



ramco



**Ramco ERP Suite**  
**Enterprise Edition**

Application Reference Manual

Receivables Management

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## 1 Introduction

### 1.1 Overview

Receivable Management function is an integral part of the *Order to Cash Business Cycle*. Typically addressing the needs of the Sales unit of a company, the focus of the “Receivable Management” processes is on accounting for revenues and managing dues receivable from customers. The core business needs addressed by the “Receivable Management” functions are:

- Raising invoices for sales
- Recording receipts from customers
- Raising credit / debit notes for post invoicing corrections
- Adjusting the invoices against advances or debit / credit memos
- Processing payments to customers for rebates, refunds etc
- Maintaining customer outstanding balance information
- Customer credit rating and credit status check
- Running balance ageing reports
- Generating customer statement of account
- Dunning customer for non-receipt of dues
- Overdue management (Provision for marking doubtful debts and write-off of bad debts)
- Recording sundry receipts (non-sale related receipts)
- Banking of payment instruments received by the Enterprise
- Web-based customer self-service portal

### 1.2 Functions

#### 1.2.1 Invoicing

This is the process of raising invoices on customers for product sales / services rendered. The invoice is generally based on an *approved* sale order and shipping information. This process of invoicing is a post shipment process. Furthermore, invoices can also be raised for “Over the counter” sales, wherein the process of material transfer to customer and invoicing takes place simultaneously.



An “Invoice” is a document that represents the legal transfer of ownership of products from the seller to the buyer. It follows that the invoice has all the information required to make a valid sale. The main data recorded in the invoice are:

- The customer to whom sale is made
- Date of sale
- Currency in which the sale is transacted
- The details of the product sold / services rendered
- Price
- Total amount due from the customer on sale
- Taxes and charges applicable on the invoice
- Discounts allowed to the customer
- Payment terms (due dates, early payment discounts, and penalty clause) in case of credit sale and
- The references to the sale order/shipping document (if any).

In addition to the invoices that are raised based on actual sales (material transfer), invoices of the type “*Prepayment*” can also be raised. A prepayment invoice is typically the invoice raised on the customer as a request for advance or prepayment. This prepayment invoice can be based on contractual agreement (as specified in the sale order) or can be ad hoc (without any document reference). The information contained in the prepayment invoice is similar to the final invoice (raised after material transfer). Once the customer pays the amount requested in the prepayment invoice, it is regularized as an *advance*. This advance can be later adjusted against the final invoice.

Subsequent to the process of invoicing, there may be many business circumstances where the amounts booked as recoverable from the customer during invoicing process, needs to be corrected. Such situations may occur due to return of defective / damaged products by the customer; change in the price specified in the invoice, change in contractual terms like discount etc. Thus, in such cases, it is a common practice to raise debit / credit memos on customers. Debit memos are raised to increase the amount due from the customer and credit memos are raised to reduce the same. The debit / credit memos comprise information similar to that of an invoice document. However in situations where the details pertaining to the product sold are not relevant to the process of raising the note, it would be sufficient to provide the account information alone. Typically in the case when rebates are allowed to customer, based on the value of sale affected during a period, then an account based note would be used.

To summarize, the *invoicing* function supports:

- [Sale order based invoicing](#),
- [Shipping information based invoicing](#),
- [Direct invoicing](#),
- [Prepayment invoicing](#) and
- [Debit / credit memos](#)

### 1.2.2 Receipt

Receipt is the process of recording the payments received from customers. The information recorded in a receipt voucher is:

- Customer from whom the amount is received
- Receipt currency
- Date of receipt
- Receipt amount
- Exchange rate of receipt with respect to base currency of the company
- Receipt route (Cash / Bank)
- Mode of receipt (Check, Draft, Direct credit to bank, Electronic modes, Credit card)
- Bank in which the receipt amount is to be deposited
- Instrument details (if payments have been received through check, draft etc)
- Credit card information (if applicable)

If the detail of the invoice raised by the customer is specified, then that invoice amount is also recorded.

Either the employee of the company or the appointed collection agent can record the receipt information.

In addition to recording receipts from customers for sale transactions, several other receipts can also be recorded. Some of these could be from employees, tax authorities, insurance firms (for asset related claims) which could be classified as sundry receipts. The information that is recorded while generating these receipts is similar to that of the customer receipts

During the process of generating receipts, instruments are collected from customers and other payers. These instruments need to be deposited in the company's banks and must be realized, after which the amounts are credited to the company's account. This is the process of *Realize Receipts*. The bank in which the instruments are to be deposited can be specified. In the events of the instrument not being honored by the bank, the process of bouncing the instrument can also be performed. [Click here for information on customer receipts concepts.](#)

In its normal course of operations, a company could receive different types of receipts. Other than the receipts from customers or suppliers there could also be some miscellaneous receipts like refund of travel advance, sale of scrap, insurance claims, employee repayment etc. These receipts are referred to as "Sundry Receipts". [Click here for more information on sundry receipts concepts.](#)

In the normal course of operations, a company will have to deal with inflows through various receipt modes. The different receipt modes could be cash, check, and demand draft, pay order, credit card or through electronic funds transfer. Physical instruments such as checks, demand draft and pay orders collected by a company at its various collection centers must be deposited in the bank for realization of the payment.

This component facilitates the above functionality of depositing such financial instruments (Checks and DD's) to the bank. On a rare occurrence, it may also be necessary to handle bounced instruments, which get returned due to defects in the instruments or lack of funds in the remitter's account. [Click here for more information on realize receipts concepts.](#)

### 1.2.3 Adjustment

Receipt application is the process of matching the receipts with the invoices. In certain cases the customer indicates the invoices being settled, along with the payment. In other cases the invoices and the receipts have to be matched subsequent to the receipt of payments. In both these circumstances, the invoice is considered to be settled, only after the receipt application is complete. This process of settlement is executed under the *Adjustment* function.

Usually the customer settles the invoice due amount by paying the sum. However, there could also be times when the invoice may be settled through *document adjustment* also. The following are a few business situations where document adjustment is done.

- Return of sold materials from the customer, due to quality issues: a credit note is raised to return part of the amount. This credit note is adjusted against the sale invoice. As a result, the amount due from the customer against the invoice is reduced
- When the customer has paid an advance as per the contractual agreement, which needs to be adjusted against the sale invoice (this process reduces the due amount on the invoice)
- When the customer has paid a deposit to the company, this deposit amount can be adjusted in certain situations against the sales invoice

There are certain business situations where one customer settles the due amounts of another customer. This would typically happen when companies belonging to two customers merge or when there is a change in the organization structure, wherein a merger or de-merger of business units could take place. Due to this, the responsibility of payment collection may shift from one business unit to another. In such situations there is a facility to transfer balance from one customer to another or one division of a company to another. [Click here for information on customer adjustment concepts.](#)

### 1.2.4 Payment

The general business process is to receive payments from the customer. However, situations where payment needs to be made to the customer might also arise. Some of these could be refund of excess collection, periodic rebates, and cases of over invoicing etc. A customer payment voucher records the customer information, payment mode, currency, bank, amount to be paid and the reason for payment. [Click here for information on customer payment concepts.](#)

### 1.2.5 Control

Control is the centralized function that collates information from all the other functions of the Ramco ERP Suite Enterprise Edition system to the Receivable Management business process. This is an out facing function that provides relevant information to all its related functions like General Accounting, Taxation, Management Accounting, Sales & Shipping (order processing, shipping) etc. The Control function also maintains customer-wise balance information In addition to holding document information.

The process of determining the *Credit Rating* of the customer based on exposure and balance due is also vested in this function. The function of credit status validation prior to order confirmation and / or shipping is also performed herein. The appropriate data for generating *Customer Balance Ageing* and *Dunning* reports is available as part of this function. [Click here for information on credit management concepts.](#)

## 1.3 Processes

### 1.3.1 Order to Cash Cycle

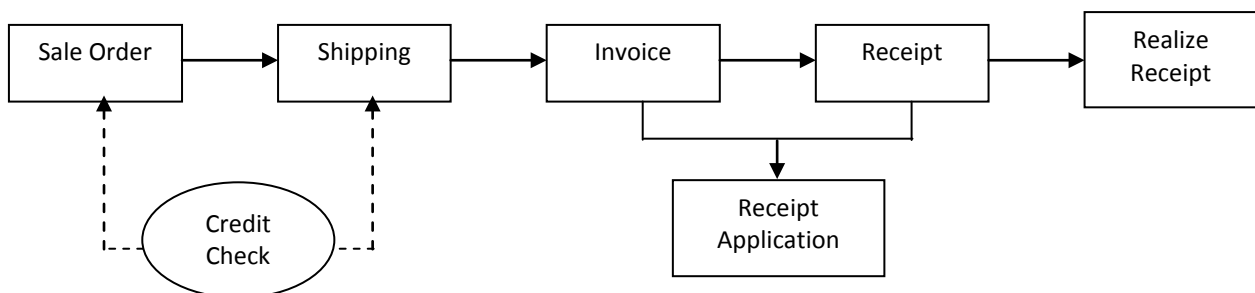


Figure 1: Order to Cash cycle – A representation

### 1.3.2 Order to Cash Cycle with Advances

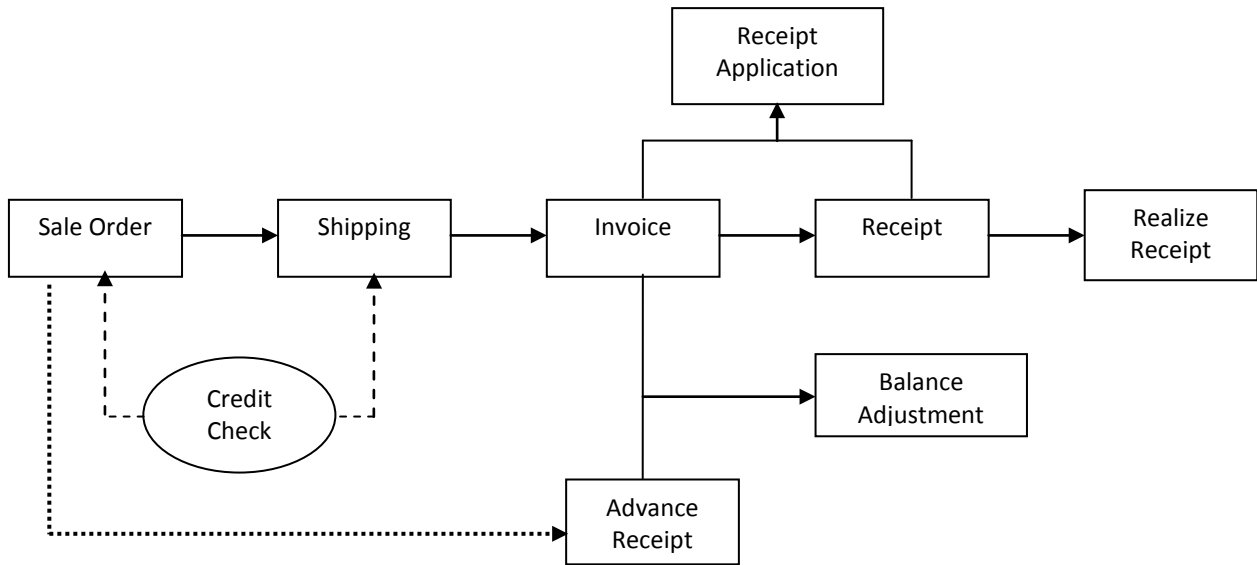


Figure 2: Order to Cash cycle with Advances – A representation

### 1.3.3 Order to Cash cycle with Sale Return / Credit note

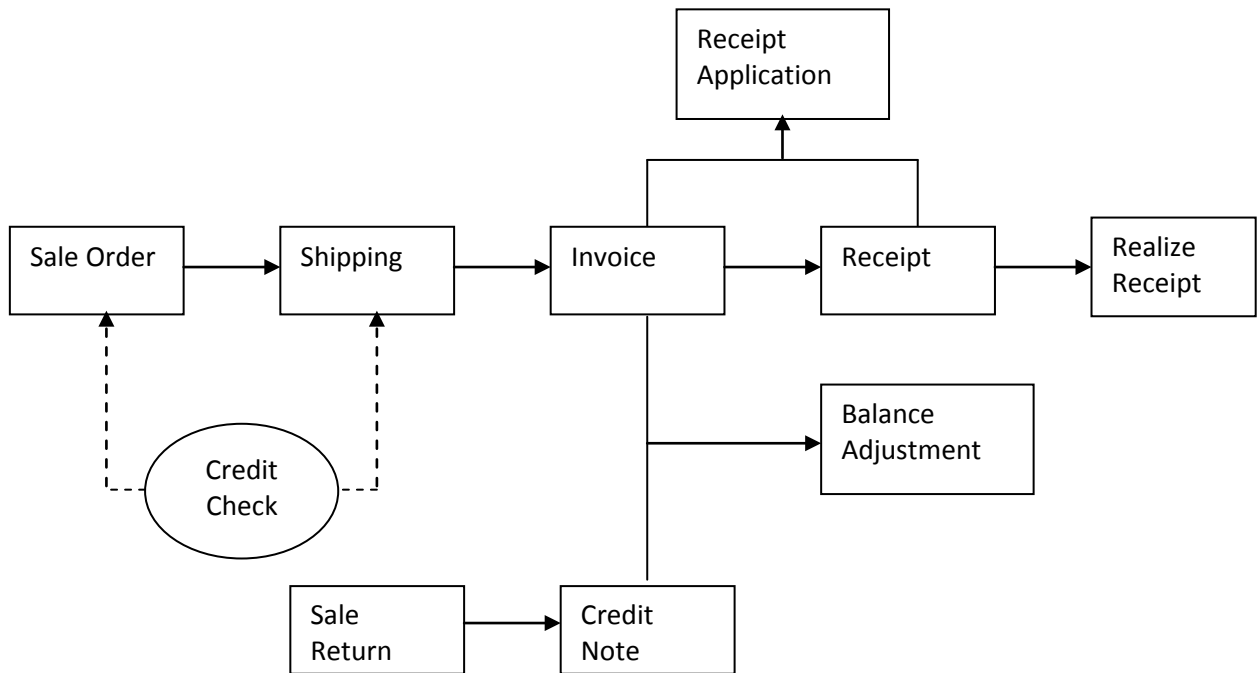


Figure 3: Order to Cash cycle with Sale Return / Credit note – A representation

### 1.3.4 Direct Invoice based on shipping information

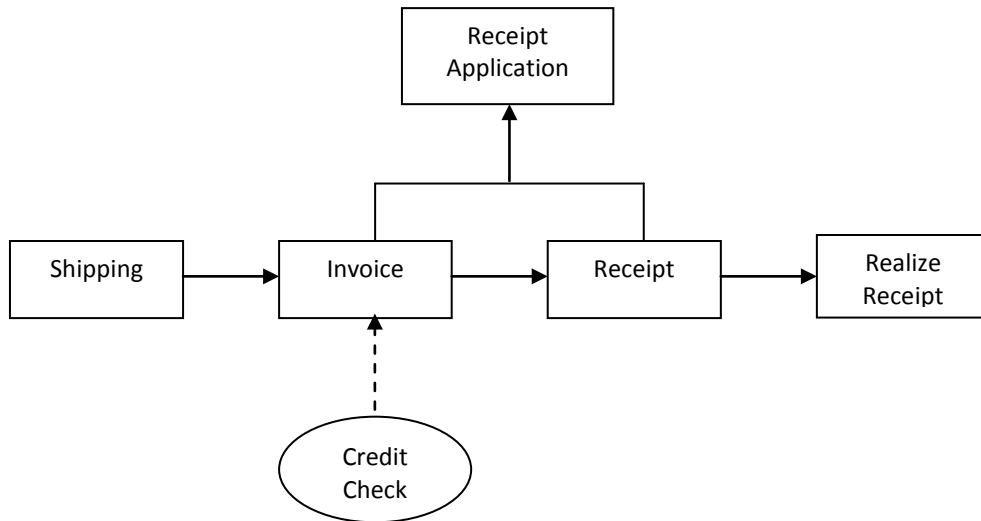


Figure 4: Direct Invoice based on shipping information – A representation

### 1.3.5 Direct Invoice

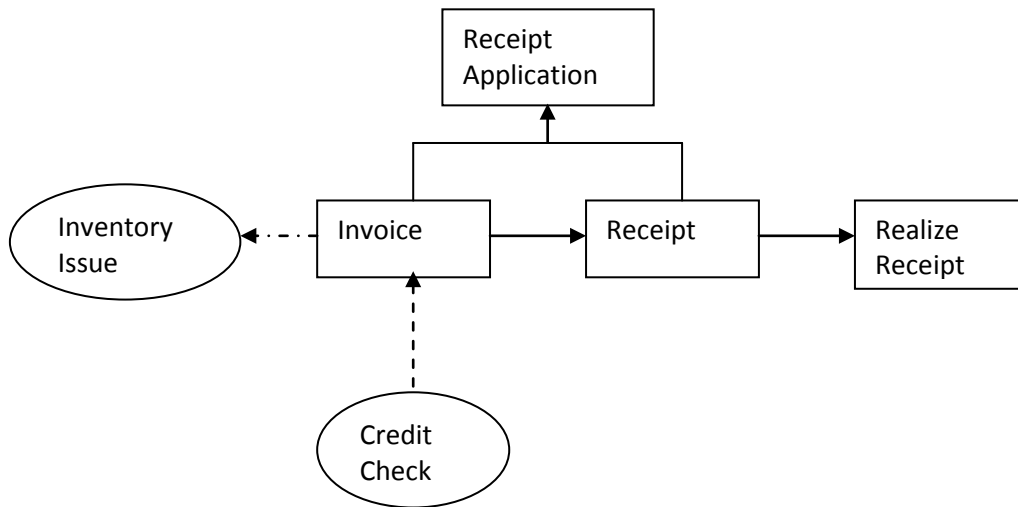
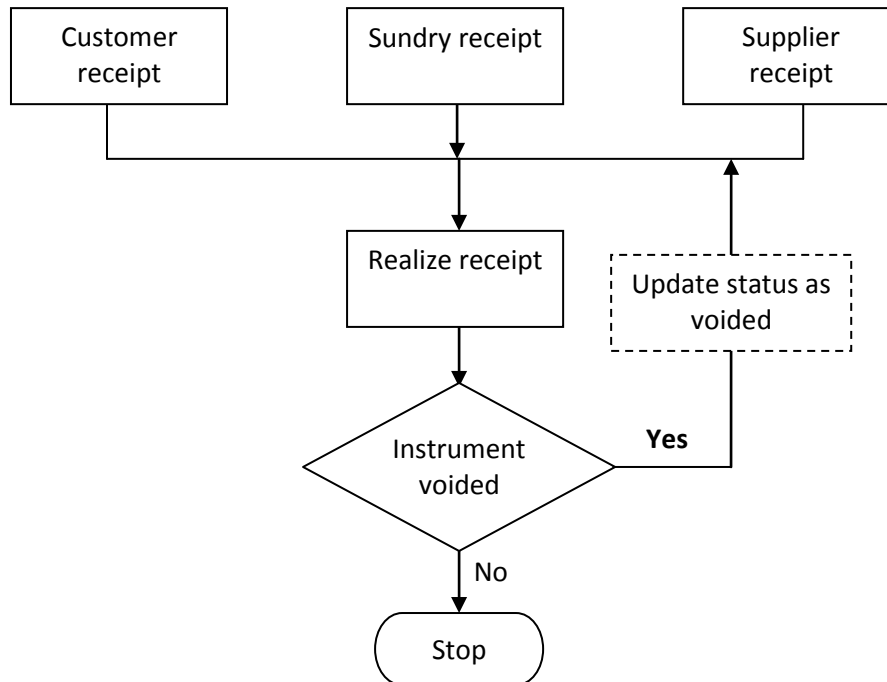


Figure 5: Direct Invoice – A representation

### 1.3.6 Receipt Process



*Receipt Process – A representation*

## 2 Enterprise Modeling

### 2.1 Understanding the Enterprise Structure

For the successful operation of an Enterprise Solution, it is imperative to model the basic structure of the organization. The flow of information, interactions between business function and reporting relationships need to be identified. The system should display the ability to input data, aggregate output and analyze information in accordance with the different dimensions of the business enterprise. The system should also be nimble and adaptable to the constantly changing enterprise structures.

Any enterprise can be structured on two bases as explained hereunder:

#### 2.1.1 Legal Organization

Legal organizations work within the purview of legally registered “Companies”. Companies have legal identity and are empowered by the law to transact business.

All commercial transactions need to work within the boundaries of the legal company. The company is also obliged to present its financial statements to its investors, tax and other legal authorities. The financial information pertaining to the commercial transactions are maintained in the *Finance Books*. A legal company can have several finance books into which information can be posted. All transactions that have a financial impact need to post information to the appropriate finance book.

#### 2.1.2 Operations based Organization

Operations based organizations are designed to carry out business in an efficient and effective manner. The primary objective of such organizations is to bring about a synergy among the resources of the enterprise. The legal structure of the enterprise may or may not have a bearing on this kind of a structure. The main entity in this structure is the *Business Unit*. A business unit denotes a group of operations that are governed by similar policies and procedures. A typical example could be a product line. If there are several business units that perform similar

production and logistics function (deal with same trading partners, using similar items), they can be grouped together to form the Logistics organization.

### 2.1.2.1 Organization Unit

The most atomic grouping of resources, functions or utilities constitutes an organization unit. Organization units can be grouped to define business units or legal companies.

## 2.2 Organization of the Receivable Management Function

The Receivable Management processes are designed to function within the legal as well as operational boundaries of an enterprise structure. Receivable management processes can be *centralized* or *decentralized*. The relation between the functions and the organization structure is detailed below:

### 2.2.1 Invoicing

The invoicing process may be centralized or decentralized. If centralized, then order and shipping documents raised by different organization units can be invoiced at a single organization unit. In the case of decentralized invoicing, orders, shipment and invoicing are restricted within the same organization unit. When sale orders are raised and executed in a business unit, then it is expected that the corresponding invoice must also be generated within the same business unit. Moreover, since a sale is an external commercial transaction, it can be performed by a legal entity only. Hence every invoice must refer to a single company. Furthermore, the contract (sale order) on which the invoice is based must also belong to the same company. This is applicable for all documents within the invoicing function. Multiple instances of invoicing function may be deployed for a company.

The following is the representation of a centralized invoicing process (refer Figure 6):

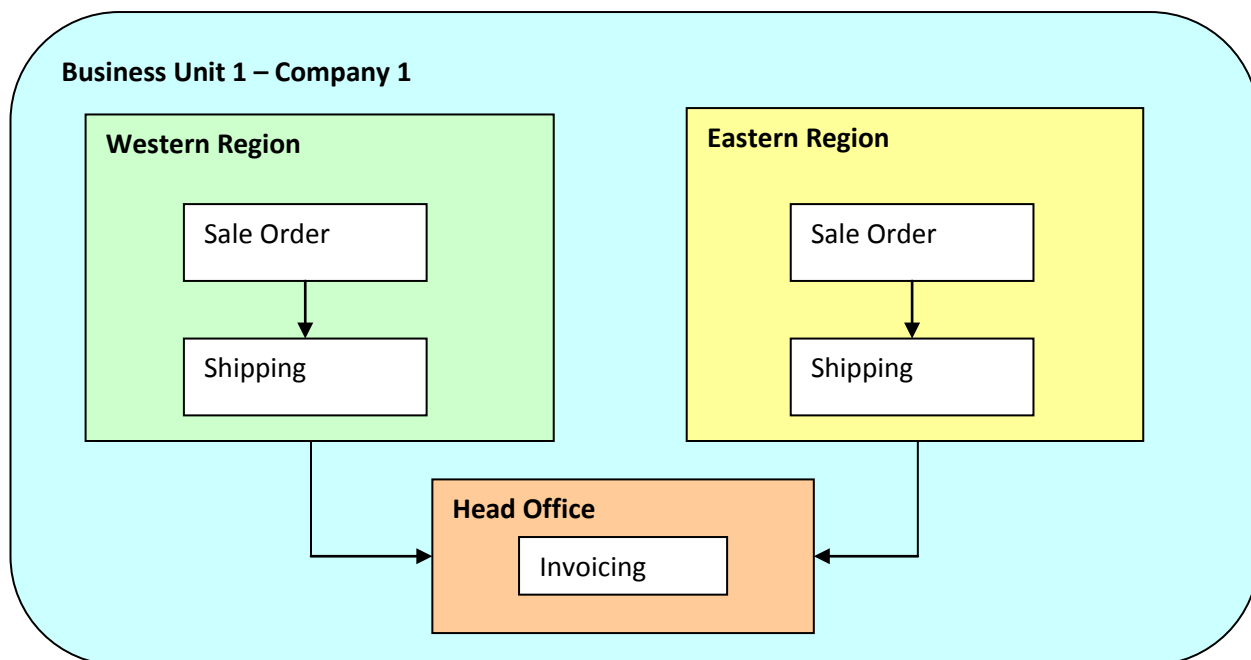
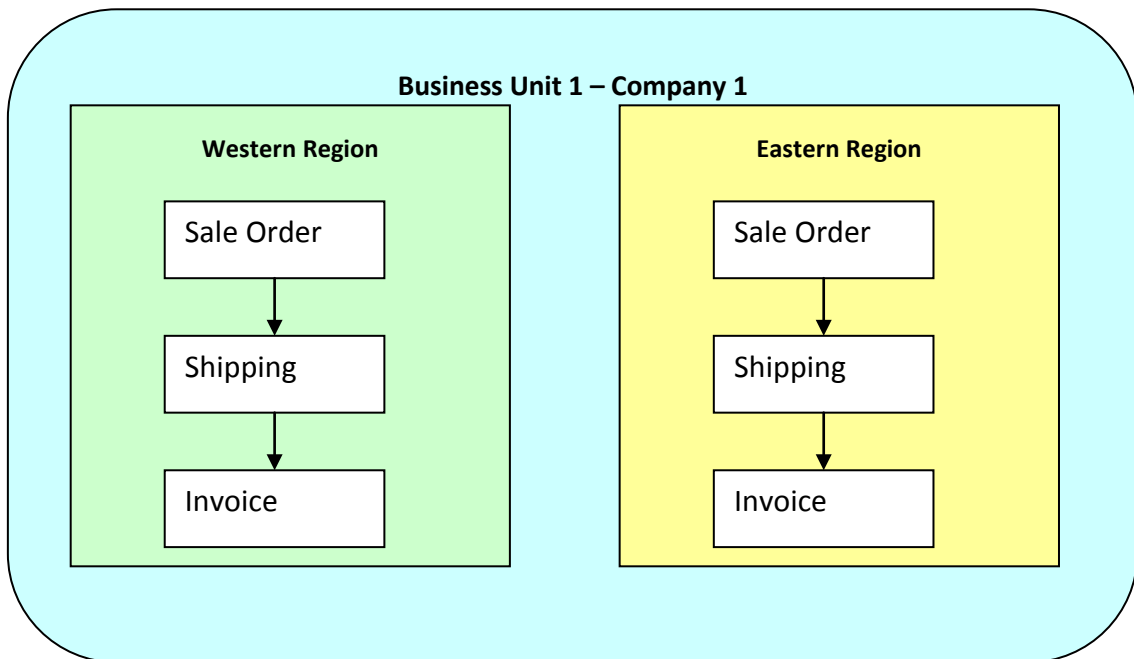
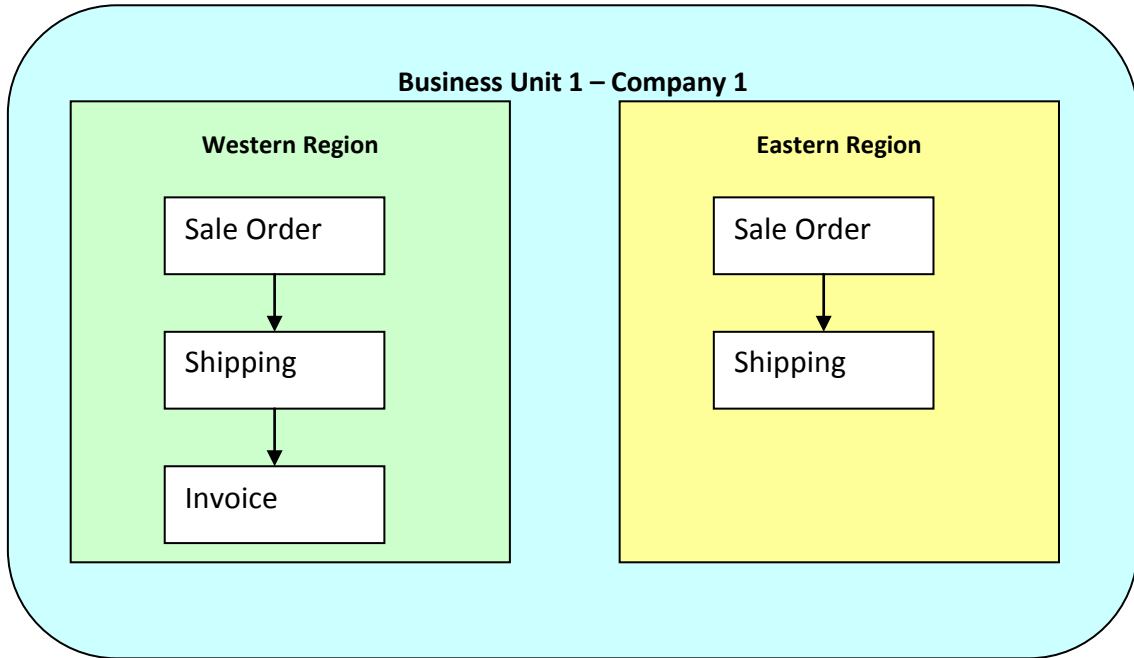


Figure 6: Centralized Invoicing Process

The following is a representation of a decentralized invoicing process (refer Figure 7):

Western and Eastern regions invoices for sale orders and shipments for the corresponding regions. Hence it is evident that invoicing function does not transgress business unit boundaries.





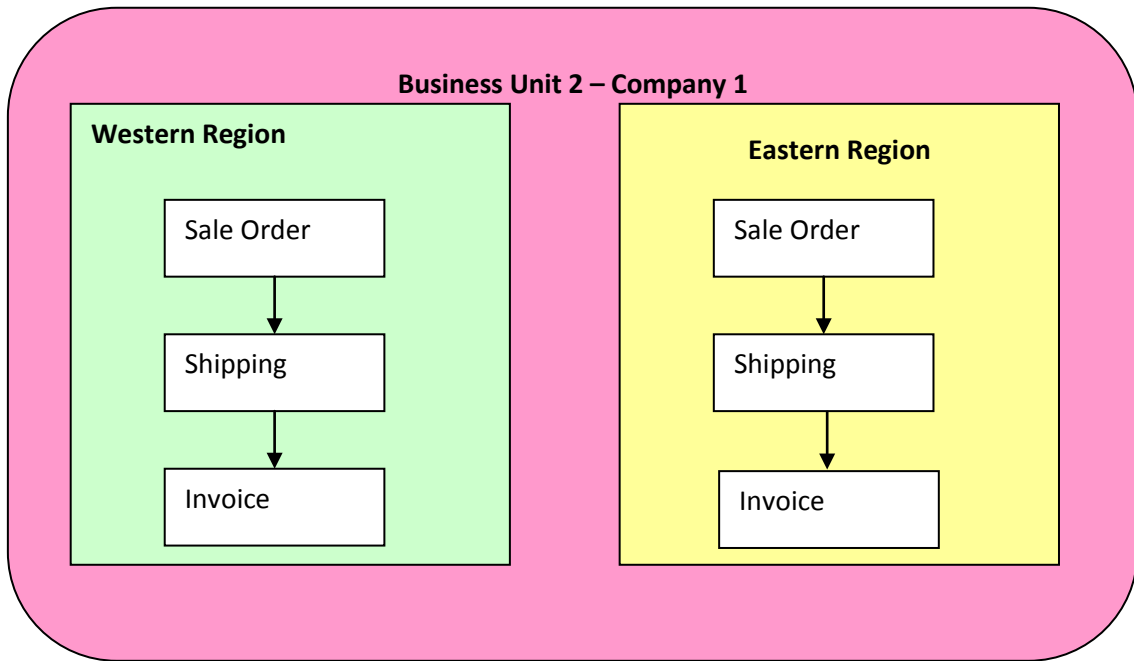


Figure 7: Decentralized Invoicing Process

### 2.2.2 Receipts

Receipts process may also be centralized or decentralized. In a centralized receipt set up, collection and recording of receipts would be centered at one organization unit. In the case of a decentralized set up, multiple collection points would be available for recording receipts. However, receipt vouchers must belong to a single legal company.

Also, the process of banking the receipt instruments may be centralized or decentralized. Multiple instances of deployment for receipts component is possible.

The following is the representation of the centralized receipt process (refer Figure 8).

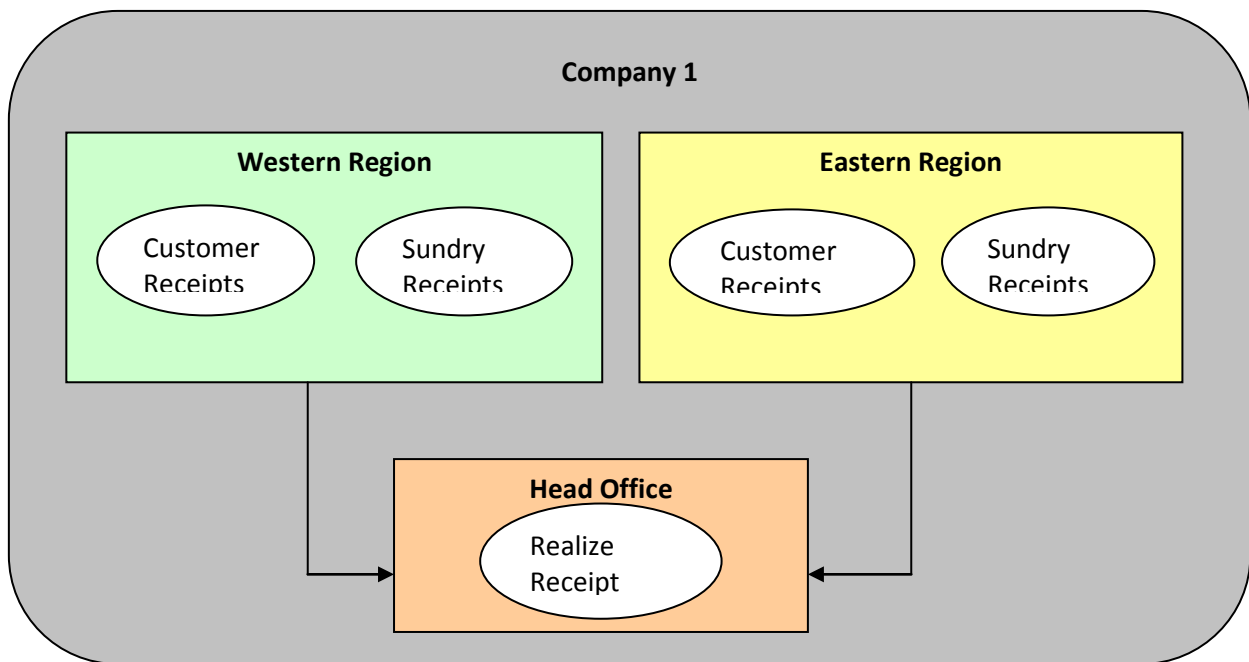


Figure 8: Centralized Receipt Process

The following is a representation of the decentralized receipt process (refer Figure 9).

