4	4,000	400			3,600
Total	10,000	1,000	2,000	3,000	4,000

- Settlement line. If the Pseudo Invoice Settlement file has settlement terms or settlement method data, a Financial Transaction Amount Due line is created.
- IFM Financial Transaction GL Amount lines. Accounts payable control account from the invoice's ledger is used to debit accounts payable for the amounts allocated to the invoice. Use the accounts payable control account from the ledger in the withholding tax calculation for recording the tax liability to the government.

Updating payment list

The system updates payment list amounts to reflect the amounts withheld.

Chapter 7 Other Accounts Receivable Features

7

Generate statements

Use the Statement host print on the Personal Account object to generate and print a statement of transactions for one or more personal accounts.

Each personal account statement includes this information:

- Your name and address at the top, as specified by the entity corresponding to your financial division's unit.
- The date the statement was produced and the identifiers of the entity and ledger to which it relates.
- The name and address of the entity which owns the personal account.
- Optionally, details of all settled transactions between a specified range of dates.
- Optionally, details of all unsettled, or part-settled transactions between a specified range of dates.
- Details of any unallocated cash for the entity.
- An aged analysis formatted according to the aging structure specified by the ledger or by the Aging structure attribute on the host report prompt. If no aging structure is specified for statements, then the aged analysis will be taken from the ledger.

The format and layout of the statement is determined by the document type specified by the ledger. If the document type specifies program YAWZPFR the statement will be printed in a basic format. If the document type specifies program AXSDSX2R the statement will be printed in an extended format. Monetary values are formatted according to the value format for statements specified by the administrative division system data.

Selection and grouping of settled vs. unsettled lines is based on current status, not 'as of date xx/xx/xx'. The attribute, Total Balance Outstanding, is from the entity's current Ledger Balance record, not the net of activity between specified date ranges.

Generate Finance Charge Transactions

Use the Finance Charges view on the Financial Transaction Amounts Due object to display the calculated finance charges.

Use the Generate Finance Charges host job on the Financial Transaction Amounts Due object to recalculate finance charges and optionally, to generate finance charge invoice transactions.

A finance charge is a charge applied to an overdue account as a penalty for failing to pay within the agreed time. Finance charges are applied in accordance with the 'Settlement terms' specified on each Financial Transaction Amount Due.

When you run this menu option, the system checks through the selected Financial Transaction Amount Due lines and calculates the finance charge values, the total finance charges, the value of the finance charges already invoiced and the value of the finance charges remaining to be invoiced. If you chose to generate the finance charge transactions, the system creates finance charge invoice transactions for the finance charge values remaining to be invoiced.

Late Payment Interest Billing

Use the Calculate Late Payment Interest host job on the Financial Transaction Amount Due object to calculate the late payment interest and optionally generate invoices for the late payment interest values.

For each selected Financial Transaction Amount Due, this host job compares payment dates to invoice due dates. If the payment is late, it calculates and records the interest using the rules for the invoice settlement terms.

Aged Balances

On the Personal Account object, use the **Age Balances (Analysis)** host job or the **Age Balances (Statement)** host job to re-age the balances for the selected personal accounts and optionally print reports or statements.

This table shows the objects where aged balance totals are available for inquiry.

Object	Aged total
Personal Account Aging Structure Aged Balance	Aged balance total across all aging periods from the last time invoices and credit memos in this personal account were aged using the specified aging structure

Object	Aged total
Personal Account Aging Period Balance	Aged balance total for the specified aging period for all invoices and credit memos in this personal account
Transaction Aging Period Balance	Aged balance total for the specified aging period for this invoice or credit memo transaction
Transaction Aged Balance	Aged balance total across all aging periods for this invoice or credit memo transaction
Amount Due Aging Period Balance	Aged balance total for the specified aging period for this financial transaction amount due

The aged balance report

The format of the aged balance report is determined by the aging structure that you specify for each ledger or by the aging structure that you specify on the host jobs. The aging structure determines how many columns there are in the aged balance report and the period covered by each column. For example, an aged balance report could categorize debts depending on whether they are 30, 60 or 90 or more days old. The report also displays entity totals and ledger totals for each period, along with their respective unallocated cash values.

On the Personal Accounts list window, you can select personal accounts to print or to print an aging report by using Ctrl + Shift or by applying a subset to the list. You can then perform one of these tasks:

- **Age:** To age, use the Host Jobs option on the File menu. On each host job, you have the option to print an aged balance report after each personal account is aged.
- **Print an aging report:** To print an aging report, use the Host Print option on the File menu.
If you choose to re-age balances, the system will recalculate the end dates of the aging periods and re-categorizes all the outstanding financial transaction amount due lines.
- **Print aged balances reports:** If you choose to print an aged balance report, you have the option of whether to print details. If you print details, the report will include details of all the transactions that contribute to the aged balance of each entity. This can show, for example, if the payables and receivables have been offset in calculating the aged balance. Without details, the report gives the total aged balance for each entity and the breakdown into the different aging periods. The total of any unallocated cash associated with each entity is also given.

Update Collection Status host job

Use the **Update Collection Status** host job on the Personal Accounts object to request the system to check through the personal accounts in one or more payable/receivable ledgers and, for those

accounts which are overdue, to assign a collection status appropriate to the age and size of the debt concerned.

On the Personal Account list window, you can view the collection status in the Receivables view. You can view the collection status history in a list card in a Personal Account card file.

The collection status history card is included in these shipped card files.

- AR Balances
- AR Balances (MCS)
- AP Balances
- AP Balances (MCS)

Collection is the process of identifying and following up overdue receivables. A personal account assumes a collection status when it has an overdue balance of a certain age and size. This collection status usually indicates the appropriate action to be taken to collect the debt, ranging from 'Make a telephone call' and 'Send polite letter' to 'Take legal action'.

Each payable/receivable ledger has an aging structure which specifies which collection statuses to apply according to specified criteria.

A collection status is assigned according to the criteria of the aging period in which the account's oldest debt falls. Each aging period has a threshold value so that, for example, you can assign a less severe status to a £10.00 debt than a £10,000 debt. You can also use the threshold value so that the system will ignore a six-month old debt of £10.00 and assign the status according to the debt in an earlier aging period.

Clear In-transit Cash Items

On the Financial Transaction Cash object, there are host jobs to move cash in transit to cleared or cleared cash back to in transit.

EFIN supports two-step cash accounting. When you receive or issue a payment, EFIN sets the In transit status to 2=In transit on the Financial Transaction Cash line. When the payment clears the bank, you clear the payment, that is, update the In transit status to 3=Cleared.

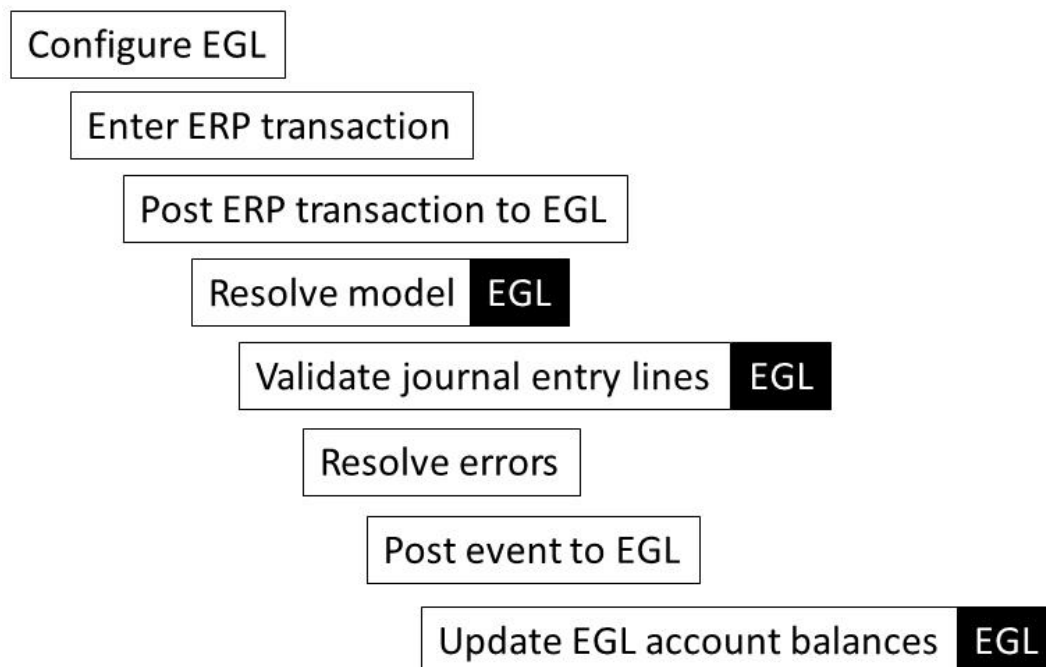
On the Financial Transaction Cash object, you can select one or more lines and then run the **Move In Transit to Cleared** host job to update the in-transit status to **Cleared**; or you can run the **Move Cleared to In Transit** host job to update the in-transit status to **In-transit**.

Chapter 9 ERP Subsystem Transaction Processing

9

When EFIN is installed, it affects functions in CSM, MM, PC&C, PR, PM, REP, and the fixed assets portion of F/A. In some cases, a function works with EFIN as soon as EFIN is installed. In other cases, the function works with EFIN when IFM is installed and interfacing and EGL is interfacing. Installed and interfacing means that you must answer Y (Yes) to a question in the IFM questionnaire and activate the interface in CAS. For more information, see the IFM questionnaire in Planning and Installing XA. In addition, the interfaces from the XA applications to EGL can must be active in the Enterprise General Ledger application settings.

This diagram illustrates how EGL processes a transaction from XA.



- 1 Complete Infor XA and EGL configuration. This process is a one-time set up procedure completed prior to posting any transactions.
- 2 Input the Infor XA transaction. Post it to EGL. Infor XA assigns a reason code. EGL uses the reason code and the subsystem even rule to identify correct even class.
- 3 Model resolution is the process of converting even classes and models into actual events and journal entries. EGL uses macros to identify which ERP objects and attributes are used to build account strings in each journal entry.

- 4 EGL checks the journal lines for accuracy. This step is equivalent to running the Post Event action on the Financial Event object.
- 5 If no errors are found, EGL posts the financial journal entry.
- 6 EGL performs Summarization, a process of summarizing two or more like journal lines within a journal into one journal line based on matching accounts. You select this option during Segment Setup at the Natural Account level or during Ledger setup at the Journal Source level.
- 7 On the Event Class, if you selected the Approve journals before posting attribute, journal entries must be approved before posting. If you do not select this option, posting to account balances occurs automatically.

ERP Transaction Processing in EGL

EGL allows you to create specific models for processing individual transactions from Infor XA subsystems, such as Finance, Customer Service Management, Materials Management, Production Management and so on, without modifying these Infor XA applications.

Your implementation may also include a method for transferring your third-party transactions into EGL using System-Link or the External GL Transactions object.

Three Key Principles

ERP transaction processing follows these three key principles:

- 1 Financial Events are business transactions that need to be recorded in EGL.
- 2 Financial Macros retrieve data from the ERP application so that the data can be included in EGL financial journal entries. The values retrieved may be account segment values, debit/credit values, or other information.
- 3 Financial Models are journal entry templates, and are reusable across multiple events.

These key principles are the foundation of the integration between EGL and Infor XA applications. They allow you to determine what information should be recorded in EGL, and provide basis for creation of journals from ERP transactions.

Financial Event object

Each time you create an event, EGL links the resulting journals by an event number. You can also use the Events object to maintain, approve, post, and void these events.

Terminology

This table shows the financial event terms and a description of each.

Term	Description
Approve Events	This provides maintenance, verification and correction of journal entries before posting.
Create Events	This is the creation of new events and journals entries using pre-defined event classes and models.
Journal Entry	This is an accounting transaction recorded in a particular ledger or book combination for a specific date. Journal entries are created using models that resolve to transaction-specific account string and amounts.
Change Events	This provides maintenance and correction of invalid entries and resolution of wild cards before posting.
Subsystem	This refers to Infor XA programs that can send transactions to EGL to be processed into journal entries.
Void Events	This is the process of voiding all journal entries created by an event. Once posted, an event can be voided.

This is the process of voiding all journal entries created by an event. Once posted, an event can be voided.

Third-party application entries	Retained earnings
Subsystem events	Allocations
Manual adjustments	Consolidations
Audit adjustments	Translations
Recurring/Standing entries	

Event maintenance includes:

- Creating events
- Posting events
- Changing events to correct journal entries containing information that did not pass validation
- Optional verification or approval of entries where verification is required before posting
- Posting of future period reversing journal entries for current period posting

Error Processing

There are two types of errors that may occur during EGL processing: critical and non-critical. Critical errors are errors that prohibit journal entry creation due to missing parameter definition within the EGL application. There is not enough valid information to create a journal entry of any sort. Critical errors include missing accounting periods, missing ledgers, or missing event determination. Non-critical errors allow the creation of journal entries that cannot be posted due to invalid data within the journal entry. Non-critical errors include out-of-balance conditions, invalid periods, or invalid account segments. Depending on your configuration, journals with non-critical errors may or may not be created.

For non-critical errors, the system checks the Allow journals in error attribute at the event level, creates journals, but does not post them to the EGL account balances. You must use the Change action on the Financial Journal Entry Lines object to correct errors before the journal can be posted. If Allow journals in error is set to No, the system does not create journals. Any time an EGL error occurs, an error message is attached to the source ERP transaction.

Implementation Considerations for Error Processing

Global

If you enter a transaction into the subsystem that meets all subsystem validations, the transaction posts to the subsystem regardless of whether journal entries are created. Out-of-balance conditions occur between the subsystem and EGL when you do not activate the Allow journals in error attribute, but errors occur which prevent journal creation. To minimize this occurrence, Infor strongly recommends that you activate the Allow journals in error attribute for all event classes.

Financial Transactions

If EGL errors occur during Financial Transaction posting in XA and EGL journal entries are not created, the transaction in error is posted to XA but not to EGL. The EGL error messages are attached to the Financial Transaction. To correct out-of-balance conditions, you must remove the conditions causing the error and re-submit the Financial Transaction to EGL using the Generate Finance GL Journal Entries host job.

Inventory GL Transactions

If EGL errors occur during Inventory GL Transaction posting in XA and EGL journal entries are not created, the transaction in error is posted to XA but not to EGL. The EGL error messages are attached to the Financial Transaction. To correct out-of-balance conditions, you must remove the conditions causing the error and re-submit the Inventory GL Transaction to EGL using the Generate Inventory GL Journal Entries host job.

Sales GL Transactions

If EGL errors occur during Sales GL Transaction posting in XA and EGL journal entries are not created, the transaction in error is posted to XA but not to EGL. The EGL error messages are attached to the Financial Transaction. To correct out-of-balance conditions, you must remove the conditions causing the error and re-submit the Sales GL Transaction to EGL using the Generate Sales GL Journal Entries host job.

Production GL Transactions

If EGL errors occur during Production GL Transaction posting in XA and EGL journal entries are not created, the transaction in error is posted to XA but not to EGL. The EGL error messages are attached to the Financial Transaction. To correct out-of-balance conditions, you must remove the conditions causing the error and re-submit the Production GL Transaction to EGL using the Generate Production GL Journal Entries host job.

How EGL builds Journal Entries

When you post ERP transaction to EGL, EGL processing runs in the sequence described in this list.

- Subsystem
- Subsystem Event Rule
- Event Class, Event Class Rule
- Financial Model, Financial Model Line
- Financial Macros, Financial Macro Aliases

Subsystem

- Reason code, company or financial division or warehouse, and transactional data
- Exchange rates:
 - Transaction date selects exchange rate from the Exchange Rate object
 - Override exchange rate switch in ledger book allows for subsystem (user) override

Subsystem Event Rule

- Program, reason code and, optionally, company or financial division or warehouse retrieves an event based on either Macroable Events or Default Event
 - Macroable events return attribute value from the subsystem's object that is configured by the Macro record
 - If the Macroable event attribute is blank, or if the value that was macroed from the subsystem is not a valid event class, then the Default event class is selected
- If Bypass journal entry is on for a reason code combination, then no journals are produced

Event Class

- An event class has an Allow Journal Entry in error flag.
 - Journal entries are created in EGL when Allow Journals in Error is checked on. These journal entries included out of balance entries or entries with invalid segments.
 - No journal entries are created when Allow Journals in Error is checked off.

- Approve journals before posting flag allows the entry to post directly to the ledger when not selected or place it under Events for approval when this option is selected. This assumes the entry is not in error.
- Each event class can have one or more event class rules based on ledger, book, and model combinations.
- Journal grouping attribute for each Event Class Rule combines entries under one journal number without compromising individual details.