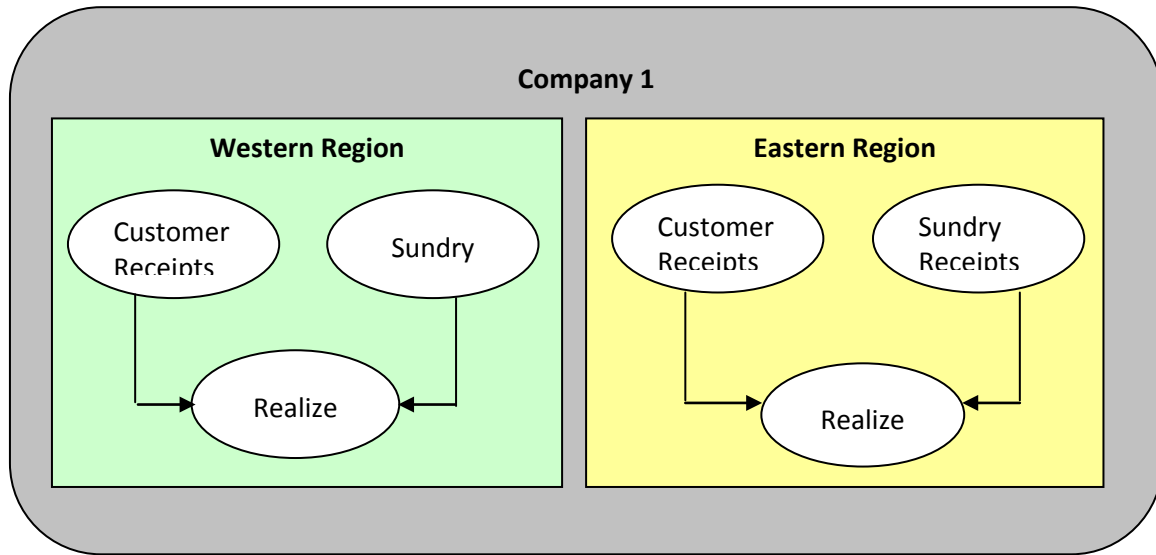


Figure 9: Decentralized Receipt Process

### 2.2.3 Adjustments

Adjustment vouchers must belong to a single company. The documents that are adjusted also need to belong to the same company. However based on a parameter setting, the documents may or may not belong to the same business unit (within the company). Similarly customer's balance may be transferred from one business unit to another, but should be within the same legal company. Multiple deployment instances of the Adjustment component are supported as part of the Receivable Management function.

The following is a representation of the centralized adjustment process across business units (refer Figure 10).

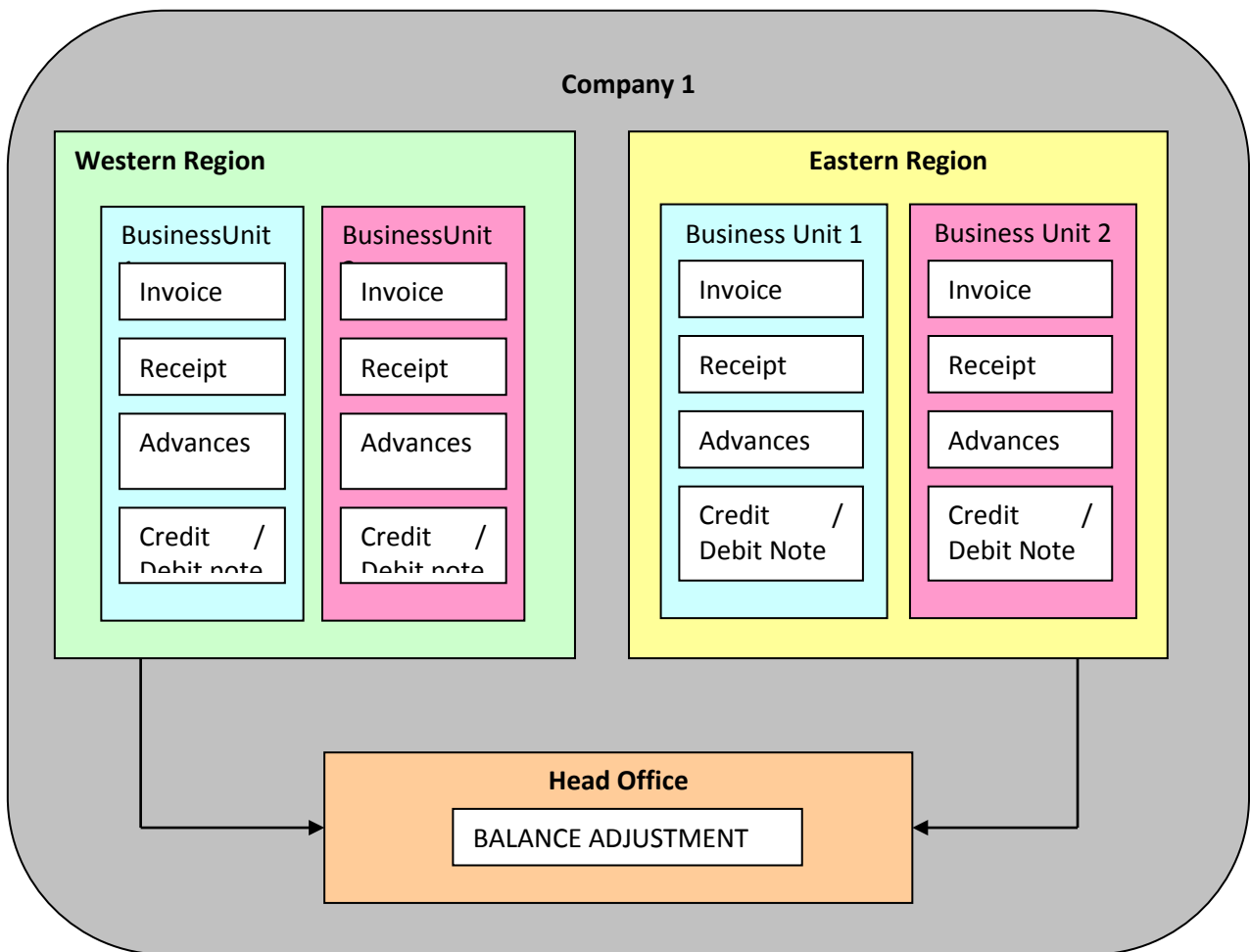


Figure 10: Adjustments Centralized and across BU

The following is a representation of the decentralized adjustment process within BU (refer Figure 11).

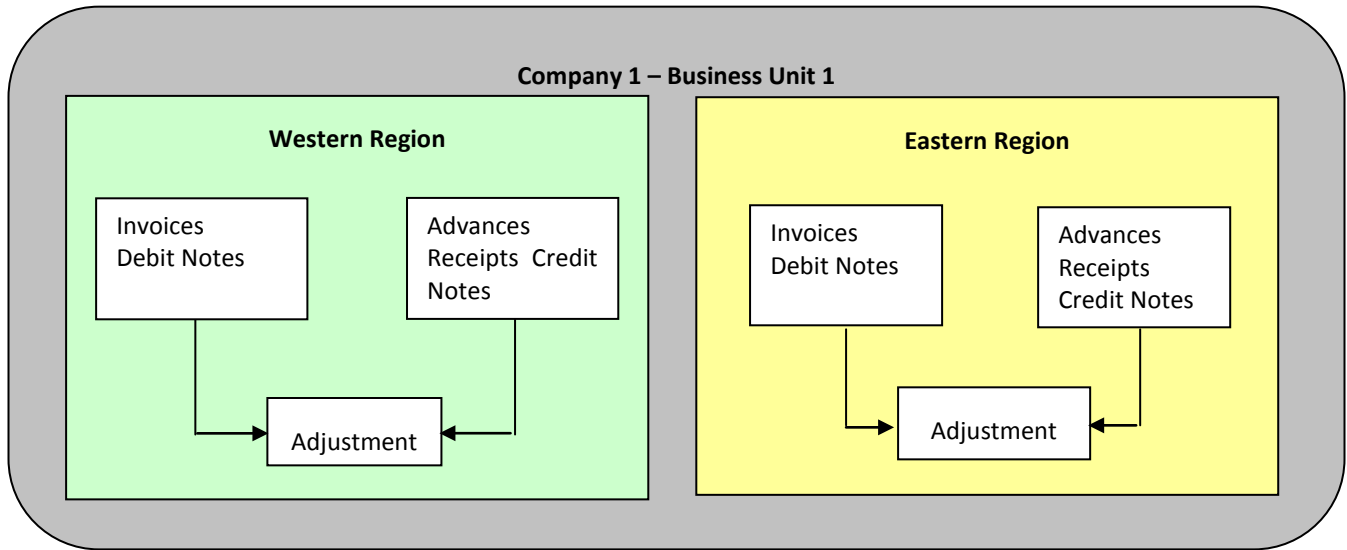


Figure 11: Adjustments Decentralized and within BU

### 2.2.4 Control

**Balance maintenance:** The customer balance information can be ascertained at all levels:

- Finance book
- Company

It is expected that the balance maintenance function would be deployed at a single organization unit for a company.

**Credit management:** Credit terms are generally policy decisions. Hence the same may vary between business units. In order to satisfy this business need, the credit term may be mapped to the customer at business unit level. In this case credit rating information would be maintained at business unit level and also the exposure to the customer would be calculated at the business unit level. However there may be situations where the entire company shares the same credit policies. In this case the credit term - customer mapping as well as credit rating is maintained at company level. The level of credit management (Business unit or Company) is based on parameter setting.

## 3 Key concepts

### 3.1 Process of Ageing & Credit Rating

#### Overdue Documents

Any debit document, which is not settled within the due period, becomes an *overdue document*. Since each document cannot be followed up individually, overdue ones are put together into convenient groups called credit buckets.

#### Computing the Overdue days for a Document

A credit bucket represents a range of days for which a document is overdue. For example, a "0 - 30 Day" bucket will collect all invoices that are overdue for less than 31 days.

The age of an invoice is calculated from the date from which it is due. As an instance, for an invoice dated April 1, 2002,

<i>Credit Period</i>	<i>30 days</i>
<i>Due Date</i>	<i>April 30, 2002</i>
<i>No of days overdue as on May 5<sup>th</sup></i>	<i>6 days</i>

### Placing the over-dues in the respective Buckets:

When ageing is run, as on the ageing date, the various overdue documents are identified along with their respective number of overdue days. The total overdue amounts of all such documents are grouped in the various buckets as the overdue balances. Refer Table 1 for an illustration.

Bucket No.	Lower Limit (Days)	Upper Limit (Days)	Weightage	Credit Limits	Outstanding Debit Balances
1	0	30	10	5000	5000
2	31	60	20	4000	3000
3	61	90	30	3000	3000
4	91	9999	40	2000	3000

Table 1: Ageing and Credit Rating

## 3.2 Computing the Credit Rating

The credit rating of the customer can be computed based on the balances overdue, with the formula:

$$\text{Credit Rating} = \frac{\sum \text{Balances} * \text{Weightage}}{\sum \text{Limits} * \text{Weightage}}$$

The values  $\sum \text{Balances} * \text{Weightage}$  and  $\sum \text{Limits} * \text{Weightage}$  can be calculated on a statistical basis using the following techniques:

### 3.2.1 Debit Method

Bucket	Lower Limit	Upper Limit	Wtg	Credit Limit	Balances	Limit * Wtg	Balance * Wtg
1	0	30	10	5000	5000	500	500
2	31	60	20	4000	3000	800	600
3	61	90	30	3000	3000	900	900
4	91	9999	40	2000	3000	800	1200
TOTAL						<b>3000</b>	<b>3200</b>
Credit rating works out to be <b>3200/3000 = 1.067</b>							

Table 2: Debit Method – An Illustration

### 3.2.2 Net Method

**Assumption:** A 2500/- receipt from the customer is lying unadjusted, which will be first adjusted against the oldest documents (refer Table 3).

Bucket	Lower Limit	Upper Limit	Wtg	Credit Limit	Balances	Limit*Wtg	Balance * Wtg
1	0	30	10	5000	5000	500	500
2	31	60	20	4000	3000	800	600
3	61	90	30	3000	2500	900	750
4	91	9999	40	2000	0	800	0
TOTAL						<b>3000</b>	<b>1850</b>

Credit rating works out to be  $1850/3000 = 0.62$

Table 3: Net Method – An Illustration

If the Net Balance method is used, before applying the formula for Credit Rating calculation, the balances are reduced with the open unadjusted credit documents (if any) on a FIFO (First-In-First-Out) basis.

All the above stages of the Credit Check process is consolidated and diagrammatically represented as shown in Figure 12.

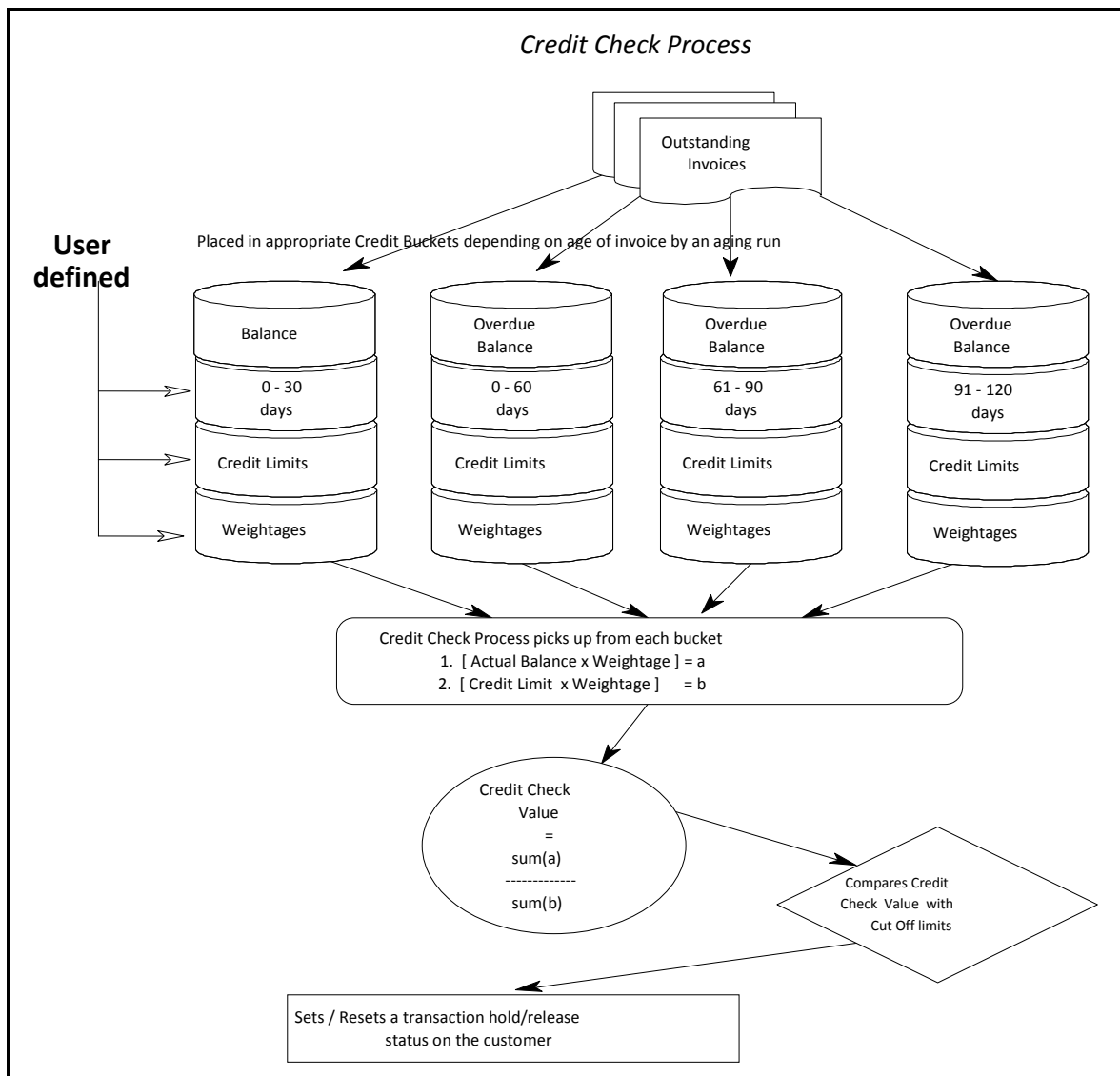


Figure 12: Credit Check Process Master Definition

## 4 Master Definition

### 4.1 Credit Management

#### 4.1.1 Purpose

The following master data can be defined in this component:

- Credit buckets
- Range for each credit buckets
- Weightage for each credit bucket
- Credit check action and the credit rating limit for holding customer transactions (Order, Issue and Ship)
- Frequency of the Credit Rating runs, for batch processing
- Type of balance to be considered for credit checking (debit balances or net balances)
- Level at which credit check is to be performed (Company)
- Credit term code
- Credit term description
- Single & total order limits for monitoring the exposure of risk to the customer.
- The credit limits for each bucket i.e. the permitted outstanding amount in each bucket.
- Credit check action (Hold/Ignore)
- The credit check level for the customer (Customer, Up the Hierarchy or Total Hierarchy)
- Discount grace days
- Receivable grace days
- Residual write off %
- Residual write off amount
- Applicability of Residual Write Off on Over payments

#### 4.1.2 Overview

Credit Setup provides the key information based on which credit checking for the customers is performed. Amounts that are overdue from the customer are primarily analyzed based on the number of overdue days. For this purpose, *period ranges* are defined, under which the overdue documents can be appropriately grouped. Such a period range is also known as a *Credit Bucket*. Example (refer Table 4):

Credit Bucket Number	Over due
1	1 to 30 days
2	31 to 60 days
3	61 to 90 days
4	91 days and above

Table 4.1: Credit Bucket Definitions (Overdue Documents)

Credit Bucket Number	Outstanding
1	0 to 30 days
2	31 to 60 days
3	61 to 90 days
4	91 days and above

Table 4.2: Credit Bucket Definitions (Outstanding Documents)

The overdue days in each bucket depends on the payment periodicity in a particular line of business. The number of credit buckets required depends on the depth of analysis, which can be set at the business unit or company level. In addition to this, weightage will be attached to each credit bucket for credit rating calculation.

The customer's credit rating is calculated by comparing the actual overdue balances in each bucket vis-à-vis the credit limit. The final credit rating value computed is compared to the allowable credit limit. If the rating is within the limit, then the transaction is allowed. Otherwise, it is *Held for Credit*. The various transactions for which credit limit can be set are: sale order processing, inventory issue with the intent of sale to a customer, actual shipping of items to customer etc.

Credit Terms of an organization are also defined in this component, which represent the credit policies for the customers. These credit terms are attached to the respective customers. The process of credit checking considers the credit limits set for each bucket from the credit term associated to the customer. Some of the parameters set in credit check can be modified at customer level.

### 4.1.3 What you can do in this component

**Set Credit Check:** This activity allows defining as well as modifying the credit check information which includes definition of buckets, credit rating limits for holding transactions, type of credit check, balance and the frequency in which the ageing & credit rating will be run through a batch process. The values finally set are considered at the time of credit check run.

**View Credit Check:** The latest credit-check information that has been set can be viewed.

**Define Credit Term:** This activity allows setting of the various credit terms which includes the limits in each bucket, the single order & total order limit, credit check action, credit check level, grace discount days, residual write off terms, applicability of dunning etc.

**Edit Credit Term:** The credit terms can be modified for any of the value changes.

**View Credit Term:** The details of the various credit terms that have been defined can be viewed.

### 4.1.4 Key Features

**Credit Bucket Definition:** The number of credit buckets to be defined is configurable and the maximum allowed is 9. Active buckets are considered for the purpose of ageing analysis and credit checking. For all the active credit buckets the overdue days range and the corresponding weightage must be defined. This weightage is used at the time of credit rating. Typically higher the overdue days set, greater would be the weightage attached.

**Credit Limit Definition:** Three distinct limits can be defined.

- Limit for sale order processing
- Limit for sales issue
- Limit for shipping to customer

Depending on the transaction, the customer credit rating is validated against the corresponding limit. The values of these three limits are independent and mutually exclusive.

**Frequency of Credit Check:** Credit checking activity can be setup as a batch activity wherein credit check is run for all the customers. The frequency at which this check is to be performed can also be set.



**Credit Check Level:** The credit check can be done at the Company level or LO Level Based on IPS Parameter Settings.

**Balance Type:** The customer balances that are to be considered for credit rating can also be specified. The options are

- Debit balance: Only unadjusted debit balances are considered for credit rating.
- Net balance: Any open unadjusted credit documents will first be set off against the debits on a FIFO basis, for computing the credit rating.

**Credit Rating Basis:** Basis can be Overdue Documents or Outstanding Documents. If Basis is Overdue Documents, Rating would be computed based on the due date of the Documents. If Basis is Outstanding Documents, Rating would be computed based on the transaction date of the transaction.

**Single/Total Order Limit:** This limit keeps a check on the value of risk exposed to a customer. Setting a single order limit would ensure that the value of a credit transaction, such as order / packslip, does not exceed the single order limit. Setting a total order limit would ensure that the cumulative value of credit exposed to the customer, at a given point on time, does not exceed the total order limit.

**Credit Checking Type:** The credit check can be done at the various levels of the customer hierarchy. For computing the credit rating of a customer, if the balances of other customers in the same hierarchy (present in an upward linear chain) also need to be considered, then the credit checking type is “Up the hierarchy”. If all the customers belonging to the hierarchy are to be considered, then the credit checking type is “Total Hierarchy”.

**Credit Check Action:** A Hold action would not allow a transaction to proceed, when the credit rating of the customer exceeds the limits set. However, an Ignore action will allow the transaction to proceed further.

**Discount Grace Days:** The discount is computed based on the discount date as per the payment schedule and the date of receipt. Discount grace days once set, postpones the discount date by a specific number of days.

**Residual Write off:** After adjusting the last term due from a customer’s document, if a small balance is still lying as an outstanding balance, then these amounts can be written off. Such residual amounts can be written off only if the amount is within the Residual Write-off boundaries set. Residual Write-off limits can be set as a flat amount or as a percentage value.

#### 4.1.5 Functional Parameters

Parameter	Value	Implication
Credit Check at Shipping	Yes / No	If Set to “Yes” customer credit check is performed at the time of packslip shipping. If Set to “No” customer credit check is not performed at the time of packslip shipping.
Credit check at Ordering	Yes / No	If Set to “Yes” customer credit check is performed while authorizing sale order. If Set to “No” customer credit check is not performed while authorizing sale order.
Credit Check at Issuing	Yes / No	If Set to “Yes” customer credit check is performed at the time of sales issue. If Set to “No” customer credit check is not performed at the time of sales issue.
Default Finance book	FB IDs	The finance book that will be displayed by default during credit management master

Parameter	Value	Implication
		data definition.
JV OU for Provisions	OU Names	When a provision for a bad debt is to be created, this parameter will decide the OU in which the JV will be created
Billing Point for Write off	OU Names	The OU at which the credit note will be raised against the customer when an outstanding amount is written off as a bad debt.
Default Customer Registered At	OU Names	The OU at which the Customer Registered will be displayed by default during credit management transactions.

**Note:** All the parameters set for the components are considered to be at the organization unit level.

### 4.1.6 Functionality

Management of customer receivables has a direct impact on the working capital and consequently the financial health of any business as a whole. Thus it becomes important for a business to keep track of and maintain a close watch on its receivables' status at any point of time. This would facilitate the organization to initiate appropriate actions at the right time like issuing reminders, collection follow-up or put a hold on further sales to a defaulting customer etc. This would also provide inputs to categorize customers based on their payment behaviour, helping the sales team to target the right customers. The customer Credit Management component broadly supports all the above aspects in a typical business organization.

The major functions supported by the component are:

#### Credit Management

- Defining credit terms, which can be attached to customers details
- Specifying actions towards customers crossing the credit limits
- Ageing of customer balances and classifying overdue using the concept of credit buckets (either manually or through a batch processing)
- Credit rating customers based on the overdue balances / outstanding balances
- Altering credit rating of customers temporarily and exempting sale orders from credit check

#### Overdue Management

- Dunning (follow-up through reminders) customer overdue
- Request creation of Provision for Bad Debts, along with a list of overdue documents
- Writing-off bad debts
- Writing back bad debts recovered from customers

### 4.1.7 Prerequisites

- Organization setup modeling in Enterprise Setup must have been completed
- Component Interaction Model (CIM) must have been defined
- Availability of Finance Book information must be ensured
- Number generation setup must have been created for all the documents

- Customers must be in “Active” status
- Account Rule Definition must have been done for the relevant accounts
- Financial period / year must be in “Open” status
- Customer balance information must be available for ageing and credit check process
- Document information for write-off or write-back must be available
- Reason codes must have been defined for reversal

#### 4.1.8 Predefined Values

S No	Entity	Predefined Values
1	Status of Credit Bucket	<ul style="list-style-type: none"> <li>• Active</li> <li>• Inactive</li> </ul>
2	Frequency of Credit Check	<ul style="list-style-type: none"> <li>• Daily</li> <li>• Weekly</li> <li>• Fortnightly</li> <li>• Monthly</li> <li>• Quarterly</li> <li>• Half yearly</li> <li>• Yearly</li> <li>• None</li> </ul>
3	Credit Check Type	<ul style="list-style-type: none"> <li>• Company / LO</li> </ul>
4	Balance Type	<ul style="list-style-type: none"> <li>• Debit Balance</li> <li>• Net Balance</li> </ul>
5	Dunning Required	<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>
6	Credit Check Action	<ul style="list-style-type: none"> <li>• Hold</li> <li>• Ignore</li> </ul>
7	Credit Check Level	<ul style="list-style-type: none"> <li>• Customer</li> <li>• Up the Hierarchy</li> <li>• Total Hierarchy</li> </ul>
8	Credit Rating Basis	<ul style="list-style-type: none"> <li>• Overdue Documents</li> <li>• Outstanding Documents</li> </ul>

#### 4.1.9 Deployment

Credit Management function can be performed at the business unit or company level. However, one instance of deployment must be done at the company level.

#### 4.1.10 Component Interaction

Cardinality → CM: Other components

Component Name	Cardinality
Account Based Budget	N:1
Account Rule Definition	N:1
Accounting Setup	N:1
Finance Book Processing	N:M
Financial Calendar Closure	N:1
Organization Setup	N:1
Exchange Rate	N:1
Journal Voucher	N:M
Cost Setup	N:1
Customer	N:N
Numbering Class	N:1
Sale Order	1:N
Company Parameter Setup	N:1
Organization Unit Parameter Setup	1:1
Installation Parameter Setup	N:1
Customer Balance Adjustment	:1:N
Customer Debit / Credit Notes	1:N
Customer Inquiry	1:1
Customer Receipts	1:N
Notes	1:1
Workflow	N:1
Reason code	N:1

### 4.1.11 Status

Status...	Denotes...
Fresh	The provision request that has been created and the journal voucher corresponding to the request are pending for authorization.
Authorized	The provision request whose journal voucher has been authorized.
Deleted	The provision request that has been deleted prior to authorization.

### 4.1.12 Postings

#### 4.1.12.1 Financial Postings

##### Authorization of Provision for Bad Debts

Account	Dr/Cr	Remarks
Bad Debts Account	Dr	The base currency value of the outstanding amount for which provision is created
Provision for Bad Debts Account	Cr	The base currency value of the outstanding amount for which provision is created

##### Authorization of Reversal of Provision for Bad Debts

Account	Dr/Cr	Remarks
Bad Debts Account	Cr	The base currency value of the outstanding amount for which provision is reversed
Provision for Bad Debts Account	Dr	The base currency value of the outstanding amount for which provision is reversed

##### Write-off Bad Debts

Account	Dr/Cr	Remarks
Provision for Bad Debts Account	Dr	The base currency value of the amount written off
Customer control account	Cr	The base currency value of the amount written off

##### Write-back Bad Debts

Account	Dr/Cr	Remarks
Customer control account	Dr	The base currency value of the amount written back
Bad debts write back account	Cr	The base currency value of the amount written back

##### Accounting Dunning Charges

Account	Dr/Cr	Remarks
Customer control account	Dr	The dunning charges amount

Account	Dr/Cr	Remarks
Dunning Charges account	Cr	The dunning charges amount

**Note:** All account codes are retrieved based on the definitions in the Account Rule Definition component for the selected finance book.

Currently More than one Control account for the customer group can be defined in the ARD and the user has the facility to choose the account code to which account postings have to be made.

Postings for provision for bad debts and provisional reversal are made on authorization of the corresponding journal voucher.

#### 4.1.12.2 Inter-component Postings

- Creation of a journal voucher on creation of provision request or reversal of provision request
- Updation of journal voucher when the above request is reversed
- Generation of credit note while writing off a bad debt
- Generation of debit note while writing back a bad debt
- Automatic generation of adjustment voucher on write-off or write-back of bad debts
- Updation of customer balance due in the Customer Inquiry component, which will be reflected in all customer related reports like Customer Statement, Customer Inquiry etc
- Financial postings routed through the Customer Inquiry component on to finance book
- Workflow messages if workflow is configured

#### 4.1.13 Process Configuration

Workflow requirements for the activities of Credit Management component is shown in the table below:

Activity Name	Purpose
Create Credit Term	Information to Sales offices
Edit Credit Term	Information to Sales offices
Activate/ Inactivate Credit Term	Information to Sales offices
Modify Credit Status	Information to Sales offices
Exempt Sale Orders	Information to the concerned Sales managers
Write-off Bad Debts	Information to the concerned Sales managers
Write back bad debts	Information to the concerned Sales managers
Create Provision request	Intimation to Journal Voucher component
Edit Provision request	Intimation to Journal Voucher component
Reverse Provision Request	Intimation to Journal Voucher component

## 5 Transactions / Processing

### 5.1 Customer Direct Invoice

#### 5.1.1 Purpose

Invoice is a document that represents the legal transfer of ownership of products from the seller to the buyer. The “Sales” process can be largely classified as “*Order-based Selling*” and “*Over the counter Sales*”. A Customer Direct Invoice is applicable for the Over the counter Sales, where there is no preceding sale orders. For example, when a customer approaches the company with the intention to purchase, and if the required items are available for sale, then the invoice is generated and material is either shipped or handed over to the customer immediately. Also in the case of services rendered, billing is done in this fashion.

The purpose of a direct invoice is to record the sales related information. It is the underlying document that legalizes the sales. Hence it has all information that is needed for processing a valid sale transaction. This information would include the customer information, details of the items / services transacted, commercial terms (payment terms, payment modes, discount, penalty etc.), taxes, charges applicable and trade discounts (if any).

## 5.1.2 Overview

A “Customer Direct Invoice” is that flavor of invoice, which has no preceding sale order as reference. All the information related to the sale transaction are identified and recorded at the time of invoice generation. Ramco ERP Suite Enterprise Edition allows the user to raise customer direct invoices in three different flavors.

### 5.1.2.1 Item Invoice

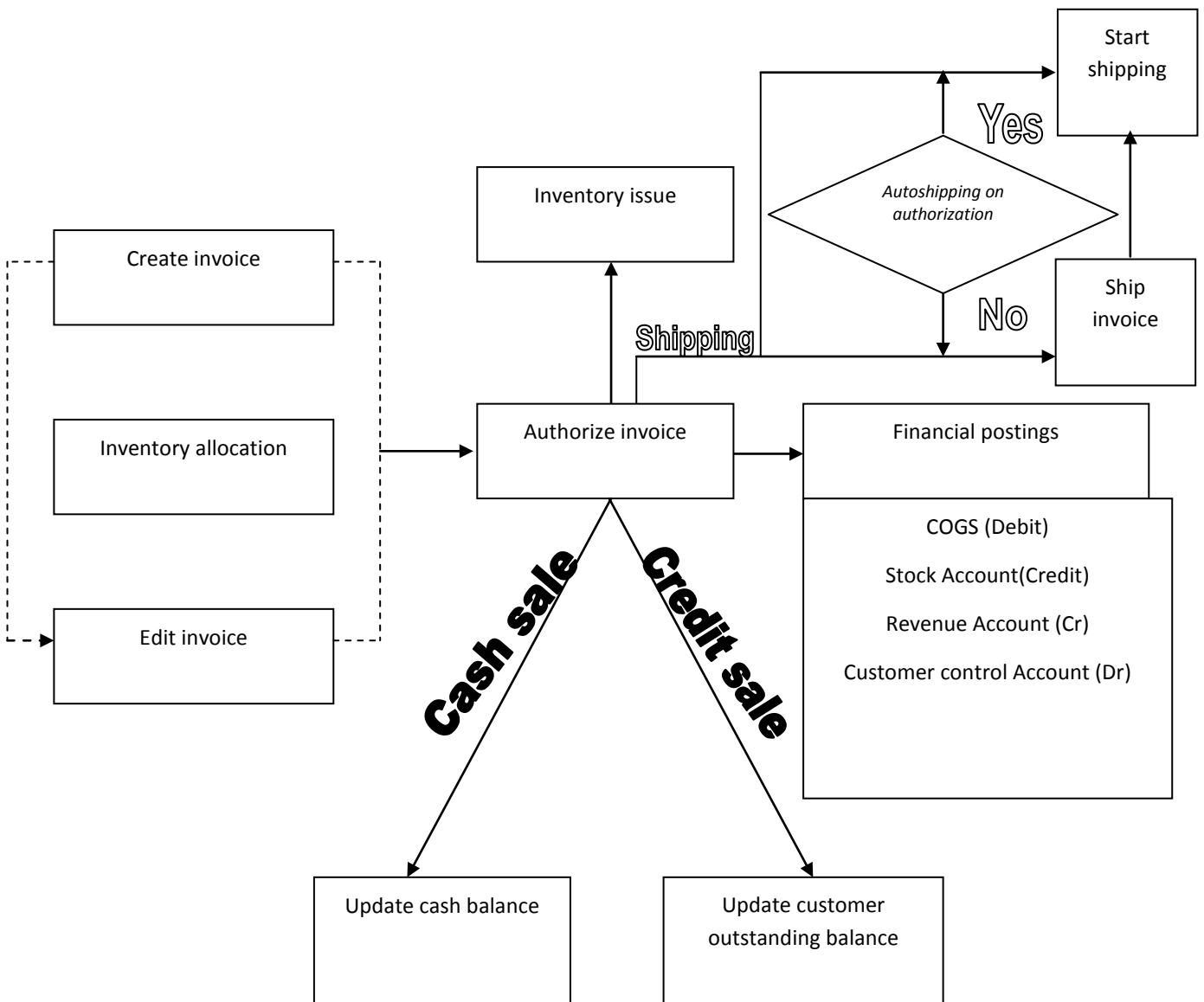


Figure 13: Item Invoice Generation

This invoice is raised when regular inventory items (defined in the Inventory master) are sold without a sale order reference. All types of items (finished goods, raw material, service items etc) can be transacted with an item invoice. For the invoice to be generated, physical free stock of the item (variant) must be available at the warehouse from where shipping is intended. Invoicing and shipping is assumed to be simultaneous. Hence this flavor typically caters to over the counter sales. The receipt of money from the customer can be either immediate (cash sales) or based on payment term (credit sales).

The process of an Item invoice generation can be represented as follows (refer Figure 13):

### 5.1.2.2 Pack slip Invoice

This is another flavor of direct invoice for regular inventory item sales. Based on the request from the customer, the warehouse personnel arrange for packing and delivery of the items / products. This process results in the generation of a direct packslip (without reference to the sale order). The direct packslip records the item information, warehouse information, packing and shipping details. The invoice is then generated based on this direct packslip. The customer information and the commercial details of the transaction are specified in the



invoice. The pack slip and the invoice together represent the sale transaction. This kind of invoice can be generated for cash and credit sales also.

The process of a packslip invoice generation can be represented as follows (refer Figure 14):

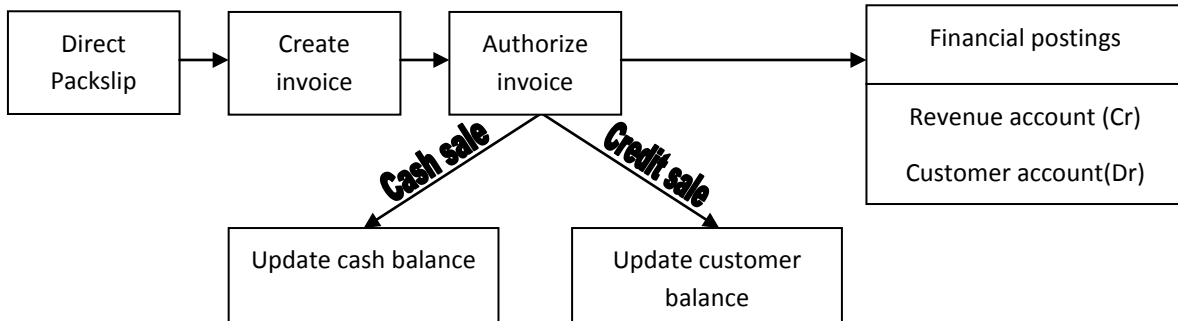


Figure 14: Packslip Invoice Generation

### 5.1.2.3 Miscellaneous invoice

As indicated by its name, this flavor of invoice supports sale of items that are not regular codified inventory items. Typically this can be used for sale of services, scrap, asset and miscellaneous sales. The rest of the functionality of this invoice is similar to that of a direct invoice.

The process of a miscellaneous invoice generation can be represented as follows (refer Figure 15):

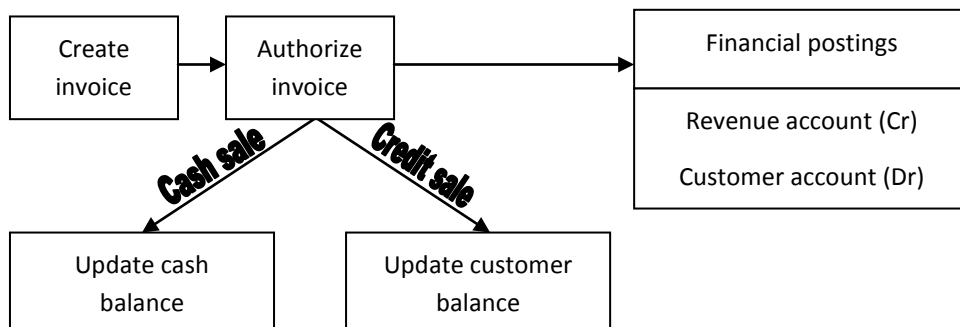


Figure 15: Miscellaneous Invoice Generation

### 5.1.2.4 Fixed Asset Sale invoice

This type of invoice is raised by the user for a sale that arises by the disposal of assets. This invoice is automatically generated if the Ramco ERP Suite Enterprise Edition – Fixed Asset Management system has been deployed in the same installation.

If the customer is identified at the time of asset disposal transaction, then Ramco ERP Suite Enterprise Edition provides the user the facility to generate an invoice in the “Authorized” status. Otherwise, a newly created “Fixed Asset Sale Invoice” is always in the “Fresh” status.

This process can be represented as follows (refer Figure 16).

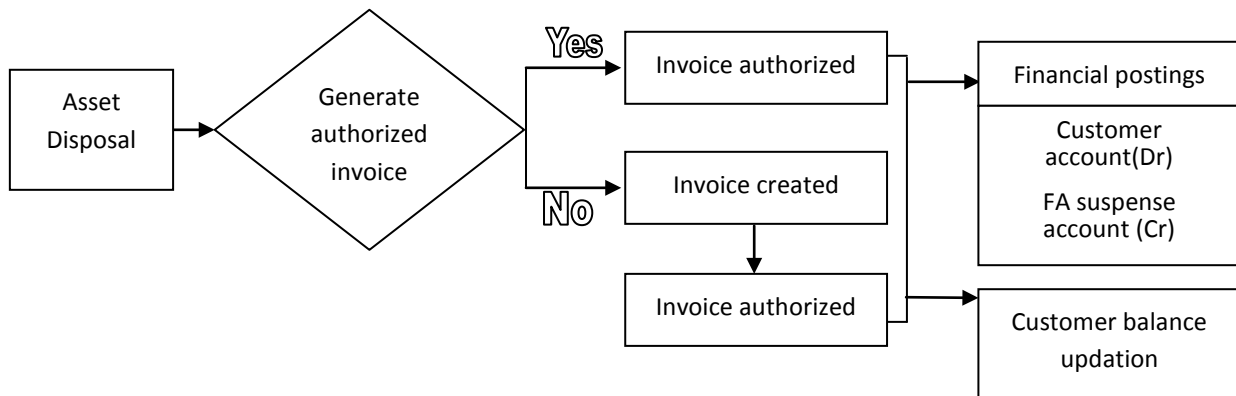


Figure 16: Fixed Asset Sale Invoice Generation

### 5.1.3 Concepts

#### Price

Based on the Pricing Parameter “Pricing Application Reference”, either Price list code or Pricing engine is applied. If the user had opted for Price list code, then it has to be specified in the transaction.

#### Anchor date

This is the date from which the Payment schedule is generated for credit sales. Anchor date can be same as or less than the invoice date. But, this date cannot be later than the invoice date.

#### Tax /Charge/Discount

Based on the parameters “Include Tax / Charge for Pricing” and “Include Discount for Pricing”, the tax / charge and discount rule engine is applied. If it is applied, then the rule engine defaults the taxes charges and discounts based on the rule engine applied. The Tax/Charge/Discount calculation engine calculates the actual value of the taxes charges and discounts. For more details on the TCD calculation engine, refer to the Purchase Set up ARM.

#### Level of Tax/Charge/Discount

TCD can be calculated at the document or the line level. If the tax, charge or discount is at document level, then it can be applied on all the lines of the document. On the other hand, if it is at line level, then the specific line against which the same TCD is to be applied can be selected. Document level facilitates ease of data entry if the type of taxes/charges/ discounts applicable on all lines is the same.

#### Allocation

Allocation is done based on the physical free stock available in the specified warehouse. Various bases of allocation are available for automatic allocation like maximum zone bin, minimum zone bin, expiry date etc. For more details on allocation method, refer to ARM on Inventory Management System.

The allocation proposed by the system can be modified. For lot-controlled items, the lot and sub-lot information can be specified based on which allocation will change appropriately.

#### Attribute details

In case of item sale, value or range of values can be specified for each of the attributes of the item. For example: If the item sold is a Shirt, then the attributes are color and size. The values of the attributes are ‘Small’, ‘Large’ for size, ‘White’, ‘Gray’, ‘Blue’ for color. Allocations based on the item attributes are also possible.

#### Item-serial details

For serial controlled items like machines, the serial number of the particular item can be specified. Automatic allocation proposes an item serial number, which can be modified.

#### Auto Adjust

If the auto adjust option is selected, then the prepayments (prepayment invoice and advance receipt voucher) of the invoice bill to customer will be automatically adjusted with the invoice on authorization. Only those prepayments that do not refer to a sale order will be considered. The order of adjustment (FIFO or LIFO) is based on a parameter setting in Customer Balance Adjustment component. On authorization of the invoice, an adjustment voucher is also generated. Customer balances are also updated accordingly.

### Manual adjustment

If adjustment is desired at the time of invoice creation itself, with specific documents (not on LIFO or FIFO basis), then the "Adjustment" link can be used. In this link, the credit documents can be selected. On authorization on the invoice, an adjustment voucher adjusting the invoice and the selected credit documents is also generated. The document currency and the customer must be the same as that of the invoice.

### Fixed Asset Sale

In case the Fixed Asset Disposal component is mapped to customer direct invoice component, then on authorization of an Asset sale, customer direct invoice is raised. This invoice can be edited for sale value and other commercial terms in the invoice component. On authorization of invoice, the Fixed Asset suspense account is affected.

## 5.1.4 Key Features

### 5.1.4.1 Commercial

- **Multi Currency:** The invoice can be generated either in the base currency of the company or any other currency that is applicable for the company and acceptable to the customer
- **Cash Sales and Credit Sales.** In cash sales the sale value is received from the customer immediately. Credit sales happens when due amounts will be collected from the customer on a future date
- **Payment Terms:** In case of credit sales, the due dates are calculated based on predefined pay terms. A default pay term can be mapped to the customer, which can be modified at the time of invoice processing. Based on the pay term specified in the invoice, multiple due dates and the corresponding due amount is calculated by the system. The start date for due date calculation is the anchor date. This date may or may not be the invoice date, but cannot be later than the invoice date
- Cash discount for early payment and penalty for delayed payment can be specified
- Price for the items sold will be retrieved by using a price list or by running the pricing engine (based on parameter). This retrieved price can be modified by the user (if the parameter setting allows modification)
- Taxes, charges and trade discounts related to the sale transaction can be specified. The pricing engine may be used to retrieve the relevant taxes, charges and discounts applicable. The tax calculation engine calculates the tax, charge and discount amounts
- Credit check is run before the invoice is authorized to ensure the credit worthiness of the customer in case of credit sales
- Information regarding the sales person responsible for generating the sale can also be recorded.
- Provision to specify the sales person contribution percentage line wise
- Facility to select the cash code for the cash sales made
- **Exchange Rate:** The rate prevailing on the date of the invoice will get defaulted. It can be modified to suit the needs of the customer within the tolerance as on the date of the invoice
- Provision to specify dimension details

#### 5.1.4.2 Product

- Sale of codified inventory items, services, miscellaneous items and assets can be recorded using customer direct invoice
- Facility to select the warehouse from where the items are to be drawn can be specified
- Multiple algorithms to select the zone and bin from where the material to be issued is available. These are called Allocation methods (e.g. maximum zone bin, minimum zone bin). The user can modify the allocation proposed by the system. The user can also opt to specify allocation manually so that any of the predefined allocation methods need not be used
- For lot-tracked items, the lot number and the sub lot number can be specified. Based on the allocation method specified, these details are defaulted by the system, which can be modified by the user
- For items with serial numbers, the actual serial number of the item being sold can be specified. Based on the allocation method specified, the defaulted serial number, which can be modified by the user
- The attributes of the item being sold can be specified. Multiple attributes along with each of its values can be specified. For example, if the product sold is a shirt, the attributes could be color or size and attribute values could be black, white and gray for color and small, medium, large for size. Default values set for attributes in the item master are defaulted during transactions
- Allocation based on the attribute values is also possible

#### 5.1.4.3 Shipment

- Shipping related information viz. carrier details, shipment mode, airway bill, bill of lading details, tracking numbers, insurance, shelf life, shipping label details etc. can be recorded
- Facility to record freight information is also available
- The “Ship to Customer” can be the customer on whom the invoice is raised or can be another customer who is authorized to be the “Ship to Customer” for the Invoice Customer as specified in the Customer master
- The delivery location for the “Ship to Customer” can be specified
- The sales channel can be specified (Direct, Agent etc)

#### 5.1.4.4 Financial Posting

- The system proposes the account codes based on the values set in the Account Rule Definition component of the General Accounting function. Various parameters of the invoice form the basis for determining account codes for the customer account, revenue account and tax, charge and discount account
- The finance book in which the postings are to be made can be specified
- Provision to select the finance books which has been mapped to login user
- Currently Multiple control accounts for the same customer account group can be specified. Hence the user has the option to select the control account to which entry has to be posted also
- Account postings related to inventory issue and sale transaction are simultaneously affected on authorization of the invoice
- The cost center information for the revenue accounts can be specified
- Analysis and sub-analysis codes (sub division of account code) can be specified, if required

- If budgets have been defined for accounts, then validation ensures that the amount is within the budget amount
- The proposed account posting information can be viewed even prior to authorization of invoice
- Financial postings information can be viewed in the transaction currency, base currency and parallel base currency of the company

#### 5.1.4.5 Services

- Provision for automatic generation of invoice numbers. Manual numbering option is also provided
- Invoice can be created in “Draft” status, which cannot be authorized. Once all the necessary information is specified, then the invoice can be released from the “Draft” status to Fresh Status
- Provision to create and authorize invoice simultaneously is available, provided the user has authorization rights. An invoice on authorization attains “Authorized” status
- Facility for bulk authorization and bulk deletion of invoices is available
- Multilevel authorization is also supported if workflow is enabled
- If invoice information needs to be modified during authorization, the user has a facility to return the invoice
- Facility to reverse the invoice post authorization (provided no receipts are recorded against this invoice) is also supported
- Notes can be appended to the invoice document
- In the case of asset sale, a facility to automatically generate direct invoice is available
- In case if Freight Forwarding Applicability Parameter in Installation Parameter is set to Yes, a facility to automatically generate Miscellaneous Invoice from Integrated Freight Management Solution BPC – Billing component is available
- In case if Container Freight Station Applicability parameter in Installation Parameter is set to Yes, a facility to automatically generate Miscellaneous Invoice from Integrated Freight Management Solution BPC – CFS - Billing component is available
- Provision to generate miscellaneous invoices manually with CFS reference (Container Freight Station)
- Invoice summary page provides a snap shot of the invoice. The total item value, tax, charge and discount value, the amount of invoice that has been collected and the balance overdue are provided herein
- Auto Adjust Facility: If any advances have been received with respect to the particular instance of sale, then a facility to automatically adjust the advance on authorization of the invoice is provided. The adjustment may be on a FIFO or a LIFO basis (based on a parameter value). If adjustments with respect to specific advance voucher or credit note are desired, then the same can also be specified. The invoice on authorization would be adjusted with that advance or credit note
- Facilitates multilevel authorization of Direct / Packslip / Miscellaneous Invoice based on workflow configuration
- Facility to provide the project information details for Direct and Miscellaneous Invoice like Project OU, Project / Sub Project Code
- Provision to capture project information for Packslip Invoice from the reference documents
- Provision to generate Recurring Miscellaneous Invoice in various frequencies.
- Auto - email of invoices to the email id of customer on authorization of invoices.

- When the usage id in Miscellaneous Invoice is Intercomp, the invoice will automate the generation of journal voucher in the destination companies finance book.
- When the usage id in Miscellaneous Invoice is InterFB, the invoice will automate the generation of journal voucher in the destination finance book.

### 5.1.5 Prerequisites

- Organization setup modeling in Enterprise Setup must have been completed
- Component Interaction Model must have been defined
- Availability of Finance Book information must be ensured
- Number generation setup must have created
- Customers must be in “Active” status
- Sale type, Sale channel and Sale purpose must have been defined in Category master
- Account Rule Definition must have been done for the customer, i.e., Customer Receivable Accounts, Customer Prepayment Account and Customer Deposits Accounts must have been defined
- Accounts must have been defined for the items, usage and sale parameters
- Exchange rate must have been defined for the transaction date
- Pay term must have been defined and mapped to the customer
- Price list code or Price engine rules must have been defined
- Items must have been defined in the Item master
- Additional usage account for miscellaneous invoice must have been defined
- Direct packslip must be in “Shipped” status for Packslip based invoice creation
- Financial period / year must be in “Open” status
- Asset disposal proposal in case of asset sale (if Asset Planning component is deployed)
- Warehouse must have been defined
- Availability of physical free stock for sale must be ensured
- Cash codes must have been defined in Bank / Cash master for Cash sales
- Number generation setup must have been defined for Adjustment voucher in case of Auto Adjustment
- Reason codes must have been defined for Hold, Release and Reversal
- System parameters and function defaults must have been set

### 5.1.6 Predefined Values

S No	Entity	Pre-defined Values
1	Auto Adjust	Yes No
2	Attribute based Allocation	Yes No

S No	Entity	Pre-defined Values
3	TCD Computation	Document Level Item Level
4	Discount Computation	Base Amount Gross Amount
5	Due Amount Type	Flat Amount Percentage
6	Discount Amount Type	Flat Amount Percentage

### 5.1.7 Functional Parameters

Parameter	Value	Implication
Allow Price Change for Credit Invoice	Yes / No	<p>If set to "Yes", then the price retrieved by pricing engine / price list can be modified by the user during the transaction.</p> <p>If set to "No" the price retrieved by pricing engine / price list cannot be modified by the user.</p> <p>The combo would be loaded with Yes and No only when the Company Parameter Setup component Set Parameters – Receivables Modify Unit Price for Credit Invoice is set to Yes. Otherwise it will be loaded only with No.</p>
Modify Pay Term	Yes / No	<p>If set to "Yes" then the default pay term set for customer can be modified.</p> <p>If set to "No" then the default pay term set for the customer cannot be modified.</p> <p>The combo would be loaded with Yes and No only when the Organization Unit Parameter Setup component Set Parameters – Receivables Modify pay term at transaction level is set to Yes. Otherwise it will be loaded only with No.</p>
Pricing Applicability	Pricing Engine, Price List	<p>If set to "Pricing Engine" then the pricing engine is run to retrieve the price.</p> <p>If set to "Price List" then the price list code as specified in the invoice is used for retrieved price.</p>
Include Tax / Charge for Pricing	Yes / No	<p>If set to "Yes", then the taxes and charges calculated as per pricing engine are applied.</p> <p>If set to "No", then the taxes and charges are not calculated as part of pricing engine.</p>

Parameter	Value	Implication
Include Discount for Pricing	Yes / No	<p>If set to “Yes”, then the discounts calculated as per pricing engine are applied.</p> <p>If set to “No”, then the discounts are not calculated as part of pricing engine.</p>
Allow multiple Finance Book Postings	Yes / No	<p>If set to “Yes”, then all the finance books mapped to the login organization can be used for transactions.</p> <p>If set to “No”, then: only one among the finance books mapped to the login OU can be used for transactions.</p>
Default Finance Book	FB IDs	<p>The Finance book that is to be defaulted during transactions.</p> <p>If the “Allow multiple Finance Book Postings” is set as “No”, then it is mandatory to select the default finance book.</p>
Automatic Shipping on Authorization	Yes / No	<p>If set to “Yes”, then the invoice is marked as Shipped on authorization.</p> <p>If set to “No”, then the invoice is marked as Shipped only on completion of the shipping activity.</p>
Pay Term Prefix	User Definable	The prefix to be attached to the pay terms if there are multiple payment due dates.
Rounding Off Parameters	Nearest / Ceiling	<p>If it is set to Nearest, the invoice value will be rounded to nearest up or down the nearest value specified.</p> <p>If it is set to Ceiling, the invoice value will be rounded up to ceiling value specified.</p> <p>Currency Wise Rounding Off parameter values can be specified based on parameter setting in CPS.</p>
Auto Generation of Inter FB JV in Miscellaneous Invoice	Both/No/Across Companies/Within Company	<p>If it is set to Both, for both usage id – interfb/intercomp interfb journal voucher would be generated.</p> <p>If it is set to No, then no interfb journal voucher would be generated</p> <p>If it is set to Across Companies then for usage id – intercomp alone interfb journal vouchers would be generated.</p> <p>If it is set to Within Company the for usage id 0 interfb alone interfb journal vouchers would be generated</p>
Status of Auto-generated InterFB	Authorized Status/Fresh	Indicates the status in which interfb journal



Parameter	Value	Implication
JV in Miscellaneous Invoice	Status	voucher would be generated.

### 5.1.8 Deployment

Customer Direct invoice component may be deployed at single or multiple organization units. This component is often deployed at those organization units where the function of 'Over the counter sales' is performed. The transaction is recorded against the company that has been mapped to the organization unit, from where the transaction originates. Financial entries are posted to the Finance Book that is selected at the time of transaction. All the Finance books mapped to the organization unit, business unit and company are available for posting.

### 5.1.9 Component Interaction

Cardinality → CDI: Other Components

Component Name	Cardinality
Account Based Budget	N:1
Account Rule Definition	N:1
Accounting Setup	N:1
Bank / Cash Definition	N:1
Finance Book Processing	N:M
Financial Calendar Closure	N:1
Organization Setup	N:1
Exchange Rate	N:1
Cost Setup	N:1
Asset Disposal	N:N
Asset Planning	N:1
Customer	N:1
Numbering class	N:1
Stock Issue	N:N
Item Administration	N:1
Pay term	N:N

Component Name	Cardinality
Pack Slip	N:N
Sales Person	N:1
Taxes Charges and Discount	N:N
UOM Administration	N:1
Pricing – Price List & Rules	N:1
Pricing – Taxes and Charges	N:1
Pricing – Discounts	N:1
Company Parameter Setup	N:1
Organization Unit Parameter Setup	1:1
Installation Parameter Setup	N:1
Customer Balance Adjustment	N:1
Customer Debit Credit Notes	N:N
Customer Inquiry	N:1
Credit Management	N:1
Notes	1:1
Workflow	N:1
Category	N:N
Reason code	N:1
Storage Administration	N:N
Tax Calculation	N:N
Stock Maintenance	N:N
Stock Allocation	N:N
Stock Return	N:N

Component Name	Cardinality
Project Definition	1:1
Journal Voucher	N:M

### 5.1.10 Status

Status...	Denotes...
Draft	An invoice whose information is either not complete or correct. Hence, this document will not be available for authorization.  This status can be intentionally arrived at when the user selects the "Draft" option during invoice creation.
Fresh	The document is complete in all respects and is available for authorization.
Deleted	A document that is deleted prior to authorization.
Returned	The authorizing person has found a few anomalies in the document and the same is available for editing again. This status results when the authorizer invokes the 'Return' task in the Authorize activity.
Authorized	The document is authorized appropriately and can be used for all external purposes. Financial postings are made and customer balances are updated accordingly. All taxes and liabilities to the government are also recorded.
Held	A document that has been put on hold so that it will not be available for balance adjustment.  Once the held document is released, it reverts back to its status prior to being held.
Partly adjusted	A document for which part payment has been received and balance adjustment has been authorized
Adjusted	A document for which full payment has been received and balance adjustment has been authorized.
Reversed	A document that has been rendered null or voided.  On reversal, all the updations made on authorization are nullified. This includes financial posting and customer balance updations also.  A document that is in "Partly Adjusted" or "Paid" status cannot be reversed.

### 5.1.11 Postings

#### 5.1.11.1 Financial postings

##### Credit Sales and Revenue booking is Net of TCD

Account	Dr/Cr	Remarks
Revenue Account	Cr	Value of sales
Tax(TCD) Payable Account	Cr	This is the Taxes (TCD) payable account as specified in the referred invoice document. The amount is as specified in the multiline.

Account	Dr/Cr	Remarks
Charges Payable Account	Cr	This is the Charges (TCD) payable account as specified in the referred invoice document. The amount is as specified in the multiline.
Freight Control Account	Cr	Freight recovered from the customer, payable to the Carrier.
Discount Account	Dr	Discount allowed to the customer.
Customer Control Account (as selected)	Dr	Amount billed to the customer and subsequently recovered.

**Credit Sales and Revenue booking is Gross of TCD**

Account	Dr/Cr	Remarks
Revenue Account	Cr	Value of sales
Tax(TCD) Payable Account	Cr	This is the Taxes (TCD) payable account as specified in the referred invoice document. The amount is as specified in the multiline
Charges Payable Account	Cr	This is the Charges (TCD) payable account as specified in the referred invoice document. The amount is as specified in the multiline
Freight Payable Account	Cr	Freight payable to the Carrier
Discount Account	Dr	Discount allowed to the customer
Freight Expense	Dr	Freight expense booking in case freight is not recovered from the customer
Tax/Charge Expense	Dr	Tax and charges expense booking
Customer Control Account (as selected)	Dr	Amount billed to the customer and subsequently recovered.

**Cash Sales and Revenue booking is Net of TCD**

Account	Dr/Cr	Remarks
Revenue Account	Cr	Value of sales
Tax(TCD) Payable Account	Cr	This is the Taxes payable account as specified in the referred invoice document. The amount is as specified in the multiline
Charge(TCD) Payable Account	Cr	This is the Charges payable account as specified in the referred invoice document. The amount is as specified in the multiline
Freight Payable Account	Cr	Freight recovered from the customer, payable to the Carrier

Account	Dr/Cr	Remarks
Discount Account	Dr	Discount allowed to the customer
Cash Account	Dr	Amount of cash received from the customer in case of Cash Sale

**Sales Issue**

Account	Dr/Cr	Remarks
Cost of Goods Sold Account	Dr	Cost of goods sold for the quantity of sale as per the rate proposed in inventory management system
Stock Account	Cr	Value of the stock reduced due to the sale transaction

**Fixed Asset Sale**

Account	Dr/Cr	Remarks
Fixed Asset Suspense account	Cr	Value of the asset sold
Customer Control Account (as selected)	Dr	Sale value of the asset

**Note:** All account codes are retrieved based on the definitions in the Account Rule Definition component for the selected Finance Book.

Currently More than one Control account for the customer group can be defined in the ARD and the user has the facility to choose the account code to which account postings have to be made. In case of reversal, the account postings made on authorization are reversed.

**5.1.11.2 Inter-component postings**

- In case of item sale, items are allocated from warehouses and issue of stock from warehouse is made for the quantity sold. As a result there will be a reduction in stock quantity
- In case of direct packslip invoice, the invoiced quantity is updated back to the packslip document
- Updation of customer balance due in the Customer Inquiry component, which will be reflected in all customer related reports like Customer Statement, Customer Inquiry etc
- Financial postings routed through the Customer Inquiry component to Finance book
- Workflow messages in case workflow is configured
- In case the auto adjustment option is selected, then the adjustment voucher is generated

**Note:** All postings and updations are made on authorization of the invoice document.

### 5.1.12 Reports

#### 5.1.12.1 Print Invoice

<b>Company Name</b> Address Line 1 Address Line 2 Address Line 3 Address Line 4	<b>Tax Registration Numbers</b> EXCISE SER VAT												
<b>Customer Invoice</b>													
<b>Invoice Number</b> Invoice Date Date Of Removal Time Of Removal Place of Origin  <u><b>Bill To Customer</b></u> <b>Bill to Customer Name</b> Address Line 1 Address Line 2 Address Line 3	<b>Invoice Currency</b> Mode Of Transport Vehicle Number Place of Destination  <u><b>Ship To Customer</b></u> <b>Ship to Customer Name</b> Address Line 1 Address Line 2 Address Line 3												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">SL No.</th> <th style="width: 50%;">Item Details</th> <th style="width: 10%;">UOM</th> <th style="width: 10%;">Quantity</th> <th style="width: 10%;">Rate</th> <th style="width: 10%;">Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		SL No.	Item Details	UOM	Quantity	Rate	Amount						
SL No.	Item Details	UOM	Quantity	Rate	Amount								
ADD : TAX1 ADD : TCS ADD : CST ADD : EXCISE ADD : SER Amount in _____ _____													
<b>Terms of Payment</b>  <b>Amount in Words</b>	<div style="border: 1px solid black; width: 100px; height: 80px; margin: 0 auto;"></div> <b>Authorized Signatory</b>												

### 5.1.13 Workflow

Workflow requirements for the activities of Customer Direct Invoice component is shown in the table below:

Activity Name	Purpose
Create Pack slip Invoice	Intimation for Authorize
Create Direct Invoice	Intimation for Authorize
Create Miscellaneous invoice	Intimation for Authorize
Edit Pack slip Invoice	Intimation for Authorize

Activity Name	Purpose
Edit Direct Invoice	Intimation for Authorize
Edit Miscellaneous invoice	Intimation for Authorize
Authorize Invoice	Intimation for Edit due to return of document
Add Shipping Details	Intimation for Authorize

## 5.2 Customer Order Based Invoice

### 5.2.1 Purpose

Sale order is the document that represents the intentions to sell. A Sale order forms the basis for production and inventory planning. When the products are actually shipped, the invoice is raised on the customer. It is at this point that revenue is booked and the receivable from customer is accounted for. The details in the invoice are more or less based on the contractual terms agreed upon as part of the sale order. However modifications are permitted at the invoice generation stage, subject to certain explicit parameter setting. Therefore the purpose of an order base invoice is to record the conversion of the intent to sell (sale order) into actual sales based on the material shipped or services rendered.

### 5.2.2 Overview

Customer order based invoice is that flavor of invoice, which is based on the sale order and the shipping information. Based on the nature of sales, various invoice categories are available. The following are the method of sales supported:

#### 5.2.2.1 Regular Item sales

In this process of sales, a sale order is raised. Based on the sale order, products are shipped. A “Pack slip” is the supporting document for shipping. The customer order based invoice is raised based on the sale order and the packslip information. The process of regular sales can be represented as follows (refer Figure 17):

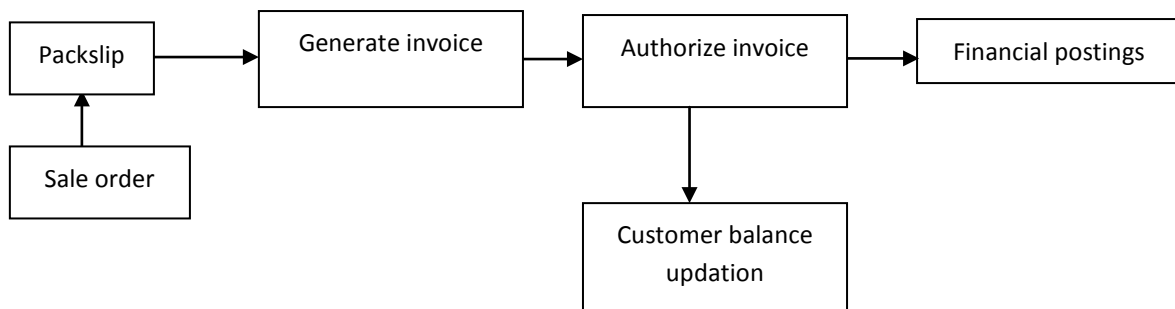


Figure 17: Regular Item Sales

#### 5.2.2.2 Service Sales

As the name suggests, billing for services is represented in this flavor. The service work order indicates the type, quantum and value of the services rendered. Based on these details, the customer order based invoice is raised.

**5.2.2.2.1 Manual Generation of Invoice**

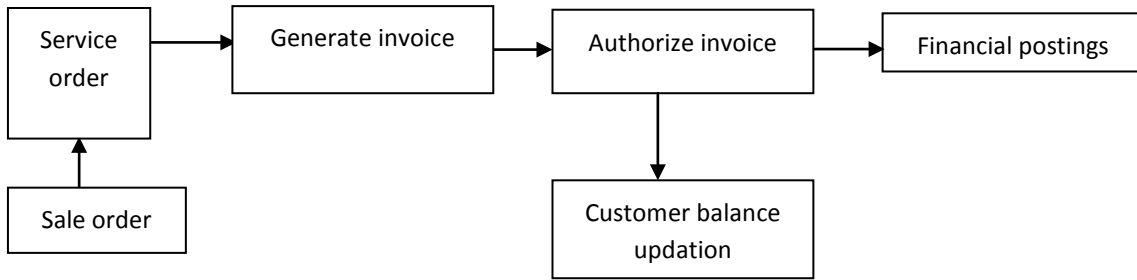


Figure 18: Service Sales

If the sale of Services without specifying any Milestones for raising invoice/Receipts, Customer Order Based Invoice has to be raised manually. The process of service sales can be represented as follows (refer Figure 18):

**5.2.2.2.2 Automatic Generation of Invoice from Milestone Management**

For sale of Service Items Invoice is generated from Milestone Management Component of Completion of Milestone.

The Process of Sale of Services by specifying the Milestones can be represented as follows (refer Figure 19) :

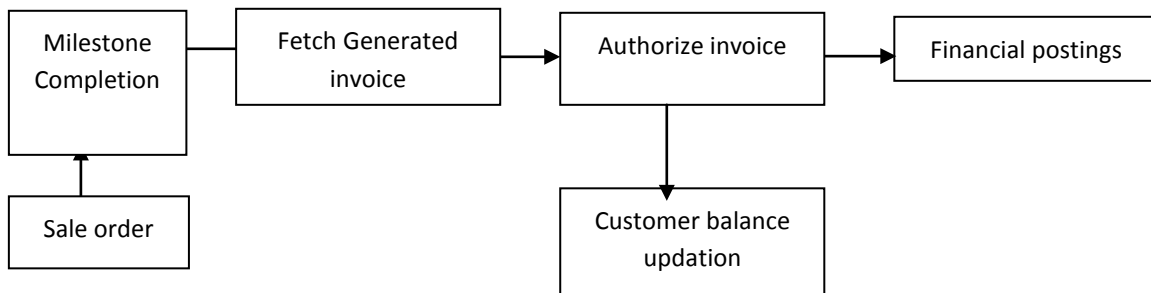


Figure 19: Service Sales (Based on Milestones)

**5.2.2.2.3 Automatic Generation of Invoice from Service Work Order**

For After Sale Service Invoice is generated from Service Work Component on Completion of Work Order.

The Process of after Sale Services can be represented as follows (refer Figure 20) :

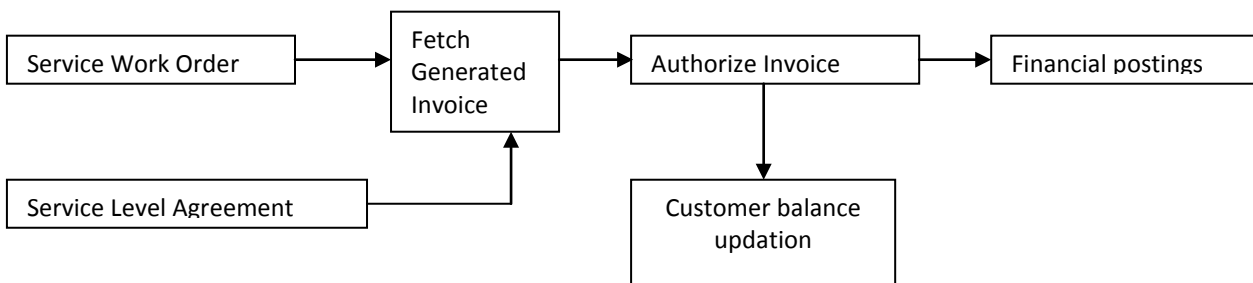


Figure 20: After Sales Service Invoicing

**5.2.2.2.4 Automatic Generation of Invoice from Facility Management Service**

For Facility management Service invoice is generated from Work Reporting on authorization of Work reporting.

The process of generating invoice can be represented as flows (refer Figure 21)



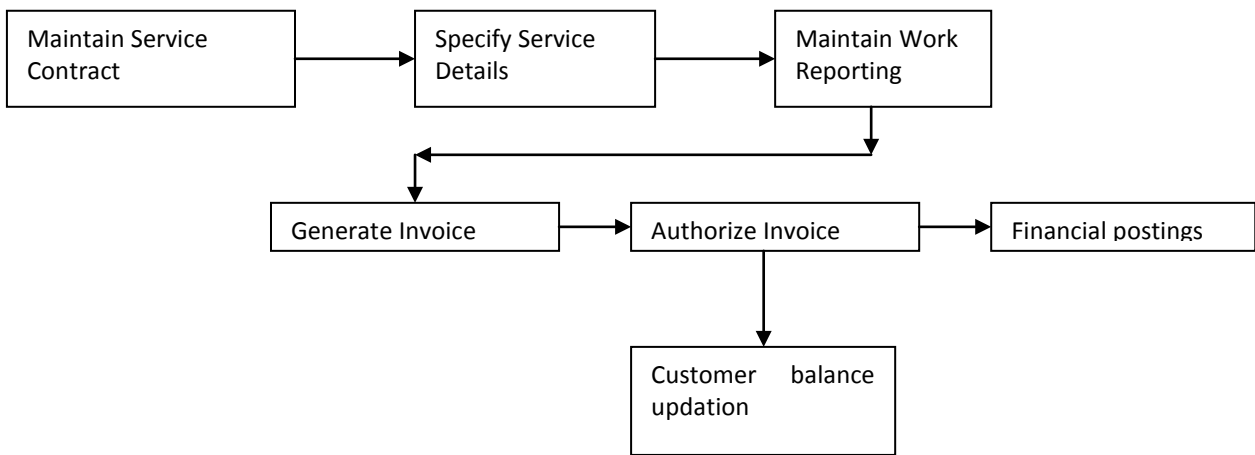


Figure 21: Facility Management Service Invoicing

### 5.2.2.3 Consignment Sales

Consignment sales are a process by which the products are shipped to the customer’s location upfront. An invoice is generated only when the customer actually consumes the items sold. The consumption report indicates the quantum of consumption of material over a period of time. Based on this report, the invoice can be generated. The process of consignment sales can be represented as follows (refer Figure 21):

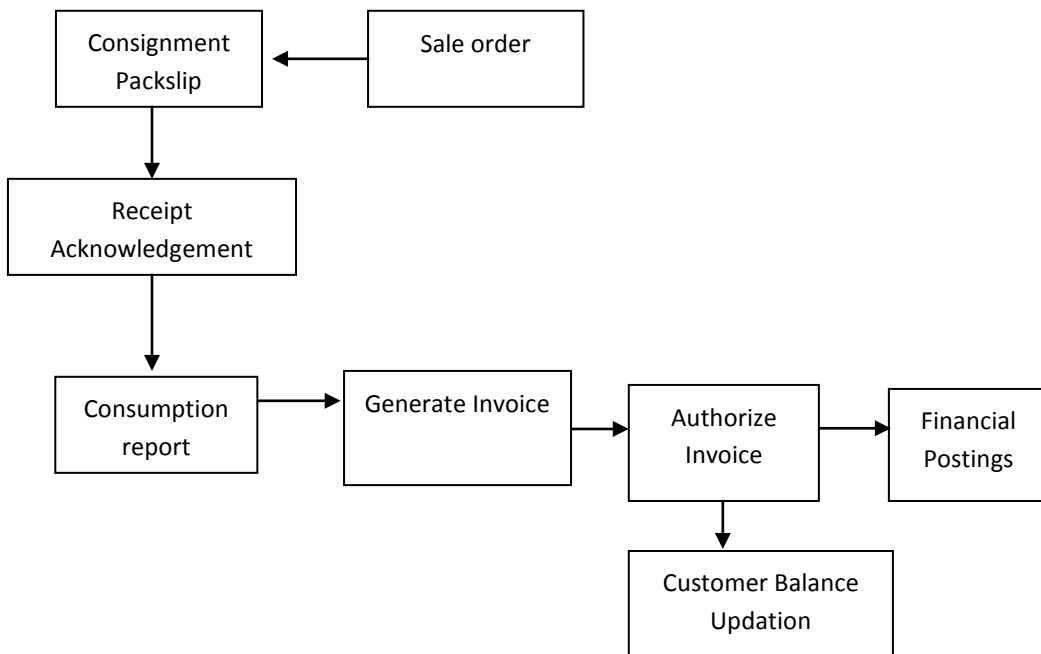


Figure 21: Consignment Sales

### 5.2.2.4 Bill and Hold Sales

In this process, the items that are ready for shipping are not shipped due to explicit instructions received from the customer.