Event, ledger, book, journal posting date, journal source, transaction currency, and exchange rate must match to be combined under one journal header.

- Post only on currency match attribute for each Event Class Rule allows an event class rule to be bypassed if this option is selected and the transaction currency does not match the book currency.

Financial model

- Static values, macros, and alias macros determine segments, amounts statistics, reference, analysis, and notes.
- Journal source:
 - Summarizing combines all matching journal lines
 - All lines summarized if journal source summarization is selected
 - Natural Account Segment will summarize if journal source is off and Natural Account Segment summarization check box has been selected
- Reversing entries are established at the model level
- Each model line can have a gain or loss calculation
- Model lines will not be written if amounts and statistics are zero unless the Write zero amount attribute is selected

Financial Macros and Financial Macro Aliases

- Selects data from subsystem objects (Financial Macro)
- Translates retrieved codes to detail segments (Financial Macro Alias)

Customer Service Management and EFIN

When EFIN is installed and interfacing, IFM and CSM have a two-way interface:

- CSM sends receivable and tax data for invoices and credit memos, and optionally, cost of sales to EFIN.
- EFIN sends credit limits, amounts owed, cash discount amounts, and due dates to CSM.
- EFIN does credit checking during order entry and shipment to determine how much a customer owes. EFIN returns the amount owed.

- EFIN calculates CSM invoice due dates and amounts owed. CSM uses this information for the invoices it sends to customers and on its customer order user interface.

CSM customers and EFIN entities

When you create a customer in the CSM application, you have the option to automatically create the EFIN entity and personal account at the same time. When you maintain the customer in CSM, the data is automatically synchronized with the EFIN entity, and vice-versa.

One EFIN entity may be linked to multiple different CSM customers. When you create a customer in the CSM application, you have the option to link it to an existing EFIN entity.

Notes:

- Company and financial division refer to the same type of business unit; EFIN uses the term financial division and CSM uses the term company. Be sure the companies in CSM correspond to the financial divisions in EFIN. For example, CSM company 1 is EFIN financial division 01.
- An application setting in CSM controls how customer numbers are assigned. If the application setting “Derive customer from entity and ledger” is **Yes**, the customer number is the entity ID concatenated with the ledger suffix. If the application setting is **No**, the customer number does not have to match the entity ID and ledger suffix.

Each time CSM issues an invoice or credit memo, it automatically sends a transaction to EFIN. The transaction contains Financial Transaction Amount Due lines for accounts receivable and tax lines for tax reporting. EFIN validates, expands, and immediately attempts to post the transaction to the appropriate ledger without user intervention.

CSM uses the customer’s default receivables ledger for each transaction. This can be overridden. You can assign account segment values based on the ledger for the transaction so the control account for the ledger’s accounts receivable agrees with the Financial Transaction Amounts Due in each ledger.

Entering invoice defaults

CSM creates one transaction header for each invoice or credit memo. Establish header defaults for each financial division. If necessary, you can override these defaults when you invoice an order shipment or enter immediate shipment orders.

When both revenue and cost of sales transactions are interfacing to EFIN, you need to create one set of header defaults for the revenue transaction and one for the cost of sales transaction. The revenue transaction is in the transaction (trading) currency and the cost of sales transaction is in the XA local currency. CSM creates a G/L transaction for cost of sales, if required.

To integrate CSM with EFIN, you must set up general ledger interface (GLI) rules and rule priorities in the COM application. You must activate the interface between CSM and IFM using Cross Application Support. See the Activate/Deactivate Interfaces option in the “Maintenance/Change”

chapter of the *Infor XA — Cross Application Support User's Guide*. In addition, you must configure the Subsystem, Financial Event Classes and Financial Models to generated Financial Journal Entries from the Sales GL Transactions object, and set the Customer service interface activation date in the EGL application settings.

Differences between CSM and the other GLI applications

The interface between CSM and EFIN is more extensive than the other GLI applications.

- When CSM interfaces with EFIN, each transaction contains Financial Transaction Amounts Due lines for accounts receivable and Financial Transaction Tax lines for tax reporting.
- In addition to answering Y to the IFM questionnaire question about passing ledger transactions, you must answer Y to the IFM to CSM interface question.

Converting transactions to ledger entries

CSM invoices and cost of sales transactions are sent to EFIN immediately when the customer invoice is created. If the transactions could not be processed into EFIN, they will be stored in the Sales GL Transactions object. From that object, you can use the host job Generate Sales GL Journal Entries to view error messages and to resend the transaction to EFIN.

Procurement Management and EFIN

When IFM is installed and interfacing, PM and EFIN have a two-way interface:

- PM provides EFIN with purchase order and receiving data from which EFIN can generate suggested invoices.
- EFIN updates PM with tax records and invoice data.

Based on the charge type, EFIN passes cost adjustments to MM and miscellaneous charges and outside operations to PC&C.

When you create a PM vendor it will remain suspended until it is linked to a pay-to entity.

A PM vendor may be a buy-from vendor and/or a pay-to assignee vendor. Each buy-from vendor may specify itself as its own assignee vendor or another vendor as its assignee vendor. Each assignee vendor is linked to an entity. Thus, each buy-from vendor is linked to a pay-to entity via its pay-to assignee vendor.

You can create the Vendor first or the Entity first. You can link a vendor to an entity using the Payment Settings Compound card in the Default (IFM) card file on the Vendors object. Or, you can link vendors to an entity using the Vendors Compound card in the Default card file on the Entities object.

To reset the vendor invoice statistics each year, use the host job 'Reset Invoice Statistics' on the Vendor object. The system will update each selected Vendor to set the last year amount to the year-to-date amount and reset the year-to-date amount to zero.

The integration of EFIN and PM affects these PM functions:

- Object maintenance
- Purchase order processing
- Payables processing (invoicing)

Object maintenance

When EFIN is installed, you enter data in the following PM objects in the EFIN format. This allows PM to take advantage of the EFIN purchase order processing and invoicing support.

- Vendor object contains detailed information about each vendor
- Buyer object contains the IFM approver - the IFM user ID of the person who handles discrepancies between invoice, purchase order, and inventory receipt data
- Vendor Item object contains units, natures, and EFIN charges that can be referenced by purchase orders
- Free on Board (FOB) object contains units, natures, and charges that are referenced by purchase order freight charges

In addition, you can enter the default natures for items on the Item or Item Revision objects that can be referenced by requisitions or purchase orders.

Purchase order processing

When PM is installed and interfacing, PM purchase order maintenance allows you to do the following:

- Buy from a vendor in multiple currencies. You can enter any valid currency ID during PO entry if the vendor's pay-to entity has a personal account in a ledger of that currency.
- Specify expense distribution during PO entry by entering an EFIN apportionment.
- Default the charge, unit, and nature from the Requisition or the Vendor Item.
- Assign an originating unit in the PO header that is the default unit for the line items.
- Assign an EFIN approver (IFM user ID) to handle discrepancies between invoice, purchase order, and inventory receipt data.
- Specify if taxes are to be calculated.
- Specify an installment payment schedule to be used on the PO invoice(s).

Payables processing (invoicing)

Purchase Order invoicing is done using either the Pending Financial Transaction object (Purchases and Receipts not Invoiced) or the Financial Transaction object. The processing of PO-related invoices has the following characteristics:

- MM continues to update PM with receipt information at either the PO item or PO item release level.
- You enter invoice details manually or have EFIN automatically generate suggested invoices based on purchase and receipt information.
- EFIN performs a three-way match, comparing invoice, purchase order, and inventory receipt data.
- EFIN updates the PO with actual information and triggers the interface to MM and PC&C.
- EFIN has a self-invoicing function that creates an invoice based on receipts that have not been invoiced by the vendor. This can be used to support "pay on receipt" agreements with suppliers where the receipt of goods triggers payment without an invoice document being sent.
- It is possible to have a PO in one currency and the payable invoice in another.

Matching invoice to PO or GRN

For PO-related invoices, you can manually match invoice line items to MM inventory receipts by using the Financial Transaction Charge object, or you can have EFIN automatically do the match during transaction processing.

Automatic generation of suggested invoice

You can tell EFIN to automatically generate suggested invoices from PO/GRN and receipt data.

Three-way match: comparing invoices to purchase orders and receipts

When processing a PO/GRN-related invoice, EFIN compares the invoice, purchase order, GRN number, and receipt data to determine if any discrepancies exist that exceed user-defined tolerances. If discrepancies exist, EFIN generates narrative text that describes the discrepancy and an approval line that directs the transaction to the buyer or the approver designated on the PO.

On the Financial Transaction object, use an overview card to review the narrative text that EFIN creates if it finds a discrepancy when processing a PO-related invoice (during the three-way match):

A 3-way match discrepancy can be resolved in one of several ways:

- EFIN approver authorizes the discrepancy and allows the invoice to be posted.

- Buyer or receiving party changes the purchase order or receipt data to remove the discrepancy. Then any user can process (edit) the invoice again. If it passes the edit, EFIN posts the invoice.
- User agrees that the invoice is not correct and does one of the following:
 - Returns the invoice to the vendor and cancels it in EFIN
 - Processes the invoice without change and enters a debit memo against the vendor
 - Changes the invoice data in EFIN to reflect the correct quantities and amounts

Creating PO/GRN-related invoices

PO/GRN invoices can be manually created from the Financial Transaction object or generated automatically from the Purchases and Receipts not Invoiced (the Pending Financial Transaction object).

To manually create a PO/GRN invoice from the Financial Transaction object:

- 1 From the list window of Financial Transactions, click the Create action on the Maintain menu or the toolbar.
- 2 On the create prompt for the Financial Transaction, use the Invoice template or a similar template with Preview before create set to Yes.
- 3 On the Financial Transaction, use the P.O. Invoice card file or a similar card file.
- 4 On the Financial Transaction, Click the Create button on the list card of Financial Transaction Charges.
- 5 On the create prompt for the Financial Transaction Charge, use the Purchase Order template or a similar template. Set Preview before create to Yes if you want to manually match the Financial Transaction Charge to an Inventory Transaction.
- 6 On the Financial Transaction Charge, use the AP card file or a similar card file.
 - a Use the Inventory Matches card to manually match the Financial Transaction Charge to one or more Inventory Transactions.
 - b Use the Purchase Order card to override the Purchase order item invoice status if you do not want to use the default value from the ledger. Allowed values are Started, Complete or Calculated. When set to Calculated, the application will compare the invoiced quantity to the purchase order item quantity to determine whether the invoice status should be set to started or complete.

To generate a PO invoice from one Purchase Order Item/Release:

- 1 From the list window of Pending Financial Transactions, select the Pending Financial Transactions for this Purchase Order Item/Release. This is the Pending Financial Transaction with Type = Purchase order.
- 2 From the Maintain menu or the toolbar, click on the Generate P.O. Invoice action. Use the Default template, the Purchase Order template or a similar template.

To generate PO invoice(s) from multiple Purchase Order Item/Releases:

- 1 From the list window of Pending Financial Transactions, select the Pending Financial Transactions for the Purchase Order Item/Releases. These are the Pending Financial Transactions with Type = Purchase order.
- 2 From the File menu, click on the Host Jobs option.
- 3 Use the Generate Purchase Order Invoices host job or the Generate Purchase Order Invoices (Advanced) host job.

To generate a PO/GRN invoice from one Purchase Receipt

- 1 From the list window of Pending Financial Transactions, select the Pending Financial Transaction for the Purchase Receipt. This is the Pending Financial Transaction with Type = Purchase receipt.
- 2 From the Maintain menu or the toolbar, click on the Generate P.O. Invoice action. Use the Default template, the Purchase Receipt template or a similar template.

To generate PO/GRN invoice(s) from multiple Purchase Receipts. From the list window of Pending Financial Transactions, select the Pending Financial Transactions for the Purchase Receipts. These are the Pending Financial Transactions with Type = Purchase receipt.

- 1 From the File menu, click on the Host Jobs option.
- 2 Use the Generate Purchase Receipt Invoices host job or the Generate Purchase Receipt Invoices (Advanced) host job.

To generate a PO credit memo from one Purchase Return

- 1 From the list window of Pending Financial Transactions, select the Pending Financial Transaction for the Purchase Return. This is the Pending Financial Transaction with Type = Purchase return.
- 2 From the Maintain menu or the toolbar, click on the Generate AP Credit Memo action.

Assigning PO/GRN to invoice exchange rate

You can select a purchase order or GRN number with a different currency to generate a vendor invoice from the purchase order, but this function only allows one PO currency per invoice, not multiple. The exchange rate is the same one used for all the charge lines on the invoice. If the receipt transactions you select relate to different PO currencies, a separate invoice will be created for each currency.

Generating invoices in the financial division currency

You can generate invoices in the financial division currency instead of the purchase order currency. When the transaction is posted, EFIN converts the transaction currency to the ledger currency. EFIN checks and ensures that PO currency and ledger currency are the same. If this check fails, the transaction detail is not created, and an error message is issued.

For transactions created from purchase orders, the exchange rate used for each charge line will be the PO exchange rate. There can be multiple POs specified for an invoice transaction. These exchange rates are used both when creating and posting the transaction.

For transactions not created from purchase orders, the exchange rate will be determined using the Document date attribute from the Financial Transaction Header. If a valid exchange rate is not found during transaction posting, posting will fail, and an error message is issued.

To generate invoices in financial division currency, the attribute Allow financial division currency invoices needs to have a value of 1=Yes on the Ledger Transaction Type. A value of 1=Yes is only allowed for Ledger Transaction Types that refer to AP ledgers.

Changing Financial Transaction Charge lines for a PO-related invoice

After a PO-related invoice is generated you can use the Change or Quick Change actions to change the attribute values on the Financial Transaction Charge line(s).

Re-edit P.O. Related Invoices

On the Financial Transaction Object, use the Post action or the Validate action to re-edit invoices.

In many cases, invoice, PO, and receipt discrepancies occur during the three-way match because the invoice, PO, or receipt information is not correct or because quantities have not been completely reported. Once the PO is updated, the discrepancy no longer exists.

The Post and Validate tasks allow you to re-edit the invoice against the latest PO data. If the invoice passes the edits, it is processed as if the discrepancy never occurred.

Processing third party freight invoices

This function allows the distribution of costs from third party freight invoices based on the invoices for the goods purchased and invoiced by other vendors. For example, suppose you receive an invoice for \$1,000 from a trucking company for items purchased from three other vendors. The third-party freight invoices function allocates the \$1,000 in freight costs based on the relative value of the items purchased from the three vendors.

To process third party freight invoices, you can either enter the freight invoice and then distribute it across invoice charges, or you can select invoice charges and then generate the freight invoice.

To enter a freight invoice and distribute it across invoice charges:

- 1 From the list window of Financial Transactions, select the Create action from the Maintain menu or the toolbar.
- 2 On the Create prompt, use the Invoice template or a similar template, with Preview before create set to Yes.
- 3 Use a card file that includes the Distribute Freight card.
- 4 On the Distribute Freight card, either select one available invoice charge line and click the Distribute Freight icon, or select multiple available invoice charge lines and click the Mass Distribute Freight icon.

To select invoice charges and generate a freight invoice, select one invoice charge line and run the **Create Distributed Freight Invoice** task or select multiple invoice charge lines and run the **Mass Create Distributed Freight Invoice** task from the list window of Financial Transaction Charges.

EFIN expands and posts the transaction when you process it. EFIN also creates cost adjustment transactions for the freight invoice charge line amounts. Materials Management will then use the cost adjustments to update average costs.

Note: A freight invoice charge line is created on the freight invoice for each charge line on the vendor invoices for goods that are selected for distribution.

For example, suppose that the amount to be distributed is \$100, and the sum of all selected vendor invoice charge lines is \$1,000.

This table shows how the distribution of distributing freight invoice amounts would look.

Vendor Invoice Financial Transaction	Vendor Invoice Financial Transaction Charge line	Financial Transaction Charge line amount	Distributed amount
100	1	100	10
100	2	200	20
200	1	300	30
200	2	400	40
Totals		1000	100

In most cases, there are minor rounding differences. When this happens, EFIN adjusts the distributed amount for the last charge line so the sum of the charge lines equals the amount to be distributed.

- User exits are available to implement alternative distribution methods.

- When processing third party freight invoices, charge lines may be created with a zero-charge line amount.

This table shows an example of a zero-charge line amount for \$10.00 amount to distribute. The transaction in this example posts with the zero-charge line amount.