The material is held physically in the company’s warehouse. However, invoice for the items is raised, so that the revenue booking process is not delayed. The items are shipped as per the convenience of the customer.

A “Bill and Hold order” is the document that records the customer’s indication to hold the delivery or the order. Based on this document, the invoice can be generated.

The process of bill and hold sales can be represented as follows (refer Figure 22):

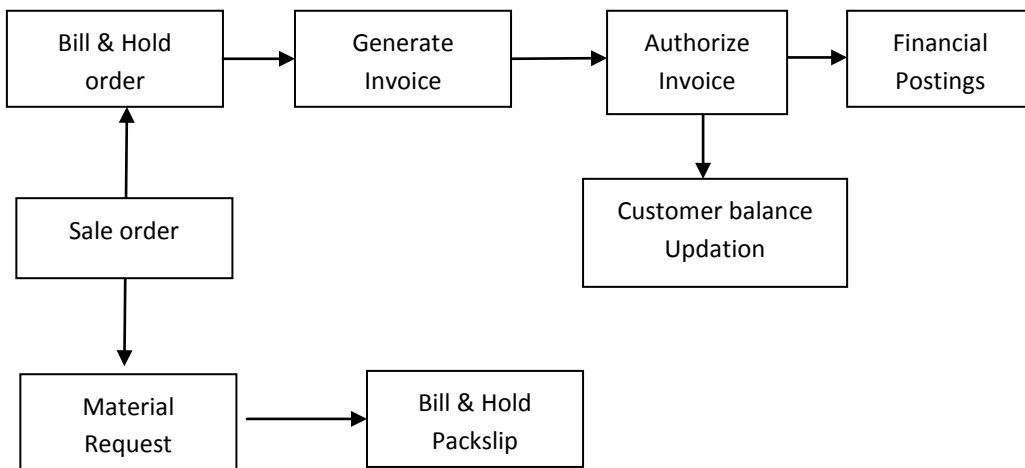


Figure 22: Bill and Hold Sales

**5.2.2.5 Drop ship sales**

This is typical in a trading organization where the products are purchased from the supplier and directly shipped to the customer. The material does not physically enter the warehouse of the company. The sale order indicates the type of sale, based on which the dropship receipt document is generated. This document acts as both packslip for recording sales and goods receipt acknowledgement for recording purchase. Based on the dropship document, the customer order based invoice document can be generated.

The process of drop ship sales can be represented as follows (refer Figure 23):

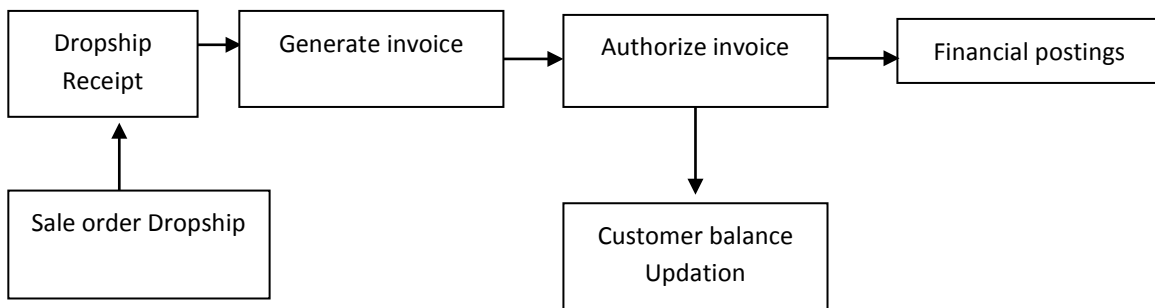


Figure 23: Drop ship Sales

**5.2.2.6 Certificate of Delivery**

In this type of sale, the products are actually shipped to the customer. However the customer raises invoice only for the quantity that is “Accepted”. Invoicing happens only on receipt of confirmation from the customer.

The process of certificate of delivery-based sales can be represented as follows (refer Figure 24):

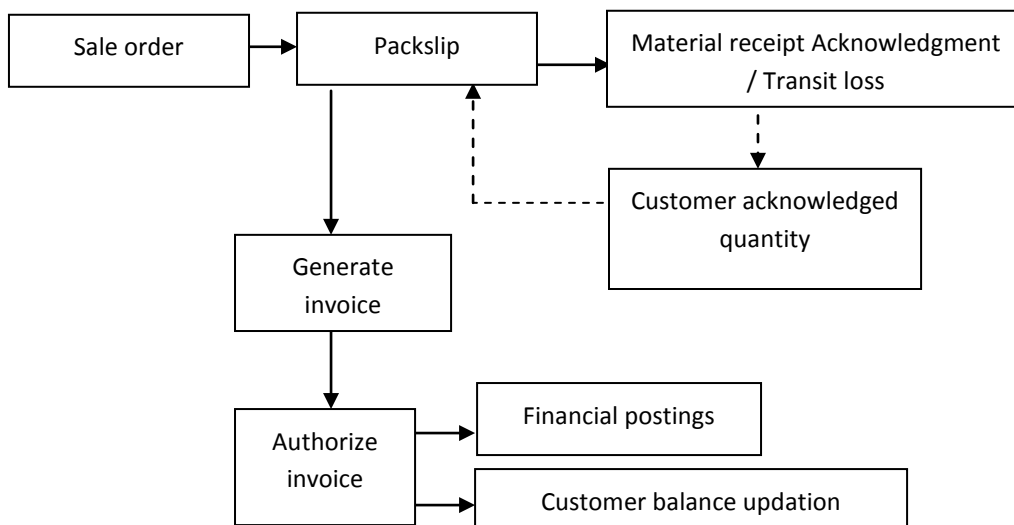


Figure 24: Certificate of Delivery based Sales

### 5.2.3 Concepts

#### Price

Price is as specified in the Sale order. Based on a parameter, this price can be modified by the user.

#### Invoice Category

Invoice category varies depending on the reference document, the sale order, which is the basis of all invoicing. However, the actual quantity of sale is determined in the shipping document only. This document could vary depending on the type of sale. Thus the following invoice categories could occur:

**Regular invoice - Regular sales:** Reference documents are packslip and service work order.

**Invoice Consumption Report - Consignment sales:** Reference document is the consumption report.

Invoice Bill and Hold Order - Bill and hold sales: Reference document is bill and hold order.

Invoice Drop Ship Receipt - Drop ship sales: Reference document is drop ship receipt.

#### Invoice Generation Type

Order based invoices are generated in bulk with multiple sale order and shipping documents reference. Multiple reference documents may be clubbed together in a single invoice document. Invoice generation type indicates the logic for grouping a certain set of reference documents into a single invoicing document.

- “One packslip – One invoice” – indicates that an invoice will be generated for every pack slip marked for invoicing. The number of invoices generated will match the number of marked pack slips
- “One drop ship receipt – One invoice” – indicates that an invoice will be generated for every drop ship receipt that is marked for invoicing. The number of invoices generated will match the number of marked drop ship receipts
- “One consumption report – One invoice” – indicates that an invoice will be generated for every consumption report that is marked for invoicing. The number of invoices generated will match the number of marked consumption reports
- “One bill and hold order – One invoice” – indicates that an invoice will be generated for every bill and hold order that is marked for invoicing. The number of invoices generated will match the number of marked bill and hold orders
- “One sale order – One invoice” – indicates that an invoice will be generated for every sale order that is marked for invoicing. The number of invoices generated will match the number of marked sale orders

- “One sale order – One ship to customer – One invoice” – indicates that an invoice will be generated for multiple sale orders if the customer to whom the shipment is made is the same
- “One sale order – One ship to customer – One ship to ID – One invoice” – indicates that an invoice will be generated for multiple sale orders if the customer to whom the shipment is made and the location to which the shipment is made are the same
- “One bill to customer – One invoice” – indicates that an invoice will be generated for multiple reference documents if the customer on whom the invoice must be raised is the same. These reference documents could be a combination of drop ship receipts, bill and hold orders, consumption reports, pack slips or sale orders
- “One bill to customer – One ship to customer – One invoice” – indicates that an invoice will be generated for multiple reference documents if the customer on whom the invoice must be raised and the customer to whom the material must be shipped are the same. These reference documents could be a combination of drop ship receipts, bill and hold orders, consumption reports, pack slips or sale orders
- “One bill to customer – One ship to customer – One ship to ID – One invoice” – indicates that an invoice will be generated for multiple reference documents if the customer on whom the invoice must be raised, the customer to whom the material must be shipped and the location to which the material is shipped are the same. These reference documents could be a combination of drop ship receipts, bill and hold orders, consumption reports, pack slips or sale orders

#### **Anchor date**

This is the date from which the payment schedule is generated for credit sales. Anchor date can be same as or less than the invoice date. But, this date cannot be later than the invoice date.

#### **Tax /Charge/Discount**

Taxes, charges and discounts are defaulted from the sale order and applied on the invoice document. User has the facility to add or delete the taxes / charges / discounts as specified in the sale order. The actual value of the taxes, charges and discounts are calculated by the Tax/Charge/Discount calculation engine. For more details on the TCD calculation engine, refer to the Purchase Set up ARM.

#### **Level of Tax/Charge/Discount**

TCD can be calculated at the document or the line level. If the tax, charge or discount is at document level, then it can be applied on all the lines of the document. On the other hand, if it is at line level, then the specific line against which the same TCD is to be applied can be selected. Document level facilitates ease of data entry if the type of taxes/charges/ discounts applicable on all lines is the same.

#### **Auto Adjust**

If the auto adjust option is selected, then the prepayments (prepayment invoice and advance receipt voucher) of the invoice bill to customer will be automatically adjusted with the invoice on authorization. Only those prepayments that refer to a sale order, as referred to in the invoice, will be considered. The order of adjustment (FIFO or LIFO) is based on a parameter setting in Customer Balance Adjustment component. On authorization of the invoice, an adjustment voucher is also generated.

#### **Manual adjustment**

If adjustment is desired at the time of invoice creation itself, with specific documents (not on LIFO or FIFO basis), then the “Adjustment” link can be used. In this link, the credit documents can be selected. On authorization on the invoice, an adjustment voucher adjusting the invoice and the selected credit documents is also generated. The document currency and the customer must be the same as that of the invoice.

## LC Applicable

If LC applicability is set to “Yes” in the sale order of the Invoice, then the Letter of Credit is applicable for an Invoice. LC applicable can be either be ‘Applicable and Valid’ or ‘Applicable and Expired’. At the time of generation of Invoice, based on the expiry date of the LC, the LC applicable is updated for the invoice.

## 5.2.4 Key Features

### 5.2.4.1 Commercial

- **Multi Currency:** The invoice can be generated either in sale order currency or any other currency that is applicable for the organization and acceptable to the customer
- **Payment Terms:** The due dates are calculated based on predefined pay terms. Pay term is as specified in the Sale order. This can be modified at the time of invoice processing. Based on the pay term specified in the invoice, multiple due dates and the corresponding due amount is calculated by the system. The start date for due date calculation is the Anchor date. This date may or may not be the invoice date, but cannot be later than the invoice date
- Cash discount for early payment and penalty for delayed payment can be specified
- Price for the items are as agreed upon in the sale order. This can be modified by the invoice user based on the corresponding parameter setting
- Freight amount is defaulted from the Packed slip
- Taxes, charges and trade discounts related to the sale transaction can be specified. Those specified in the sale order are automatically considered in the invoice. The tax calculation engine calculates the tax, charge and discount amounts
- **Exchange Rate:** The rate prevailing on the date of the invoice will get defaulted. It can be modified to suit the needs of the customer within the tolerance as on the date of the invoice

### 5.2.4.2 Financial Posting

- The system proposes the account codes based on the values set in the “Account Rule Definition” component of the General Accounting function. Various parameters of the invoice form the basis for determining account codes for customer account, revenue account and tax/charge and discount account
- The finance book into which the postings are to be made can be specified
- Provision to select the finance books which has been mapped to login user
- Currently Multiple control accounts for the same customer account group can be specified. Hence the user has the option to select the control account to which entry has to be posted also
- Facility to either gross up taxes / charges along with revenue or post them separately as per company / industry practice
- The cost center information for the revenue accounts can be specified
- Analysis and sub-analysis codes (sub division of account code) can be specified, if required
- If budgets have been defined for accounts, then validation ensures that the amount is within the budget amount
- The proposed account posting information can be viewed even prior to invoice authorization
- Financial postings information can be viewed in the transaction currency, base currency or parallel base currency of the company

### 5.2.4.3 Services

- Bulk generation of invoice for packsliips raised for a period of time
- Facility to generate invoice numbers automatically. Manual numbering option is also provided
- Invoice can be created in “Draft” status, which cannot be authorized. Once all the necessary information is specified, then the invoice can be released from the “Draft” status
- Provision to create and authorize invoice simultaneously is available, provided the user has authorization rights. Invoice on authorization attains “Authorized” status
- Facility for bulk authorization and bulk deletion of invoice is available
- Multilevel authorization is supported
- In cases when the invoice information needs to be modified during authorization, the user has a facility to return the invoice
- Facility to reverse the invoice post authorization (provided no receipts are recorded against this invoice) is also supported
- Notes can be appended to the invoice document
- Provision to capture project related information such as Project OU / Project code from the reference documents
- Invoice summary page provides a snap shot of the invoice. The total item value, Tax, charge and discount value, the amount of invoice that has been collected and the balances due are provided herein
- Auto Adjust facility: If any advances have been received with respect to the particular instance of sale, then a facility to automatically adjust the advance on authorization of the invoice is provided. If advances have been collected against the sale order referred to in the invoice, the same are considered first. If adjustments with respect to specific advance voucher or credit note are desired, then the same can be specified. The invoice on authorization would be adjusted with that advance or credit note
- Auto-email of invoices to the email id of the customer on authorization of invoices

### 5.2.5 Prerequisites

- Organization setup modeling in Enterprise Setup must have been completed
- Component Interaction Model must have been defined
- Availability of Finance Book information must be ensured
- Number generation setup must have created
- Customers must be in “Active” status
- Sale orders and reference document (packslip, service work order, consumption report, bill and hold order, drop ship receipt) must have been defined
- Account Rule Definition must have been done for the customer, i.e., Customer Receivable Accounts, Customer Prepayment Account and Customer Deposits Accounts must have been defined
- Accounts must have been defined for the items and sale parameters
- Exchange rate must have been defined for the transaction date
- Pay term must have been defined and mapped to the customer
- Financial period / year must be in “Open” status

- Number generation setup must have been defined for Adjustment voucher in case of Auto Adjustment
- Reason codes must have been defined for Hold, Release and Reversal
- System parameters and function defaults must have been set

### 5.2.6 Predefined Values

S No	Entity	Pre-defined Values
1	Invoice Category	Regular invoice - Regular sales Invoice Consumption Report - Consignment sales Invoice Bill and Hold Order - Bill and hold sales Invoice Drop Ship Receipt - Drop ship sales
2	Invoice Generation Type	On Pack slip – One invoice One order - one invoice One order and one ship to customer - one invoice One order and one ship to id – one invoice One bill to customer - one invoice One Bill to customer & One Ship to-One Invoice One Bill to customer & One Ship to Id-One Invoice
3	Auto Adjust	Yes No
4	TCD Computation	Document Level Item Level
5	Discount Computation	Base Amount Gross Amount
6	Due Amount Type	Flat Amount Percentage
7	Discount Amount Type	Flat Amount Percentage

### 5.2.7 Functional Parameters

Parameter	Value	Implication
One Pack slip-One Invoice	Yes / No	If set to “Yes”, then the invoice generation type is set as “One Packslip – One Invoice”. If set to “No” then this invoice generation type is not applicable.

Parameter	Value	Implication
One Order-One Invoice	Yes / No	<p>If set to "Yes", then the invoice generation type is "One Order – One Invoice".</p> <p>If set to "No", then This invoice generation type is not applicable.</p>
One Order & One Ship to-One Invoice	Yes / No	<p>If set to "Yes", then the invoice generation type is "One Order – One Ship to Cust-One Invoice".</p> <p>If set to "No", then this Invoice generation type is not applicable.</p>
One Order & One Ship to Id-One Invoice	Yes / No	<p>If set to "Yes", then the invoice generation type is "One Order –One Ship to Cust – One Ship to Id – One Invoice".</p> <p>If set to "No", then this invoice generation type is not applicable.</p>
One Bill to-One Invoice	Yes / No	<p>If set to "Yes", then the invoice generation type is "One Bill to Customer – One Invoice".</p> <p>If set to "No", then this invoice generation type is not applicable.</p>
One Bill to & One Ship to-One Invoice	Yes / No	<p>If set to "Yes", then the invoice generation type is "One Bill to Customer &amp; One Ship to Customer – One Invoice.</p> <p>If set to "No", then this invoice generation type is not applicable.</p>
One Bill to & One Ship to Id-One Invoice	Yes / No	<p>If set to "Yes", then the invoice generation type is "One Bill to - One Ship to Customer – One Ship to Id – One Invoice.</p> <p>If set to "No", then this invoice generation type is not applicable.</p>
Modify Pay Term	Yes / No	<p>If set to "Yes", then the pay term specified in SO can be modified.</p> <p>If set to "No", then the pay term specified in SO cannot be modified.</p> <p>The combo would be loaded with Yes and No only when the "Modify pay term at transaction level" is set to Yes in Set Parameters – Receivables activity of Organization Unit Parameter Setup component Otherwise it will be loaded only with No.</p>
Allow multiple Finance Book Postings	Yes / No	<p>If set to "Yes", then all the finance books mapped to the login organization can be used for transactions.</p> <p>If set to "No", then: only one among the finance books mapped to the login OU can be used for transactions.</p>



Parameter	Value	Implication
Default Finance Book	FB IDs	The Finance book that is to be defaulted during transactions.  If the “Allow multiple Finance Book Postings” is set as “No”, then it is mandatory to set the default finance book.
Pay Term Prefix	User Definable	The prefix to be attached to the pay terms in case there are multiple payment due dates.
Rounding Off Parameters	Nearest / Ceiling	When it is set to Nearest, the invoice value will be rounded to nearest up or nearest down the value specified.  If it is set to Ceiling, the invoice value will be rounded up to the specified ceiling value.  Currency Wise Rounding Off parameter values can be specified based on parameter setting in CPS.

### 5.2.8 Deployment

Customer order based invoice component may be deployed at single or multiple organization units. This component may be deployed at those organization units where the function of Invoice Generation is performed. The transaction is recorded against the company that has been mapped to the organization unit from where the transaction originates. Financial entries are posted to the Finance Book that is selected at the time of transaction. Sale orders and shipping documents (packslip, service work order, drop ship receipt, consumption report) that are generated by the business unit of the login organization unit are available for invoicing.

### 5.2.9 Component Interaction

Cardinality → COBI: Other Components

Component Name	Cardinality
Account Based Budget	N:1
Account Rule Definition	N:1
Accounting Setup	N:1
Bank / Cash Definition	N:1
Finance Book Processing	N:M
Financial Calendar Closure	N:1
Organization Setup	N:1
Exchange Rate	N:1
Cost Setup	N:1
Bill and Hold	N:N

Component Name	Cardinality
Customer	N:N
Numbering Class	N:1
Pay Term	N:N
Pack slip	N:N
Drop ship receipt	N:N
Service order	N:N
Consignment Outbound	N:N
Sales order	N:N
Taxes Charges and Discount	N:N
Company Parameter Setup	N:1
Organization Unit Parameter Setup	N:1
Installation Parameter Setup	N:1
Customer Inquiry	N:1
Notes	1:1
Workflow	N:1
Reason Code	N;1
Customer Debit Credit Note	N:1
Customer Balance Adjustment	N:1
Tax Calculation	N:1
Item Administration	N:1
Service Work Order	M:N
Milestone Management	M:N
Service Level Agreement	M:N
Sale Return	N:1

## 5.2.10 Status

Status...	Denotes...
Draft	<p>An invoice whose information provided is either not complete or correct. Hence, this document will not be available for authorization.</p> <p>This status can be intentionally arrived at when the "Draft" option is selected by the user during creation.</p>
Fresh	The document is complete in all respects and is available for authorization.
Deleted	A document that is deleted prior to authorization.
Returned	The authorizing person has found a few anomalies in the document and the same is available for editing again. This status results when the authorizer invokes the 'Return' task in the Authorize activity.
Authorized	The document is Authorized appropriately and can be used for all external purposes. Financial postings are made and customer balances are updated accordingly. All taxes and liabilities to the government are also recorded.
Held	<p>Any authorized document may be held. A held document is not available for balance adjustment. A document that has been put on hold so that it will not be available for balance adjustment.</p> <p>Once the held document is released, it reverts back to its old status.</p>
Partly Adjusted	A document for which part payment has been received and balance adjustment has been authorized
Adjusted	A document for which full payment has been received and balance adjustment has been authorized.
Reversed	<p>A document that has been rendered null or voided.</p> <p>On reversal, all the updations made on authorization are nullified. This includes financial posting and customer balance updations also.</p> <p>A document that is in "Partly Adjusted" or "Paid" status cannot be reversed.</p>

## 5.2.11 Postings

### 5.2.11.1 Financial Postings

#### Revenue booking is Net of TCD

Account	Dr/Cr	Remarks
Revenue Account	Cr	Value of sales
Tax/Charge Payable Account	Cr	This is the Taxes/ Charges payable account as specified in the referred invoice document. The amount is as specified in the multiline
Freight Payable Account	Cr	Freight recovered from the customer, payable to the Carrier

Account	Dr/Cr	Remarks
Discount Account	Dr	Discount allowed to the customer
Customer Control Account (as selected)	Dr	Amount billed to the customer and subsequently recovered.

**Revenue booking is Gross of TCD**

Account	Dr/Cr	Remarks
Revenue Account	Cr	Value of sales
Tax/Charge Payable Account	Cr	This is the Taxes/ Charges payable account as specified in the referred invoice document. The amount is as specified in the multiline.
Freight Payable Account	Cr	Freight payable to the Carrier.
Tax/Charge Expense	Dr	Taxes and charges expense booking.
Customer Control Account (as selected)	Dr	Amount billed to the customer and subsequently recovered.

**Note:** All account codes are retrieved based on the definitions in the Account Rule Definition component for the selected Finance Book.

Currently More than one Control account for the customer group can be defined in the ARD and the user has the facility to choose the account code to which account postings have to be made.

In case of reversal, the account postings made on authorization are reversed exactly.

**5.2.11.2 Inter-component Postings**

- The invoiced quantity is updated back to the packslip / Bill and hold / consumption report / dropship receipt / service work order document
- Updation of customer balance due in the Customer Inquiry component, which will be reflected in all customer related reports like Customer Statement, Customer Inquiry
- Financial postings routed through the Customer Inquiry component to Finance book
- Workflow messages in case workflow is configured
- In case the auto adjustment option is selected, then the adjustment voucher is generated

**Note:** All postings and updations are made on authorization of the invoice document.

## 5.2.12 Reports

### 5.2.12.1 Print Invoice

<p><b>Company Name</b></p> <p>Address Line 1 Address Line 2 Address Line 3 Address Line 4</p>	<p><b>Tax Registration Numbers</b></p> <p>EXCISE SER VAT</p>												
<p><b>Customer Invoice</b></p>													
<p><b>Invoice Number</b></p> <p>Invoice Date Date Of Removal Time Of Removal Place of Origin</p> <p><u><b>Bill To Customer</b></u></p> <p><b>Bill to Customer Name</b> Address Line 1 Address Line 2 Address Line 3</p>	<p><b>Invoice Currency</b></p> <p>Mode Of Transport Vehicle Number Place of Destination</p> <p><u><b>Ship To Customer</b></u></p> <p><b>Ship to Customer Name</b> Address Line 1 Address Line 2 Address Line 3</p>												
<table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 10%;">SL No.</th> <th style="width: 50%;">Item Details</th> <th style="width: 10%;">UOM</th> <th style="width: 10%;">Quantity</th> <th style="width: 10%;">Rate</th> <th style="width: 10%;">Amount</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;"> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		SL No.	Item Details	UOM	Quantity	Rate	Amount						
SL No.	Item Details	UOM	Quantity	Rate	Amount								
<p>ADD : TAX1</p> <p>ADD : TCS</p> <p>ADD : CST</p> <p>ADD : EXCISE</p> <p>ADD : SER</p>													
<p>Amount in _____</p>													
<p><b>Terms of Payment</b></p> <hr/> <p><b>Amount in Words</b></p> <hr/>	<div style="border: 1px solid black; width: 150px; height: 80px; margin: 0 auto;"> <p style="text-align: center; margin-top: 5px;"><b>Authorized Signatory</b></p> </div>												

### 5.2.13 Workflow

Workflow requirements for the activities of Customer Order Based Invoice component is shown in the table below:

Activity Name	Purpose
Create Invoice	Intimation for Authorize
Edit Invoice	Intimation for Authorize
Authorize invoice	Intimation for Edit due to return of document

## 5.3 Customer Debit Credit Note

### 5.3.1 Purpose

Debit note and credit note are those documents that record post billing corrections, if any. Typical situations where these notes are raised would be on sale return (automatic from sale return component), price change (with retrospective effect), customer complaints, discount over or under allowed etc. These notes are generally based on preceding documents like invoice or sales return note.

### 5.3.2 Overview

Debit notes are raised to increase the dues receivable from the customer. Situations like incorrect price in invoice, under billing of taxes or charges during invoice process leads to raising debit notes. The customer is expected to make the payment against the debit note.

Credit notes are raised to decrease the dues receivable from the customer. Sales return, over billing during invoice process, periodic rebates etc are some business reasons for raising credit notes. The credit note can be adjusted against any invoice in order to reduce the customer’s outstanding due amount.

Depending on the business reason for raising credit note the information to be recorded in the note varies to an extent. In the case of sale return or price change, the exact item against which the return or price change has happened and the corresponding invoice reference is available. In such cases debit / credit notes based on items can be raised. In some cases like charges being billed or discounts allowed, the item details are not known. In this case a reference is made to the financial account that is affected by this note. These are account based debit / credit note. Thus the two flavors of debit / credit notes are

- Item based note
- Account based note

The following diagram represents the data flow of an item based note (refer Figure 25):

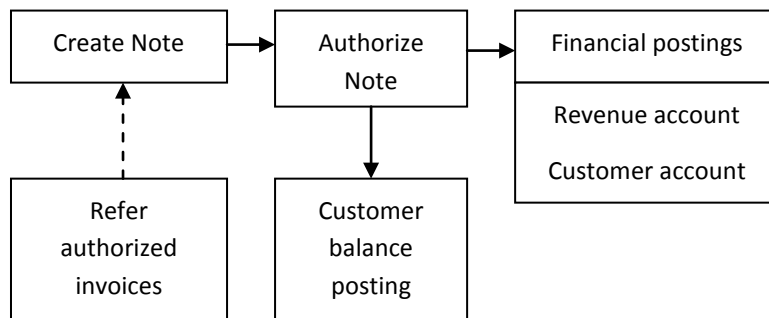


Figure 25: Item Based Note

The following diagram represents the data flow of an Account based note (refer Figure 26):

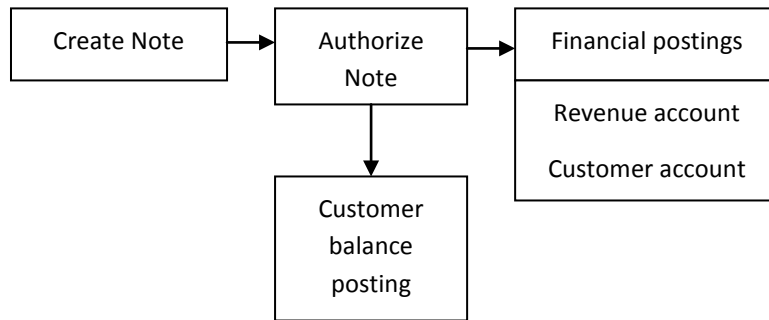


Figure 26: Account Based Note

The following diagram represents the data flow in case of Automated Item based note from Sales Return (refer Figure 27):

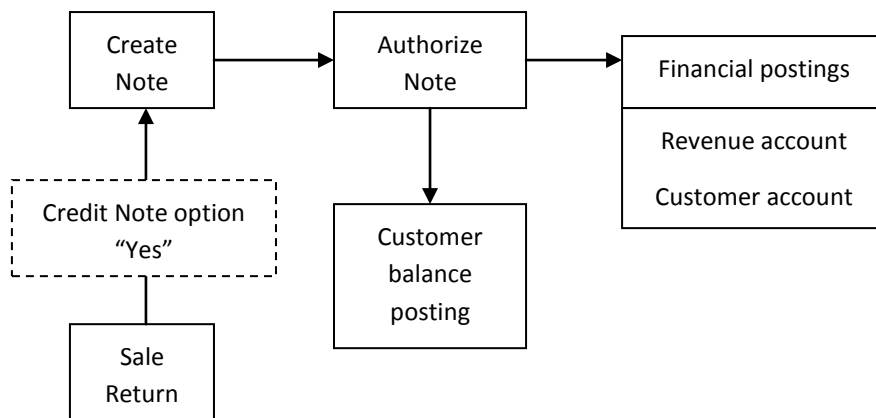


Figure 27: Automated Item Based Note from Sales Return

### 5.3.3 Concepts

#### Note Category

The note categories are account based note and item based note. When there is reference to a codified item, then the item based note may be raised. In case there is no reference to codified item, then account based note is raised. In item based note it is mandatory to provide document reference (invoice or sale return document), where are in account based note though there is a facility to provide document reference, this is not mandatory. However, in this case, specification of Usage ID / account code is mandatory.

#### Anchor date

This is the date from which the Payment Schedule is generated for a debit note. Anchor date can be same as or earlier than the note date. But, this date cannot be later than the note date.

#### Tax /Charge/Discount

The user can specify the Taxes, Charges and Discounts for the Item Based Notes. The actual value of the taxes, charges and discounts are calculated by the Tax/Charge/Discount calculation engine. For more details on the TCD calculation engine, refer Purchase Setup ARM. For Account based notes, TCDs cannot be added. However, the tax/charge/discount account codes may directly be specified

#### Level of Tax/Charge/Discount

TCD can be calculated at the document or the line level. If the tax, charge or discount is at the document level, then it will be applied on all the lines of the document. On the other hand, if it is at line level, then the specific line

against which TCD is to be applied can be selected. Document level facilitates ease of data entry if the type of taxes/charges/ discounts applicable on all lines is the same.

### Manual adjustment

If there is a need for adjustment against credit documents while creating debit/credit note, then the Adjustment link can be used. On authorization of the note, an adjustment voucher adjusting the debit or credit note and the selected credit documents is also generated. Note that, the credit documents have to be in the same currency and must be for the same customer as specified in the debit/credit note.

## 5.3.4 Key Features

### 5.3.4.1 Commercial

- **Multi Currency:** The note can be generated either in the base currency of the company or any other currency that is applicable for the company and acceptable to the customer
- **Payment Terms:** For debit notes, the due dates are calculated based on predefined pay terms. The default pay term of the customer can be used. Based on the pay term specified in the note, multiple due dates and the corresponding due amount is calculated by the system. The start date for due date calculation is the Anchor date. This date may or may not be the note date, but cannot be later than the note date
- Cash discount for early payment and penalty for delayed payment
- Taxes, charges and trade discounts related to the transaction can be specified
- The invoices /sales return notes with reference to which the note is being generated can also be recorded
- **Exchange Rate:** The rate prevailing on the date of the note will get defaulted. It can be modified to suit the needs of the customer within the tolerance as on the date of the note

### 5.3.4.2 Financial Posting

- The system proposes the account codes based on the default values set in the Account Rule Definition component of the General Accounting function. For account based notes, the user can specify the account code applicable
- The finance book into which the postings are to be made can be specified
- Provision to select the finance books which has been mapped to login user
- Currently More than one Control account for the customer group can be defined in the ARD and the user has the facility to choose the account code to which account postings have to be made
- Account postings related to inventory issue and sale transaction are simultaneously affected on authorization of the invoice
- The cost center information for the revenue accounts can be specified
- Analysis and sub-analysis codes (sub division of account code) can be specified, if required
- In case budgets are defined for accounts, then validation ensures that the amount is within the budget amount
- The proposed account posting information can be viewed even prior to invoice authorization
- Financial postings information can be viewed in the transaction currency, base currency or the parallel base currency of the company



### 5.3.4.3 Services

- Provision for automatic generation of note numbers. Manual numbering option is also provided
- Note can be created in “Draft” status, which cannot be authorized. Once all the necessary information is specified, then the note can be released from the “Draft” status
- Provision to create and authorize a note simultaneously is available, provided the user has authorization rights. A note on authorization attains the “Authorized” status
- Facility for bulk authorization and bulk deletion of notes is available
- Multilevel authorization is supported
- In cases when the note information needs to be modified during authorization, the user has a facility to return the note
- Facility to reverse the note post authorization (provided no receipts are recorded against the debit note or credit note is not adjusted) is also supported
- Notes can be appended to the debit/credit note
- Invoice summary page provides a snap shot of the note. The total value, Tax, charge and discount value, the amount of note that has been adjusted and the balances due are provided herein
- Adjustment: If the reference document against which the debit / credit note is known at the time of note creation, the same may be specified for adjustment purposes also. On authorization of the note, the corresponding adjustment voucher is also generated
- Facilitates Multi – Level authorization of Account Based / Item Based Debit credit Notes based on Workflow Applicability and configuration
- Facility to generate manual Account based debit / credit note with CFS (Container Freight Station) reference
- Facility to provide the project information details like Project OU, Project / Sub Project Code
- Facility to provide customer complaint as reference document in the account based note
- Facility to retrieve the customer complaint no. against the sale return, in item based note
- Auto-email of notes to the email id of the customer on authorization of notes
- Provision to specify dimension details

### 5.3.5 Prerequisites

- Organization setup modeling in Enterprise Setup must have been completed
- Component Interaction Model (CIM) must have been defined
- Availability of Finance Book information must be ensured
- Number generation setup must have been created
- Customers must be in “Active” status
- Account Rule Definition must have been done for the customer, i.e., Customer Receivable Accounts, Customer Prepayment Account and Customer Deposits Accounts must have been defined
- Exchange rate must have been defined for the transaction date
- Reference invoice documents must have created in case of an Item based note

- Pay term definition must have been done
- Financial period / year must be in “Open” status
- Number generation setup for Adjustment voucher must have been set in case Auto Adjust has been opted for
- Reason codes must have been defined for Hold, Release and Reverse activities
- System parameters and function defaults must have been set

### 5.3.6 Predefined Values

S No	Entity	Pre-defined Values
1	Note type	<ul style="list-style-type: none"> <li>• Debit</li> <li>• Credit</li> </ul>
2	Note Category	<ul style="list-style-type: none"> <li>• Item based note</li> <li>• Account based note</li> </ul>
3	Auto Adjust	<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>
4	T/C/D Computation	<ul style="list-style-type: none"> <li>• Document Level</li> <li>• Item Level</li> </ul>
5	Discount Computation	<ul style="list-style-type: none"> <li>• Base Amount</li> <li>• Gross Amount</li> </ul>
6	Due Amount Type	<ul style="list-style-type: none"> <li>• Flat Amount</li> <li>• Percentage</li> </ul>
7	Discount Amount Type	<ul style="list-style-type: none"> <li>• Flat Amount</li> <li>• Percentage</li> </ul>

### 5.3.7 Functional Parameters

Parameter	Value	Implication
Allow multiple Finance Book Postings	Yes / No	If set to “Yes”, then all the finance books mapped to the login organization can be used for transactions.  If set to “No”, then: only one among the finance books mapped to the login Organization Unit can be used for transactions.
Default Finance Book	FB Ids	The finance book to be defaulted during transactions. If the “Allow multiple Finance Book Postings” is set as “No”, then it is mandatory to set the default finance book.
Default Usage ID for Tax Calculation	Usages	The Usage to be taken for tax calculations during transactions.

### 5.3.8 Deployment

Customer Debit Credit Note component can be deployed at single or multiple organization units. This component can be deployed at only those organization units where Invoicing is done. This is because debit and credit notes are generally raised with reference to invoices in order to correct any minor errors made during the invoicing process. The transaction is recorded against the Company that is mapped to the organization unit from where the transaction originates. Financial postings are made to the Finance Book that is selected at the time of transaction. All Financial books mapped to the corresponding company and business unit will be available for posting.

### 5.3.9 Component Interaction

Cardinality → CDCN: Other Components

Component Name	Cardinality
Account Based Budget	N:1
Account Rule Definition	N:1
Accounting Setup	N:1
Bank / Cash Definition	N:1
Finance Book Processing	N:M
Financial Calendar Closure	N:1
Organization Setup	N:1
Exchange Rate	N:1
Cost Setup	N:1
Customer	N:N
Numbering Class	N:1
Pay Term	N:N
Taxes, Charges and Discount	N:N
Sale Return	N:N
Company Parameter Setup	N:1
Organization Unit Parameter Setup	1:1
Installation Parameter Setup	N:1
Customer Balance Adjustment	N:1
Customer Direct Invoice	1:N

Component Name	Cardinality
Customer Order Based Invoice	1:N
Customer Inquiry	N:1
Customer Prepayment Invoice	1:N
Credit Management	N:1
Notes	1:1
Workflow	N:1
Reason Code	N:1
Tax Calculation	N:1
Project Definition	1:1

### 5.3.10 Status

Status...	Denotes...
Draft	<p>A debit/credit note whose information is either not complete or correct. Hence, this document will not be available for authorization.</p> <p>This status results when the user selects the "Draft" option during creation.</p>
Fresh	The document is complete in all respects and is available for authorization.
Deleted	A document that is deleted prior to authorization.
Returned	The authorizing person has found a few anomalies in the document and the same is available for editing again. This status results when the authorizer invokes the 'Return' task in the Authorize activity
Authorized	The document is authorized appropriately and can be used for all external purposes. Financial postings are made and customer balances are updated accordingly. All taxes and liabilities to the government are also recorded.
Held	<p>A document that has been put on hold so that it will not be available for balance adjustment.</p> <p>Once the held document is released, it reverts back to its old status.</p>
Partly Adjusted	<p>A document for which a part payment has been received and balance adjustment has been authorized. (Applicable only for Debit Notes.)</p> <p>A note, which has been partly adjusted against an invoice and the adjustment, has been authorized. (Applicable only for Credit Notes.)</p>
Adjusted	<p>A document for which full payment has been received and balance adjustment has been authorized. (Applicable only for Debit Notes.)</p> <p>A note, which has been fully adjusted against an invoice and the adjustment, has been authorized. (Applicable only for Credit Notes.)</p>

Status...	Denotes...
Reversed	<p>A document that has been rendered null or voided.</p> <p>On reversal, all the updations made on authorization are nullified. This includes financial posting and customer balance updations also.</p> <p>A document that is in "Partly Adjusted" or "Paid" status cannot be reversed.</p>

## 5.3.11 Postings

### 5.3.11.1 Financial Postings

#### Authorization of an Account based Debit Note

Account	Dr/Cr	Remarks
Customer Control Account (as selected)	Dr	The total note amount is debited to the customer
Account as chosen in the Multi line	Dr/Cr	The account may be selected in the multi line. The selected account should not be a Control account or Auto posting account. The amount is as entered in the multi line. The Dr/Cr indicator may also be selected by the user

#### Authorization of an Account based Credit Note

Account	Dr/Cr	Remarks
Customer Control Account (as selected)	Cr	The total note amount is credited to the customer
Account as chosen in the Multi line	Dr/Cr	The account may be selected in the multi line. The selected account should not be a Control account or Auto posting account. The amount is as entered in the multi line. The Dr/Cr indicator may also be selected by the user

#### Authorization of an Item based Debit Note

Account	Dr/Cr	Remarks
Customer Control Account (as selected)	Dr	The total note amount is debited to the customer
Sales Revenue Account	Cr	This is the revenue account as specified in the referred invoice document. The amount is as specified in the multiline.
Taxes/ Charges Payable Account	Cr	This is the Taxes/ Charges payable account for the Tax/ Charge as specified in the debit note document in the TCD link.
Discount Account	Dr	This is the discount account for the discount as specified in the debit note document in the TCD link

**Authorization of an Item based Credit Note**

Account	Dr/Cr	Remarks
Customer Control Account (as selected)	Cr	The total note amount is credited to the customer
Sales Revenue Account	Dr	This is the revenue account as specified in the referred invoice document. The amount is as specified in the multiline
Taxes/ Charges Payable Account	Dr	This is the Taxes/ Charges payable account for the Tax/ Charge as specified in the credit note document in the TCD link.
Discount Account	Cr	This is the discount account for the discount as specified in the credit note document in the TCD link.

**Note:** All account codes are retrieved based on the definitions in the Account Rule Definition component for the selected Finance Book. However, in the case of account based notes, the account codes can be explicitly selected by the user.

Currently More than one Control account for the customer group can be defined in the ARD and the user has the facility to choose the account code to which account postings have to be made.

In case of reversal, the account postings made on authorization are reversed appropriately.

**5.3.11.2 Inter-component Postings**

- Updation of customer balance due in the Customer Inquiry component, which subsequently reflects in all customer related reports like Customer Statement, Customer Inquiry etc.
- Financial postings routed through the Customer Inquiry component to the mapped Finance Book
- Workflow messages in case workflow is configured
- In case, Auto Adjustment option is selected, then adjustment vouchers are generated

**Note:** All postings and updates are made on authorization of the document.

### 5.3.12 Reports

#### 5.3.12.1 Account Based Debit Note

<b>Company Name</b> Address Line 1 Address Line 2 Address Line 3 Address Line 4						
<b>Customer Debit Note</b>						
<b>Note Number</b> Note Date Note Currency				<u>Bill To Customer</u> <b>Bill to Customer Name</b> Address Line 1 Address Line 2 Address Line 3		
<b>SL No.</b>	<b>Account Code</b>	<b>Dr/Cr</b>	<b>Ref Doc Amount</b>	<b>Ref Doc Type</b>	<b>Ref Doc No.</b>	<b>Amount</b>
ADD : Tax 1 ADD : Tax 2						
<b>Terms of Payment</b> _____						Amount _____ _____
<b>Amount in Words</b> _____						_____ <b>Authorized Signatory</b>
Run Date _____ Page 1 of ! _____ Time _____						

5.3.12.2 Account Based Credit Note

<b>Company Name</b> Address Line 1 Address Line 2 Address Line 3 Address Line 4						
<b>Customer Credit Note</b>						
<b>Note Number</b> Note Date Note Currency			<u>Bill To Customer</u> <b>Bill to Customer Name</b> Address Line 1 Address Line 2 Address Line 3			
<b>SL No.</b>	<b>Account Code</b>	<b>Dr/Cr</b>	<b>Ref Doc Amount</b>	<b>Ref Doc Type</b>	<b>Ref Doc No.</b>	<b>Amount</b>
ADD : Tax 1 ADD : Tax 2						
					Amount	
<b>Terms of Payment</b>						<b>Authorized Signatory</b>
<b>Amount in Words</b>						
Run Date	Page 1 of !				Time	



5.3.12.3 Item Based Debit Note

<b>Company Name</b> Address Line 1 Address Line 2 Address Line 3 Address Line 4									
<b>Customer Debit Note</b>									
<b>Note Number</b> Note Date Note Currency					<u>Bill To Customer</u> <b>Bill to Customer Name</b> Address Line 1 Address Line 2 Address Line 3				
<b>SL No.</b>	<b>Doc type</b>	<b>Doc NO.</b>	<b>Doc Date</b>	<b>Doc Line NO</b>	<b>Item TCD Code</b>	<b>Item Variant</b>	<b>Qty</b>	<b>Rate</b>	<b>Amount</b>
ADD : Tax 1 ADD : Tax 2									
								Amount _____ _____	
<b>Terms of Payment</b> _____							<div style="border: 1px solid black; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> <span style="font-size: 1.2em; font-weight: bold;">Authorized Signatory</span> </div>		
<b>Amount in Words</b> _____									
Run Dat <span style="margin-left: 200px;">Page 1 of 1</span> <span style="float: right;">Time</span>									

**5.3.12.4 Item Based Credit Note**

<b>Company Name</b> Address Line 1 Address Line 2 Address Line 3 Address Line 4									
<b>Customer Credit Note</b>									
<b>Note Number</b> Note Date Note Currency					<u>Bill To Customer</u> <b>Bill to Customer Name</b> Address Line 1 Address Line 2 Address Line 3				
<b>SL No.</b>	<b>Doc type</b>	<b>Doc NO.</b>	<b>Doc Date</b>	<b>Doc Line NO</b>	<b>Item TCD Code</b>	<b>Item Variant</b>	<b>Qty</b>	<b>Rate</b>	<b>Amount</b>
ADD : Tax 1 ADD : Tax 2									
<b>Terms of Payment</b> _____								Amount _____ _____	
<b>Amount in Words</b> _____								_____ <b>Authorized Signatory</b>	
un Dat <span style="float: right;">Page 1 of 1</span> <span style="float: right;">Time</span>									

**5.3.13 Process Configuration**

Workflow requirements for the activities of Customer Balance Adjustment components are shown in the table below:

Activity Name	Purpose
Create Account based Note	Intimation for Authorize
Create Item based note	Intimation for Authorize
Edit debit/credit Note	Intimation for Authorize
Authorize debit/credit Note	Intimation for Edit due to return of document

## 5.4 Customer Prepayment invoice

### 5.4.1 Purpose

Advances are a regular feature in any commercial transaction. The advance to be paid is generally agreed as per the terms and conditions of the sale order. In some places as a business practice companies raise invoices to request for advance from customers. This business need is addressed by the “Customer Prepayment Invoice” component. All the information recorded in the prepayment invoice is similar to that of the regular sale invoice. The only difference is that the account posting is made to the customer prepayment account and not the sale revenue account as in a regular sale.

### 5.4.2 Overview

The “Customer Prepayment Invoice” is a document raised on customers to request for advance payments. The prepayment invoice may or may not have a sale order reference. If it has reference, it is an “Order-based Prepayment Invoice”, and if not, it’s a “Direct Prepayment Invoice”. Receipts are collected against the prepayment invoice. Once the prepayment invoice is in “Received” status, it is considered as a regular advance. Paid prepayment invoices are considered for adjustment against final invoices.

The process of creation of a prepayment invoice is represented in the following diagram (refer Figure 28):

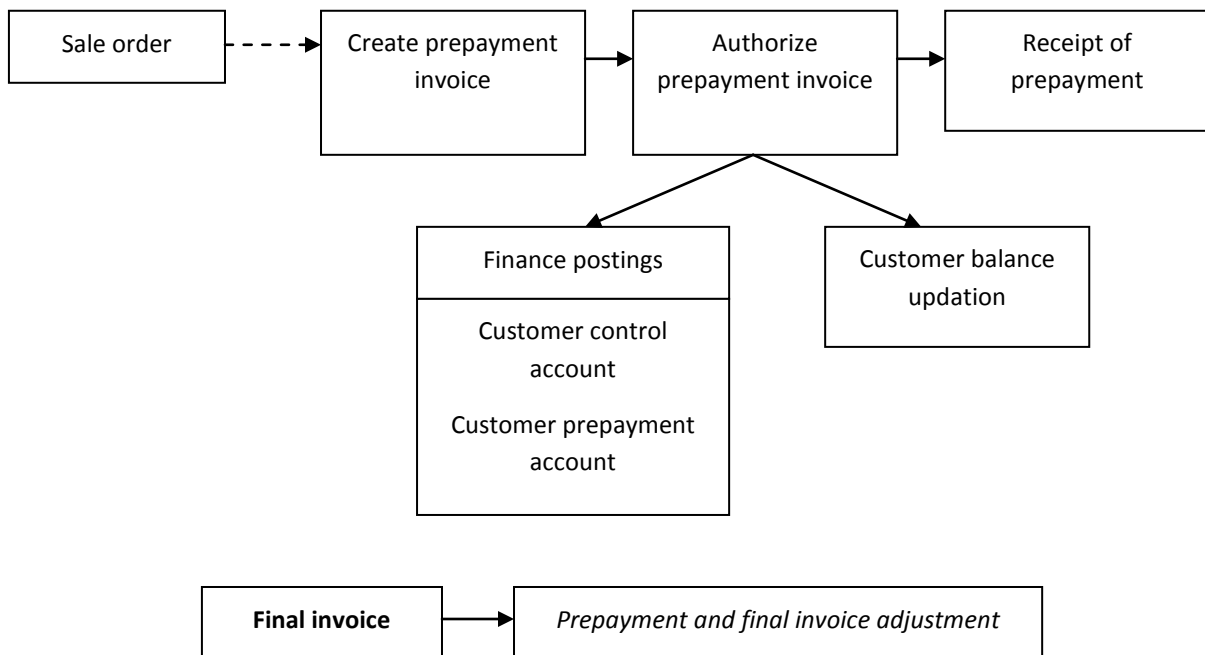


Figure 28: Prepayment Invoice

### 5.4.3 Concepts

#### Price

For direct prepayment invoice, based on the Pricing Parameter, either Price list code or Pricing engine is applied. If the option is Price list code, then it has to be specified in the transaction. For order based prepayment invoice the price is as indicated in the referred sale order.

#### Advance Percentage

The percentage of the advance can be indicated while creating the prepayment invoice.

E.g. Quantity: 100

Rate: 20

Advance percentage: 10

Prepayment invoice amount = 200 (10% of Quantity \* Rate)

### Anchor Date

This is the date from which the Payment schedule is generated for. Anchor date can be same as or less than the invoice date. But, this date cannot be later than the invoice date.

### Tax/Charge/Discount

Based on the pricing parameter setting, the tax/charge and discount rule engine may be is applied. If it is applied, the rule engine defaults the taxes charges and discounts based on the rule engine applied. The actual value of the taxes charges and discounts are calculated by the Tax/Charge/Discount calculation engine. For more details on the TCD calculation engine, refer to the Purchase Set up ARM.

### Level of Tax/Charge/Discount

TCD can be calculated at the document or the line level. If the tax, charge or discount is at document level, then it can be applied on all the lines of the document. On the other hand, if it is at line level, then the specific line against which the same TCD is to be applied can be selected. Document level facilitates ease of data entry if the type of taxes/charges/ discounts applicable on all lines is the same.

## 5.4.4 Key Features

### 5.4.4.1 Commercial

- Prepayment invoice may be generated with or without reference to sale orders
- **Multi Currency:** The invoice can be generated either in the base currency of the company or any other currency that is applicable for the company and acceptable to the customer
- **Payment Terms:** The due dates are calculated based on predefined pay terms. A default pay term can be mapped to the customer. If the invoice is based on sale order, then the pay term is defaulted as per the sale order. This can be modified at the time of invoice processing. Based on the pay term specified in the invoice, multiple due dates and the corresponding due amount is calculated by the system. The start date for due date calculation is the anchor date. This date may or may not be the invoice date, but cannot be later than the invoice date
- Cash discount for early payment and penalty for delayed payment can be specified
- Price for the items sold may be retrieved using a price list or by running the pricing engine (based on parameter). If the invoice is based on a sale order then the prices are retrieved from the sale order. These prices can be modified by the user (if the parameter setting allows modification)
- Taxes, charges and trade discounts related to the transaction can be specified. The pricing engine may be used to retrieve the relevant taxes, charges and discounts applicable. The tax calculation engine calculates the tax, charge and discount amounts
- Provision to specify dimension details

### 5.4.4.2 Financial Posting

- The system proposes the account codes for customer account and prepayment account based on the default values set in the "Account Rule Definition" component of the General Accounting function. The user has the option to define multiple control accounts and hence he can select the account code to which the postings need to be made
- The finance book in which the postings are to be made can be specified
- The proposed account posting information can be viewed prior to invoice authorization

- Financial postings information can be viewed in the transaction currency, the base currency or the parallel base currency of the company

#### 5.4.4.3 Services

- Provision for automatic generation of invoice numbers. Manual numbering option is also provided
- Invoice can be created in “Draft” status, which cannot be authorized. Once all the necessary information is specified, then the invoice can be released from the “Draft” status
- Provision to create and authorize invoice simultaneously is available, provided the user has authorization rights. An invoice on authorization attains the “Authorized” status
- Facility for bulk authorization and bulk deletion of invoice is available
- Multilevel authorization is supported
- In cases when the invoice information needs to be modified during authorization, the user has a facility to return the invoice
- Facility to reverse the invoice post authorization (provided no receipts are recorded against this invoice) is also supported
- Notes can be appended to the invoice document
- Invoice summary page will provide a snap shot of the invoice. The total item value, tax, charge and discount value, the amount of invoice that has been collected, adjusted and the balance overdue is provided herein
- Workflow
- Facilitates multi-level authorization of customer prepayment invoice on workflow configuration

#### 5.4.5 Prerequisites

- Organization setup modeling in Enterprise Setup must have been completed
- Component Interaction Model must have been defined
- Availability of Finance Book information must be ensured
- Number generation setup must have created
- Customers must be in “Active” status
- Account Rule Definition must have been done for the customer, i.e., Customer Receivable Accounts, Customer Prepayment Account and Customer Deposits Accounts must have been defined
- Exchange rate must have been defined for the transaction date
- Pay term must have been defined and mapped to the customer
- Price list code or Price engine rules must have been defined
- Sale orders must be in “Open” status for order based prepayment invoice
- Financial period / year must be in “Open” status
- Reason codes must have been defined for Hold, Release and Reversal
- System parameters and function defaults must have been set

### 5.4.6 Predefined Values

S No	Entity	Pre-defined Values
1	Auto Adjust	<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>
2	TCD Computation	<ul style="list-style-type: none"> <li>• Document Level</li> <li>• Item Level</li> </ul>
3	Discount Computation	<ul style="list-style-type: none"> <li>• Base Amount</li> <li>• Gross Amount</li> </ul>
4	Due Amount Type	<ul style="list-style-type: none"> <li>• Flat Amount</li> <li>• Percentage</li> </ul>
5	Discount Amount Type	<ul style="list-style-type: none"> <li>• Flat Amount</li> <li>• Percentage</li> </ul>

### 5.4.7 Functional Parameters

Parameter	Value	Implication
Modify Pay Term	Yes / No	<p>If set to "Yes" then the default pay term set for customer can be modified.</p> <p>If set to "No" then the default pay term set for the customer cannot be modified.</p>
Allow multiple Finance Book Postings	Yes / No	<p>If set to "Yes", then all the finance books mapped to the login organization unit can be used for transactions.</p> <p>If set to "No", then: only one among the finance books mapped to the login organization unit can be used for transactions.</p>
Default Finance Book	FB IDs	<p>The Finance book that is to be defaulted during transactions.</p> <p>If the "Allow multiple Finance Book Postings" is set as "No", then it is mandatory to set the default finance book.</p>
Allow Change of Price List Code	Yes / No	<p>If set to "Yes", this parameter allows the user to modify the price list code (defaulted) for the invoice for the purpose of pricing calculations.</p> <p>If set to "No", then the price list code cannot be modified.</p>
Allow Price Change	Yes / No	<p>If set to "Yes", this parameter allows the user to change the unit price returned by the Price engine / price Code.</p> <p>If set to "No", then the user cannot change the unit</p>

Parameter	Value	Implication
		price.
Pricing Applicability	Price Engine / Price List Code	If set to "Pricing Engine" then the pricing engine is run to retrieve the price.  If set to "Price List" then the price list code as specified in the invoice is used for retrieving the price.
Include Tax / Charge for Pricing	Yes / No	If set to "Yes", then the taxes and charges calculated as per pricing engine are applied.  If set to "No", then the taxes and charges are not calculated as part of pricing engine.
Include Discount for Pricing	Yes / No	If set to "Yes", then the discounts are calculated as per the pricing engine are applied.  If set to "No", then the discounts are not calculated as part of pricing engine.
Pay Term Prefix	User Definable	The prefix to be attached to the pay terms if multiple payment due dates are there.

### 5.4.8 Deployment

Customer Prepayment Invoice component can be deployed at single or multiple organization units. This component can be deployed at those organization units where invoice generation function for advance processing is done. The transaction is recorded against the company that has been mapped to the organization unit from where the transaction originates. Financial entries are posted to the Finance Book that is selected at the time of transaction. Sale orders that are generated by the business unit of the login organization unit will be available as reference for invoicing.

### 5.4.9 Component Interaction

Cardinality → CPPI: Other Components

Component Name	Cardinality
Account Rule Definition	N:1
Accounting Setup	N:1
Bank / Cash Definition	N:1
Finance Book Processing	N:M
Financial Calendar Closure	N:1
Organization Setup	N:1
Exchange Rate	N:1

Component Name	Cardinality
Customer	N:1
Numbering class	N:1
Item Administration	N:1
Pay term	N:N
Sale Order	N:N
Taxes Charges and Discount	N:N
UOM Administration	N:1
Pricing – Price List & Rules	N:1
Pricing – Taxes and Charges	N:1
Pricing – Discounts	N:1
Company Parameter Setup	N:1
Organization Unit Parameter Setup	1:1
Installation Parameter Setup	N:1
Customer Debit Credit Note	N:1
Customer Inquiry	N:1
Credit Management	N:1
Notes	1:1
Workflow	N:1
Reason code	N:1
Tax Calculation	N :1



## 5.4.10 Status

Status...	Denotes...
Draft	An invoice whose information is either not complete or correct. Hence, this document will not be available for authorization.  This status results when the "Draft" option is selected by the user during invoice creation.
Fresh	The document is complete in all respects and is available for authorization.
Deleted	A document that is deleted prior to authorization.
Returned	The authorizing person has found a few anomalies in the document and the same is available for editing again. This status results when the authorizer invokes the 'Return' task in the Authorize activity.
Authorized	The document is Authorized appropriately and can be used for all external purposes. Financial postings are made and customer balances are updated accordingly. All taxes and liabilities to the government are also recorded.
Held	A document that has been put on hold so that it will not be available for balance adjustment.  Once the held document is released, it reverts back to its old status.
Partly Adjusted	A document for which part payment has been received or an invoice that has been adjusted against another invoice and balance adjustment has been authorized.  Prepayment to the extent paid is considered as advance and can be adjusted against final invoices.
Adjusted	A document for which full payment has been received and balance adjustment has been authorized.  Fully paid prepayment invoice is fully available for adjustment against final invoice.
Reversed	A document that has been rendered null or voided.  On reversal, all the updations made on authorization are nullified. This includes financial posting and customer balance updations also.  A document that is in "Partly Adjusted" or "Paid" status cannot be reversed.

## 5.4.11 Postings

### 5.4.11.1 Financial posting

#### Prepayment Invoice Authorization

Account	Dr/Cr	Remarks
Customer Control Account	Dr	Total invoice amount
Customer Prepayment Control Account	Cr	Total invoice amount

**Note:** All account codes are retrieved based on the definitions in the Account Rule Definition component for the selected Finance Book. In case of reversal, the account postings made on authorization are reversed. Amounts corresponding to Taxes/Charges/discounts are posted against Customer Prepayment Control Account.

**5.4.11.2 Inter-component posting**

- Updation of customer balance due in the Customer Inquiry component, which will be reflected in all customer related reports like Customer Statement, Customer Inquiry etc.
- Financial postings routed through the Customer Inquiry component to Finance book.
- Workflow messages in case workflow is configured.

*Note: All postings and updations are made on authorization of the invoice document.*

**5.4.12 Report**

**5.4.12.1 Print Invoice**

<b>Company Name</b> Address Line 1 Address Line 2 Address Line 3 Address Line 4		<b>Tax Registration Numbers</b>															
<b>Customer Invoice</b>																	
<b>Invoice Number</b> Invoice Date			<b>Invoice Currency</b> Sale Order NO														
<u><b>Bill To Customer</b></u> <b>Bill to Customer Name</b> Address Line 1 Address Line 2 Address Line 3			<u><b>Ship To Customer</b></u> <b>Ship to Customer Name</b> Address Line 1 Address Line 2 Address Line 3														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">SL No.</th> <th style="width: 50%;">Item Details</th> <th style="width: 10%;">UOM</th> <th style="width: 10%;">Quantity</th> <th style="width: 10%;">Rate</th> <th style="width: 10%;">Amount</th> </tr> </thead> <tbody> <tr> <td style="height: 30px;"> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	SL No.	Item Details	UOM	Quantity	Rate	Amount							ADD : TAX 1 ADD : TAX 2 Amount in _____ _____				
SL No.	Item Details	UOM	Quantity	Rate	Amount												
<b>Terms of Payment</b> _____ <b>Amount in Words</b> _____				<div style="border: 1px solid black; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> <b>Authorized Signatory</b> </div>													
Run Date		Page 1 of 1		Time													

### 5.4.13 Workflow

Workflow requirements for the activities of Customer Prepayment Invoice component is shown in the table below:

Activity Name	Purpose
Create Invoice	Intimation for Authorize
Edit Invoice	Intimation for Authorize
Authorize invoice	Intimation for Edit due to return of document

## 5.5 Customer Receipts

### 5.5.1 Purpose

The purpose of this component is to record the receipts from customers. All information pertaining to a receipt like: the purpose, the mode, instrument information, reference documents are recorded as part of this document. The relevant financial postings subsequent to a recorded receipt are also made herein.

### 5.5.2 Overview

Receipts from customers can be for many reasons; primarily it is for the settlement of invoice dues. Advances and deposits also constitute receipts from customers. Hence receipt categories are classified as *Regular* (for settlement of dues), *Advances* and *Deposits*.

In case of regular receipts, reference to the invoices against which the amount is received, can be specified. In the case of advance receipts, the reference sale order or demand note information can be recorded.

The advance receipts can be adjusted against final invoice.

This process is depicted in Figure 29.

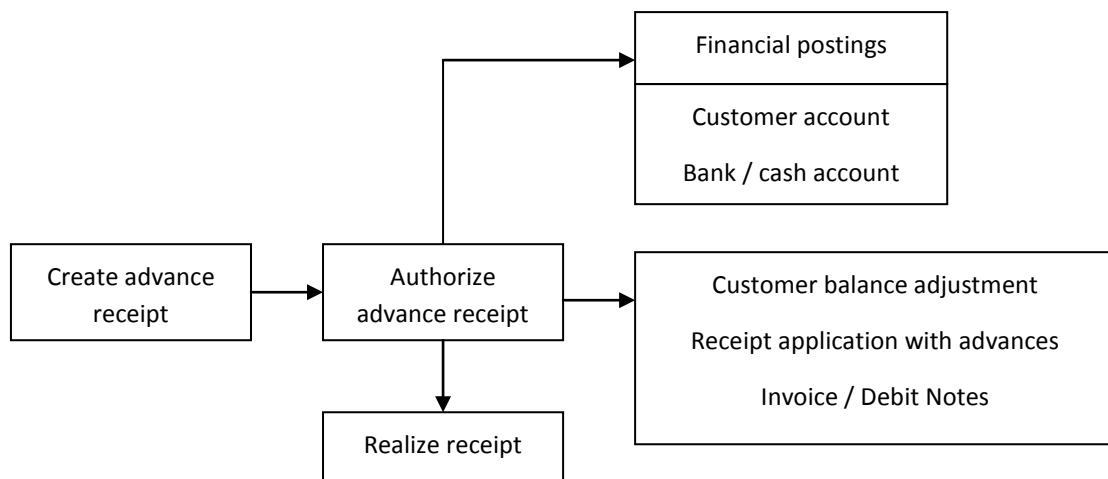


Figure 29: Adjustment of an Advanced Receipt

The Regular receipts can be matched against invoices. This is the process receipt application or balance adjustment. This process is depicted below (refer Figure 30).

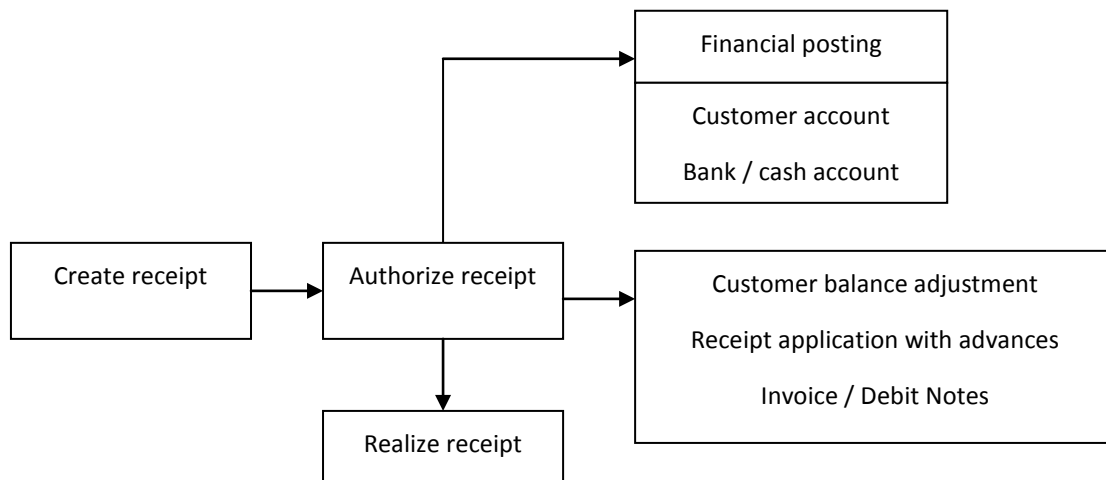


Figure 30: Process of Receipt Application or Balance Adjustment

### 5.5.3 Concepts

#### Receipt Category

For advances received from customers the receipts are created as “Advance” receipts. The other receipts fall under the “Regular” receipts category. The account postings depend on receipt category. In some cases deposits are also received from a customer, which is recorded under the “Deposits” category.

#### Receipt Route

- Receipt Route is Bank (in case of instrument based receipts) or Cash (in case of cash receipts)

#### Receipt Mode

- Receipt mode indicates the nature of the instrument received from the customer for payment like: check, pay order, draft etc.

#### Instrument Type

- Instrument Type indicates the type of the instruments like “Local’, ‘At Par’ and ‘Outstation’

#### TDS Amount

- The TDS Amount applicable for the receipt voucher

#### Charges Collected

- The Charges collected from the Customer. This is computed as (Instrument Amount plus TDS Amount (if any) minus the Receipt Amount minus stamp duty collected)

#### Stamp Duty Collected

- The Stamp Duty collected from the Customer. This is computed as (Receipt Amount + Charges Collected + Stamp Duty Collected - Charges Deducted - TDS Amount = Instrument Amount.)

#### Charges Deducted

- The Charges deducted by the Customer for the receipt Voucher. This is computed as (Receipt Amount plus stamp duty collected minus Instrument Amount minus TDS Amount (if any))

#### Credit Card Charges

- The Charges collected from Customer for the receipt Voucher when receipt mode is credit card.

#### Financial Postings Date

- Financial postings are made on the receipt or instrument date, whichever is later.

#### Auto Adjust

- On authorization of the receipt document, if the auto adjustment option is selected, then the invoices and debit documents will be adjusted via an adjustment voucher. The amount of receipt that is not adjusted will be displayed as unapplied amount. If the auto adjust facility is to be used, then the debit documents selected must be in the same currency as that of the receipt voucher. If the currencies are different, then the adjustment can be done in the Create multi currency adjustment voucher activity of Customer Balance Adjustment component.

#### Manual adjustment

- If the user had not opted for automatic adjustment, then after authorization of the receipt document, adjustment can be done in the adjustment voucher page. Here the receipt voucher is available as the credit document and the user can select the corresponding debit documents.

### 5.5.4 Key Features

#### 5.5.4.1 Commercial

- **Types of Receipts:** Receipts of the nature "Regular", "Advance" and "Deposits" can be received and recorded
- Receipts via cash, bank instruments, Letter of Credit and credit card are supported. Detailed information regarding the same like instrument amount, bank, credit card reference etc can also be recorded
- LC details like LC Number, LC Currency, LC Amount, LC Expiry Date. Issuing Bank can also be viewed
- Customer receipts can be in the invoice currency as well as in any permitted currency of the company
- Facility to record future Receipt Date for Checks
- **Adjustment:** Receipt document after authorization, can undergo either manual or automatic adjustment. In the case of an automatic adjustment, either the debit documents against which the adjustment is to be done can be specified. Otherwise, based on an adjustment type such as LIFO / FIFO, the debit documents can be automatically determined by the system. In case of manual adjustment, the user can optionally record the debit document references. Adjustment will not be auto-triggered by the system in case of manual adjustments
- However, if receipt mode is selected as Letter of credit, the debit documents against which the adjustment needs to be done must be specified
- The exchange rate of the receipt can be modified in the transaction within a tolerance specified in the "Exchange Rate" component
- **Bank Charges:** If the instrument amount is greater than the receipt amount, charges collected will be computed else charges deducted will be computed
- **Check Bouncing Limits :** Facility to specify the limit for the check bouncing at customer level and will get validation while recording the receipt with mode as check when the limit gets exceeded

#### 5.5.4.2 Financial Posting

- The system proposes the account codes for customer control account, customer deposit and prepayment account based on the default values set in the "Account Rule Definition" component of the General Accounting function and the nature of the receipt
- The finance book into which the postings are to be made can be specified

- Currently More than one Control account for the customer group can be defined in the ARD and the user has the facility to choose the account code to which account postings have to be made
- The bank charges collected / deducted account will be proposed by the “Account Rule Definition” component of General Accounting function. Additional usage and the postings into the same will be done, if the instrument amount is not the same as the receipt amount
- The proposed account posting information can be viewed even prior to invoice authorization
- Financial postings information can be viewed in the transaction currency, the base currency or the parallel base currency of the company
- For bank charges, the cost center code, analysis and sub analysis code can be specified

#### 5.5.4.3 Services

- Provision for automatic generation of document numbers. Manual numbering option is also provided
- Provision to create and authorize receipts simultaneously is available, provided the user has authorization rights. A receipt on authorization attains the “Authorized” status
- Facility to reverse the receipt provided the same has not yet been adjusted
- Facility to view the details of the adjustment vouchers in case of automatic adjustment
- Notes can be appended to the receipt
- Facility to automatically reverse the receipt when the instrument corresponding to the receipt has bounced
- Multilevel authorization of customer receipts
- Facility to capture project related information like project OU and code from the debit documents

#### 5.5.5 Prerequisites

- Organization setup modeling in Enterprise Setup must have been completed
- Component Interaction Model must have been defined
- Availability of Finance Book information must be ensured
- Number generation setup must have created
- Customers must be in “Active” status
- Account Rule Definition must have been done for the customer, i.e., Customer Receivable Accounts, Customer Prepayment Account and Customer Deposits Accounts must have been defined
- Accounts must have been defined for active bank and cash codes
- Accounts must have been defined for Bank Charges Collected / Charges Deducted
- Accounts must have been defined for TDS Intermediate Account (if applicable for the company)
- Exchange rate must have been defined for the transaction date
- Financial period / year must be in “Open” status
- Number generation setup must have been defined for Adjustment voucher in case of Auto Adjustment
- Reason codes must have been defined for Hold, Release and Reversal
- System parameters and function defaults must have been set

### 5.5.6 Predefined Values

S No	Entity	Pre-defined Values
1	Auto Adjust	Yes No
2	Receipt Category	Regular Advance Deposit

### 5.5.7 Functional Parameters

Parameter	Value	Implication
Allow multiple Finance Book Postings	Yes / No	<p>If set to "Yes", then all the finance books mapped to the login organization unit can be used for transactions.</p> <p>If set to "No", then only one of the finance books mapped to the login organization unit can be used for transactions.</p>
Default Finance Book	FB IDs	<p>The Finance book that is to be defaulted during transactions.</p> <p>If the "Allow multiple Finance Book Postings" is set as "No", then it is mandatory to set the default finance book.</p>
Allow Documents of Multiple Invoicing Points	Yes / No	<p>If set to "Yes", this parameter allows debit documents from multiple organization units to be retrieved in the search criteria available in the component.</p> <p>If set to "No", then documents from multiple organization units cannot be retrieved.</p>
Allow Cross Currency Receipts	Yes / No	<p>If set to "Yes", this parameter allows debit documents in currencies other than the receipt currency to be retrieved in the multiline available in the component.</p> <p>If set to "No", then debit documents in receipt currency alone can be retrieved for receipt generation.</p>
Debit Document Adjustment Sequence	FIFO / LIFO	<p>This parameter determines the adjustment sequence of the debit documents with the receipt created.</p> <p>If the parameter is set to "FIFO" the receipt will be adjusted with the debit documents on a</p>

Parameter	Value	Implication
		"First in first out basis". If set to "LIFO" the receipt will be adjusted with the debit documents on a "Last in First out basis".
Adjustment Type	Automatic / Both / Manual	This parameter determines the adjustment type of the receipt. If the adjustment type is set to "Automatic" then the Receipt will be automatically adjusted. If it is set to "Manual" then receipt can only be manually adjusted. If it is set to "Both" then the receipt can be adjusted both automatically and manually depending on the user's preference.
Default Adjustment Type	Automatic / Manual	This parameter allows the user to default the adjustment type available in the component. If "Automatic" is selected, then adjustment type will be defaulted with "Automatic". If set to "Manual" then the manual adjustment type is defaulted.
Default Adjustment Point	Adjustment OUs from CIM	This parameter allows the user to default the adjustment point among all the adjustment point loaded in the combo of the component based on Component Interaction Model.
Default Usage for Tax Calculation	Usages	This parameter allows the user to default the usage based on which the tax calculations will happen.
Allow Future dated Instruments in Customer Receipts	Yes / NO	This company level parameter allows / restricts the user to record future dated instruments.
Allow Cross Currency Customer Receipt	Yes/No	Indicates whether cross currency customer receipt is allowed or not for pay mode direct debit

### 5.5.8 Deployment

Customer Receipt component can be deployed at single or multiple organization units. This component can be deployed at those organization units where the function of collection from customer is done. The transaction is recorded against the company that has been mapped to the organization unit from where the transaction originates. Financial entries are posted to the Finance Book that is selected at the time of transaction.