Invoice Financial Transaction	Invoice Financial Transaction Charge	Invoice Financial Transaction Charge amount	Calculation factor	Distributed amount	Amount left to distribute
100	1	20,000	0.51806	5.18	4.82
100	2	18,000	0.46626	4.66	0.16
101	1	300	0.00777	0.08	0.08
102	1	250	0.00647	0.06	0.02
102	2	5	0.00013	0.00	0.02
103	1	50	N/A*	0.02	0
Totals		38,605		10.00	

***Note:** The last record has the Amount left to distribute moved into the Distribute amount attribute. This action eliminates rounding problems, and ensures that the distribute amount computes back to the amount to distribute.

Table terms

This table shows some of the table terms and a description of each.

Term	Description
Calculation factor	Charge line amount divided by the total of all charge line amounts.
Distributed amount	Amount to distribute multiplied by the calculation factor
Amount left to distribute	Amount left to distribute minus Distributed amount.

System-Link is the recommended interface for external applications to EFIN, but as an alternative, there are two file-based interfaces.

- External Financial Transaction files, to be processed into Financial Transactions
- External GL Transactions files, to be processed into Financial Journal Entries

External Financial Transactions

The External Financial Transaction files are the IFM Legacy System Bridge (LSB) files. Existing user-provided programs can continue to use the application program interface AM5LSBUPC to submit these LSB transactions to EFIN.

The processing of LSB transactions is different between International Financial Management (IFM) and EFIN, so you should test your LSB transactions in an EFIN test environment before using EFIN in production.

IFM does not validate LSB data when it imports it into the IFM financial transaction files. Instead, it validates the data when the IFM financial transaction is posted.

In contrast, EFIN validates all the data for an LSB transaction before importing it into the EFIN financial transaction files. Like System-Link, it uses the same validation rules that apply when you manually enter a financial transaction through the user interface. It includes validation rules that were not previously applied to LSB transactions during import and posting in IFM. If an LSB transaction has invalid data, the error message is reported in Status diagnostics and the EFIN financial transaction is not created. You can use the External Financial Transactions object to correct the LSB data and then resubmit it to EFIN for processing.

In EFIN, the External Financial Transactions object displays the list of LSB transactions, with actions to maintain the data and to submit it to EFIN for processing.

The External Financial Transaction object provides formatted import files for the data to be written by the user program that extracts the transaction data from the external system.

The import files for the financial transaction header and lines are:

- Allocation
- Approval
- Cash
- Charge

- General ledger
- Amount due
- Tax

For more detailed information on the formatting of the import data files, see “Appendix E: Legacy System Bridge database” in the *IFM User’s Guide*.

Comment lines are not supported in the import data files. They are supported by System-Link.

Processing an External Financial Transaction

- 1 Write the user programs to extract the transaction data from the external application and load it into the import files.
 - For each transaction, the user program must write the import transaction header record and all the import transaction line records (with the required data fields) that the EFIN on-line transaction entry programs write. Some header data fields can have values supplied by defaults in external transaction type records that are created interactively.
 - The user programs must assign a unique sequential number to identify each transaction loaded to the External Financial Transaction files. This number must be written to all records (header and all lines) for a transaction that will allow the External Financial Transaction processor to access the whole transaction. In any transaction having two or more transaction lines of the same type (for example, two cash lines), the line number field in those line records must also be unique.
 - The import files store value fields with two decimal positions.
- 2 Define the external transaction types to be used and the default values for each type.
 - Each transaction that is to be processed by the External Financial Transaction processor must have its external transaction type defined as an extract transaction type in IDF Level 1.
 - The external transaction type record can reduce the effort required to write the user programs. This record stores defaults for seven fields for each external transaction type. However, these defaults are only used when the corresponding fields are blank in the import record written by the user programs.

The next three steps list the execution steps for processing transactions through the External Financial Transactions object.

- 3 Run the user programs to extract the transaction data from the external system and write the records to the import files. The user program optionally calls the External Financial Transaction processor to validate and submit the transactions to EFIN for processing.
- 4 As required, use the External Financial Transactions object to view, maintain, delete, or edit/submit the External Financial Transactions to EFIN.

If the user program does not call the External Financial Transaction processor, or if any transactions do not pass the processor edits, this function allows you to deal with the transactions interactively.

- 5 As required, use **File > Status** to view any errors in the transactions submitted to EFIN in steps 3 or 4.

EFIN performs a complete set of edits on all submitted Financial Transactions. If any errors are found, the transaction is not posted, but kept in the EFIN Financial Transaction object. Any errors are flagged for user action.

Understanding the transaction processor program

The External Financial Transaction processor program (AM5LSBUPC) validates and submits External Financial Transactions to EFIN for immediate posting.

These parameters are passed to determine which transactions in the files should be processed:

- &EXTR: External transaction type (10A)
- &TRNO: External transaction number (15,0)
- &ADDV: Administrative division (10A)
- &FNDV: Financial division
- &TRLG: Transaction ledger (10A)
- &EFDT: Effective date (7,0)
- &PRST: Processing status (1A)
- &ERCD: Error code (1A)

Parameters &EXTR – &PRST determine which transactions are processed. If a parameter is blank (alpha) or zero (numeric), it is disregarded by the program. If a parameter contains data, only transactions with data in the transaction header record that match the parameter are processed.

For example, to process all transactions in the file, pass all parameters of blank or zero.

Parameter &ERCD is an error code that is returned by the program as:

- N = No errors; all transactions were submitted to EFIN
- Y = Error(s); a transaction(s) failed an edit, and remains in the import files.

A user program can call the program using the parameters mentioned above to edit and submit transactions as required.

There is a possibility that multiple user programs are writing transactions to the import files and calling the transaction processor program concurrently. If so, the user programs should ensure that the transaction processor programs do not try to process an incomplete transaction. Use one of these methods to do this:

- Do not write a transaction header record until all the required transaction line records are written.
- If a transaction must be written first (for example, to reserve a unique extract transaction number), then enter a 1 in the Transaction in use? field in the transaction header record. Do this until all the required transaction records are written, then update the Transaction in use? field with a 0.

The transaction processing does the following:

- Checks the External Financial Transaction header record for all required fields. If the required fields are missing, the defaults (if present in the external transaction type record) and the current date are used for the record. The program then edits to validate that:
 - The administrative division is valid in EFIN
 - Financial division (company) is a valid financial division for that administrative division in EFIN
 - Transaction type is a valid transaction type for that administrative division in EFIN
 - Transaction ledger (either a general ledger, receivable ledger, payable ledger or cashbook) is a valid sub-ledger for that financial division in EFIN
 - If the transaction ledger in EFIN is set to generate EFIN transaction numbers, a valid transaction numerator for that ledger is present in EFIN

If the transaction fails any of those edits, the processing status in the transaction header is set to 2, and the program error code is set to Y.

- If the transaction passes all the above edits, the program reads all the records for the External Financial Transaction (those with the same External transaction type and External transaction number), and then:
 - Creates a transaction (header and lines) in the EFIN transaction files
 - Deletes all the records (header and line) for the transaction from the extract transaction files
 - Calls the EFIN post function (which edits it), and either flags the Financial Transaction in error or posts it

Using the External Financial Transactions object

Use the External Financial Transaction object to view, maintain, and process External Financial Transactions that have been written to the External Financial Transaction files by user programs but have not been submitted to EFIN. The records were not submitted to EFIN because:

- The user program did not call the External Financial Transaction processor, or
- The transactions had errors.

To submit one transaction, use the action Generate Financial Transaction. To submit multiple transactions, use the host job Generate Financial Transactions.

The Status attribute reflects errors detected by the processor. The status codes are:

- Blank: Transaction has not been submitted to the processor.
- 1: External transaction type is not present.
- 2: Errors prevented processing.

To view the error descriptions, use the **File > Status** menu option.

Attributes

This table shows the External Financial Transaction attributes and a description of each.

Attribute	Description
External transaction type	Identifier for the extract transaction type. The extract transaction type defines default values.
External transaction number	Unique sequential number that identifies the external transaction.
Administrative division	Contains the ID or identifier of the administrative division.
Financial division	Contains the ID or identifier of the financial division.
Transaction type	This field shows the ID or identifier of a transaction type.
Ledger	Shows the ledger to which the transaction entries are to be posted, subject to validation. It must have the same ledger type as the transaction type.
Transaction number	Gives the number of a transaction. Depending on the value specified for the Allow transaction number entry field of the ledger, the value of this field is supplied automatically by EFIN or must be entered by you.
Entity	Shows the identifier of the entity involved in the transaction.
Entity name	Shows the name of an entity.
Their reference	Shows the reference number assigned to a transaction by the entity involved.
Narrative	A brief description of the transaction.
Document date	Date on the document for the transaction. The default is today's date.
Posting date	The date on which the transaction takes place for accounting purposes. This date determines the accounting period for the transaction.
Supply date	The date on which the goods or services were supplied. A Finance application setting controls whether the Document date or Supply date is used as the basis for tax calculations.
Originating unit	Gives the unit that started the transaction. It must be within the same financial division as the transaction. The originating unit is used as the default unit for IFM general ledger postings if no unit is specified on transaction lines.
Originating user	Shows the user responsible for starting the transaction.

Attribute	Description
Period	Shows the IFM period to which the transaction is posted. The default is the IFM period in which the Posting date falls, although you can override this. For example, this would be necessary if the transaction was to be posted to an IFM opening or closing period. The transaction period must always be an open ledger period within the transaction ledger.
Contact	Shows the named entity contact involved in the transaction.
Installment payment method	The identifier of the installment payment.
Note method	Contains the identifier of a note method. The note method describes how to process a note.
Note transaction number	Indicates the number of a note transaction. The note transaction number can be user entered or can be generated after the invoice is generated.
Note due date	Indicates that the note due date is a user entered date.
Transaction apportionment	Shows the apportionment for use as a default for Financial Transaction Charge lines. Note that the apportionment specified here must not be one which apportions based on criteria nature for each target. Only those which apportion based on either an apportionment criteria or target criteria value may be entered. If left blank, this field defaults to the apportionment on the personal account during validation and posting.
Interdivision account type	For financial transactions that involve more than one financial division, the interdivision account type specifies which units and natures to use to create the balancing Financial Transaction GL Amounts in each financial division.
Order/ship entity	Identifies the entity which placed the order associated with the current transaction, or to which the order is to be shipped.
Order/ship reference	Identifies the reference of either an order or a shipment associated with the current transaction.
Transaction currency	Shows the currency of the transaction values. Defaults to the currency of the ledger. Transactions in receivable/payable ledgers must be in the currency of the ledger.
Exchange rate	Shows the exchange rate used to convert from the transaction currency to the financial division currency. The default is derived from the Document date.

Attribute	Description
Exchange rate operation	<p>Shows whether the exchange rate used to convert from the transaction currency to the financial division currency is a multiplier or a divider.</p> <p>Possible values are:</p> <ul style="list-style-type: none"> • 1=Multiplier. Transaction currency value times rate equals Financial division currency value. • 2=Divider. Transaction currency value divided by the rate equals Financial division currency value.
Apply tax	<p>Shows whether tax is automatically calculated for the transaction.</p> <p>Possible values are:</p> <ul style="list-style-type: none"> • 0: Apply defaults. The system checks the personal account to determine whether the tax will be applied. The personal account may check the ledger to determine whether tax is to be applied. • 1: User entered. The transaction processor does not generate tax information when posting a transaction. • 2: Generate, control total w/o taxes. The tax lines that are created by the transaction processor will not be added to the calculated Charge and tax control total. • 3: Generate, control total with taxes. The tax lines that are created by the transaction processor are added to the calculated Charge and tax control total.
Tax transaction type	The classification of the transaction for tax purposes.
Withholding method	Contains the method identifier. Omit from unposted transaction accrual.
Omit from unposted transaction accrual	Indicates whether to include this invoice in the period accrual of unposted invoices.
Contingent liability	<p>Used with the Contingent liability nature on the Ledger. Possible values are:</p> <ul style="list-style-type: none"> • Blank: Absent • 0: No • 1: Yes. Allocations to this transaction's Financial Transaction Amount Due lines update the nature for Contingent liability (as specified on the ledger), rather than Control nature. If there is no Nature for Contingent liability specified in the ledger file, then the transaction will not post.

Use the **Delete** task on the External Financial Transaction object to delete an external financial transaction and its lines.

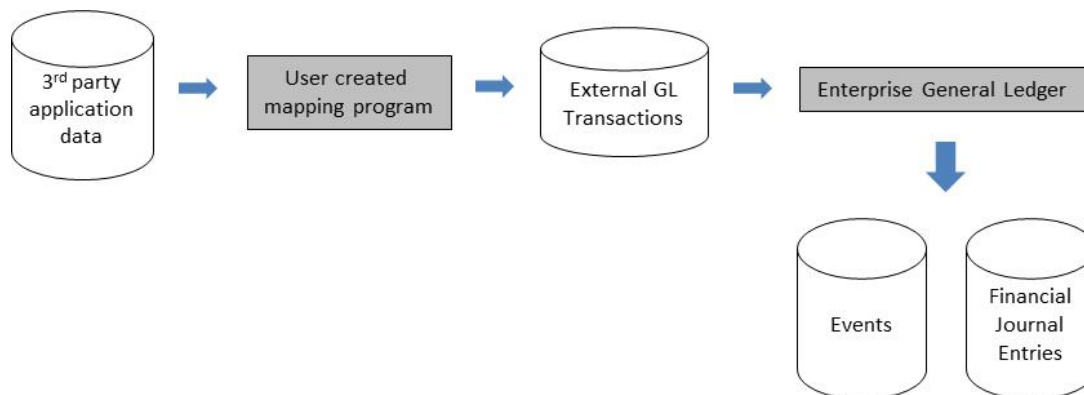
External GL Transactions

The External GL Transactions object can be used for offline file load of Financial Journal Entries from external applications. External programs can directly populate the External GL Transaction files IGGBH (header) and IGGBL (lines).

The External GL Transactions object enables you to map transaction data from various third party applications or Infor XA subsystems into financial event classes for model resolution and posting to EGL. Models to process External GL Transactions may use debit/credit value macros from one of these objects:

- External GL Transactions object
- External GL Transaction Line object

This diagram shows how the External GL transactions object is used to map transaction data.



These explanations are the benefits of external GL transactions:

- Provide generic configurable interface to EGL.
- One transaction may generate multiple journals across different ledgers, books, and charts of accounts.
- One EGL model line can resolve into multiple journal lines using pre-defined macros.
- EGL automatically calculates currency gain and loss.
- A transaction amount may automatically post in multiple currencies.

External GL Transactions Process Flow

Use External GL Transactions to map the financial impact from various third party software applications or proprietary software.

Create External GL Transactions (headers) and External GL Transaction Line (line) records directly from third-party data, and then process that data into EGL.

You can choose from these three method variations:

- Method 1 formats both header and line records.
- Method 2 formats both header and line records and utilizes line types.
- Method 3 formats only header records.

Most XA applications store values in the local currency. EFIN allows financial books in multiple different currencies. EFIN converts values from local currency to book currency.

When sending amounts to other XA applications, EFIN converts the amounts to the XA local currency.

When receiving data from other XA application, EFIN converts amounts from the XA local currency.

Customer currency

When both EFIN and CSM are installed, the EFIN financial division is the same as the CSM company. The CSM customer is cross-referenced to an EFIN entity and an EFIN receivable ledger. The currency of the receivable ledger is the default currency on order entry. You can override the customer's receivable ledger. A personal account must exist for the customer entity and the receivable ledger.

You can check the available credit for any EFIN entity. Order entry in CSM uses the EFIN credit check for the associated entity.

Currently when you use invoicing in the CSM environment, if EFIN is installed, it calls the EFIN tax calculator to calculate the tax amount which is passed back to the CSM invoicing. The function passes the amounts in the tax calculator in the invoice currency, calculates the taxes on that amount, and converts the calculated amount to local currency if the invoice currency is different from the local currency. Therefore, the values can be passed back to the CSM invoicing in both invoice and local currency.

Vendor currency

If you use EFIN financial applications, you may specify the currency ID in the vendor object. This currency ID will be the default when you enter quotes or orders.

EFIN accounts receivable cash receipt

You may receive a foreign currency cash receipt with a value that is different from the invoice amount because of currency exchange rounding differences. EFIN supports both positive and negative adjustments to invoices to account for these rounding differences.

EFIN alternate currency automated payments

EFIN can automatically generate payments using a Payment List in a currency different from the invoice's transaction or different from the cash ledger currency.

You can:

- Enter an exchange rate override.
- Use a payment currency different from the cash ledger or invoice currency.

Payment Lists are generated based on the Financial Transaction Amounts Due you select.

Any currency exchange gain or loss is based on the payment currency. The generic payment file contains the values in payment currency.

Currency Exchange Gains and Losses

How does an Enterprise General Ledger model account for realized gains or losses on exchange when an invoice is settled and the invoice currency is different from the book currency?