### 5.5.9 Component Interaction

Cardinality → RPT: Other Components

Component Name	Cardinality
----------------	-------------



Component Name	Cardinality
Account Based Budget	N:1
Account Rule Definition	N:1
Accounting Setup	N:1
Bank / Cash Definition	N:M
Finance Book Processing	N:M
Financial Calendar Closure	N:1
Organization Setup	N:1
Exchange Rate	N:1
Cost Setup	N:1
Customer	N:1
Numbering class	N:1
Sale Order	N:N
Company Parameter Setup	N:1
Organization Unit Parameter Setup	1:1
Installation Parameter Setup	N:1
Customer Balance Adjustment	N:1
Customer Inquiry	N:1
Realize Receipts	N:N
Notes	1:1
Workflow	N:1
Reason code	N:1
Customer Debit Credit Note	N:N
Customer Direct Invoice	N:N

Component Name	Cardinality
Customer Order Based Invoice	N:N
Customer Payment	N:N
Customer Prepayment Invoice	N:N
Customer Balance Transfer	N:N
Tax Calculation	N:1
Milestone Management	M:N

### 5.5.10 Status

Status...	Denotes...
Draft	<p>A receipt whose information is either not complete or correct. Hence, this document will not be available for authorization.</p> <p>This status results when the "Draft" option is selected by the user.</p>
Fresh	The document is complete in all respects and is available for authorization.
Deleted	A document that is deleted prior to authorization.
Returned	The authorizing person has found a few anomalies in the document and the same is available for editing again. This status results when the authorizer invokes the 'Return' task in the Authorize activity.
Authorized	<p>The document that has been authorized appropriately and can be used for all external purposes.</p> <p>Financial postings are made and customer balances are updated accordingly. If any instrument is recorded, then the instrument is assumed to be in realized status and accordingly updating of bank balance is also done.</p>
Held	<p>A document that has been put on hold so that it will not be available for balance adjustment.</p> <p>Once the held document is released, it reverts back to its old status.</p>
Partly Adjusted	A part of the receipt has been matched against an invoice or other debit documents in the Customer Balance Adjustment component and the adjustment has been authorized.
Adjusted	A receipt that has been fully matched against an invoice or other debit documents in the Customer Balance Adjustment component and the adjustment has been authorized.
To be reversed	<p>A receipt voucher whose instrument has bounced (in the Realize Receipt Component) and the parameter "Automatic reversal of Receipt on bouncing of instrument" have been set to "No".</p> <p>These vouchers will be available for reversal in the Reverse Voucher activity.</p>

Status...	Denotes...
Reversed	<p>A document that has been rendered null or voided.</p> <p>On reversal, all the updations made on authorization are nullified. This includes financial posting and customer balance updations also.</p> <p>A receipt can be automatically reversed if the instrument referred to in the voucher is bounced (realize receipt component) and the parameter “Automatic reversal of Receipt on bouncing of instrument” has been set to “Yes”.</p> <p>A partly or fully adjusted receipt cannot be reversed unless the adjustments corresponding to the same are not reversed.</p>

## 5.5.11 Postings Master Definition

### 5.5.11.1 Financial Postings

#### Authorization of Regular Cash Receipt voucher

Account	Dr/Cr	Remarks
Cash Account	Dr	The receipt amount
Customer Control Account (as selected)	Cr	The receipt amount

#### Authorization of Regular Bank Receipt voucher

##### Instrument charges borne by the Customer

Account	Dr/Cr	Remarks
Bank Account	Dr	The Instrument amount
Customer Control Account (as selected)	Cr	The Instrument amount
Customer Control Account (as selected)	Dr	The difference between the instrument amount and the receipt amount
Charges Collected Account	Cr	The difference between the instrument amount and the receipt amount

##### Instrument charges borne by the Customer (With TDS)

Account	Dr/Cr	Remarks
Bank Account	Dr	The Instrument amount
Customer Control Account	Cr	The Instrument amount
Charges Deducted Account	Dr	The difference between the instrument amount and the receipt amount
Customer Control Account	Cr	The difference between the instrument amount and the receipt amount
TDS Intermediate Account	Dr	TDS Amount
Customer Control Account	Cr	TDS Amount

**Instrument charges deducted by the Customer**

Account	Dr/Cr	Remarks
Bank Account	Dr	The Instrument amount
Customer Control Account	Cr	The Instrument amount
Charges Deducted Account	Dr	Receipt amount <i>minus</i> Instrument amount
Customer Control Account	Cr	Receipt amount <i>minus</i> Instrument amount

Account	Dr/Cr	Remarks
Bank Account	Dr	The Instrument amount
Customer Control Account	Cr	The Instrument amount
Charges Deducted Account	Dr	Receipt amount <i>minus</i> Instrument amount
Customer Control Account	Cr	Receipt amount <i>minus</i> Instrument amount
TDS Intermediate Account	Dr	TDS Amount
Customer Control Account	Cr	TDS Amount

**Receipt Voucher without Instrument charges and With TDS**

Account	Dr/Cr	Remarks
Bank Account	Dr	The Instrument amount
Customer Control Account	Cr	The Instrument amount
TDS Intermediate Account	Dr	TDS Amount
Customer Control Account	Cr	TDS Amount

**Authorization of Advance Bank Receipt voucher**

Account	Dr/Cr	Remarks
Bank Account	Dr	The receipt amount
Customer Prepayment Control Account (as selected)	Cr	The receipt amount

**Authorization of Deposit Bank Receipt voucher**

Account	Dr/Cr	Remarks
Bank Account	Dr	The receipt amount
Customer Deposit Control Account (as selected)	Cr	The receipt amount

**Authorization of Receipt voucher with mode as credit card with Charges**

Account	Dr/Cr	Remarks
Bank Account	Dr	The receipt amount
Credit Card Charges	Cr	Credit card charges amount (account code mapped for CRCDCHG predefined usage)

Account	Dr/Cr	Remarks
Customer Control	Cr	Receipt amount

**Note:** All account codes are retrieved as based on the definitions in the Account Rule Definition component for the selected Finance Book. Currently More than one Control account for the customer group can be defined in the ARD and the user has the facility to choose the account code to which account postings have to be made. In case of reversal, the account postings made on authorization are reversed.

### 5.5.11.2 Inter-component Postings

- Updation of customer information in the Customer Inquiry component, which will be reflected in all customer related reports like Customer Statement, Customer Inquiry etc
- Financial postings routed through the Customer Inquiry component to finance book
- If the receipt is instrument based, then it is available in Realize Receipt component for performing the function of banking the instrument
- Updation to bank balance through financial posting
- Workflow messages in case workflow is configured
- In case the auto adjustment option is selected, then an adjustment voucher is generated

**Note:** All postings and updates are made on authorization of the receipt document.

## 5.5.12 Reports

### 5.5.12.1 Print Receipt Voucher

<b>Company Name</b>											
Address Line 1											
Address Line 2											
Address Line 3											
Address Line 4											
<b>CUSTOMER RECEIPT</b>											
<b>Voucher Information</b>											
Receipt No.						Finance Book					
Receipt Date						Receipt Category					
<b>Receipt Information</b>											
Customer Code				Customer Name				Hold			
Receipt Route				Receipt Mode				Adjustment			
Currency				Exchange Rate				Receipt Amount			
Bank Cash Code				Description				Collector Code			
Remitter				Unapplied Amount				Comments			
<b>Instrument Information</b>											
Instrument No.				MICR No.				Instrument Amount			
Instrument Date				Bank Code				Instrument Status			
Charges											
<b>Card Information</b>											
Card No.						Authorization No.					
Issuer						Validity					
<b>Debit Document Information</b>											
Document Type	Document No	Term No.	Due Date	Currency	Document Amount	Outstanding Amount	Received Amount in Receipt Currency	Exchange Rate	Document Date	Document Date	
<b>Tax Information</b>											
Tax Type						Tax Amount					
Run Date						Page 1 of 1					

### 5.5.13 Workflow

Workflow requirements for the activities of Customer Receipts component is shown in the table below:

Activity Name	Purpose
Create Receipts	Intimation for Authorize
Edit Receipts	Intimation for Authorize
Authorize Receipts	Intimation for Edit due to return of document

## 5.6 Sundry Receipt

### 5.6.1 Purpose

In a regular business practice, apart from receiving regular receipts from customers or suppliers, a company could also receive receipts of miscellaneous nature from refunds, sale of scrap etc. These receipts must be recorded in the system with the help of a voucher. The miscellaneous nature of the receipt allows it to be identified as a "Sundry" receipt. The account code, in which the receipt amount must be posted, can be retrieved by indicating

the usage or by specifying the account code itself. All details pertaining to the receipt of payment can be specified in the voucher. The status of the voucher when authorized is updated as “Realized”.

This component allows the Ramco ERP Suite Enterprise Edition user to record the details of the miscellaneous inflows of a company by generating receipts. The account code in which the receipt amount must be posted can be retrieved by indicating the usage or by specifying it. All details pertaining to the receipt of payment can be specified in the voucher. The status of the voucher when authorized is updated as “Realized”.

## 5.6.2 Concepts

### 5.6.2.1 Multi-currency Receipts

The voucher can be recorded in any of the permitted currencies for the company. A receipt voucher can be recorded in the base currency of the company or in any other permitted currency.

### 5.6.2.2 Electronic Receipts

This component provides facility to record electronic receipts also. Receipts are hence called when the mode of the payment received is one of the electronic pay modes.

### 5.6.2.3 Usage IDs

While recording receipts, if the user is not familiar with the account code to which the entries are posted, then the system will retrieve the account codes automatically based on the specified usage. The receipt amount can be booked across account codes, cost centers, analysis and sub-analysis codes.

### 5.6.2.4 Credit Card

This component also provides the facility to record the credit card details, when the payment mode is “Credit Card”.

### 5.6.2.5 Centralization / Decentralization of Receipts

The process of recording sundry receipts can be centralized or decentralized. In a centralized receipt setup, collection and recording receipts are centered at one organization unit. In the case of a decentralized setup, multiple collection points will be available for recording receipts. Receipt vouchers must belong to a single legal company. The process of banking the receipt instruments could also be centralized or decentralized. Multiple instances of deployment for the receipts component are also possible.

## 5.6.3 Key Features

### 5.6.3.1 Commercial

- **Multi currency:** The voucher can be recorded in any of the permitted currencies for the company. A receipt voucher can be recorded in the base currency of the company and in any other permitted currency in the bank account maintained in the base currency of the company.
- A receipt voucher can be recorded in any permitted currencies of the company and in any other permitted currency in the bank account for pay mode direct debit.
- Facility to record electronic receipts
- The receipt amount can be booked across account codes, cost centers, analysis and sub-analysis codes. If the user is not familiar with the account codes, the system will retrieve the account codes automatically based on the specified usage
- Facility to calculate VAT by entering item codes, which are mapped to VAT groups

- Facility to record the credit card details when the payment mode is “Credit Card”
- Provision to specify dimension details

### 5.6.3.2 Financial Posting

- The system retrieves the account codes for the bank / cash based on the rule defined for “Bank / Cash” in the “Account Rule Definition” component
- The account codes in which the receipt amount must be posted can also be specified or retrieved based on the usage specified
- The finance book in which the postings must be made can be selected
- Provision to select the finance book mapped to the login user
- The cost center information for the account codes can be specified
- The analysis and sub-analysis codes (sub division of account code) can be also specified if required.
- Facility to select the Destination company for the intercompany transactions
- The proposed account posting information can be viewed prior to the authorization of the receipt.
- The financial postings information can be viewed in the transaction currency, the base currency or the parallel base currency of the company.

### 5.6.3.3 Services

- Facility to generate receipt voucher numbers automatically and manually
- Facility to generate automatically the Sundry Receipts on Bank/Cash Transfers through Sundry Payment Vouchers
- Facility to determine the charges amount based on the difference between the receipt amount and the instrument amount
- Facility to authorize the voucher during the process of creation if the user has the permission for authorization. The status of the voucher is updated as “Realized”
- Facility to authorize and delete multiple receipts at a time
- Facility to reverse an authorized receipt voucher if it has not been included in pay-in-slip
- Notes pertaining to the voucher can be included at any stage
- Facility to specify the instrument type for the Receipt Mode Check as AT Par, Local and outstation checks
- Facility to record future dated instruments
- Facility to allow / restrict future dated instruments based on Company parameter setup “Allow future dated instruments in Sundry receipts” parameter
- Facilitates multi level authorization of Sundry Receipt based on workflow configuration
- Provision to raise manual Sundry receipt with CFS (Container Freight Station) reference
- Facility to provide the project information details like Project OU, Project / Sub Project Code

### 5.6.4 Prerequisites

- Organization setup modeling in Enterprise Setup must have been completed
- Financial period / year must be in “Open” status



- Accounting setup must have been completed for the company
- Base currency definition must have been done for the company and the permitted currencies in which the organization can transact must also have been set
- Bank codes must have been defined based on bank accounts in Bank Cash Definition component
- Exchange rates must have been defined for various currency combinations based on the transaction date
- User-defined usages must have been defined for the revenue items
- User-defined usages must have been mapped to account codes in Account Rule Definition component
- Cost centers must have been defined in Cost Setup component
- Account codes must have been mapped to the relevant cost centers
- Analysis and sub-analysis codes must have been defined in Account Based Budget component
- Numbering type must have been defined for automatic numbering

### 5.6.5 Predefined Values

S No	Entity	Predefined Values
1.	Receipt Category	<ul style="list-style-type: none"> <li>• Regular</li> <li>• Asset Related</li> <li>• Employee</li> <li>• Bank Cash Transfer</li> </ul>
2.	Receipt Route	<ul style="list-style-type: none"> <li>• Bank</li> <li>• Cash</li> </ul>
3.	Receipt Mode	<ul style="list-style-type: none"> <li>• Check</li> <li>• Demand Draft</li> <li>• Direct Credit</li> <li>• Pay Order</li> <li>• Credit Card</li> </ul>

### 5.6.6 Functional Parameters

Parameter	Value	Implication
Allow multiple Finance Book Postings	Yes / No	If set to "Yes", then all the finance books mapped to the login organization unit can be used for transactions.  If set to "No", then: only one among the finance books mapped to the login organization unit can be used for transactions.
Default Finance Book	FB IDs	The Finance book that is to be defaulted during transactions.  If the "Allow multiple Finance Book Postings" is set as "No", then it is mandatory to set the default

Parameter	Value	Implication
		finance book.
Default Usage For Tax Calculation	Usage ID	This Usage Id will be taken for tax calculation when account usages are not specified in the transaction and only account codes are specified.
Allow Cross Currency Sundry Receipts	Yes/No	Indicates whether cross currency sundry receipts is allowed or not for pay mode direct debit

### 5.6.7 Deployment

The Sundry Receipts component can be deployed at multiple organization units that are at the OU level. Typically, deployment can be done at OUs where receipts for non-customers are raised.

### 5.6.8 Component Interaction

Cardinality → SUR: Other Components

Component Name	Cardinality
Account Based Budget	N:1
Account Rule Definition	N:1
Accounting Setup	N:1
Bank Cash Definition	N:1
Finance Book Processing	N:M
Financial Calendar Closure	N:1
Organization Setup	N:1
Exchange Rate	N:1
Cost Setup	N:1
Sundry Payment	N:N
Tax Calculation	N:N
Tax Settlement	N:N
Asset Insurance	N:N
Numbering Class	N:1
Company Parameter Setup	N:1
Organization Unit Parameter Setup	1:1
Installation Parameter Setup	N:1
Customer Inquiry	N:1
Notes	1:1
Workflow	N:1
BENEFIT	N:1
Reason Code	N:1

Component Name	Cardinality
Project Definition	1:1

## 5.6.9 Status

### 5.6.9.1 Receipt Status

Status...	Denotes...
Fresh	A receipt is complete in all respects and is available for authorization.
Deleted	A receipt that is deleted prior to authorization.
Returned	A receipt that has been returned for modification as the authorizing person has found a few anomalies in the receipt. This status results when the authorizer invokes the "Return" task in the Authorize activity.
Authorized	A receipt that has been authorized and can be used for all external purposes. Financial postings are made and customer balances are updated accordingly.
Reversed	A receipt that has been rendered null and voided. On reversal, all the updations made on authorization are also reversed. This includes financial posting.

### 5.6.9.2 Instrument Status

Status...	Denotes...
Realized	An instrument that has been realized.
Deposited	An instrument that has been deposited for payment collection.
Bounced	An instrument that has been bounced due to lack of funds or other similar reasons.

## 5.6.10 Postings

### 5.6.10.1 Financial Postings

S No	Particulars	Account Type	Dr/Cr	Value
1.	Creation of a sundry receipt with usage ID	Bank	Dr	100
		Usage ID	Cr	100
2.	Creation of a sundry receipt using account code	Bank	Dr	50
		Account Code	Cr	50
3.	Creation of a sundry receipt with account codes and multiple debit credit legs	Bank	Dr	125
		Account Code 1	Cr	150
		Account Code 2	Dr	25
4.	Creation of a sundry receipt with usage IDs with multiple debit credit legs	Bank	Dr	200
		Usage ID 1	Cr	250
		Usage ID 2	Dr	50

### 5.6.10.2 Inter-component Postings

- Postings to Finance Book Processing component
- Updation of receipt details to the Customer Inquiry component
- Instrument in the receipt is taken to the Realize Receipt component for realization.
- Updation of bank balances

## 5.6.11 Reports

### 5.6.11.1 Sundry Receipts

<b>Company Name</b> Address Line 1 Address Line 2 Address Line 3 Address Line 4			
<b>SUNDRY RECEIPT VOUCHER</b>			
<b><u>Voucher Information</u></b>			
<b>Receipt No.</b>	<b>Receipt Date</b>	<b>Receipt Category</b>	<b>Receipt Method</b>
<b>Receipt Route</b>	<b>Receipt Mode</b>	<b>Receipt Amount</b>	<b>Currency</b>
<b>Bank Cash PTT Code</b>	<b>Finance Book</b>	<b>Exchange Rate</b>	
<b><u>Remitter Information</u></b>			
<b>Remitter</b>	<b>Address</b>		
<b>City</b>	<b>State</b>	<b>Country</b>	<b>Zip</b>
<b>URL</b>	<b>Mail Stop</b>	<b>Pager</b>	<b>Phone</b>
<b>Email</b>	<b>Mobile</b>	<b>Fax</b>	<b>Telex</b>
<b>Contact</b>			
<b><u>Instrument Information</u></b>			
<b>Instrument No.</b>	<b>MICR No.</b>	<b>Instrument Amount</b>	<b>Charges</b>
<b>Instrument Date</b>	<b>Bank Code</b>	<b>Instrument Status</b>	
<b><u>Card Information</u></b>			
<b>Card No.</b>	<b>Authorization No.</b>		
<b>Issuer</b>	<b>Valid till month</b>	<b>Year</b>	
<b><u>Reversal Information</u></b>			
<b>Reversal Doc No.</b>	<b>Reversal Date</b>		
<b>Reasons for Reversal</b>	<b>Remarks for Reversal</b>		
<b><u>Tax Information</u></b>			
<b>Tax Type</b>	<b>Tax Amount</b>		
Run Date		Page 1 of 1	

## 5.6.12 Workflow

Workflow requirements for the activities of Sundry Receipts component is shown in the table below:

Activity Name	Purpose
Create Receipts	Intimation to Authorize
Edit Receipts	Intimation to Authorize
Authorize Receipts	Intimation for edit due to return of document
Reverse Receipts	Information to higher level supervisors

## 5.7 Realize Receipt

### 5.7.1 Purpose

In a regular business practice, receipt of payments in a company could be in various modes like cash, check, demand draft, pay order, credit card or through electronic funds transfer. The instruments that have been received must be collected and deposited in a bank for realization. These instruments are accompanied by pay-in-slip. Subsequent to clearance, the instrument amount is credited in the depositor's account. This component allows the user to record and print the pay-in-slip details and also track the realization of these instruments.

Cash collections also deposited using the Deposit type "Cash Deposits".

### 5.7.2 Concepts

#### 5.7.2.1 Pay-in-slip Generation

Pay-in-slips can be generated to deposit checks / cash received from various sources like customer receipt, supplier receipt, sundry receipt and receipt from HRMS. Pay-in-slip generation can be automatic by fetching instruments to be deposited in different banks. Further the bank into which the checks have to be deposited could also be altered. Multiple pay-in-slips can be created and facility to modify them is also available. Pay-in-slip in "Fresh" status can only be modified. These pay-in-slips can be deposited and hence would be available for *Bank Reconciliation*, with respect to the bank account in which it is deposited. The pay in slip cannot be modified after the same has been deposited.

#### 5.7.2.2 Check Bouncing

Check bouncing facility is also provided as part of this component and checks to be bounced can be selected based on a set of filters namely, bank, customer, instrument date, instrument amount and instrument number. If a check has bounced and the company parameter "Automatically Reverse Receipts on Bouncing of Checks" has been set to "Yes", then the financial entry originally posted will get automatically reversed (provided the particular receipt has been not taken up for adjustment). On the other hand, if the parameter has been set to "No", then the entries reversal must be manually made. Bouncing a check would nullify the effect of receipt generation and customer balance adjustment. Bouncing checks could be done in bulk or by selecting individual checks of any specific bank.

### 5.7.3 Key Features

#### 5.7.3.1 Commercial

- Facility to generate pay-in-slips by retrieving instruments across customers / banks / collectors
- Facility to include multiple instruments from various collection points in a pay-in-slip
- Facility to record back dated Pay-in-Slips
- Facility to bounce the instrument back dated (on or after pay in slip date)
- Facility to record bounce instruments without Pay in Slip based on parameter settings
- Facility to record the details of a bounced check with the associated reason in the "Bounce Check" activity. This automatically reverses the postings for the receipt, based on a parameter
- Facility to deposit Cash into bank

#### 5.7.3.2 Financial Posting

- Financial postings will be affected if the depositing bank is different from the bank mentioned in the receipt voucher

- Financial postings that reverse the postings of the original receipt voucher will be generated when an instrument is bounced
- The system retrieves the account codes that have been defined for the bank in the “Account Rule Definition” component for the pay-in-slips
- Financial posting information can be viewed in the transaction currency, the base currency or the parallel base currency of the company

### 5.7.3.3 Services

- Facility to automatically generate pay-in-slip numbers
- Facility to record details of bounced instruments
- Facility to generate the Bank Cash Transfer payment / receipt vouchers for Cash Deposits

### 5.7.4 Prerequisites

- Organization setup modeling in Enterprise Setup must have been completed
- Financial period / year must be in “Open” status
- Accounting setup must have been completed for the company
- Bank master should be created with bank codes, bank account number, bank name etc
- Instruments should have been recorded as received in the transaction components like Sundry Receipts, Customer Receipts, Supplier Receipts and HRMS Receipts
- Numbering type must have been defined for automatic numbering

### 5.7.5 Functional Parameters

Parameter	Value	Implication
Bouncing of Instruments Without Pay in Slip	Yes / No	If set to “Yes”, then Instruments can be bounced before creation of pay in slip. If it is set to No, then instruments can be bounced only after depositing the pay in slip.
Allow Back Dated Pay in Slip	Yes / No	If set to “Yes”, then Pay in slip can be created before the system date and on or after the receipt /instrument date whichever is later If it is set to No, then pay in slip can be created only on system date.
Automatically reverse Receipts on bouncing	Yes / No	If set to “Yes”, then receipt vouchers would be reversed automatically. If it is set to No, then the status of the receipt voucher would be updated as to be reversed and it has to be reversed manually.

### 5.7.6 Predefined Values

S No	Entity	Predefined Values
1.	Receipt Type	<ul style="list-style-type: none"> <li>Customer Receipt</li> <li>HRMS Receipt</li> <li>Sundry Receipt</li> <li>Supplier Receipt</li> </ul>
2.	Instrument Status	<ul style="list-style-type: none"> <li>Fresh</li> <li>Deposited</li> <li>Bounced</li> </ul>
3.	Deposit Type	<ul style="list-style-type: none"> <li>Check Deposit</li> </ul>
		<ul style="list-style-type: none"> <li>Cash Deposit</li> </ul>

### 5.7.7 Deployment

This component may be deployed at single or multiple instances. It may be deployed wherever the function of banking instruments received from business associated is performed. Receipts within the same company are only available for pay in slip generation. All the banks mapped to the company are available for depositing the pay in slip.

### 5.7.8 Component Interaction

Cardinality → RR: Other Components

Component Name	Cardinality
Account Rule Definition	N:1
Accounting Setup	N:1
Bank Cash Definition	N:M
Finance Book Processing	N:M
Financial Calendar Closure	N:1
Organization Setup	N:1
Exchange Rate	N:1
Numbering Class	N:1
Company Parameter Setup	N:1
Organization Unit Parameter Setup	1:1
Customer Inquiry	N:1
Customer Receipts	N:N
Notes	1:1
Workflow	N:1
Reason Code	N:1



Component Name	Cardinality
Supplier Receipt	N:N
Sundry Receipt	N:N
Supplier Inquiry	N:1

## 5.7.9 Status

### 5.7.9.1 Pay-in-slip Status

Status...	Denotes...
Fresh	Pay-in-slip that is complete in all respects. This pay in slip can be modified.
Deleted	Pay-in-slip that is deleted.
Deposited	Pay-in-slip whose instrument has been deposited. This pay in slip cannot be edited. Details of this pay in slip are available for bank reconciliation.

### 5.7.9.2 Instrument Status

Status...	Denotes...
Deposited	An instrument has been deposited in the specified bank.
Bounced	A deposited instrument that has bounced.

## 5.7.10 Postings

### 5.7.10.1 Financial Postings

Where the Receipt Bank and Deposit Bank are same - No account postings takes place on Creation or Deletion of Pay-in-Slip.

S No	Particulars	Account Type	Dr/Cr	Account Currency	Account Amount	Exch Rate	Value
<b>Create Pay in Slip</b>							
1.	If Receipt Bank and Deposit Bank are different, Same Finance Book	Bank 2	Dr	INR	50000	1	50000
		Bank 1	Cr	USD	1000	50	50000
2.	Receipt Bank and deposit bank different, different FB – Postings in FB 1	Inter FB Account	Dr	INR	50000	1	50000
		Bank 1	Cr	USD	1000	50	50000
	Receipt Bank and deposit bank different, different FB – Postings in FB 2	Bank 2	Dr	INR	50000	1	50000
		Inter FB Account	Cr	INR	50000	1	50000
<b>Delete Pay in Slip</b>							
3.	If Receipt Bank and Deposit Bank are different, Same Finance Book	Bank 1	Dr	USD	1000	50	50000
		Bank 2	Cr	INR	50000	1	50000

4.	Receipt Bank and deposit bank different, different FB – Postings in FB 1	Bank 1	Dr	USD	1000	50	50000
		Inter FB Account	Cr	INR	50000	1	50000
	Receipt Bank and deposit bank different, different FB – Postings in FB 2	Bank 2	Cr	INR	50000	1	50000
		Inter FB Account	Dr	INR	50000	1	50000

### 5.7.10.2 Inter-component Postings

- If the instrument is recorded as “Bounced” and the parameter “Automatically Reverse Receipts on Bouncing of Checks” has been set to “Yes”, then a corresponding reversal voucher will be raised in one of the components: Customer Receipts, Sundry Receipts, Supplier Receipts or HRMS Receipts, based on the back updating from Realize Receipts component. Otherwise, the status of the receipts will be updated as “To be reversed”.

## 5.7.11 Reports

### 5.7.11.1 Pay-in-slip

Refer Report book for report layout

## 5.7.12 Workflow

Workflow requirements for the activities of Realize Receipts component is shown in the table below:

Activity Name	Purpose
Bounce Instruments	Intimation to the Customer Receipts component

## 5.8 Customer Balance Transfer

### 5.8.1 Purpose

The purpose of this component is to transfer the balance of a customer to another customer in the event of merger, winding up or any other legal requirement. The liability towards the company may be taken up in full by the transferee or it could be for only a part of the transferor’s obligation. Such a transfer could be accompanied by re-scheduling the terms of payment. This component may also be used to transfer balance of a customer between customer control accounts or finance books.

### 5.8.2 Overview

Transfer of balances from a customer to another is handled by the “Customer Balance Transfer” component. The types of balance that can be transferred are receivables, advances or deposits.

For the transferor customer / account, a credit note is raised and for the transferee customer account, debit note is raised. These two documents are raised simultaneously on execution of balance transfer. For the debit note, payment information can also be specified

It is possible to do a partial or a complete transfer of the customer’s balance. In case of partial balance transfer, it is necessary to specify the break-up of the documents.

However if for a customer, documents with LC details exist and the LC for the document has not expired on the date of transfer, it is not possible to transfer the document. Also, in such a case, full balance transfer for the customer cannot be made.

The balance transfer process is depicted in Figure 31.

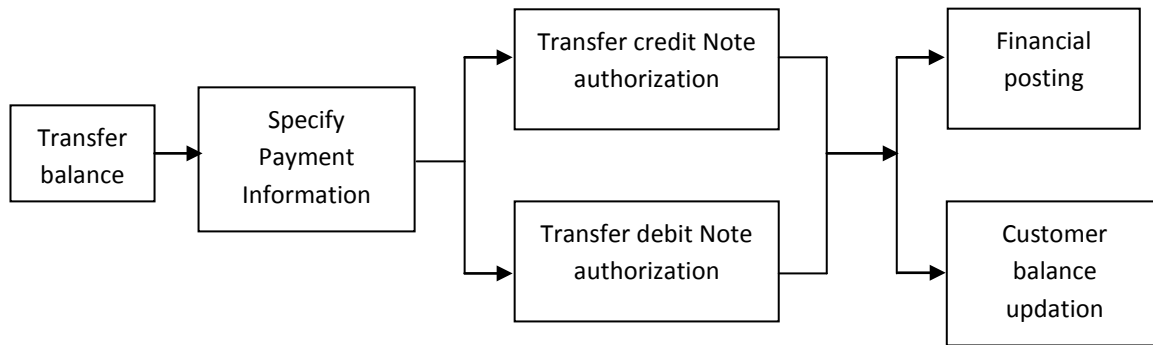


Figure 31: Customer Balance Transfer

### 5.8.3 Concepts

**Customer balance transferring can be partial or complete.**

#### Full Balance Transfer

Full balance transfer can be effected only after all the pending credit document adjustments are completed. All the documents with outstanding amount shall be considered as transferred to the transferee customer.

#### Partial Balance Transfer

In case of partial balance transfer, it is mandatory to refer the credit documents that have to be transferred. The entire balance outstanding against the document must be transferred.

#### Transfer Note Status

On transferring the balances, the transfer debit notes and credit notes are generated for the transferor and transferee customers in "Fresh" status. After specifying the appropriate payment information, the user may opt to authorize the balance transfer. On authorization, the status of both the debit and credit note becomes "Authorized" simultaneously.

#### Intermediate Account

During customer balance transfer, if the balances are transferred within the same finance book, then the contra account to customer account is an Intermediate account – *Inter Customer Transfer account*. Both the debit and credit note refer to this account. In case the balances are transferred across finance books, then the contra account to the customer account is the *Inter Finance Book account*.

#### Exchange Gain Loss Accounting

In case balances are transferred in the same currency, then no exchange gain / loss is accounted. However, if cross currency balance transfer is done, exchange rate variances arising on account of differences in settlement amount is booked at the time of transfer in the transferor's document.

Example:

Balance to be transferred in transferor currency: 100 USD (4000 in base currency)

Balance transferred in transferee currency: 85 USD (4250 in base currency)

The difference of 250 in base currency is booked to exchange gain account.

#### Auto Adjust

If the user has opted for auto adjustment, then the documents provided as reference are automatically adjusted with the transfer note generated for the transferor customer, on authorization of the balance transfer.

### 5.8.4 Key Features

#### 5.8.4.1 Commercial

- **Types of Balance:** The types of balance that can be transferred are – receivables, deposits and prepayments
- **Finance Book:** It is possible to transfer balances within as well as across finance books, within the company
- Facility to automatically reconcile the interfb transfer debit credit note based on parameter settings(auto reconciliation of inter fb customer balance transfer - in CPS common parameters)
- It is possible to transfer the balance completely or transfer a part balance from the transferor
- The transfer can be effected across currencies, i.e. the balances in a customer's USD account can be transferred to another customer by stating it in its equivalent EURO accounting the exchange rate applicable on the date of transfer. The exchange rate variance loss / gain will be booked
- Facility to record the reason for the transfer
- In the case of partial transfer, the breakup of the amount transferred can be recorded
- The transferor's account can be settled by auto-adjusting the debit note/credit note with the documents under transfer
- The payment schedule information for the transferee can be modified (based on the corresponding system parameter value)
- The payment information can be amended based on the details of the transferee
- Facility to delete the transfer Notes
- Facility to provide project information like Project OU / Project Code for the transfer debit / credit notes and pass the same to adjustment vouchers also
- Provision to select the finance Book which are mapped to the login user
- Facilitates multi level authorization of Transfer Debit /Credit Notes based on workflow configuration
- Facility to reverse customer balance transfer debit / credit notes.

#### 5.8.4.2 Financial Posting

- The system proposes the account codes for customer related accounts and the internal customer account (defined as Additional account) based on the values set in the "Account Rule Definition" component of the General Accounting function
- In the case of balance transfer in multiple currencies, the exchange rate variance loss / gain will be booked to the exchange rate variance account defined in the "Account Rule Definition" component and the cost center, and analysis details are also recorded. Any variance on account of this transfer will be booked in the transferor's document
- Inter FB accounts will be debited / credited in case of transfer across finance books

#### 5.8.4.3 Services

- Automatic generation of debit notes / credit notes
- Facility to auto-adjust the note with the documents of the transferor
- Facility to view account posting details
- Postings to multiple finance books

### 5.8.5 Prerequisites

- Organization setup modeling in Enterprise Setup must have been completed
- Component Interaction Model must have been defined
- Availability of Finance Book information must be ensured
- Number generation setup must have created
- Customers must be in “Active” status
- Account Rule Definition must have been done for the customer, i.e., Customer Receivable Accounts, Customer Prepayment Account and Customer Deposits Accounts must have been defined
- Accounts must have been defined for exchange rate variance
- Accounts must have been defined for inter finance book transfer as intermediary account
- Exchange rate must have been defined for the transaction date
- Reference documents must have been defined
- Pay term must have been defined
- Financial period / year must be in “Open” status
- Number generation setup must have been defined for Adjustment voucher in case of Auto Adjustment
- Reason codes must have been defined for Hold, Release and Reversal
- System parameters and function defaults must have been set

### 5.8.6 Predefined Values

S No	Entity	Pre-defined Values
1	Auto Adjust	<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>
2	Transfer Balance In	<ul style="list-style-type: none"> <li>• Control Account</li> <li>• Prepayment Account</li> <li>• Deposit Account</li> </ul>

### 5.8.7 Functional Parameters

Parameter	Value	Implication
Allow multiple Finance Book Postings	Yes / No	<ul style="list-style-type: none"> <li>• If set to “Yes”, then all the finance books mapped to the login organization unit can be used for transactions.</li> <li>• If set to “No”, then only one of the finance books mapped to the login organization unit can be used for transactions.</li> </ul>

Parameter	Value	Implication
Default Finance Book	FB IDs	<ul style="list-style-type: none"> <li>The Finance book that is to be defaulted during transactions.</li> <li>If the “Allow multiple Finance Book Postings” is set as “No”, then it is mandatory to set the default finance book.</li> </ul>

### 5.8.8 Deployment

Customer Balance transfer component can be deployed at single or multiple organization units. This component is often deployed at those organization units where the function of balance transfer is done. The transaction is recorded against the Company that has been mapped to the organization unit from where the transaction originates. Financial entries are posted to the Finance Book that is selected at the time of transaction.

### 5.8.9 Component Interaction

Cardinality → CTRN: Other Components

Component Name	Cardinality
Account Based Budget	N:1
Account Rule Definition	N:1
Accounting Setup	N:1
Bank / Cash Definition	N:1
Finance Book Processing	N:M
Financial Calendar Closure	N:1
Organization Setup	N:1
Exchange Rate	N:1
Cost Setup	N:1
Customer	N:1
Numbering class	N:1
Stock Issue	N:N
Pay term	N:N
Company Parameter Setup	N:1

Component Name	Cardinality
Organization Unit Parameter Setup	1:1
Installation Parameter Setup	N:1
Customer Balance Adjustment	N:1
Customer Inquiry	N:1
Notes	1:1
Workflow	N:1
Reason code	N:1
Customer Debit Credit Notes	N:N
Customer Order Based Invoice	N:N
Customer Prepayment Invoice	N:N
Customer Direct Invoice	N:N
Project Definition	1:1

### 5.8.10 Status

Status...	Denotes...
Fresh	A document is complete in all respects and is available for authorization.
Authorized	A document that has been authorized appropriately and can be used for all external purposes. Financial postings are made and customer balances are updated accordingly. Transfer debit and credit notes are always simultaneously authorized.
Partly Paid	A document for which part payment has been received and balance adjustment has been authorized.  This status is applicable only for Debit Notes.
Paid	A document for which full payment has been received and balance adjustment has been authorized.  This status is applicable only for Debit Notes.
Partly Adjusted	A note, which has been partly adjusted against an invoice and the adjustment, has been authorized.  This status is applicable only for Credit Notes.

Status...	Denotes...
Adjusted	A note, which has been fully adjusted against an invoice and the adjustment, has been authorized.  This status is applicable only for Credit Notes.

## 5.8.11 Postings

### 5.8.11.1 Financial Postings

#### Transfer of Customer Control Account Balance (Debit)

Books of **Transferor customer** in case transfer is **between same Finance books**

Account	Dr/Cr	Remarks
Customer Control Account	Cr	The amount transferred
Inter Customer Control Account	Dr	The amount transferred. In base currency this amount would also include the gain / loss due to cross currency exchange variance
Exchange Gain / Loss Account	Dr/Cr	This account is affected only in case of cross currency exchange variance. This account is debited in case of loss and credited in case of gain

Books of **Transferee customer** in case transfer is **between same Finance books**

Account	Dr/Cr	Remarks
Customer Control Account	Dr	The amount transferred
Inter Customer Control Account	Cr	The amount transferred. In base currency this amount would also include the gain / loss due to cross currency exchange variance

#### Transfer of Customer Control Account Balance (Credit)

Books of **Transferor customer** in case transfer is **between same Finance books**

Account	Dr/Cr	Remarks
Customer Control Account	Dr	The amount transferred
Inter Customer Control Account	Cr	The amount transferred. In base currency this amount would also include the gain / loss due to cross currency exchange variance
Exchange Gain / Loss Account	Dr/Cr	This account is affected only in case of cross currency exchange variance.

Books of **Transferee customer** in case transfer is **between same Finance books**

Account	Dr/Cr	Remarks
Customer Control Account	Cr	The amount transferred



Account	Dr/Cr	Remarks
Inter Customer Control Account	Dr	The amount transferred. In base currency this amount would also include the gain / loss due to cross currency exchange variance

**Transfer of Customer Control Account Balance (Debit)**

Books of Transferor customer in case transfer is between different Finance books

Account	Dr/Cr	Remarks
Customer Control Account	Cr	The amount transferred
Inter FB Account	Dr	The amount transferred. In base currency this amount would also include the gain / loss due to cross currency exchange variance
Exchange Gain / Loss Account	Dr/Cr	This account is affected only in case of cross currency exchange variance. This account is debited in case of loss and credited in case of gain.

Books of Transferee customer in case transfer is between Finance books

Account	Dr/Cr	Remarks
Customer Control Account	Cr	The amount transferred
Inter FB I Account	Cr	The amount transferred. In base currency this amount would also include the gain / loss due to cross currency exchange variance

**Transfer of Customer Control Account Balance (Credit)**

Books of Transferor customer in case transfer is between different Finance books

Account	Dr/Cr	Remarks
Customer Control Account	Dr	The amount transferred
Inter FB Account	Cr	The amount transferred. In base currency this amount would also include the gain / loss due to cross currency exchange variance
Exchange Gain / Loss Account	Dr/Cr	This account is affected only in case of cross currency exchange variance. This account is debited in case of loss and credited in case of gain.

Books of Transferee customer in case transfer is between Finance books

Account	Dr/Cr	Remarks
Customer Control Account	Cr	The amount transferred

Account	Dr/Cr	Remarks
Inter FB I Account	Dr	The amount transferred. In base currency this amount would also include the gain / loss due to cross currency exchange variance

#### Transfer of Customer Prepayment Control Account Balance

Books of Transferor customer in case transfer is between different Finance books

Account	Dr/Cr	Remarks
Customer Prepayment Control Account	Dr	The amount transferred
Inter Finance Book	Cr	The amount transferred. In base currency this amount would also include the gain / loss due to cross currency exchange variance
Exchange Gain / Loss Account	Dr/Cr	This account is affected only in case of cross currency exchange variance. This account is debited in case of loss and credited in case of gain.

Books of Transferee customer in case transfer is between Finance books

Account	Dr/Cr	Remarks
Customer Control Account	Cr	The amount transferred
Inter Finance Book	Dr	The amount transferred. In base currency this amount would also include the gain / loss due to cross currency exchange variance

#### Transfer of Customer Deposit Control Account Balance

Books of Transferor customer in case transfer is between different Finance books

Account	Dr/Cr	Remarks
Customer Deposit Control Account	Dr	The amount transferred
Inter Finance Book	Cr	The amount transferred. In base currency this amount would also include the gain / loss due to cross currency exchange variance
Exchange Gain / Loss Account	Dr/Cr	This account is affected only in case of cross currency exchange variance. This account is debited in case of loss and credited in case of gain

Books of Transferee customer in case transfer is between Finance books

Account	Dr/Cr	Remarks
Customer Control Account	Cr	The amount transferred

Account	Dr/Cr	Remarks
Inter Finance Book	Dr	The amount transferred. In base currency this amount would also include the gain / loss due to cross currency exchange variance

**Note:** All account codes are retrieved based on the definitions in the Account Rule Definition component for the selected Finance Book.

### 5.8.11.2 Inter-component Postings

- Updation of customer balance due in the Customer Inquiry component, which will be reflected in all customer related reports like Customer Statement, Customer Inquiry
- Financial postings routed through the Customer Inquiry component to Finance Book
- In case the auto adjustment option is selected, then the adjustment voucher is generated
- The documents referred to in the transfer process are marked as "Transferred"
- Note: All postings and updations are made on authorization of the document

## 5.9 Customer Balance Adjustment

### 5.9.1 Purpose

Customer's credit documents such as receipts, credit notes, credit invoices are required to be matched against his debit documents such as an order-based invoice, direct invoice, payment vouchers and debit notes in order to update the customer balances and get a true representation of the customer's outstanding balances. Adjustment is the process of matching a customer's credit document with his debit documents to reflect correct settlement information.

Receipt application is the process of matching the receipts with the invoices. In certain cases the customer indicates the invoices being settled, along with the payment. In other cases the invoices and the receipts have to be matched subsequent to the receipt of payments. In both these circumstances, the invoice is considered to be settled, only after the receipt application is complete. This process of settlement is executed under the *Adjustment* function.

Usually the customer settles the invoice due amount by paying the sum. However, there could also be times when the invoice may be settled through *document adjustment* also. The following are a few business situations where document adjustment is done:

- Return of sold materials from the customer, due to quality issues: a credit note is raised to return part of the amount. This credit note is adjusted against the sale invoice. As a result, the amount due from the customer against the invoice is reduced
- When the customer has paid an advance as per the contractual agreement, which needs to be adjusted against the sale invoice (this process reduces the due amount on the invoice)
- When the customer has paid a deposit to the company, this deposit amount can be adjusted in certain situations against the sales invoice

There are certain business situations where one customer settles the due amounts of another customer. This would typically happen when companies belonging to two customers merge or when there is a change in the organization structure, wherein a merger or de-merger of business units could take place. Due to this, the responsibility of payment collection may shift from one business unit to another. In such situations there is a facility to transfer balance from one customer to another or one division of a company to another.

### 5.9.2 Overview

The following types of documents can be used for adjustments:

Credit Documents	Debit Documents
Account Based Credit Notes	Account Based Debit Notes
Item Based Credit Notes	Item Based Debit Notes
Prepayment Invoice (Paid)	Direct Invoice
Transfer Credit Notes	Prepayment Invoice
Receipt Vouchers	Packslip Invoice
	Payment Voucher
	Transfer Debit Notes
	Order Based Invoice

The outstanding / unadjusted amounts of the credit documents will be set off against the debit documents to update the outstanding amounts of the documents.

Refer Figure 32 depicting the process of adjustment.

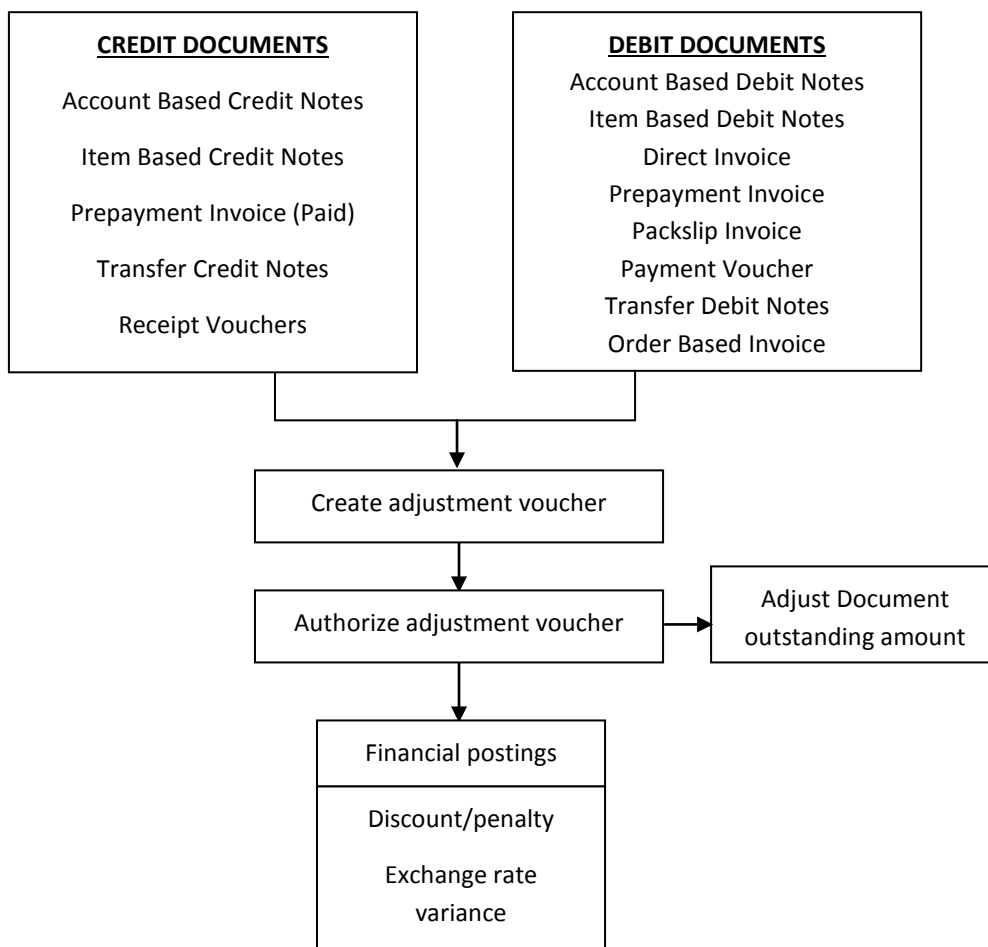


Figure 32: Customer Balance Adjustment

Adjustment is termed "Automatic" when the system performs the adjustment of receipts without user intervention. It is "Manual" when user selects the credit and debit documents to match.

Automatic adjustment can be invoked as part of the authorization of invoices, receipts and credit notes. Automatic receipt application uses the logic of FIFO / LIFO. For example, when a receipt is authorized, if receipt application has been set to "Automatic", the receipt gets adjusted against the first available invoice, debit note or payment in the FIFO queue. This process continues until the unapplied amount in the credit document is fully exhausted, or until debit balances are no more available. Any unapplied amount in the credit document has to be applied manually.

In this process the discounts and penalties, if any are also applied. Residual write off (if specified for the customer as per customer master information) is also considered herein.

However, in case, Letter of Credit is applicable for the documents, such documents can be considered for auto adjustment based on the CPS Parameter 'Allow expired LC documents for auto adjustment' and documents with valid LC cannot be considered for auto adjustment. But, in case of Customer Receipt having receipt mode as Letter of credit, valid LC documents provided in the document reference multiline are auto adjusted with the receipts.

In case of manual adjustment also, documents for which letter of credit is applicable can be used for manual adjustment based on the CPS parameter 'Allow Valid LC documents for Manual Adjustment'.

## 5.9.3 Concepts

### 5.9.3.1 Adjustment Sequence

Multiple credit and debit documents can be simultaneously selected for adjustment. The sequences in which these documents are adjusted are: First In First Out (FIFO) and the Last In First Out (LIFO). In the FIFO method, the document with the earliest date / due date would be considered first for adjustment and in the case of LIFO method, the document with the latest date / due date would be considered first. During adjustment sequencing, the document date is considered for adjustments against credit notes and receipts and due date is considered for invoices and debit notes.

### 5.9.3.2 Customer Hierarchy

Customer hierarchy is defined in the "Customer" master with customers placed at various levels and modeled in a parent-child manner. In addition to this, a customer group for Receipt application can also be defined here. The customer hierarchy is used to determine the customer's documents that would participate in the adjustment process. If the hierarchy level is "Local", then the documents of a specific customer alone can be adjusted. If the hierarchy level is "Child", then all the credit documents of the parent customer (of the selected customer) can participate in the adjustment. If "Group" is selected, then all the documents of customers falling within a single receipt application group can be used for adjustment.

### 5.9.3.3 Propose Adjustment

Before actually performing the adjustment, the user might want to perform a simulation to foresee the after effects of the adjustment process. To do so, the customer hierarchy, the adjustment sequence and the debit and credit documents for adjustment must be selected and the "Propose Adjustment" task must be invoked. The system simulates the adjustment process and displays the amount of adjustment against each document and the corresponding discount or penalty calculated. The proposal is based on document dates of the credit documents, due dates of the debit documents, grace days for discounts, grace days of receipt and residual write off (if any, specified in the customer definition).

### 5.9.3.4 Calculation of Discount days

**Example:**

Due date: Jan 15

Discount date: Jan 5

Discount grace days: 3

Discount date with grace days = Jan 5 + 3 days = Jan 8.

If receipt were any date on or before Jan 8, discounts would be allowed.

#### Calculation of Penalty days

**Example:**

Due date: Jan 15

Due date with grace days = Jan 15 + 3 days = Jan 18.

If receipt is any date after Jan 18, penalty charges may be levied.

**Residual write off****Example - 1**

Invoice amount = 1005

Receipt amount = 1000

Residual write off percentage = 1%

Residual write off amount = 10.05 (1% of Invoice amount)

If the deviation of receipt amount from the invoice amount is within 1%, then the invoice would be considered as fully received and the difference will be charged off as residual write-off amount.

In this example, if the receipt amount were between 994.95 and 1015.05, then the invoice would be fully adjusted. The difference of 5 between invoice amount and receipt amount will be charged off to the residual write-off account.

**Example- 2: Based on Applicability of Residual Write off on Over payments check box**

Invoice amount = 995

Receipt amount = 1000

Residual write off percentage = 1%

Residual write off amount = 9.95 (1% of Invoice amount)

If the deviation of invoice amount from the receipt amount is within 1%, then the receipt would be considered as fully received and the difference will be charged off as residual write-off amount.

The difference of 5 between invoice amount and receipt amount will be charged off to the residual write-off account.

**Computation of Exchange gain / loss****Example:**

Invoice value: 100 USD

Exchange rate between invoice currency and base currency as on invoice booking date = 0.8

Invoice value in base currency: 80 (100\* 0.8)

Receipt value: 100 USD

Exchange rate between receipt currency and base currency as on receipt date = 0.75

Receipt value in base currency: 75 (100\*0.75)

Exchange loss = 5 (Invoice value in base currency – receipt value in base currency)

**5.9.4 Key Features****5.9.4.1 Commercial**

- **Customer Hierarchy:** It is possible to adjust the debit and credit documents across a customer hierarchy. The receipt can be adjusted against the debits of the parent customer or the debit documents of the customers under a same group
- **Adjustment Sequence:** When multiple debit or credit documents are involved, LIFO / FIFO method can be applied to determine the adjustment sequence

- **Cross Currency Adjustment:** It is possible to adjust the debit and credit documents of different currencies through a multi-currency adjustment voucher. In an adjustment voucher, the user can select the receipts of one currency to be taken up for adjustment against debit documents of multiple currencies
- **Discount / Penalty Adjustment:** Discount and penalty will be auto-computed and defaulted depending upon the payment schedule and the settlement date. This computed values could also be modified
- Exchange rate variance for the base and parallel base currency will be booked during the authorization of adjustment voucher
- Residual write off percentages can be used to write off small balance receivable from the customer. In other words if the amount due for a document is within the residual write off percentage, then the amount can be considered as received
- Residual Write off on over payments based on parameter
- Facility to Run batch single currency adjustment automatically for the Company – Business Unit - Organization Unit - supplier –finance book – Currency- user combination with the help of a scheduler
- Facilitates multi level authorization of Single / Multi / Inter BU Adjustment Vouchers based on workflow configuration
- **Inter BU Customer Adjustment:** It is possible to adjust the debit and credit documents of different Business Units through a Inter BU Customer adjustment voucher. In an adjustment voucher, the user can select the receipts of one Business Unit to be taken up for adjustment against debit documents of other Business Unit.
  - **Process :** In the source BU if debit document is chosen and in the Destination BU Credit document is chosen,
    - system auto-generates customer account based credit note in source bu
    - and an adjustment voucher by adjusting the debit document and the auto-generated account based credit Note in source BU. and a adjust
    - System auto-generates Customer account based Debit Note in destination BU
    - and an adjustment voucher by adjusting the credit document and the auto-generated account based debit Note in destination BU.
  - In the source BU if Credit document is chosen and in the Destination BU debit document is chosen,
    - system auto-generates customer account based debit note in source bu
    - and an adjustment voucher by adjusting the credit document and the auto-generated account based debit Note in source BU. and a adjust
    - System auto-generates Customer account based credit Note in destination BU
    - and an adjustment voucher by adjusting the debit document and the auto-generated account based credit Note in destination BU.
- **Inter Company Customer Adjustment:** It is possible to adjust the debit and credit documents of different Companies through an Inter Company Customer adjustment voucher. In an adjustment voucher, the user can select the receipts of one Company to be taken up for adjustment against debit documents of other Company.
- **Inter Customer Adjustment:** It is possible to adjust the debit and credit documents of different Customers through an Inter Company Customer adjustment voucher. In an adjustment voucher, the user can select the receipts of one Customer to be taken up for adjustment against debit documents of other Customer.



- For this purpose, in Maintain user defined entities page of Organization setup component, related customers can be grouped and documents belongs to that customers can be adjusted across customers.

Source Doc Type	Source Comp	Source BU	Source Customer	Destination Company	Destination BU	Destination Customer	Auto Gen Documents in Source Company	Auto Gen Documents in Destination Company	Usage
Credit	A	ABU1	X	A	ABU1	X	Adj Voucher	NA	NA
Credit	A	ABU1	X	A	ABU2	Y	Dr Note & Adj Voucher	Cr Note & Adj Voucher	INTCUSTTRF
Credit	A	ABU1	X	A	ABU2	X	Dr Note & Adj Voucher	Cr Note & Adj Voucher	INTBUCUST ADJ
Credit	A	ABU1	X	A	ABU2	Y	Dr Note & Adj Voucher	Cr Note & Adj Voucher	INTBUCUST ADJ
Credit	A	ABU1	X	B	BBU1	ANY	Dr Note & Adj Voucher	Cr Note & Adj Voucher	INTCOMPCU STADJ
Debit	A	ABU1	X	A	ABU1	X	Adj Voucher	NA	NA
Debit	A	ABU1	X	A	ABU2	Y	Cr Note & Adj Voucher	Dr Note & Adj Voucher	INTCUSTTRF
Debit	A	ABU1	X	A	ABU2	X	Cr Note & Adj Voucher	Dr Note & Adj Voucher	INTBUCUST ADJ
Debit	A	ABU1	X	A	ABU2	Y	Cr Note & Adj Voucher	Dr Note & Adj Voucher	INTBUCUST ADJ
Debit	A	ABU1	X	B	BBU1	ANY	Cr Note & Adj Voucher	Dr Note & Adj Voucher	INTCOMPCU STADJ

#### 5.9.4.2 Financial Posting

- The system proposes the account codes for the customer related accounts based on the values set in the "Account Rule Definition" component of the General Accounting function
- The variance, discount and penalty accounts will be the values defined in "Account Rule Definition" component of the General Accounting function

- The exchange rate considered would be the values originally recorded in the participating documents
- Inter FB accounts will be debited / credited in case of adjustment across FBs
- Facility to automatically reconcile the interfb adjustment voucher based on parameter settings(auto reconciliation of inter fb customer adjustment voucher - in CPS common parameters)

**5.9.4.3 Services**

- Automatic adjustment from invoices and receipts on a FIFO / LIFO basis
- Selection of documents for adjustment during the invoice and receipt document processing so that authorization of the base documents and the adjustment voucher is also generated
- Facility to adjust multiple debit and credit documents through a single adjustment voucher
- Facility to propose an adjustment through a FIFO / LIFO sequence and allowing any modification to the proposed values
- Facility to view account posting details
- Facility to attach notes
- Facility to capture project related information like project OU and code from the debit / credit documents
- Provision to select the finance Book which are mapped to the login user
- Multilevel authorization is also supported if workflow is enabled

**5.9.5 Prerequisites**

- Organization setup modeling in Enterprise Setup must have been completed
- Component Interaction Model (CIM) must have been defined
- Availability of Finance Book information must be ensured
- Number generation setup must have been created
- Customers must be in “Active” status
- Account Rule Definition must have been done for the customer, i.e., Customer Receivable Accounts, Customer Prepayment Account and Customer Deposits Accounts must have been defined
- Accounts must have been defined for discount, penalty and residual write off accounts
- Exchange rate must have been defined for the transaction date
- Financial period / year must be in “Open” status
- Reason codes must have been defined for reversal
- System parameters and function defaults must have been set

**5.9.6 Predefined Values**

S No	Entity	Pre-defined Values
1	Customer Hierarchy	<ul style="list-style-type: none"> <li>• Local</li> <li>• Child</li> <li>• Group</li> </ul>
2	Adjustment sequence	<ul style="list-style-type: none"> <li>• LIFO</li> </ul>

S No	Entity	Pre-defined Values
		<ul style="list-style-type: none"> <li>FIFO</li> </ul>

### 5.9.7 Functional Parameters

Parameter	Value	Implication
Allow multiple Finance Book Postings	Yes / No	<p>If set to “Yes”, then all the finance books mapped to the login organization unit can be used for transactions.</p> <p>If set to “No”, then only one of the finance books mapped to the login organization unit can be used for transactions.</p>
Default Finance Book	FB IDs	<p>The Finance book that is to be defaulted during transactions.</p> <p>If the “Allow multiple Finance Book Postings” is set as “No”, then it is mandatory to set the default finance book.</p>
Default Numbering Type	Values from Numbering Class component	Based on the values returned by the Numbering Class component, the user can determine the numbering type to be defaulted.
Cost Center for Discount	CCs	The Cost Center that is to be defaulted for discount account.
Analysis Code for discount	Analysis Code	The Analysis Code that is to be defaulted for discount account.
Analysis Code for Penalty	Analysis Code	The Analysis Code that is to be defaulted for Penalty account.
Sub analysis Code for discount	Sub analysis Code	The Sub analysis Code that is to be defaulted for discount account.
Sub analysis Code for Penalty	Sub analysis Code	The Sub analysis Code that is to be defaulted for Penalty account.

### 5.9.8 Deployment

This component can be deployed at a single organization unit or in multiple organization units. This component may be deployed in those organization units where the function of matching customer collections with the invoice document and the adjustment of debit / credit notes is performed. The transaction is recorded against the company that is mapped to the organization unit from where the transaction originates. Financial postings are made to the finance book that is selected at the time of transaction. Invoices and receipts from different Business Units may be adjusted with each other based on parameter settings. If this parameter does not allow adjustments across business unit, then for each business unit, at least one “Customer Balance Adjustment” component needs to be deployed. Otherwise, it is sufficient if only one such component is deployed for the entire company.

### 5.9.9 Component Interaction

Cardinality → CBADJ: Other components

Component Name	Cardinality
Account Based Budget	N:1
Account Rule Definition	N:1
Accounting Setup	N:1
Finance Book Processing	N:M
Financial Calendar Closure	N:1
Organization Setup	N:1
Exchange Rate	N:1
Cost Setup	N:1
Customer	N:N
Numbering Class	N:1
Company Parameter Setup	N:1
Organization Unit Parameter Setup	1:1
Installation Parameter Setup	N:1
Customer Debit / credit notes	N:N
Customer Direct Invoice	N:N
Customer Order based Invoice	N:N
Customer inquiry	N:1
Customer Prepayment Invoice	N:N
Customer Balance Transfer	N:N
Customer Receipts	N:N
Customer Payments	N:N
Notes	1:1
Workflow	N:1
Reason code	N:1
Tax Calculation	1:1
Project Definition	1:1

### 5.9.10 Status

Status...	Denotes...
Fresh	The document is complete in all respects and is available for authorization.
Deleted	A document that is deleted prior to authorization.
Returned	The authorizing person has found a few anomalies in the document and the same is available for editing again. This status results when the authorizer invokes the "Return" task in the Authorize activity.
Authorized	The document is Authorized appropriately and can be used for all external purposes. Financial postings are made and customer balances are updated accordingly.
Reversed	When any authorized document is to be rendered null and voided, the same can be reversed. On reversal, all the updations made on authorization are also reversed. This includes financial posting and customer balance updation.

## 5.9.11 Postings

### 5.9.11.1 Financial postings

#### Authorization of Adjustment voucher

Event	Account	Dr/Cr	Remarks
Discount	Customer Control Account	Dr	The receipt or credit document adjustment amount
	Customer Control Account	Cr	The invoice or debit document adjustment amount
	Discount account	Dr	The amount of discount allowed on an invoice / debit document
Penalty	Customer Control Account	Dr	The receipt or credit document adjustment amount
	Customer Control Account	Cr	The invoice or debit document adjustment amount
	Penalty Account	Cr	The amount of penalty charged on an invoice / debit document
Residual write-off	Customer Control Account	Dr	The receipt or credit document adjustment amount
	Customer Control Account	Cr	The invoice or debit document adjustment amount
	Residual write off account	Dr	The amount written off as small residual amount
Exchange rate variances	Customer Control Account	Dr	The receipt or credit document adjustment amount

Event	Account	Dr/Cr	Remarks
	Customer Control Account	Cr	The invoice or debit document adjustment amount
	Exchange rate gain / loss account	Dr/Cr	This account is debited in case of a exchange rate loss to the company and credited in case of a gain

**Note:** All account codes are retrieved based on the definitions for the selected finance book in the Account Rule Definition component (as selected during the invoice creation)

*In the case of reversals, the account postings made on authorization are nullified.*

### 5.9.11.2 Inter-component postings

- Updation of customer information in the Customer Inquiry component, which will subsequently reflect in all customer related reports like Customer Inquiry, Customer Ledger etc.
- Financial postings routed through the Customer Inquiry component to the mapped Finance Book
- Updating the adjusted amount against individual document, so that the due / outstanding amount for each document is reflected correctly
- Workflow messages in case workflow is configured

**Note:** All postings and updations are when the adjustment voucher document is authorized

## 5.9.12 Reports

### 5.9.12.1 Customer Balance Adjustments

<b>Company Name</b>					<b>Business Unit</b>					
Address Line 1					Login OU					
Address Line 2					Report ID					
Address Line 3										
Address Line 4										
<b>Customer Balance Adjustments</b>										
<b>Voucher Number</b>		<b>Voucher Date</b>		<b>Voucher type</b>		<b>Status</b>				
<b>Customer Code</b>		<b>Customer Name</b>		<b>Currency</b>		<b>Customer Hierarchy</b>				
<b>Credit Documents</b>										
<b>Document Type</b>	<b>Document No.</b>	<b>Document Date</b>	<b>Document Amount</b>	<b>Unadjusted Amoun</b>	<b>Current Adjustment</b>	<b>Currency</b>	<b>Exchange Rate</b>	<b>Receipt Type</b>	<b>Billing Point</b>	<b>Finance Book</b>
<b>Debit Documents</b>										
<b>Document Type</b>	<b>Document No.</b>	<b>Due Date</b>	<b>Unadjusted Amount</b>	<b>Customer Code</b>	<b>Currency</b>	<b>Exchange Rate</b>	<b>Adjustment Amount</b>			
<b>Proposed Discount</b>	<b>Proposed Charges</b>	<b>Discount Date</b>	<b>Billing Point</b>	<b>Document Date</b>	<b>Term Number</b>	<b>Finance Book</b>				
<b>Adjustment Summary in Credit Doc. Currency</b>										
<b>Debit Doc Adjustment Amount</b>			<b>Discount Allowed</b>		<b>Charges Collected</b>		<b>Total Receipt Amount Adjusted</b>			
<b>Reversal Details</b>										
<b>Reversal Voucher No.</b>				<b>Reversal Voucher Date</b>						
<b>Run Date</b>						<b>Page NO</b>				

### 5.9.13 Process Configuration

Workflow requirements for the activities of Customer Balance Adjustment component is shown in the table below:

Activity Name	Purpose
Create single currency adjustment	Intimation for Authorize
Create multi currency adjustment	Intimation for Authorize
Edit single currency adjustment	Intimation for Authorize
Edit multi currency adjustment	Intimation for Authorize
Authorize adjustment voucher	Intimation for Edit due to Return of document

## 5.10 Customer Payments

### 5.10.1 Purpose

There could be situations that require payments in favor of customers due to regular business operations, like sales returns, payment in lieu of debit note / transfer debit note raised from a customer, refund for excess payment etc. Depending upon the nature of business, there may also be a requirement to make deposits to the customer.

### 5.10.2 Overview

The “Customer Payment” component is used for making customer related payments. A payment transaction is a debit document and can be adjusted against the credit documents. The payment request can be initiated through the routes like: cash or bank and in any of the currencies associated to the customer. The requests will be taken up for discharge by the “Release Payment” component of the Payables Management function and the status of the payment voucher is updated once the payment has been released. Refer Figure 33 for a pictorial representation.

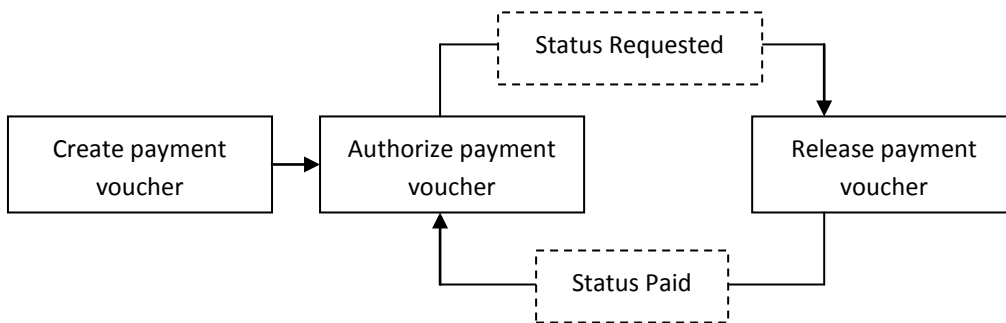


Figure 33: Customer Payments

### 5.10.3 Concepts

#### Payment Category

This indicates the nature of the payment, made to the customer. If deposit payments are made, then the payment category is “Deposits”. For all the other type of payments the category is “Regular”. For such payment, a credit note reference can be given.

#### Payment Method

In case electronic payments are not supported, then the only payment method supported is “Regular”. In case of electronic payments, the payment method can be any of the payment method relevant for the electronic payment system applicable for the country.

#### Payment Route

Payment route is Bank (in case of instrument based payments) or Cash (in case of cash payments).

#### Payment Mode

Pay mode Indicates the nature of the instrument to be used for payment release like: check, pay order, draft etc. The pay modes are dependent on the payment method and payment route selected.