This example is for payable invoices and cash payments. A similar set of models can be used for receivable invoices and cash receipts.

EGL Models to Calculate Gain/Loss for Foreign Currency Invoice Payments

Three separate EGL models are required:

- One for the invoice
- One for the cash payment
- One for the allocations from the cash payment to the invoice

In this example the models are:

- APINV for the invoice
- CASHPAY for the cash payment

- CASHALLOC for the allocations from the cash payment to the invoice

Subsystem Event Rules

In the Finance Subsystem, create these subsystem event rules.

Reason	Financial division	Event
C01 = Entered cash	01	CASHPAY
P01 = Entered payable	01	APINV
P40 = Allocated payable	01	CASHALLOC

Entered cash transactions (C01) in financial division 01 will use the CASHPAY model.

Entered payable transactions (P01) in financial division 01 will use the APINV model.

Allocations to payable transactions (P40) in financial division 01 will use the CASHALLOC model.

Model APINV

Create this model with subsystem origin = XA Finance with these model lines.

Model line	Account string	Debit macro	Credit macro
10	=XSARI2CD-=XSARI2CD-3000	XSA6AD1NDR	XSA6AD1NCR
20	=XSARI2CD-=XSARI2CD-2008	XSA6AD1NCR	XSA6AD1NDR

Macro XSARI2CD returns the financial division identifier.

3000 is the expense account.

2008 is the accounts payable account.

Macro XSA6AD1NDR returns the charge line value in invoice currency, if the value is positive.

Macro XSA6AD1NDR returns the charge line value in invoice currency, if the value is negative.

When this model runs, it will debit the expense account with the charge line value, it will credit the accounts payable account with the charge line value.

The account string can use macros to set the expense account and the accounts payable account, instead of using fixed account numbers.

Model lines can be added to retrieve the values from the tax lines too.

Model CASHPAY

Create this model with subsystem origin = XA Finance, with these model lines.

Model line	Account string	Debit macro	Credit macro
10	=XSARI2CD-=XSARI2CD-1000	XSB7AD1KDR	XSB7AD1KCR
20	=XSARI2CD-=XSARI2CD-1010	XSB7AD1KCR	XSB7AD1KDR

Macro XSARI2CD returns the financial division identifier.

1000 is the cash account.

1010 is the unallocated cash account.

Macro XSB7AD1KDR returns the cash line value in payment currency, if the value is positive.

Macro XSB7AD1KCR returns the cash line value in payment currency, if the value is negative.

When this model runs, it will debit the cash account with the cash line value, it will credit the unallocated cash account with the cash line value.

The account string can use macros to set the cash account and the unallocated cash account, instead of using fixed account numbers.

Model CASHALLOC

Create this model with subsystem origin = XA Finance, with these model lines.

Model line	Account string	Debit macro	Credit macro	Gain loss line type
10	=XSARI2CD-=XSARI2CD-1010	XSB5ADZV1D	XSB5ADZV1C	
20	=XSARI2CD-=XSARI2CD-2008	XSB5ADZV1C	XSB5ADZV1D	
30	=XSARI2CD-XSARI2CD-9700	XSB5ADZV1D	XSB5ADZV1C	Positive gain or loss
40	=XSARI2CD-=XSARI2CD-9701	XSB5ADZV1C	XSB5ADZV1D	Negative gain or loss

Macro XSARI2CD returns the financial division identifier.

1010 is the unallocated cash account.

2008 is the accounts payable account.

9700 is the currency exchange rate loss account.

9701 is the currency exchange rate gain account.

Macro XSB5ADZV1D returns the cash allocation line value in invoice/payment currency, if the value is positive.

Macro XSB5ADZV1C returns the cash allocation line value in invoice/payment currency, if the value is negative.

Model line 30 has Gain loss line type = Positive gain or loss

Model line 40 has Gain loss line type = Negative gain or loss

When this model runs, it will debit the accounts payable account with the cash allocation value in invoice currency, it will credit the unallocated cash account with the cash allocation line value in invoice currency. It will debit/credit the currency exchange rate gain/loss account with the calculated gain/loss value in company/book currency.

The account string can use macros to set the account numbers, instead of using fixed account numbers.

Model lines can be added for discount allocations, write off allocations, etc.

Ledgers

EGL creates a separate book for each currency maintained for a ledger. You can maintain multiple sets of books within the same ledger, each in different currencies. The book determines the exchange rate used when the system calculates transaction to book currency. You can use either the default rate maintained in the currency exchange rate set or the rate maintained on the subsystem transaction can be used. If you use the transaction rate, select the Override exchange rate attribute on the Ledger Book. EGL then records all transactions for the book at the exchange rate entered on the transaction.

The ERP transaction exchange rate defaults to the rate on the ERP exchange rate set, but you can override this exchange rate during ERP transaction input. For XA Customer Service, XA Materials and XA Production, the override exchange rate is only used for books where the book currency is the same as the local currency. For XA Finance the override exchange rate is only used for books where the book currency is the same as the financial division currency. All other books use the rate maintained on the currency rate table regardless of the Override exchange rate.

Event Classes

The Event Class Rules defined within an Event Class determine the books to be updated with a subsystem transaction. Each event class rule notes a particular book to be updated. You can update books with all transactions or only transactions in which the transaction currency matches the book currency. For example, if you enter transactions in British pounds and US dollars for a ledger, you

can maintain three books: a book for each transaction currency (US dollars and British pounds), and a reporting book that records both US dollars and British pounds in the book's currency.

Journal Models

The nature of all multiple currency calculations is defined within the journal model and are based on the journal model line type.

The model line types are:

- **Line Type – Not a gain or loss**

This line type indicates that the book amount for the journal model line is valued using the current exchange rate, such as the exchange rate in effect on the date entered on the transaction. This is also the date noted on the journal header. The system converts all amounts not previously recorded at the current exchange rate. For example, when you enter an invoice into accounts payable, the entire journal entry will be valued at the current exchange rate because the amounts have not previously been recorded. However, when payment is made on the invoice, the current rate is only used to convert the cash amount. It is not used to convert the accounts payable liability. The original invoice rate would be the proper rate that removes the liability because the accounts payable liability was originally recorded at a different exchange rate.

- **Line Type – Positive gain or loss**

This line type indicates that a gain or loss calculation is used to value the line. This calculation is the current exchange rate less the original exchange rate. If the calculation results in a positive amount the journal line amount is converted and a journal line is created. If the calculation results in a negative amount, the journal line amount is not converted and a journal line is not created. Journal lines created to record currency gain and loss amounts use line types of 1. This occurs only in journal models used to create entries for cash receipts and cash payments.

- **Line Type – Positive gain or loss**

This line type indicates that a gain or loss calculation is used to value the line. This calculation is the current exchange rate less the original exchange rate. If the calculation results in a positive amount the journal line amount is converted and a journal line is created. If the calculation results in a negative amount, the journal line amount is not converted and a journal line is not created. Journal lines created to record currency gain and loss amounts use line types of 1. This occurs only in journal models used to create entries for cash receipts and cash payments.

- **Line Type – Negative gain or loss**

This line type is like Positive gain or loss in that it indicates that a gain or loss calculation is used to value the line. With this line type, a journal line is created only if the calculation results in a negative amount.

Since currency gain and loss amounts are only applicable to book amounts, all transaction amount attributes will be blank for line types of Positive gain or loss and Negative gain or loss.

- **Line Type – Invoice**

A line type of 3 indicates that the original exchange rate is used to value the line. All amounts that were previously recorded and are now being reversed use a line type of Invoice. This ensures that the amount recorded in the book is the same as the amount being reversed. For example, when cash payments are recorded in accounts payable, the accounts payable liability being reversed should be valued at the exchange rate at which it was originally recorded.

Rounding

Rounding of subsystem journal entry amounts occurs in EGL because of multiple currency processing, including conversion of transaction to book currency and calculation of currency gains and losses.

Define rounding using the Currency object. There are three rounding methods: half-adjusting, truncating, or incrementing. The half adjust method rounds up to the designated decimal place if the next decimal place out contains a value greater than or equal to five. If the value in the next decimal place out is less than five, all values following the designated decimal place are truncated. The truncating method rounds down to the designated decimal place if any decimal place to the right contains an entry greater than zero. The incrementing method rounds up to the designated decimal place if any decimal place to the right contains a value greater than zero. The round to position can be set to .01, .05, .1, .5, 1, 5, 10, 50, 100, or 500.

As amounts are translated from transaction to book currency by EGL, book amounts are rounded by the method designated for the currency being translated. If the transaction currency is the same as the book, currency rounding occurs in book amounts even though translation does not occur. This ensures all book amounts are properly rounded when posted to EGL account balances.

As amounts are rounded, it is possible for rounding errors to occur. You must record these amounts to create a balanced journal. If you do not record these amounts and the journal is not in balance, the journal cannot be posted to the EGL account balances in a balanced book. To avoid this situation, the system records all such differences to the first journal line created for the balancing points where rounding differences have occurred.

Balancing points are designated for a chart of accounts and denote the account segment for which a balanced set of books is to occur. Journal models may have lines with differing balancing points if multiple ledgers are being updated, as in the case of inter-company journal entries. We recommend that you create journal model lines for each balancing point within a journal model to record rounding differences to a rounding account. This eliminates any variances being retained in other accounts. Such lines should be placed before all journal lines with the same balancing point and designated as a "write zero line" to ensure that the line is created. If it is not designated as such, the rounding differences will be posted to the first line created that potentially contain an inappropriate account string.

Rounding differences can occur not only when you convert book to base currency, but also when you calculate currency gain and loss amounts. Rounding differences because of such calculations will be handled in the manner noted above, with all amounts recorded to the first journal line created for the designated balancing point.

These examples illustrate the effects of rounding:

- Transaction currency is British pounds
- Book currency is US dollars
- Exchange Rate is 1.5

Rounding	Transaction Amount	Book Amount Before Rounding	Book Amount After Rounding
Half adjust to 1.0	5.00 GBP	7.50 USD	8.00 USD
	6.50 GBP	9.75 USD	10.00 USD
	7.25 GBP	10.875 USD	11.00 USD
	8.49 GBP		
Half adjust to 0.1	5.00 GBP	7.50 USD	7.50 USD
	6.50 GBP	9.75 USD	9.80 USD
	7.25 GBP	10.875 USD	10.90 USD
Half adjust to 0.01	5.00 GBP	7.50 USD	7.50 USD
	6.50 GBP	9.75 USD	9.75 USD
	7.25 GBP	10.875 USD	10.88 USD

Plugging

To create and maintain a journal entry in EGL, transaction amounts must be in balance. All differences are automatically plugged into the first journal entry line created for the balancing point that is out of balance. Debits and credits may be out of balance due to reasons other than rounding (for example, the journal model is defined incorrectly). The out of balance condition must be within a defined tolerance.

This table shows how tolerances are defined for each currency round position.

EGL application setting	Currency and Position	Tolerance
1.00	99.00	Tolerance level, zero decimal currencies
0.01	0.99	Tolerance level, two decimal currencies

You can adjust tolerances manually by updating the EGL application settings. Any balancing differences within the tolerances noted above will be recorded to the first journal entry line of the balancing point that is out of balance. For rounding differences, create journal model lines for each balancing point within a journal model to record plugging differences to a plugging account. These lines will be the same lines as those used to record rounding differences.

The same out of balance condition may also occur when creating book amounts that contain currency gain and loss amounts. The differences will be handled in the same manner as for transaction amounts.

This table is an example of how plugging occurs. The Rounding method is half-adjust with a round-to position set to the second decimal place.

Debits and Credits	Calculated Transaction Amounts	Rounded Amounts
Debits		
Cash	1525.25	1525.25
Financial Discount	228.7845	228.78
Tax Adjustment	12.141	12.14
Credits		
Accounts Receivable	1766.1755	1766.18

After rounding, total debits equal 1766.17 and total credits equal 1766.18; creating a difference of .01. Since this amount is within the designated tolerance level, the amount will be booked to the first journal line for the balancing point that is out of balance.

Translations

Translation, Re- measurement, and Revaluation are supported.

Companies establish foreign operations with the expectation that foreign units will generate profits on investments made. Domestic companies, therefore, want to know the profit or loss generated by their foreign units. Each foreign unit maintains its books and records in its own local or functional currency.

The profit or loss of a foreign unit, as stated in the foreign currency, is not meaningful to the domestic parent or home office. Domestic companies must, therefore, translate the foreign currency financial statements into the local or functional currency of the parent company.

Translation

This refers to converting a foreign unit's local or reporting currency amounts to the parent company's base or reporting currency.

Re-measurement

This is basically the same process as translation, however, different defined rates are applied to certain accounts. This process complies with Financial Accounting Standards Board (FASB) 52 requirements.

Diversity of Worldwide Accounting Principles

Accounting principles are not uniform worldwide. Different national laws, tax laws, and varying degrees of reporting practices by private sector standard-setting bodies are the main reasons for these differences.

For example, in Australia, certain non-manufacturing assets may not be depreciated. The United States uses the “pooling of interests” method, unheard of in most foreign countries.

Exchange Rates

Before discussing issues and procedures for translating foreign currency transactions, you should understand currency exchange rates used in translation and re-measurement processes:

- **Spot Rate** is an exchange rate at which currencies could be converted immediately.
- **Period End Rate** is an exchange rate existing on the last day of the period typically used for translating assets and liabilities.
- **Period Average Rate** is a rate determined by using a weighted average method against the current rates within a specific period. Typically, use this rate for revenue, cost of goods sold, expenses, gains, and losses in the income statement.
- **Historical Exchange Rate** is the rate in effect when a particular event took place, for example, the rate in effect last year when an investment was made in the common stock of a foreign subsidiary (the current rate at that time). This rate is now the historical rate existing at the balance sheet date.
- **Fixed Exchange Rate** is the rate used in the euro transition period for conversion from euro to national currencies.

Translation Setup Requirements

This diagram shows the required setup information for defining a Translation process.



This table shows the terms that are depicted in the diagram and a description of each.

Term	Description
Financial Model	A model is the template that creates a journal entry EGL. Models contain account, statistical, and reference information.
Account Segment Value	Component of an EGL account number string.
Source Ledger	This is the ledger and book information used as the basis for the translation.
Target Ledger	This is the ledger and book receiving the translated information.
Financial Event Class	The event class is used to create the journal entry in the target ledger. One journal line is written for every source account.
Structure	A structure defines the subset of accounts used in the process. Actual account balance amounts are translated, not rolled up. For example, only the sales accounts may be translated.
Exchange Rate Set	This is the exchange rate set used for the translation. <ul style="list-style-type: none"> • Period End • Period Average
Target Accounts	These are the accounts used for posting the following values. <ul style="list-style-type: none"> • Gain • Loss • Rounding

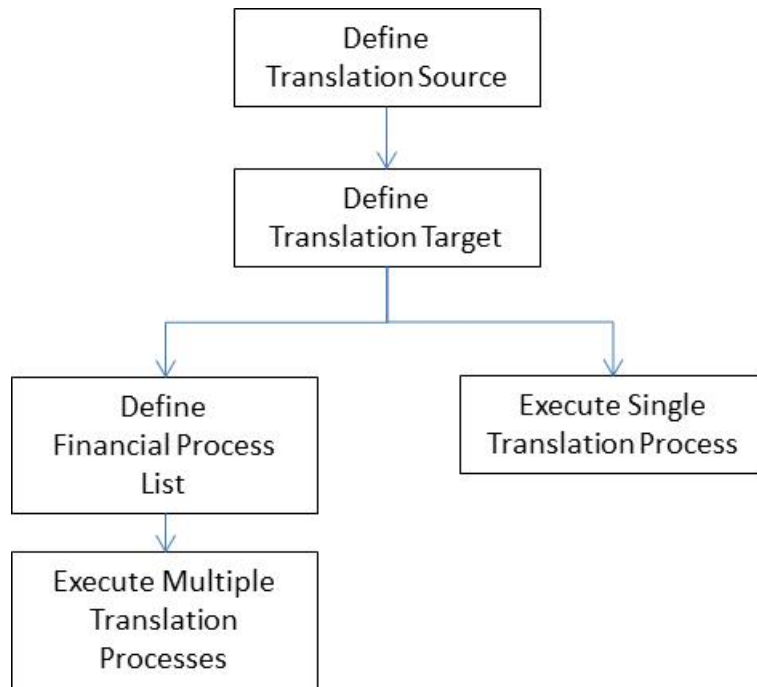
Translation objects

These two objects store the translated values:

- **Financial Journal Entry** – One journal is created in the target ledger containing the accumulated information for all journal lines. The journal entry is posted based on the selected event.
- **Financial Journal Entry Lines** – One line is created for each source record in the Ledger Book Balance Summary object. Where the source is a Ledger Book, journal entry lines would be created for all Ledger Book Balance Summary records in the source Ledger Book.

When the source is a Financial Structure, journal entry lines would be created for all accounts defined in the structure.

Translation Process Task Flow



These two methods are used for defining and executing a Translation.

- Single process is defined and executed by itself.
- Multiple process is a group of up to 999 translation processes defined and executed in a specific order, referred to as a *Financial Process List*. By specifying a sequence, the results of one translation process can build upon the results of a previous one.

Translation Options and Rules

When you define a Translation process, there are options to consider and rules you should follow.

Segment Values and Translation

The natural account segment value defines how the account string is handled during the translation process.

You define the following when you define an account segment value:

- Translation and Re-measurement methods
 - *None* is the default and does not affect Translation and Re-measurement.
 - Use *Balance Sheet Basis* for translating and re-measuring Balance Sheet accounts.
 - Use *Net Period Basis* for income and expense accounts.

- Rate types

The segment value account type determines the default exchange rate set.

- Use a *Period End* exchange rate set for Assets, Liabilities, and Retained Earnings accounts.
- Use a *Period Average* exchange rate set for Income or Expense accounts.

- Create translation rates

This is primarily used with Balance Sheet accounts that are translated or re-measured at historical rates at the detail journal line rate.

Translating Balance Sheet Accounts

Balance sheet accounts are translated using this formula.

$$\text{Ending Balance in Source Currency} \times \text{Current Exchange Rate for the Account} = \text{Opening Balance in Target Currency}$$

If euro is enabled and triangulation is used, then this formula includes two exchange rates as shown:

$$\text{Ending Balance in Source Currency} \div \text{Exchange Rate from euro to the Source Currency} \times \text{Exchange Rate from euro to the Target Currency} = \text{Opening Balance in Target Currency}$$

One journal entry is calculated for each account. This is accomplished by calculating the net account balance (debits minus credits) and then performing the journal entry calculation. Therefore, each Ledger Book Balance Summary record results in a single target journal entry.

This table shows how to translate balance sheet accounts by determining the prior period by subtracting one from the period being processed.

Current Year/Period	Prior Year/Period
2016/01	2016/00
2017/10	2017/09

Translating Income Statement Accounts

Income Statement accounts are translated using the following formula.

$$\text{Target Journal Entry Amount} = \text{Current Activity in Source Account} \times \text{Current Exchange Rate for the Account}$$

If the euro is enabled and triangulation is used, the formula includes two exchange rates as shown below:

$$\begin{array}{ccccccc} \text{Target Journal} & & \text{Current Activity} & & \text{Exchange Rate} & & \text{Exchange Rate} \\ \text{Entry Amount} & = & \text{in Source} & \div & \text{from euro to the} & \times & \text{from euro to the} \\ & & \text{Account} & & \text{Source Currency} & & \text{Target Currency} \end{array}$$

One journal entry is calculated for each account. This is accomplished by calculating the net account balance (debits minus credits) and then performing the journal entry calculation. Therefore, each Ledger Book Balance Summary record results in a single target journal entry.

Translating a Structure

When translating a structure, the structure defines the subset of accounts to translate. Actual account balance amounts, not structure rollup records, are translated.

Since a structure is normally a portion of the ledger/book accounts, you must define the target ledger/book for a structure translation to accept unbalanced entries. You accomplish this by selecting the 0=No setting for the *Balanced* attribute when you define a Book.

Translating a Range of Periods

You must request translation for every period. If necessary, then you may perform a translation over a range of periods by executing a process sequence defined to translate period by period. Each period is equal to a single process step within the sequence.

Posting Translation Entries

The posting accounts created during translation are subject to validation as they are posted using account rules for the target ledger and book. By using the Post Event action on the Event object, you can review any error messages that are generated during posting to the target ledger and book.

Only source ledger and book account balances for the Debit, Credit, and Statistic amounts are included in the journal entry that is posted to the target ledger and book. Unposted journal entries in the source ledger and book are not included in the amounts to be translated.

Only one journal header is created in the target ledger. It contains the accumulated information for all journal lines. The journal entry is posted based on the selected event. You can reverse a translation entry through the Void Event action on the Event object.

Financial Process attributes for translation

This table shows the financial process attributes for translation and a description of each.

Attribute	Description
Event	The event creates the journal entry in the target ledger. The financial event class must have Business event origin of Translation.
Create journal entry detail lines	Select this option to create one journal line in the target ledger for each source account detail journal line. If not chosen, one journal line for accumulated debit lines and one journal line for accumulated credit lines is created in the target ledger. This option applies only to source accounts where Create translation rates is selected on the Account Segment Value.
Method	<p>These values are valid:</p> <ul style="list-style-type: none"> • Translation — multiplies currency balances by an exchange rate to produce balances in another currency. It is based on the translation rate type on the natural account segment value. • Re-measurement — multiplies currency balances in the operating ledger into a company's functional currency. It is based on the re-measurement rate type on the natural account segment value.
Period end rate type	The exchange rate set to use in the translation process for period end rates.
Average rate type	The exchange rate set to use in the translation process for average rates.
Gain account	Target account for posting gains from the translation process.
Loss account	Target account for posting losses from the translation process.
Rounding account	Target account for posting rounding amounts from the translation process.

To run a single translation process, use the Execute Process action on the Financial Process object.

To run multiple translation processes, add each translation process to a Financial Process List, then run the Execute Financial Process List on the Financial Process List object.

Allocations

In EGL, the Financial Allocations object allows you to define budgets and allocations.

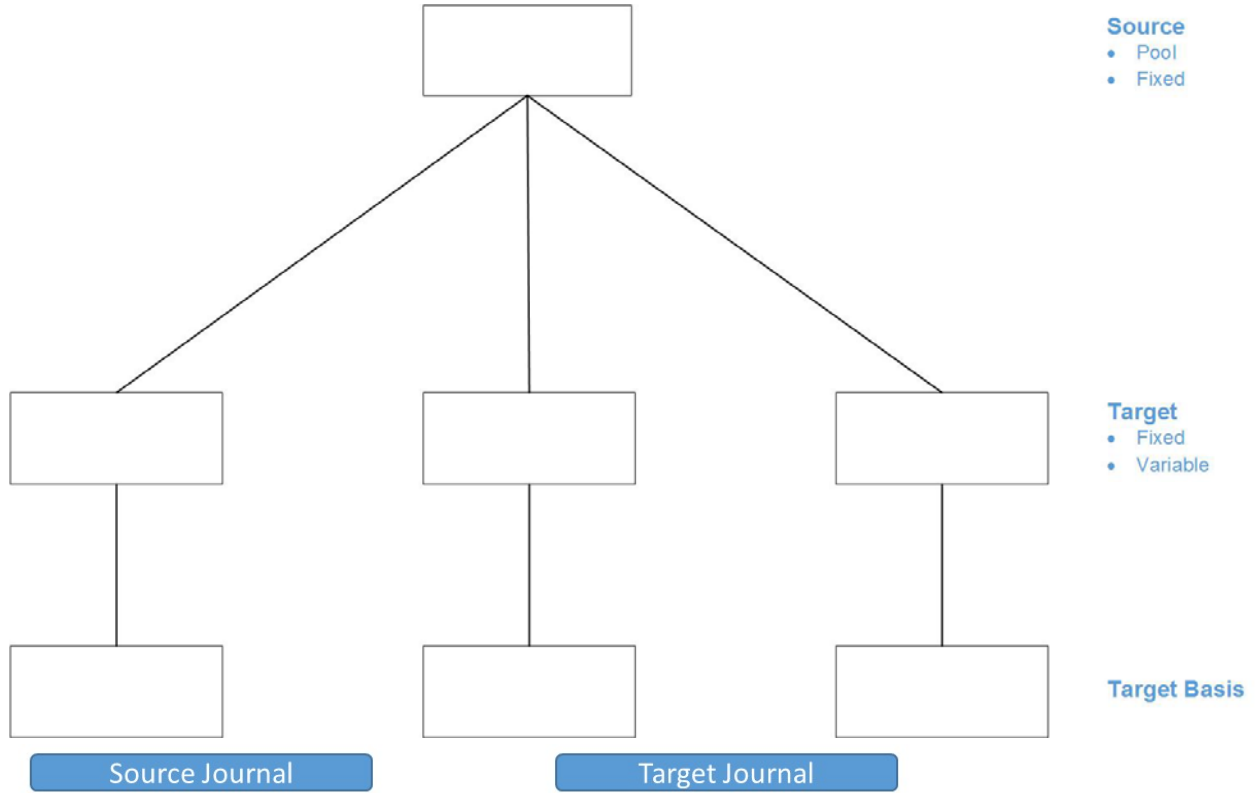
- A *budget* is a formal statement of future plans, expressed in financial terms.
- An *allocation* is a means by which you distribute an actual or budgeted expense.

Allocation Components

An allocation consists of these five main components:

- Source
- Target
- Target Basis
- Source Contra
- Target Contra

This diagram shows the components of an allocation.



Source

- Pool
- Fixed

Target

- Fixed
- Variable

Target Basis

Source Account	Source Contra	Target Account	Target Contra
XXX	XXX (Optional)	XXX	XXX (Optional)

Source contra offsets source account

Target contra offsets target account

Terminology

This table shows the allocation component terms and a description of each.

Term	Description
Source	Specifies the origin and total value of allocation base. There are two source types: pool and fixed.
Target	Specifies the allocation destination and total value of the allocation. There are two target types: fixed and variable.
Target Basis	Accounts used to calculate the percentage of the source amount allocated to each target account.
Source Contra	Serves as the offset account in a journal entry reducing the source amount.

Term	Description
Target Contra	Offsets the target amount of an allocation.

Not all components are used in each allocation.

You use an allocation to redistribute financial or statistical data from a *source* to a *target*.

- A source can be the balance from one account, a pool of accounts, or a fixed amount.
- A target can be one or more accounts, based on a fixed percentage or on a variable basis calculation (for example, telephone expense allocated to each region on a percentage of sales basis).

All allocations make an entry to one or more designated target accounts. Allocations allow you to decide, however, how you want to record the other side of the allocation journal. You can generate a clearing entry to the source account, or make an offset entry to a *target contra* account. Typically, the target contra account should not be the same account as the source.

EGL can support allocations between different ledgers/books. EGL creates offsets to a *source contra* account on the originating ledger/book and to a *target contra* account on the other ledger/book (only if the allocation requires the source account to be cleared). This feature guarantees that all journals are balanced when allocations cross different ledgers/books.

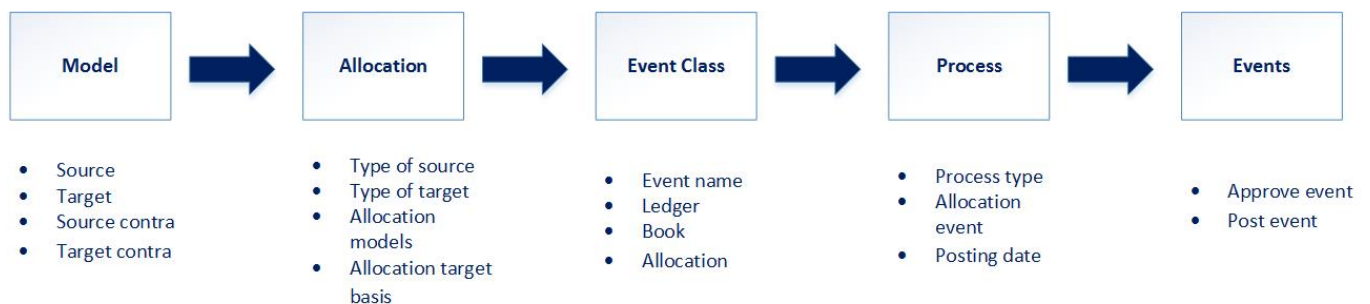
EGL allows you to group multiple allocations within a process (using the Financial Process object and the Financial Process List object) and run them as a single process. This means you can schedule a single process to run an Allocation followed by a Translation and a Consolidation, followed by another Allocation, Translation, Consolidation, and so on.

Finally, EGL Allocations allows negative percentage allocations, that is, a valid range of target account percentage allocations between +100% and -100%.

Negative percentage allocations are denoted by a negative number such as -10 (percent). Target account percentage allocations, taking into account negative allocation percentages, must total (+) or (-) 100%.

Allocation Setup Flow

You use four EGL objects to define allocations, and one to view the results:



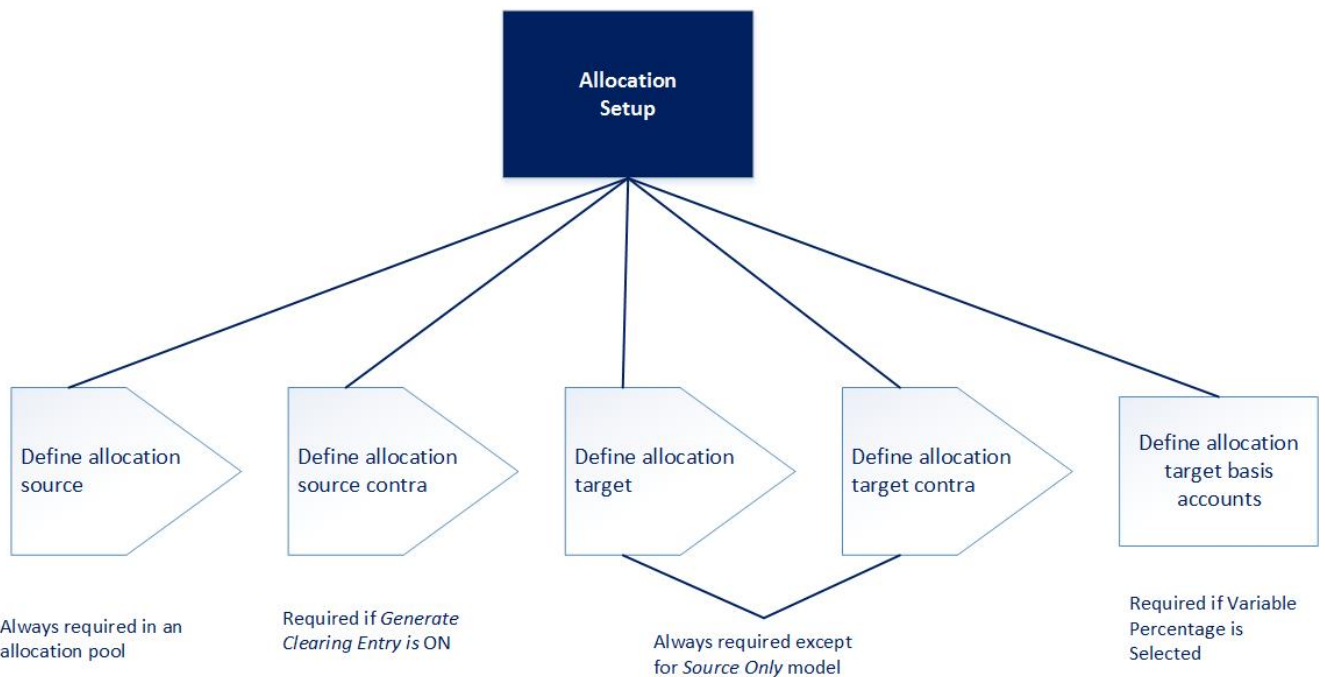
- **Financial Model** allows you to define the source, target, source contra, and target contra accounts.
- **Allocation** allows you to specify the type of source: pool of accounts or fixed; specify the type of target: variable or fixed; define the target basis accounts to use in a variable percentage allocation; and specify the source and target models associated with this allocation.
- **Financial Event Class Rules** allows you to define ledgers/books; specify the event origin as *allocation*; specify the allocation associated with this event.
- **Financial Process List** allows you to group allocations and run them as a single process. Thus, you can streamline month-end processing by scheduling a multi-allocation process and follow it with a translation and a consolidation, if desired.

This provides the capability to group multiple processes, up to 999, to be executed in a specific order.

- A **Financial Process** is a unique set of instructions that defines a process's execution parameters, process type and output event. Allocation, Consolidation, Structure Rollup, Translation, and Report Year-to-Date Rollup are all processes.
- **Financial Event** allows you to view, approve, and post journal that result from the allocation event.

Financial Allocation

This diagram defines an allocation.



When defining an allocation, the source specifies the total amount to be allocated, the target accounts receive the allocation, and the basis indicates which allocations are made. A source can be a pool of accounts, a fixed dollar amount or a fixed statistical quantity.

Define the allocation target after you define the allocation source.

- Define Allocation Source

The allocation source specifies the origin and total value of the allocation base. Two source types exist.

- **Allocation Pool:** A group of account balances whose totals are summarized. For example, you can pool and allocate all salary and wage expense accounts.
- **Fixed:** A fixed dollar amount or a fixed statistical quantity. For example, you can allocate a fixed dollar amount of \$10,000 representing internal computer support (IS) charges between departments or profit centers at period end.

- Define Allocation Target

The Allocation Target specifies the allocation destination and total value of the allocation. There are two types of allocation targets:

- **Variable Percentage:** Allocates the source amount to target accounts on a variable basis using target basis accounts. For example, you can allocate telephone expense to each region on a percentage of sales basis.
- **Fixed Percentage:** Allocates the source amount to target accounts based on a defined percentage in each target account. For example, you can allocate internal computer support (IS) charges to all departments or profit centers based on square footage percentage.

EGL allows *negative* percentage allocations in order to streamline the distribution of source amounts to be allocated. You can specify target account allocations in percentages between +100% and -100%.

- Define Source and Target Contra

A contra account is an account containing values offsetting source and target account values. Two types of contra accounts exist.

- Source contra is used to offset entries made to source accounts. It is required only if Generate clearing entries is selected on the Allocation object.
- Target contra is used to offset entries made to target accounts. For example, it is possible to create separate journals for the source and target processing. In this case, both journals use a contra account.

Define the source contra and target contra on the Financial Model Line object.

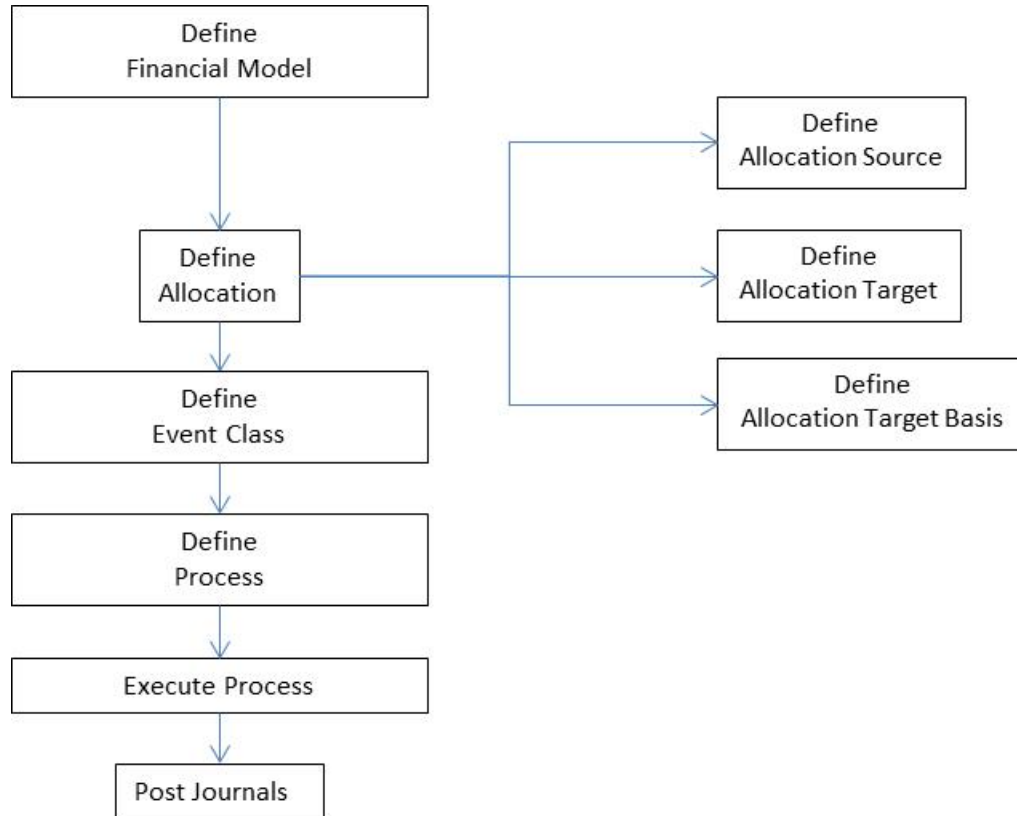
The journal containing the contra entry contains only one journal line for the contra account unless you selected **Contra Detail** on the Financial Model Line. Selecting this option creates a journal line for each source and target account associated with the contra account.

- Define Financial Allocation Target Basis Accounts

Use the Financial Allocation Target Basis Accounts to calculate the percentage of the source amount allocated to each target account. This is required if the target is a Variable percentage type.

Allocation Setup Task Flow

This diagram shows the primary tasks you perform in defining and executing allocations.



Attributes

This table shows the allocation attributes and a description of each.

Attribute	Description
Description	A description of the allocation.
Source	Select an Allocation Pool of accounts or a Fixed amount to be used as the source allocation amount. The selected model defines the accounts.
Pool source accounts model	Defines the accounts to be used as the source of the allocation.
Source amount type	Select Currency or Statistic to indicate the source amount is a monetary amount or a quantity.

Attribute	Description
Target percentage	<ul style="list-style-type: none"> • Variable—Allocates the source amount to target accounts on a variable basis using target basis accounts. For example, you can allocate telephone expense to each region on a percentage of sales basis. • Fixed—Allocates the source amount to target accounts based on a defined percentage in each target account. For example, you can allocate internal computer support (MIS) charges to all departments or profit centers based on square footage percentage.
Target model	Defines the accounts to be used as the target of the allocation.
Single account	If you select Single Account , only one target account can be defined.
Single account periods	Indicate the number of periods to post the target amount.
Period processing	<p>This attribute allows you to select the appropriate period to use when calculating the source amount for an allocation pool.</p> <p>The system date is the basis from which the source period will be determined. The options are:</p> <ul style="list-style-type: none"> • 0=Prior period: Select this option to use only the period prior to the current period when calculating the source amount. • 1=Current period: Select this option to use only the current period when calculating the source amount. • 2=Prior period year-to-date: Select this option to use the total from the beginning of the year through the period prior to the current period when calculating the source amount • 3=Year-to-date: Select this option to use the total from the beginning of the year through the current period when calculating the source amount • 4=Period range: Select this option to define the period range of balances to be used when calculating the source amount. <p>If you choose this option, then you must enter the starting period and year in the "From" attributes and the ending period and year in the "To" attributes.</p> <p>You can maintain this range after defining an allocation.</p>
From year From period	Specify the From value (period or year) to select balances. This is the From (period or year) in which to select balances to use in allocations.
To year To period	Specify the To value (period or year) to select balances. This is the To (period or year) in which to select balances to use in allocations.

Attribute	Description
Generate clearing entries	<p>This attribute reduces an allocation's source account balances using a clearing journal entry.</p> <p>The default is 0=No - do not create clearing entries for the allocation source accounts.</p>
Step processing	<p>Select this option to include unposted journal entries in the source amount calculation. This will allow allocations that are executed sequentially to use the journals created in a previous allocation as input for the next allocation.</p> <p>Step processing supports "step-down" allocations such as allocating a company expense to its division, and then allocating the division's portion of the expense to its departments.</p> <p>The default is 0=No - do not include step processing.</p>
Fixed balance type Fixed amount Fixed statistical value	<p>If you selected "Fixed" for Source, then you can further define the following attributes for the Fixed Source.</p> <ul style="list-style-type: none"> • Indicate whether the amount being allocated is a <i>Debit</i> or <i>Credit</i>. • Specify the amount or quantity to be allocated for fixed allocation source.

After creating the allocation, run the Generate Accounts action to create the Financial Transaction Allocation Targets.

Create a Financial Event Class with Business event origin = Allocation and a Financial Event Class Rule referencing this Allocation. On the Financial Event Class, set Approve journals before posting to Yes if you want to review/approve the event before posting.

If needed, create a Financial Process referencing this Event Class.

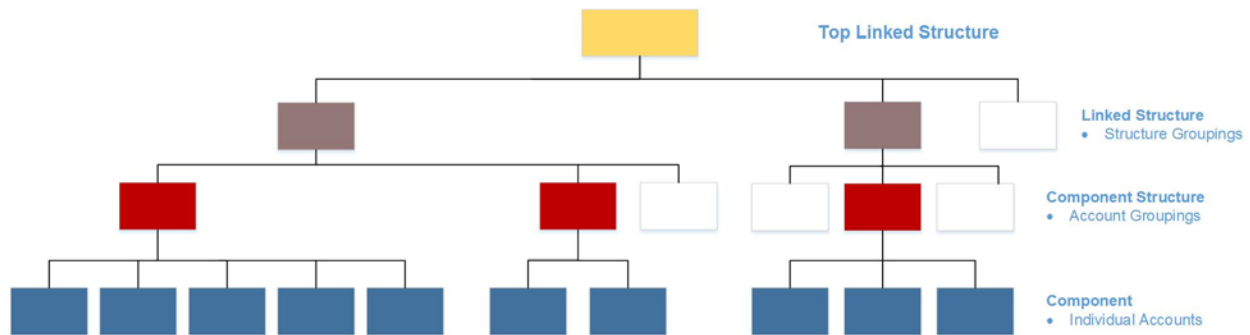
If needed, create a Financial Process List referencing this Process.

You can execute an Allocation in one of these three ways:

- On the Financial Event object, run the Create task and select the financial event class.
- On the Financial Process object, select the process and run the Execute Process task.
- On the Financial Process List object, select the process list and run the Execute Financial Process List task.

Financial Structures

Financial structures allow you to reorganize financial data without affecting the chart of accounts. The diagram shows a typical structure, which contains four levels.



This table shows the terms that are depicted in the diagram and a description of each.

Term	Description
Top Linked Structure	This is the highest-level structure in a structure hierarchy.
Linked Structure	This is a mid-level structure consisting of other structures.
Component Structure	This is the lowest level structure in a structure hierarchy. Typically, this level contains groups of accounts or components. A component structure can contain up to 999 components.
Component	A component consists of segment values defined to the chart of accounts. Infor XA uses sequence number to identify components.

You can combine these levels in various ways to create different structure hierarchies. A structure can contain components, other structures, or neither. However, a structure cannot contain both components and other structures. Only structures at the lowest level of the branch can contain components.

EGL does not require structures; however, they facilitate the definition of Consolidations and Translations.

Financial Structure Objects

- The Financial Structure object contains Chart of Accounts and Structure Identifier.
- The Financial Structure Sequence object contains Chart of Accounts, Parent Structure, Child Chart of Accounts, and Child Structure.
- The Financial Structure Sequence Components object contains Chart of Accounts, Structure Identifier, Structure Sequence and Account identification.

Structure Hierarchies

A structure hierarchy is a series of structures grouped in multi-level, linked relationships, and often referred to as the Structure Tree. Hierarchies allow you to:

- Accumulate lower level amounts to the top-level structure during structure rollups. Individual structure amounts are maintained during these processes.
- Link several structures together while maintaining them individually. You can build structure hierarchies in either a top-down fashion (building sequences first) or from the bottom up (building components first). However, you can never define both structure components and linked structures for the same structure record. You can use components in more than one structure and use structures in more than one hierarchy, but you must define a structure before you can use it as a link in a structure hierarchy.

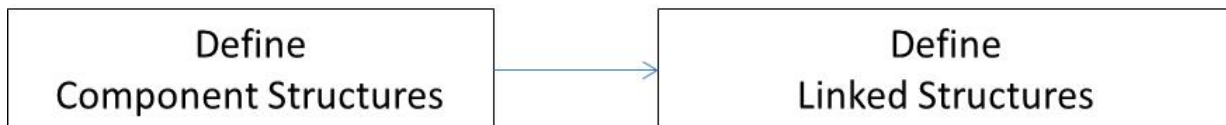
Structures and Wildcards

Wildcarding is segment specific. You can select segment values for components using one of two wildcards.

- The asterisk (*) represents any value in all remaining positions. Multiple asterisks in the same segment are not valid and no character can follow an asterisk.
- The question mark (?) represents any value in the position where the ? is placed. Question marks in all remaining positions of the segment value are equivalent to an asterisk.

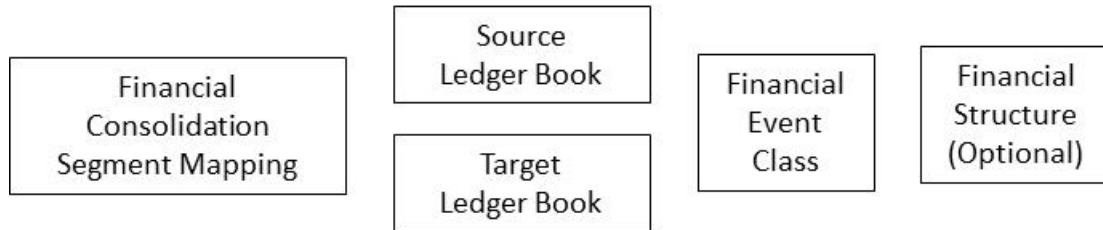
Structure Setup Task Flow

This diagram shows the primary tasks you perform when defining structures.



Consolidations

A consolidation process combines source and target ledgers and books, and then produces the results as journal lines in the target ledger/book combination through use of events, as illustrated below. You can also use structures as the basis for consolidations.



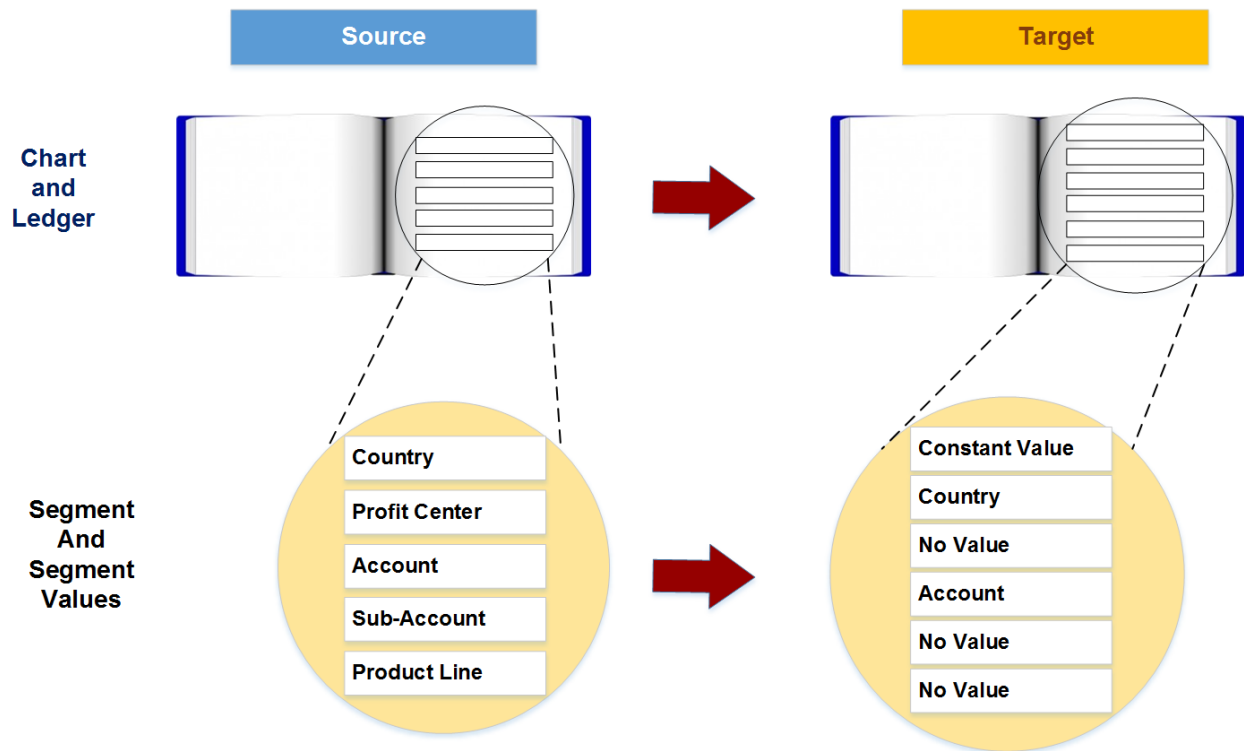
This table shows the terms that are depicted in the diagram and a description of each.

Term	Description
Financial Consolidation Segment Mapping	Defines how to map from the source chart of accounts to the target chart of accounts. This information is required if source and target ledgers do not share the same chart of accounts.
Source Ledger Book	This is the ledger and book information used as the basis for the consolidation.
Target Ledger Book	This is the ledger and book receiving consolidated information.
Financial Event Class	The event is used to create the journal entry in the target ledger. One journal line is written for every source account.
Financial Structure	The structure defines the subset of accounts used in the consolidation. Actual account balance amounts are consolidated, not rolled up.

The efficiency of consolidation processing improves when financial consolidation segment mappings are used.

The use of Financial Consolidation Segment Mappings provides a method for resolving dissimilar charts of accounts during consolidations. You can map segments by entering a specific segment value, or use wildcards to reduce the amount of maintenance.

This diagram shows the consolidation mapping process.



This process uses the Financial Consolidation object and the Financial Consolidation Segment Mapping object.

The Financial Consolidation object identifies the Source Chart of Accounts, Source Ledger, Target Chart of Accounts, and Target Ledger.

Each Financial Consolidation object may have multiple Financial Consolidation Segment Mappings.

The Financial Consolidation Segment Mapping object identifies the Source Segment ID, Target Segment ID, Source Segment Value, and Target Segment Value.

Two objects store consolidation results:

- Financial Journal Entry contains the journal header created in the target ledger with the accumulated information for all journal lines. The journal entry is posted based on the selected event.
- Financial Journal Entry Lines contains lines created for each source account balance. Where the source is a ledger/book, journal history lines are created for all account balances in the source ledger/book. Where the source is a structure, journal lines are created for all accounts defined in the structure.

You define your Financial Consolidation before running a Financial Process for that consolidation.

Chart and Ledger Mapping

You can define mapping at the chart of accounts or ledger level. Since many ledgers can share a chart, mapping at the chart of accounts level can reduce the amount of mapping setup and maintenance.

Segment Mapping

All source segments need not be mapped to target segments. For example, if the source chart of accounts contains a profit center segment and there is no analogous segment in the target ledger, you can skip the profit center segment.

To map an entire source account to an entire target account, map each source account segment values individually to the specific target account segment value.

When a source segment value is written to a target segment value, the following rules are applied during consolidation processing.

- If the source segment length is shorter than the target segment length, the source values are left justified and padded with spaces on the right before being placed into the target segment.

For example, account 02 would map as illustrated below. Note that account 02 needs to be a valid segment value in the target chart of accounts.

Source segment length	Target segment length	Resulting segment length	Looks like
2	5	2 + 3 spaces	02_ _ _

- If the source segment length is longer than the target segment length, the source values are left justified and truncated before being placed into the target segment.

For example, account 02110 would map as illustrated below.

Source segment length	Target segment length	Resulting segment length	Looks like
5	2	2	02

Constant Value in Target Segments

Target segments can be flagged to always contain a pre-defined (constant) value. For example, in CORPCHRT, CORP is the balancing point and since there is no comparable segment value for CORP in OPERCHRT, it is a constant value.

Multiple Map Sets

You can map the same source segment and segment values to different target segments and segment values for different purposes. For example, you can have one map set containing summary information and another containing detail. Another example would be one map set containing regulatory information and another containing management information.

Wildcards in Mapping

There are rules for using wildcards for consolidation mapping. These rules are consistent with the use of wildcards in other areas of EGL.

This table shows the wildcard rules.

Segment Values	Wildcard	Meaning
Source and Target	*	Indicates a wildcard in all remaining positions within segment.
	?	Indicates a position wildcard for the one position it contains within the segment.
	No * or ?	Indicates the entry must be valid in the Account Segment Values.
Source	* used in right most position	Becomes increasingly specific. For example, with these mapped values: * 1* 12* 123* A source segment with a value 12345 utilizes the mapped value for 123*, not the first entry *. The * provides a safety net for possible unmapped segment values. Include a * mapped source segment value for each segment being mapped. This should be mapped to a target segment that is easily identified.
	1?? (a 3-position segment)	Equal to 1*

Consolidating Multiple Ledgers and Books

You can consolidate multiple source ledgers and books into a single target ledger and book by defining each source ledger and book as separate consolidation processes into the same target ledger and book.

Consolidating Different Currencies

You must translate source ledger/books with different currencies into the target ledger and book currency before you can consolidate them. You can consolidate source ledger and books with like currencies as an intermediate step and then translate them into the currency of the final target ledger and book for final consolidation.

Consolidating Different Chart of Accounts

A consolidation map set is required for ledgers and books with different chart of accounts. Consolidation mapping provides the method for resolving dissimilar charts of accounts during consolidations. No mapping is required if the source and target ledgers share a common chart of accounts and the values are directly mapped.

Consolidation Using Structures

When consolidating using a structure, the structure defines the subset of accounts to consolidate. Actual account balance amounts are consolidated, not *rolled up*.

Since a structure is normally a portion of the ledger/book accounts, define the target ledger/book for a structure consolidation to accept unbalanced entries. You accomplish this by not selecting the **Balanced** attribute on the Ledger Book object.

Posting Consolidation Entries

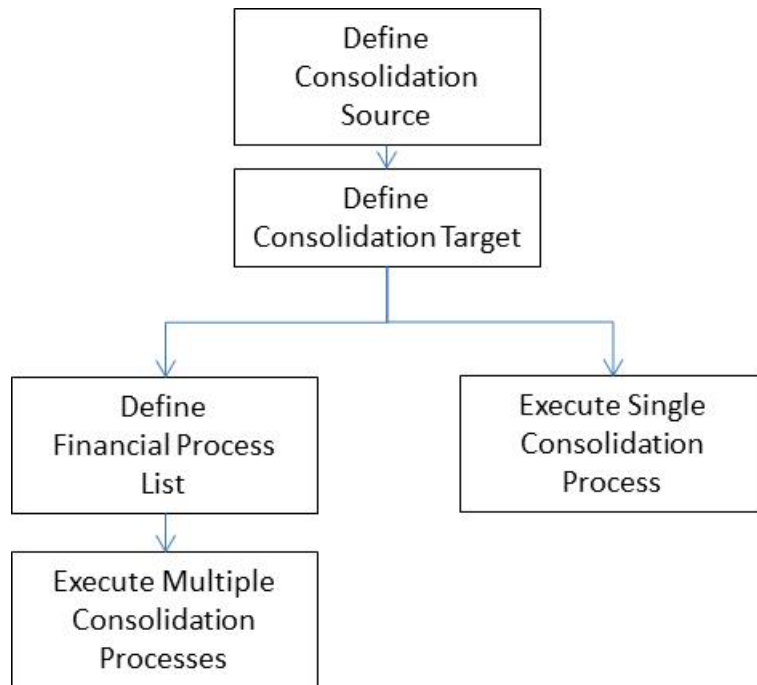
The posting accounts created in consolidation are subject to validation using account rules for the target ledger and book as they are posted. You can review any error messages generated in posting by running the Post Event action on the Financial Event object.

Only source ledger and book account balances for the debit, credit, and statistic amounts are included in the journal entry posted to the target ledger and book. Unposted journal entries in the source ledger and book are not included in the amounts to be consolidated.

One journal header is created in the target ledger. It contains the accumulated information for all journal lines. The journal entry is posted based on the selected event. You can reverse a consolidation entry through the Void Event action on the Financial Event object.

Consolidation Task Flow

This diagram shows the primary tasks you perform in defining and executing consolidations.



There are two methods for defining and executing a consolidation process.

- Single Consolidation is defined and executed by itself, and is referred to as a Process.
- Multiple Consolidation is a group of up to 999 consolidation processes defined, is executed in a specific order, and referred to as Process List.

By specifying a particular order, the results of one consolidation process can build upon the results of a previous one.

Financial Process attributes for Consolidations

This table shows the financial process attributes for consolidations and a description of each.

Attribute	Description
Event	Input or select the event class used to create the journal entry in the target ledger. One journal entry line is written for every source account.
Map set	Input or select the Financial Consolidation. This is required if source and target ledgers and books do not share the same chart of accounts.
Target period override	<p>This provides options to specify the target period where you want to post a consolidation. The three options are:</p> <ul style="list-style-type: none"> <p>None — This is the default option. When you select this option, EGL calculates the target period as follows:</p> <p>Uses the month-end date of the source period where the original transaction took place as the consolidation transaction date.</p> <p>Applies the consolidation transaction date to the target period table.</p> <p>The period where this date falls is the target period.</p> <p>Target period increment — This option enables you to adjust the calculated target period a specified number of periods ahead or behind.</p> <p>After selecting this option, you must input the number of periods to add to or subtract from the target period in the Period Increment option.</p> <p>Select the Include audit periods attribute to include the audit periods in the target period increment calculation. The number of periods specified in the Period increment attribute must include the audit periods to correctly calculate the desired target period.</p> <p>Target period selection — Select this option to specify the exact period and year to post the consolidation transaction.</p> <p>After selecting this option, you must input the target period and year in the Target year and Target period attributes. These values override the EGL-calculated default target period.</p> <p>This option is particularly helpful if you are consolidating two ledgers with period tables that contain different numbers of periods.</p>

Use the Financial Transaction object to view invoices, credit memos, cash receipts and cash payments.

Use the Financial Transaction Amount Due object to view outstanding balances.

Aged Balances

Aged balance totals are available for inquiry in several objects.

Object	Aged total
Personal Account Aging Structure Aged Balance	Aged balance total across all aging periods from the last time the invoices and credit memos in this personal account were aged using the specified aging structure
Personal Account Aging Period Balance	Aged balance total for the specified aging period for all invoices and credit memos in this personal account
Transaction Aging Period Balance	Aged balance total for the specified aging period for this invoice or credit memo transaction
Transaction Aged Balance	Aged balance total across all aging periods for this invoice or credit memo transaction
Amount Due Aging Period Balance	Aged balance total for the specified aging period for this financial transaction amount due

Entity Receivable/Payable Balances

Use these objects to view summary totals by Personal Account and Entity:

- Personal Account
- Personal Account Summary

- Entity
- Entity Summary
- Administrative Division Entity Summary
- Financial Division Entity Summary

Use these objects to display summary totals by entity group:

- Entity Group Summary
- Administrative Division Entity Group Summary
- Financial Division Entity Group Summary

EFIN checks to see if a personal account is within its balance limit. If the balance of an account exceeds the limit specified in its current personal account revision, the Balance limited exceeded attribute is set to **Yes**.

GL Account Balances

Use the Ledger Book Balance Summary object to view the total of financial journal entry lines posted to each GL account in each period. You can also use column totals on this object to check that the total debits equal the total credits across a subset of GL accounts. This can be used to check the trial balance.

Drill-back to Source Transactions

From the Ledger Book Balance Summary object, use the Display menu task to drill-down to the Financial Journal Entry Lines.

From the Financial Journal Entry Lines object, use the Display menu task to drill-down to the source transactions such as these:

- Financial transaction (AR invoice, AP invoice, cash receipt, cash payment, etc.)
- Customer invoice
- Inventory transaction history
- Manufacturing order
- Purchase order

From the Financial Transaction Charge line object, use the Display menu to drill-down to the source transactions such as these:

- Purchase order
- Manufacturing order

From the Financial Transactions object and the Financial Journal Entry Lines object you can use the Display menu to drill-back to the corresponding CSM customer invoice and customer orders.

P.O. Related Invoices and Credits

Use a subset on the Financial Transaction Charges object to inquire about invoices and credits related to a specific PO.

Credit limits and credit check totals

Use these objects to view credit limits and credit check totals:

Customer,	Default (MCS) (IFM) card file,	Credit tab
Entity,	Balanced (MCS) card file,	Credit tab
Entity Group,	Default (MCS) card file	Credit tab

List Deposits

Use a view and subset on the Financial Transaction Cash object to view deposits by deposit reference.

Cash Commitment Analysis

A cash commitment analysis gives details of known future items of expenditure or revenue within a specified data range.

Subset the list of Financial Transaction Amounts Due to include payable amounts due within a specified range of Expected settlement dates. Use column totals on the view to see the total expected expenditure.

Aging structures enable you to define more detailed cash commitment analyses across multiple aging periods.

List Disputed Invoices

Use a subset on the Financial Transaction Amounts Due object to display a list of invoices where Dispute is Yes.

Implementation Checklist

A check mark in the last column indicates this is automatically set up by the AM to EFIN migration and the IFM to EFIN migration.

Step	Objects	
Install IFM and answer the IFM questionnaire	N/A	
Install EFIN		
Set application settings	Enterprise Financials Application Settings Enterprise General Ledger Application Settings	
Define the charts of accounts	Account Segments Account Segment Values Charts of Accounts IFM Units IFM Natures	✓
Activate application interfaces in CAS		
Set up IFM security		
<ul style="list-style-type: none"> To sign in to IFM for the first time, create a System i user ID called YSYS Add IFM Users Authorize users to IFM applications, tasks, financial divisions, ledgers 		
Set up EFIN security	User Profiles Financial Division Users	
<ul style="list-style-type: none"> CAS task security in the IFM (EFIN) and EGL applications Attribute class security Financial division posting authority 		

Step	Objects
EGL event processing for ERP transactions	Financial Calendars ✓ Ledgers (GL) Books Models Event Classes Event Class Rules Subsystem Event Rules
EGL Application Security	Financial Groups Ledger Account Rules Account Access Rules Book Access Rules
Master Data	Currencies ✓ (✓) Administrative Divisions ✓ Exchange Rate Sets ✓ IFM Periods ✓ IFM Current Year Period Structure Document Types ✓ Transaction Types ✓ Financial Divisions ✓ Units ✓ CSM defaults (if CSM is interfacing) ✓ Countries ✓ States ✓ Tax Cities Tax Counties Public Holidays Date Methods ✓ Settlement Terms ✓ Banks ✓ Ledgers (sub-ledgers) ✓ Ledger Transaction Types ✓ Ledger Transaction Numerators ✓ Ledger Periods ✓ Personal Account Statuses ✓ Entities ✓ Personal Accounts ✓

Step	Objects	
Tax Tables	Tax Authorities Tax Indicators Tax Condition Priorities	✓
Check that unattached jobs are active		
AM57C		
PSTVUE		

Period Close Checklist

The Period-end close checklist contains suggested steps to do as part of the period-end close process. You can tailor this list to suit the needs of your business. You may also want to do the steps in a different order than the order on the checklist.

Closing a period prevents users from creating new transactions for that period.

Period-end close checklist

- Generate finance charge transactions using the **Generate Finance Charges** host job on the Financial Transaction Amount Due object.
- Age balances using the **Age Balances** host job on the Personal Account object.
- Print customer statements using the **Statement** host print on the Personal Account object.
- Process accruals/reversing entries in IFM (if applicable)
 - Accrue/Reverse of unposted invoices is not sent from IFM to EGL
 - Accrue/Reverse of installment interest is sent from IFM to EGL
 - Accrue/Reverse of currency exchange gain/loss on posted foreign currency invoices is sent from IFM to EGL
- View the trial balance in the Ledger Book Balance Summary object or an external reporting application.
- Close the IFM period to transaction processing. Each ledger period is closed individually, that is, the user closes the general ledger, receivables and payables ledgers, and cash book ledgers one at a time. Closing a ledger period changes the status of the ledger only.
- Close the EGL period to transaction processing using the Financial Calendar Period object.

Year End Close Checklist

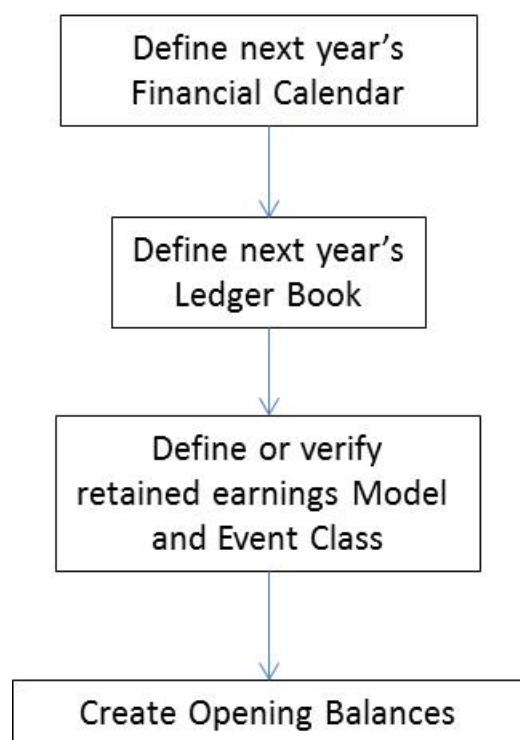
The year-end close checklist contains suggested steps to do as part of the year-end close process. You can tailor this list to suit the needs of your business including doing the steps in a different order than the order on the checklist.

- Verify that the next year's Ledger Book and Financial Calendar exist. If not, create them.
- Verify that both the source and target books are defined and open.
- Verify that the Retained Earnings event is set up and specified in the ledger.
- Make sure that the model used for the Retained Earnings event is set up with one model line for each possible balancing point of the ledger.
- Do not use wildcards in the retained earnings model. Each line must have explicit values for the account string.
- Verify that the journal source specified in the model is defined for Retained Earnings, and active in both the current and next year's books.
- Verify that the Natural Account used in the Retained Earnings model is defined as a Retained Earnings account type.

The Create Opening Balances task can be run at any time after the year end. If any adjustments (audit or otherwise) are made afterward, the task can be run again to pick up only the net change. Or, you can void the original entry and run the task again to post one journal for the entire process.

A new Financial Journal Entry is created each time you run the Create Opening Balances action.

This diagram shows the major tasks you should perform when processing a transfer of opening account balances at year-end.



These rules apply to the creation of opening account balances:

- The beginning balance is transferred to period zero. After account balances are stored to this period, EGL prohibits maintenance to book details.
- You cannot maintain books after account balances are stored for the book, including account balances created during the Create Opening Balances action. There are two exceptions:
 - You can add journal sources to a book at any time.
 - The Create Opening Balances action can close or open the Ledger Book using the Book closed attribute.
- You can Create Opening Balances more than once.

These steps describe how you set up the IFM GL data that is required for EFIN:

- Create all IFM periods for the new year, ensuring that the periods are open
- Inherit the IFM GL periods for all other ledgers, ensuring that the periods are open
- Define the IFM period structures for the new fiscal year
- Update the Default financial year attribute for the administrative division with the new fiscal year

If you are still using the IFM GL, then:

- Create an opening balance IFM period to use only for opening balances for the new year. Be sure the period is open.
- Create a unit/nature for retained earnings, if not previously created.

- Run year-end close in IFM. Use the accounting period and the retained earnings unit and nature previously defined.

The system zeros out the income and expense, updates the retained earnings nature with the new profit or loss amount, and summarizes the nature's balance sheet into the next year.

- Close the IFM period used for opening balances.

EFIN uses the Cross Application Support (CAS) security tasks for the functions in IDF level 2. All finance tasks are initially locked. To authorize users to tasks or to unlock tasks, use CAS menu AMZM38 option 1, Area and task authorizations. EFIN tasks are included there in the IFM application and the EGL application.

EFIN uses attribute class security to control user access to data in financial divisions, ledgers, entities, ledger types and ledger books. To restrict user access, create User Values in the User Profiles object.

EFIN uses IFM security for the functions in IDF level 1.

Before setting up IFM security, you must create a System i user ID called YSYS. You then sign on IFM and establish security for IFM using the IFM System Management menu. See the *IFM User Guide* for details.

To process any financial transactions, you must be authorized to the CAS security task “Post Financial Transactions”.

To process any financial transaction in a financial division you must be authorized to post to that financial division in the Financial Division User object.

To enter and process a specific financial transaction you must be authorized to maintenance attribute class security for that administrative division, financial division, ledger, ledger type and entity.

EGL Security Administration

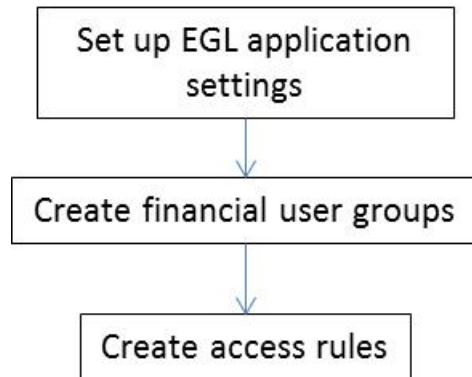
EGL allows you to monitor and limit user access to inquiry and posting privileges. This control allows a system administrator to determine access to both the posting of events in Events Processing and the inquiry of posted events in Account Inquiry for user groups at the chart, ledger, segment value, and/or account string level.

Users are then restricted to only post to accounts containing certain segment values/account strings and to only view results of posted accounts that contain specific segment values/account strings. You can also allow users both the posting and viewing accesses.

Security rules are set up a once. All users assigned to a group will possess the same level of security. If no security access level is assigned, the group may view and post to accounts containing all segment values/account strings (no rules apply). This is the system default.

Security Rules Task Flow

The following are the tasks you perform in assigning the security access to users.



In the EGL application settings, set Use account security to Yes.

Use the Financial Groups object to create user groups and to assign users to groups.

There are two types of access rules:

- **Account Access Rules** —This assigns access based on the combination of all the segments of the account string.
- **Book Access Rules**— This restricts balance retrieval and/or journal posting to financial books by user group. Book Access Rules are based on ledger, book, year, user group, and access type.

This functionality allows the use of a single ledger with multiple books while limiting access to defined books. A multi-company organization can use one ledger with separate books for each company and still maintain security between companies and books. Also, a single ledger can accommodate actual, budget, and/or project books while restricting users from posting or obtaining balance information from any book.

With each type of rule are *Reject* rules and *Allow* rules. You always define a *Reject* rule before an *Allow* rule.

All *Reject* rules automatically assign an access status of “No Access.” *Allow* rules (which must be a subset of a *Reject* rule) change an account’s security status from “No access” to “Inquiry only”, “Post only”, “All access” or “Post and limited inquiry.” Like *Account Rules*, a *Reject* rule must be created that restricts all the needed accounts and then creates *Allow* rules that change the needed accounts to their desired status.

Ledger Account Rules Overview

The *Ledger Account Rules* object allows you to add *Reject Rules*, add *Allow Rules*, and to update and delete rules defined for the selected chart or account strings within the chart.

The purpose of *Ledger Account Rules* is to restrict certain segment values and combinations of segment values for a chart of accounts. Optionally, it also works for a ledger, before a balance record is created or an amount is posted.

Chart of Account Universe

Without any rules, all segment value combinations are allowed. The *universe* of your organization identifies all valid segment value combinations for each chart of accounts or chart/ledger combination.

When you set up rules, you are defining *exceptions* to the universe. These are combinations that do not meet validation requirements are considered to be in error and are not available for posting. The journal line is then set to *Error* status.

Rule Types

There are two rule types:

- **Segment Rules** limit a segment of an account string to specific user-defined segment values.
Segment rules are checked *first* during Events Processing validation. If a segment rule rejects a segment value and an allow exception does not exist, the journal line is set to an error status.
- **Account Rules** limit the account string to specific combinations of segment s. value
Accounts are checked *last* during validation. If the account string is rejected by an account rule and an allow exception does not exist, the journal line is set to an error status.

EGL Ledger Account Rules contain a number of individual lines that define exception parameters for the segment. Two types of exception parameters are *reject* and *allow*. You first define a *reject rule*, then define exception(s) to the reject rule, which are called *allow rule(s)*.

These conventions apply to segment and account rule definitions:

- In an account rule, you can leave segments blank *only* if the segment is optional, or if it is mandatory and has a blank value defined as a segment value.
- Wildcards are allowed when defining segment values and should be used whenever possible to minimize the number of rules.
- Aliases are not allowed in segment value attributes.

Rule Setup Task Flow

This diagram illustrates the main tasks that you perform when setting up Account Rules for your ledger.



Objectives for Implementing Rules

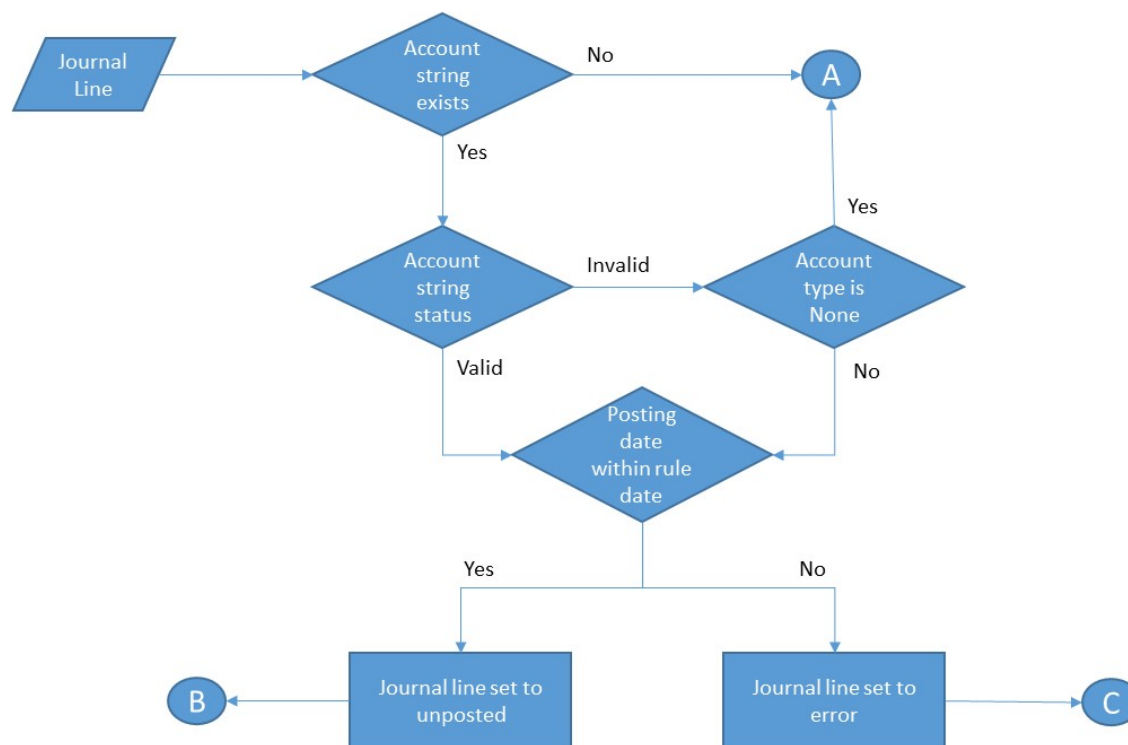
Before defining any rules, you should define the *universe*. This means you identify all valid segment value combinations for each chart or chart/ledger combination. In setting up rules, there are two basic implementation objectives for minimizing processing time:

- You can reduce process time by creating the fewest number of rules necessary.
- You can reduce process time by creating an efficient sequencing of rules to ensure that the fewest number of rule lines are checked to find an allow rule.
 - You should sequence rules so that those rules allowing the most accounts have the lowest sequence numbers. Start defining the rules with the most common occurrence for rejection or acceptance, and then narrow down the rules to define the single exceptions. Rules are processed in Rule order. Allow rules are processed in sequence number order.
 - You should sequence rules according to which account strings are used more frequently in the models. The more detail lines you create for a particular account string, the lower the sequence number should be.

Rule Processing Flow

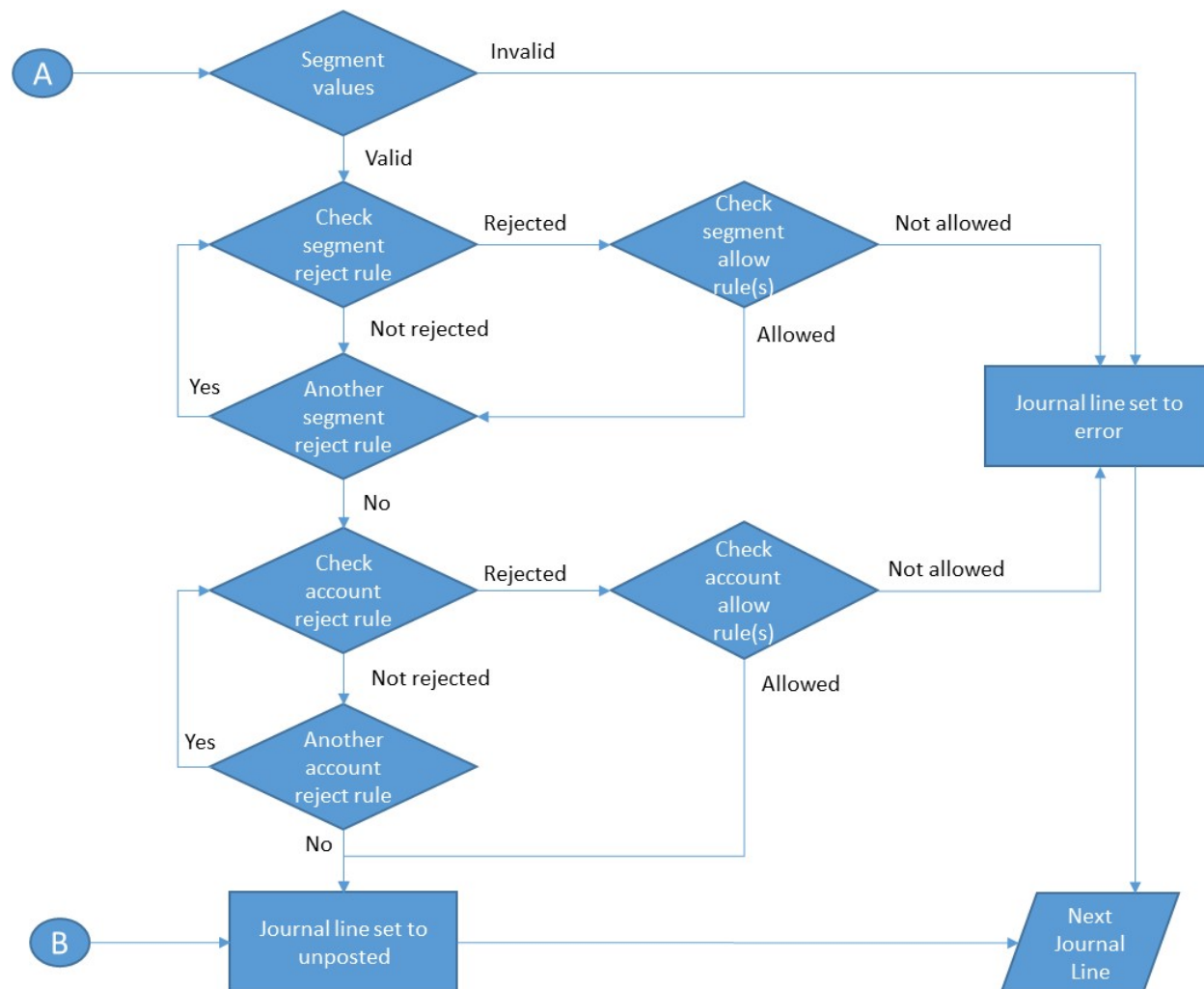
During Events Processing, EGL validates each account in the journal against the rules.

This diagram shows a detailed picture of this process.



Before processing any rules, ERP validates the account string segment values for aliases, wildcards, and valid segment values.

- When any aliases are converted, the system restarts the validation for the account string.
- If the system finds any wildcards or invalid segment values, it sets the journal entry to unresolved status and the journal entry must be corrected.



- Next, EGL processes rules for segment values. If it encounters a rule disallowing the segment, the entire line is in error and must be corrected. If any journal line contains an account string in error status, the journal line and journal entry number is in an unresolved status and must be corrected.
- If the segment value is valid, then EGL checks the account string against the account rules.
 - If EGL encounters an account rule disallowing the entire account string without an associated *allow* rule, the account string is in error status, and therefore the journal line and journal entry number is in an unresolved status and must be corrected.
 - If the account string meets the validation requirements, the journal line is given an *Unposted* status.

These functions are available in IDF Level 1. For information about these functions, see to the *IFM User Guide*.

- 1099 Boxes
- 1099 Tax Report Classes
- Create Interdivision Transfers
- Work with Administrative Divisions
- Work with Aging Structures
- Work with Allocation Entities
- Work with Apportionment Criteria
- Work with Apportionments
- Work with Bank Account Formats
- Log Bank Return Information
- Work with Bank Statements
- Import Bank Statement
- Reconcile Bank Accounts
- Record Interbank Transfers
- Work with Charges
- Work with Document Types
- Work with Financial Divisions
- Work with Installment Methods
- Work with Installment Percent Methods
- Work with Interdivision Accounts
- Work with Interdivision Trade Partnerships
- Create Interdivision Transfers
- Work with Item Tax Classes
- Work with IFM Natures
- Work with Note Methods
- Generate Notes
- Work with IFM Periods
- Apply Prepayments
- Work with Public Holiday Sets

- Work with Settlement Methods
- Work with Settlement Terms
- Generate Tax Analysis
- Simulate Tax Calculation
- Work with Tax Code Results
- Work with Tax Condition Priorities
- Document Tax Estimate Inquiry
- Tax Group Codes
- Work with Tax Transaction Types
- Work with Transaction Line Control
- Work with Transaction Templates
- Work with Transaction Types
- Tax Worksheet
- Work with Units
- Work with Withholding Methods
- Withholding Tax Tables

IFM Attribute Classes, IFM Attribute Lists and IFM Attribute Analysis and IFM Transaction Line Control Records should not be used. They have been superseded by the EFIN User-field attributes, EFIN IDF inquiries and external reporting applications.

Chapter 17 Planned Functions

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These functions are not available in this release of EFIN. They are planned for a future release.

- Note collection lists (for customer direct debits)
- Deferred checks
- Repeating transactions
- Lock-box cash receipts