### 5.10.4 Key Features

#### 5.10.4.1 Commercial

- **Payment Routes & Methods:** It is possible to make customer payments as Regular or Electronic payments through cash / bank routes
- Payment of deposits to customers is supported
- When the payment category is “Regular”, then a reference to the customer debit or credit note is recorded



- When the payment is released, the status of the voucher is updated as “Paid”. The debit documents will be available for set off against other credit documents
- **Adjustment:** Payment document after authorization can undergo either manual or automatic adjustment. In the case of an automatic adjustment, the credit documents against which the adjustment is to be done can be specified. In case of manual adjustment, the user can optionally record the credit document references. Adjustment will not be auto-triggered by the system in case of manual adjustments
- Facility to specify the limit for cash payments

#### 5.10.4.2 Financial Posting

- The system proposes the account codes for the customer and bank related accounts based on the values set in the “Account Rule Definition” component of the General Accounting function
- The actual postings will be done on the date on which the payment is released
- The bank charges account will be proposed by the “Account Rule Definition” component of General Accounting function
- If the payment is voided, the postings will be reversed

#### 5.10.4.3 Services

- Provision to automatically generate payment vouchers. Manual numbering option is also provided
- Provision to specify the future date for making the payment when the pay mode is check
- It is possible to specify the payment release point
- Reversal of a payment is supported till the payment is released
- It is possible to specify in the payment voucher for the pay mode demand draft / direct debit / pay order whether the bank charges will be borne by the customer or by the company
- Provision to create and authorize voucher provided the login user has permissions to do the same
- Accounting information can be viewed after the creation of the voucher
- Multilevel authorization is also supported if workflow is enabled
- Facility to view the details of the adjustment vouchers in case of automatic adjustment

#### 5.10.5 Prerequisites

- Organization setup modeling in Enterprise Setup must have been completed
- Component Interaction Model must have been defined
- Availability of Finance Book information must be ensured
- Number generation setup must have created
- Customers must be in “Active” status
- Account Rule Definition must have been done for the customer, i.e., Customer Receivable Accounts, Customer Prepayment Account and Customer Deposits Accounts must have been defined
- Accounts must have been defined for cash or bank codes
- Exchange rate must have been defined for the transaction date
- Financial period / year must be in “Open” status

- Reason codes must have been defined for Hold, Release and Reversal
- System parameters and function defaults must have been set
- In case of regular payments, the reference credit note must be “Authorized” status

### 5.10.6 Predefined Values

S No	Entity	Pre-defined Values
1	Payment Category	<ul style="list-style-type: none"> <li>• Regular</li> <li>• Deposit</li> </ul>
2	Electronic Payment	<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>
3	Adjustment	<ul style="list-style-type: none"> <li>• Manual</li> <li>• Automatic</li> </ul>

### 5.10.7 Functional Parameters

Parameter	Value	Implication
Allow multiple Finance Book Postings	Yes / No	<p>If set to “Yes”, then all the finance books mapped to the login organization unit can be used for transactions.</p> <p>If set to “No”, then: only one among the finance books mapped to the login organization unit can be used for transactions.</p>
Default Finance Book	FB IDs	<p>The Finance book that is to be defaulted during transactions.</p> <p>If the “Allow multiple Finance Book Postings” is set as “No”, then it is mandatory to set the default finance book.</p>
Default Payment Release Point	Payment Release OUs from CIM	This parameter allows the user to default the payment release point (organization unit where payments are made for the voucher) based on Component Interaction Model.
Credit Limit Action for Customer Payments	Hold / Ignore	<p>Based on this parameter the user can determine whether the customer payment voucher must be created in "Authorized" or "Requested" status.</p> <p>If the parameter is set as "Hold" then the voucher is put on hold, if the requested balance available in the Bank Cash Definition component exceeds the available balance.</p> <p>If it is set to "Ignore" then the voucher will be created in the "Requested" status even when the requested balance exceeds the available balance.</p>
Allow Future dated customer Payments (Company Parameter)	Yes / No	This parameter indicates whether the Customer payment voucher can be created with Pay date

Parameter	Value	Implication
Setup)		greater than system date or not.
Cash Payment Limit for supplier / customer payment	Value	Indicates the value up to which the cash payment can be released for a voucher

### 5.10.8 Deployment

Customer Payment component can be deployed at single or multiple organization units. This component is often deployed at those organization units where the function of making payments to customers (deposits, rebates, refund of excess collection) is done. The transaction is recorded against the company that has been mapped to the organization unit from where the transaction originates. Financial entries are posted to the Finance Book that is selected at the time of transaction.

### 5.10.9 Component Interaction

Cardinality → CP: Other Components

Component Name	Cardinality
Account Based Budget	N:1
Account Rule Definition	N:1
Accounting Setup	N:1
Bank / Cash Definition	N:1
Finance Book Processing	N:M
Financial Calendar Closure	N:1
Organization Setup	N:1
Exchange Rate	N:1
Customer	N:1
Numbering class	N:1
Company Parameter Setup	N:1
Organization Unit Parameter Setup	1:1
Installation Parameter Setup	N:1
Customer Balance Adjustment	N:1
Customer Inquiry	N:1
Release Payment	N:1

Component Name	Cardinality
Notes	1:1
Workflow	N:1
Reason code	N:1

### 5.10.10 Status

Status...	Denotes...
Draft	A voucher whose information is not complete. Hence, this document will not be available for authorization. This status results when electronic payment information is not complete.
Fresh	The document is complete in all respects and is available for authorization.
Returned	The authorizing person has found a few anomalies in the document and the same is available for editing again. This status results when the authorizer invokes the 'Return' task in the Authorize activity.
Requested	A voucher that has been authorized. This status indicates that payment requested against this voucher can be made in the Release Payment component (print check, pay cash).
Held	A voucher in Requested status that has been put on hold. Vouchers in this status are not available for payment release.
Reversed	A document that has been rendered null or voided. On reversal, all the updations made on authorization are nullified. A reversed voucher will not available for payment release
Paid	A voucher in Requested status for which payment is released. Financial postings happen only when the actual payment release happens.
Void	A voucher whose instrument is voided. All account postings made on release of payment are reversed at the time of voiding.

### 5.10.11 Postings

#### 5.10.11.1 Financial Postings

##### Release of Cash Payment

Account	Dr/Cr	Remarks
Customer Control Account	Dr	Payment voucher amount
Cash Account	Cr	Payment voucher amount

##### Release of Bank Payment

Case1: Instrument charges borne by the Customer

Account	Dr/Cr	Remarks
Customer Control Account	Dr	Payment voucher amount
Bank Account	Cr	Payment voucher amount

Case2: Instrument charges borne by the Company

Account	Dr/Cr	Remarks
Customer Control Account	Dr	Payment voucher amount
Bank Account	Cr	Payment voucher amount + Bank charges

Account	Dr/Cr	Remarks
Bank Charges Account	Dr	Bank charges amount

**Note:** All account codes are retrieved as based on the definitions in the Account Rule Definition component for the selected Finance Book.

Account postings are made only on release of payment and not at the time of authorization of the payment voucher.

### 5.10.11.2 Inter-component Postings

- Updation of customer information in the Customer Inquiry component, which will be reflected in all customer related reports like Customer Statement, Customer Inquiry, and Customer Ledger etc.
- Financial postings routed through the Customer Inquiry component to Finance book
- Updation to bank balance through financial posting
- Workflow messages in case workflow is configured
- On authorization of the payment voucher, the requested amount is updated to bank component. On actual payment, this is reversed and the paid amount is updated

**Note:** All postings and updates are made on release of payment.

## 5.10.12 Reports

### 5.10.12.1 Print Payment Voucher

<b>Company Name</b>		<b>Business Unit</b>
Address Line 1		<b>Login OU</b>
Address Line 2		
Address Line 3		<b>Report ID:</b>
Address Line 4		
<b>CUSTOMER PAYMENT VOUCHER</b>		
<b><u>Voucher Information</u></b>		
Voucher Number	Payment Category	
Request Date	Finance Book	
<b><u>Payment Information</u></b>		
Customer Registered At	Customer Code	Customer Name
Pay Currency	Exchange Rate	Pay Amount
Electronic Payment	Payment Method	Payment Route
Pay Mode	Bank/Cash/Ptt Code:	Description
Billing Point	Document Ref.	Bank Charges
Pay Date	Payment Release Point	Payment Priority
Remarks		
<b><u>Instrument Information</u></b>		
Instrument Number	Instrument Date	Instrument Status
Direct Debit Ref NO.	Voiding Date	Voiding Document No.
Reason for Voiding		
<b><u>Hold /Reveral Information</u></b>		
Reason for Reversal	Remarks for Reversal	Reversal Date
Reason for Hold	Remarks for Hold	
<b>Run Date:</b>	<b>Page NO</b>	

### 5.10.13 Process Configuration

Workflow requirements for the activities of Customer Payment component is shown in the table below:

Activity Name	Purpose
Create Voucher	Intimation for Authorize
Edit Voucher	Intimation for Authorize
Authorize Voucher	Intimation for Edit due to return of document

## 5.11 Overdue Management

### 5.11.1 Purpose

In the event that any outstanding / receivable from a customer is doubtful of recovery, a company will provide for the same in its books of accounts so that the effect of this doubtful recovery is appropriately reflected in its financial statements. When it is certain that the chances of recovery do not exist, then the balance in the customer’s account will no longer reflect the amount acknowledged as “Bad”. There could also be rare circumstances in which the customer may eventually pay this amount, which would require the customer’s balance to be restored so that the amount received from the customer can be adjusted.

Until such time that an overdue debt is written off as bad, it is a normal policy of every company to send reminder letters to the customers. The severity of the letter will depend upon the period for which the document is overdue. This component serves the purpose of overdue management – provision for doubtful debts, dunning (reminder) letter generation, write off bad debts, and write back of bad debts recovered.

### 5.11.2 Overview

The overdue management section of the “Credit Management” component enables in identifying the over-due documents, the realization of which are doubtful and uncertain. A provision can be created for part or whole of the customer dues, which eventually can be written off as bad debts. In the event that the written off amount is realized from the customer, the same can be written back in the company’s books.

Refer Figure 34 for a representation of the process flow for Provision request.

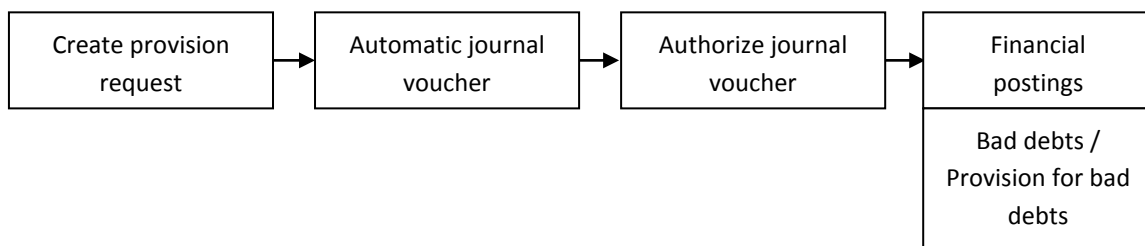


Figure 34: Provision Request – A representation

Refer Figure 35 for a representation of the process flow for Reversal of provision request.

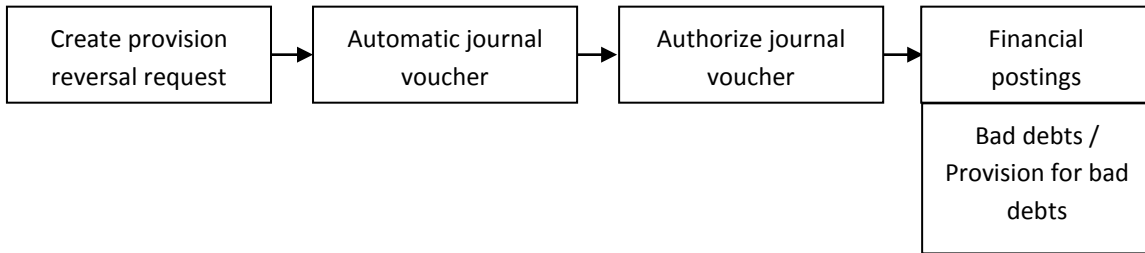


Figure 35: Reversal of Provision Request – A representation

Refer Figure 36 for a representation of the process flow for Provision for doubtful debts.

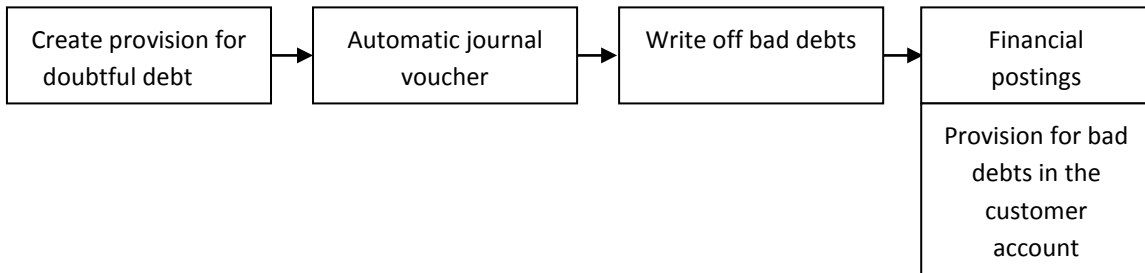


Figure 36: Provision for Doubtful Debts – A representation

Refer Figure 37 for a representation of the process flow for writing back bad debts.

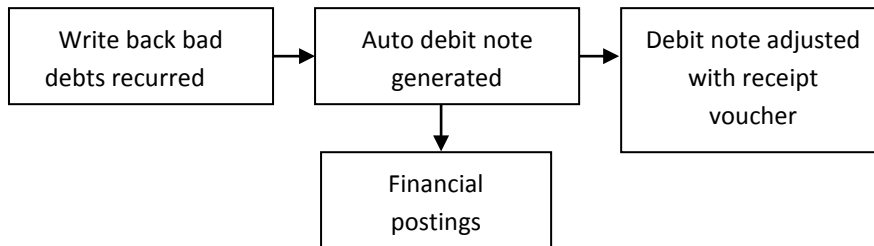


Figure 37: Write back Bad Debts – A representation

### 5.11.3 Key Features

#### 5.11.3.1 Commercial

- Overdue debit documents of various billing points can be viewed for creating provision
- It is possible to analyze bad debts based on cost centers and analysis codes
- Automated credit note will be raised when a bad debt is written off
- Ten levels of dunning are supported. Based on the level at which a document is dunned, the severity of the letter’s content will vary
- Provision to write off debts when it is certain that the recovery is not possible
- Write back bad debts that have been previously written off, if the customer repays the amount

#### 5.11.3.2 Financial Posting

- The system proposes the account codes for bad debts, provision for bad debts and write off based on the values set in the “Account Rule Definition” component of the General Accounting function
- The account codes for customers will be as defined in the “Account Rule Definition” component of the General Accounting function and as selected during creation of the original invoice concerned



- Specify cost centers, analysis and sub analysis codes for bad debts

### 5.11.3.3 Services

- Automatic generation of journal vouchers for provision or reversal of provision
- Automatic generation of debit notes on write off and credit note on write back
- Facility to view the accounting information
- Facility to print out dunning letters for customers based on the levels

## 5.12 Customer Inquiry

### 5.12.1 Purpose

The Customer Inquiry component is central to the Business Process Chain of Receivables Management. It is in this component that the customer balances information reside. The vital information for reports for this Business Process Chain viz. Customer Ledger, Customer Statement of Accounts is provided in this component. Information for Customer Balance Information component is also available here. All financial postings arising out of Receivables Management components are also routed through this component only. Hence this component is designated to function as the controlling component for the Receivables Management Business Process chain. One instance of this component is intended to be deployed for every company.

### 5.12.2 AR Inquiry

- Inquiry to view AR summary by customer with overdue value.
- Option to view customer transaction details
- Query by Customer/Sales Person/Finance Book/Document Type
- View Customer Credit Details
- View Closed Document details also
- Option to include/exclude postdated collections
- Maintain collection follow up details multiple times
- Mark Disputed documents
- View review history
- Ageing Inquiry based on credit term bucket, by customer, by sales person
- Graphical View of Summary
- Drill down to document details
- View Collection forecast for required Bucket range
- Option to include orders and service level agreements
- Transversal links to reports like customer statement, customer ledger and customer ageing
- Company wise, Business unit wise and organization wise data can be viewed
- Provision to look up the credit status for the with credit limits, order limits and other related details

### 5.12.3 Customer Initial balance Concepts

#### 5.12.3.1 Control Function

This component is intended to perform the function of data repository for the Receivables Management function and all the components of the BPC post data to this component. Data needed by the other components for further processing or reporting is available in this component. The information posted to this component is:

- Document information: customer name, document type, document number, amount etc
- Proposed receipt information: due date, amount, discount and penalty terms for invoices
- Actual receipt and adjustment information against each document
- Provision and write off amount
- Account posting details
- Customer balance due updation

### 5.12.3.2 Initial Balance

Account balances are of various types - Customer balances, Supplier balances, and general account balances like Share Capital, Cash etc. These balances are captured in Finance Book Processing Component in Book Keeping BPC. Book Keeping BPC maintains the balances at the account level and the individual balances customers are tracked in Receivable Management BPC. The customers are grouped based on the accounting needs (Customer account group) and the consolidated sum of the customer group balances in each currency is maintained as a control account in FBP component.

When an existing company migrates to Ramco E- application solution, the existing balances of all the accounts needs to be transferred into the new system. For this purpose, the Finance Book Processing component of Book Keeping BPC provides a facility through the initial balances of the company-Finance book (i.e.) balances of the company as existing on the date of migration can be entered/uploaded into the system. This results in balances getting updated as the opening balance of the first financial period of the first financial year created in the financial calendar for all the asset/liability accounts defined for the Finance Book.

Since FBP maintains the balances of customers/suppliers only in the form of control accounts for different currencies, the initial balance entry in FBP results in the balance updation only at control account level.

The individual breakup of the control account for each customer also needs to be maintained in the system as the balances against these account codes represent the receivable from Supplier. Hence these balances should be identified against the documents, which actually recognize the asset/liability, to enable completion of the business process (settlement) by way of receipt/adjustment.

For this purpose, a facility to enter the individual transactions of the customers in excel for each finance book and upload the same into the receivables management BPCs to update the customer balance is provided. The same shall be uploaded in the front-end provided in customer inquiry component for this purpose, where all the validations with respect to the data entered shall be done using. Once the validation is complete and the initial balance is completed, the data given shall be used to generate necessary documents against the customer. These documents shall be created with dates before the first financial period of the financial calendar to signify the legacy data. The sum total of the documents shall match the control account balances entered in FBP.

### 5.12.4 Overview

Customer Initial Balance can be uploaded thru Direct Entry in the Screen, or through an excel tool which is provided with the mandatory fields for generating specific documents for the customer.

The relevant data would be entered by the user in excel, which will be uploaded into the system. The data can be entered for one/multiple finance books at a time. However, it is expected that the user shall enter the complete data (for all control accounts of the customer) for a finance book at any point of time. Incomplete/partial data upload within a finance book is not handled by the system.

On successful upload, the uploaded data can be seen in Create Initial balance activity of customer inquiry component. The data can be seen for one/more finance books for which the data is uploaded, by executing the get details task. Each record would be identified by line number, which is generated by the system automatically. The records should be validated using the 'Validate' task. It shall validate the customer details, document details and the availability of mandatory information for generating the documents. Only the following document types are considered for initial balance. Only these documents can be generated by the system.

- Customer Miscellaneous Invoice
- Customer Account Based Cr. Note
- Customer Account Based Dr. Note
- Customer Receipt Voucher
- Customer Payment Voucher

The user shall enter the amount for each document in transaction currency and Base Currency. (Also in PBC if applicable). The exchange rate shall be derived by dividing the base currency with the transaction currency amount. The user can enter the due date for each outstanding document or leave the field blank. If the due date is entered, a single payment schedule for the due date entered will be generated. If the due date is not entered, the payment schedule will be automatically generated based on the default pay term defined for the customer.

The system provides the facility of entering a fully outstanding document or a document, which is partially outstanding on the date of migration. If the transaction amount is equal to the outstanding amount, it is treated as fully outstanding. If the transaction amount is greater than the outstanding amount, it is treated as partially outstanding. In such cases, for the differential amount (between tran and tran outstanding), a debit/credit note will be automatically generated by the system. An automatic adjustment voucher adjusting the outstanding document against the auto generated debit/credit note shall also be raised by the system.

Also the project related information such as project OU / project code can also be stored for the legacy documents.

Once the data validation for each record is complete, the sum total of the documents (subject to finance book, currency and doc type) shall be compared against the balances captured in FBP. Any difference between the BK and PM balance would again be recorded as an error. The differences, if any, for each finance book + control account combination can be seen by clicking the link "Complete Initial Balance". The validation process will be executed for all the records completely and all the errors encountered in the process shall be recorded in an error log file against the line number. The file can be viewed by clicking 'View error log' link in this screen.

Once the validation process is successful with no errors, the Complete Initial balance task can be executed to generate the documents and record the customer initial balance. This task shall result in creating the documents of the types mentioned above in authorized status for the dates earlier to the BPC Installation date. The details for these documents can be viewed in the respective components and fetched for payment/further adjustment as the case may be.

### 5.12.5 Prerequisites

For posting entries to the Customer Inquiry component and data retrieval:

- Enterprise modeling in Organization Setup component must have been completed
- Component Interaction Model must have been defined

For Customer Initial Balance:

- Initial balance entry must be completed for at least one Finance Book in BK BPC
- Customer control account balance must be greater than 0 for at least one control account in the finance book

- Customers for whom balances are to be entered must be mapped to the customer account group and control accounts must have been defined in Account Rule Definition
- Pay Terms must have been defined and mapped for default values of the customer
- BPC Installation date should have been defined for PM BPC as equal to or later than the first date of the first fin period/year in Installation Parameter Setup

## 5.12.6 Deployment

One instance of Customer Inquiry component is intended to be deployed for every company. Component Interaction

**Cardinality → CI: Other components**

Component Name	Cardinality
Account Rule Definition	1:1
Accounting Setup	1:1
Finance Book Processing	1:N
Financial Calendar Closure	1:1
Organization Setup	N:1
Exchange Rate	N:1
Realize Receipts	1:N
Customer	N:N
Company Parameter Setup	N:1
Organization Unit Parameter Setup	1:1
Customer Balance Adjustment	1:N
Customer Debit / credit notes	N:N
Customer Direct Invoice	N:N
Customer Order based Invoice	N:N
Customer Prepayment Invoice	N:N
Customer Balance Transfer	N:N
Customer Receipts	N:N
Customer Payments	N:N
Credit Management	N:N
Sundry Receipt	1:N

Component Name	Cardinality
Reason code	N:1
Project Definition	1:N

## 5.12.7 Postings

### 5.12.7.1 Financial Postings

Financial postings of all the components of the Receivables Management function are routed through the Customer Inquiry. However no financial entries are posted from this component to the finance book.

### 5.12.7.2 Inter-component Postings

Financial entries can be posted to finance books on authorization or reversal of a transaction that route financial postings through Customer Inquiry component.

## 5.13 Customer Outstanding Management

### 5.13.1 Purpose

The Customer Outstanding Management component can be centralized / decentralized to the Business Process Chain of Payable Management. This component is designated

- To maintain the due date information of the customer documents to manage the outstanding
- To have One stop landing page for users managing Customer documents
- To process the post dated customer debit / credit notes generated during currency revaluation

### 5.13.2 Concepts

#### Due Date Modification

This component is intended to perform the function of Modifying an updating the revised due date for the Customer Debit documents. Revised Discount date can also be saved for the document based on parameter settings.

#### Accounts Receivable HUB

Helps to Cuts the traversal complexity across document types, activities and pages and enable the user to traverse to different documents from single page. Actions such as Authorization, Deletion, Printing, Holding, Releasing and Reversing can be performed directly from this page for one or more documents at the same time.

#### Document types supported

Customer Order Based Invoice, Customer Miscellaneous Invoice, Customer Direct Invoice, Packslip Invoice, Customer Account Based Debit / Credit Note, and Customer Item Based Debit / Credit notes, Customer Receipts and Realization of receipts.

#### Process post dated transactions

In this component, post dated customer account based debit / credit notes generated during currency revaluation can be processed.

### 5.13.3 Overview

#### 5.13.3.1 Due Date Information

Customer Debit documents such as

- Customer Order Based Invoice,
- Customer Miscellaneous Invoice,
- Customer Direct Invoice,
- Packed Invoice,
- Can be fetched for modifying the due date /discount date information.

#### 5.13.3.2 AR Hub

##### 5.13.3.2.1 Invoicing

- Quick Creation
  - Invoices / Notes can be created quickly from the Easy launch section by selecting the document type and go button.
- Quick Modification
  - Invoices / Notes can be modified quickly from the Easy launch section by selecting the document type and by providing the document no. and go button.
- Tree View Processing
  - All the documents pending for action are listed in the tree view, along with count for the login user.
  - The respective action pending will be listed in the tree for each document type
    - Document in Progress – fetches the document(s) in draft status
    - For Authorization – fetches the document(s) in Fresh status
    - For Correction – fetches the document(s) in returned status
    - For Resolution - fetches the document(s) in hold status
- Search Based Processing
  - Documents can also be searched by providing search filters such as Document type, Customer name, Customer code, Order No., Ref. Doc. No., Currency, Project Code, Transaction No., Finance Book, Status, created by, Sales person etc.
  - Further closed / overdue documents can also be searched and viewed.
  - Documents can be processed in bulk such as deletion / authorization / return / reverse / hold / release / printing / receiving based on the respective status of the documents fetched in the Multiline.
  - Notes for the document can be added.
  - Discussion Comments can be added / modified / viewed from this page
  - Images or Files attached to the transaction can be directly viewed from the hub
  - Documents across ALL supported transaction types can be queried at one shot using search filters for viewing purposes.

- Processing Single document
  - Details of a single Document can be viewed in the second grid like accounting information, item / usage details, Tax information, etc.
  - The same can be processed individually. Actions like, deletion / authorization / receiving/ returning / reversing/ holding / releasing / printing can be done.
  - Value summary of the selected document in terms of Basic, Taxes, Charges, Discounts, Tax deducted and Net amount can be viewed as a snapshot.
  - Contact information of the Customer of the selected document like Name, Phone and Email is displayed for quick reference
- All data can be viewed company code wise, business unit wise and organization unit wise.
- User Preference :

Option is provided to have personalized data set. i.e. Data in the hub can be filtered based on Preference set by the user.

  - No. of days to be considered for fetching the Fresh / overdue / closed documents can be specified.
  - Customer Group / Customer Account Group can be specified as a filter at user level.
- Action Links
  - Links are provided to perform next possible actions like:
    - Modifying the document
    - Viewing of Document
    - Viewing invoice / note summary
    - Receipt processing of the document
    - Adjustment of documents
    - Payment of the excess receipt
    - Viewing Tax Calculation
- Report Links
  - Following Report link can be launched to extract reports.
    - Customer Statement
    - Customer Ageing
    - Customer Sub Ledger

#### 5.13.3.2.2 Collection

- Quick Creation
  - Customer Receipts can be created quickly from the Easy launch section by clicking go button.
- Quick Modification
  - Customer Receipts can be modified quickly from the Easy launch section by providing the document no. and go button.
- Tree View Processing

- All the documents pending for action are listed in the tree view, along with count for the login user.
- Search Based Processing
  - Documents can also be searched by providing search filters such as Document type, Customer name, Customer code, Collector, Instrument No., Order No., Ref. Doc. No., Currency, Transaction No., Finance Book, Status, created by, etc.
  - Documents can be processed in bulk such as deletion / authorization / return / reverse / hold / release / printing based on the respective status of the documents fetched in the Multiline
  - Notes for the document can be added
  - Discussion Comments can be added / modified / viewed from this page
  - Images or Files attached to the transaction can be directly viewed from the hub
- Processing Single document
  - Details of a single Document can be viewed in the second grid like accounting information, Ref. Doc Information, Tax information, etc.
  - The same can be processed individually. Actions like, deletion / authorization / returning / reversing/ holding / releasing / printing can be done
  - Value summary of the selected document in terms of Receipt Amount, Instrument Amount, Charges Deducted, Charges Collected, Stamp Dute, TDS can be viewed as a snapshot
- Action Links
  - Links are provided to perform next possible actions like:
    - Modifying the document
    - Viewing of Document
    - Viewing Receipt summary
    - Adjustment of documents
    - Process PDR
    - Making payment
- Report Links
  - Following Report link can be launched to extract reports
    - Bank Cash Register
    - View Bank Reconciliation

#### 5.13.3.2.3 Realization

- Key Features
  - Creation of Pay in Slip
  - Depositing Pay in slip
  - Processing Post dated receipts,
  - Bouncing the instruments.



### 5.13.3.3 Process post dated transactions

Customer Debit / credit documents such as

- Customer account based debit / credit notes can be fetched for processing.

### 5.13.4 Deployment

One instance / Multiple instance of Customer Outstanding management component can be deployed for every company.

### 5.13.5 Component Interaction

Cardinality → COM: Other components

Component Name	Cardinality
Customer Balance Adjustment	1:1

### 5.13.6 Functional Parameters

Parameter Description	Value	Level	Implication
Centralized Due date Modification	Yes/No	Company	This Parameter indicates whether Revised Due date modification done centralized at company level or decentralized at ou level.
Computation of Discount / Penalty based on revised due date	Yes/No	Organization Unit	This Parameter indicates whether Discount / Penalty for the documents to be computed based on Revised Due date or Original due date.

## 5.14 Logistics Receivables Invoice

### 5.14.1 Purpose

The purpose of a logistics receivables invoice is to record the revenue generated through logistics related services namely transport and warehouse. It is the underlying document that legalizes the sales. Hence it has all information that is needed for processing a valid transaction. This information would include the customer information, details of the items / services transacted, commercial terms (payment terms, payment modes, discount, penalty etc.), taxes, charges applicable and trade discounts (if any).

### 5.14.2 Overview

A “Logistics Receivables Invoice” is that flavor of invoice, which is based on the logistics operations document-transfer invoice. All the information related to the transaction are identified and recorded at the time of invoice generation. A Logistics receivables invoice can be generated manually or automatically through contract consolidation.

The process of logistics receivables invoice can be represented as follows:

### 5.14.3 Concepts

**Anchor date**

This is the date from which the Payment schedule is generated for credit sales. Anchor date can be same as or less than the invoice date. But, this date cannot be later than the invoice date.

### **Tax /Charge/Discount**

Based on the parameters “Include Tax / Charge for Pricing” and “Include Discount for Pricing”, the tax / charge and discount rule engine is applied. If it is applied, then the rule engine defaults the taxes charges and discounts based on the rule engine applied. The Tax/Charge/Discount calculation engine calculates the actual value of the taxes charges and discounts. For more details on the TCD calculation engine, refer to the Purchase Set up ARM.

### **Level of Tax/Charge/Discount**

TCD can be calculated at the document or the line level. If the tax, charge or discount is at document level, then it can be applied on all the lines of the document. On the other hand, if it is at line level, then the specific line against which the same TCD is to be applied can be selected. Document level facilitates ease of data entry if the type of taxes/charges/ discounts applicable on all lines is the same.

### **Auto Adjust**

If the auto adjust option is selected, then the prepayments (prepayment invoice and advance receipt voucher) of the invoice bill to customer will be automatically adjusted with the invoice on authorization. Only those prepayments that do not refer to a sale order will be considered. The order of adjustment (FIFO or LIFO) is based on a parameter setting in Customer Balance Adjustment component. On authorization of the invoice, an adjustment voucher is also generated. Customer balances are also updated accordingly.

### **Manual adjustment**

If adjustment is desired at the time of invoice creation itself, with specific documents (not on LIFO or FIFO basis), then the “Adjustment” link can be used. In this link, the credit documents can be selected. On authorization on the invoice, an adjustment voucher adjusting the invoice and the selected credit documents is also generated. The document currency and the customer must be the same as that of the invoice.

## **5.14.4 Key Features**

### **5.14.4.1 Commercial**

- **Multi Currency:** The invoice can be generated either in the base currency of the company or any other currency that is applicable for the company and acceptable to the customer
- **Cash Sales and Credit Sales.** In cash sales the sale value is received from the customer immediately. Credit sales happens when due amounts will be collected from the customer on a future date
- **Payment Terms:** In case of credit sales, the due dates are calculated based on predefined pay terms. A default pay term can be mapped to the customer, which can be modified at the time of invoice processing. Based on the pay term specified in the invoice, multiple due dates and the corresponding due amount is calculated by the system. The start date for due date calculation is the anchor date. This date may or may not be the invoice date, but cannot be later than the invoice date
- Cash discount for early payment and penalty for delayed payment can be specified
- Taxes, charges and trade discounts related to the transaction can be specified. The pricing engine may be used to retrieve the relevant taxes, charges and discounts applicable. The tax calculation engine calculates the tax, charge and discount amounts
- Credit check is run before the invoice is authorized to ensure the credit worthiness of the customer in case of credit sales
- Facility to select the cash code for the cash sales made

- **Exchange Rate:** The rate prevailing on the date of the invoice will get defaulted. It can be modified to suit the needs of the customer within the tolerance as on the date of the invoice

#### 5.14.4.2 Financial Posting

- The system proposes the account codes based on the values set in the Account Rule Definition component of the General Accounting function. Various parameters of the invoice form the basis for determining account codes for the customer account, revenue account and tax, charge and discount account
- The finance book in which the postings are to be made can be specified
- Currently Multiple control accounts for the same customer account group can be specified. Hence the user has the option to select the control account to which entry has to be posted also
- The cost center information for the revenue accounts can be specified
- Analysis and sub-analysis codes (sub division of account code) can be specified, if required
- If budgets have been defined for accounts, then validation ensures that the amount is within the budget amount
- The proposed account posting information can be viewed even prior to authorization of invoice
- Financial postings information can be viewed in the transaction currency, base currency and parallel base currency of the company

#### 5.14.4.3 Services

- Provision for automatic generation of invoice numbers. Manual numbering option is also provided
- Invoice can be created in "Draft" status, which cannot be authorized. Once all the necessary information is specified, then the invoice can be released from the "Draft" status to Fresh Status
- Provision to create and authorize invoice simultaneously is available, provided the user has authorization rights. An invoice on authorization attains "Authorized" status
- Facility to reverse the invoice post authorization (provided no receipts are recorded against this invoice) is also supported
- Notes can be appended to the invoice document
- Invoice summary page provides a snap shot of the invoice. The total item value, tax, charge and discount value, the amount of invoice that has been collected and the balance overdue are provided herein
- Auto Adjust Facility: If any advances have been received with respect to the particular instance of sale, then a facility to automatically adjust the advance on authorization of the invoice is provided. The adjustment may be on a FIFO or a LIFO basis (based on a parameter value). If adjustments with respect to specific advance voucher or credit note are desired, then the same can also be specified. The invoice on authorization would be adjusted with that advance or credit note.

#### 5.14.5 Prerequisites

- Organization setup modeling in Enterprise Setup must have been completed
- Component Interaction Model must have been defined
- Availability of Finance Book information must be ensured
- Number generation setup must have created

- Customers must be in “Active” status
- Transfer Invoice must have been generated
- Account Rule Definition must have been done for the customer, i.e., Customer Receivable Accounts, Customer Prepayment Account and Customer Deposits Accounts must have been defined
- Account Rule Definition must have been done for revenue account in the Logistics Account Definition
- Exchange rate must have been defined for the transaction date
- Pay term must have been defined and mapped to the customer
- Financial period / year must be in “Open” status
- Cash codes must have been defined in Bank / Cash master for Cash sales
- Number generation setup must have been defined for Adjustment voucher in case of Auto Adjustment
- System parameters and function defaults must have been set

### 5.14.6 Predefined Values

S No	Entity	Pre-defined Values
1	Auto Adjust	Yes No
2	TCD Computation	Document Level Item Level
3	Discount Computation	Base Amount Gross Amount
4	Due Amount Type	Flat Amount Percentage
5	Discount Amount Type	Flat Amount Percentage

### 5.14.7 Functional Parameters

Parameter	Value	Implication
Modify Pay Term	Yes / No	If set to “Yes” then the default pay term set for customer can be modified.  If set to “No” then the default pay term set for the customer cannot be modified.  The combo would be loaded with Yes and No only when the Organization Unit Parameter Setup component Set Parameters – Receivables Modify pay term at transaction level is set to Yes. Otherwise it will be loaded only with No.
Allow multiple Finance Book Postings	Yes / No	If set to “Yes”, then all the finance books mapped to the login organization can be used

Parameter	Value	Implication
		for transactions. If set to "No", then: only one among the finance books mapped to the login OU can be used for transactions.
Default Finance Book	FB IDs	The Finance book that is to be defaulted during transactions. If the "Allow multiple Finance Book Postings" is set as "No", then it is mandatory to select the default finance book.
Rounding Off Parameters	Nearest / Ceiling	If it is set to Nearest, the invoice value will be rounded to nearest up or down the nearest value specified. If it is set to Ceiling, the invoice value will be rounded up to ceiling value specified. Currency Wise Rounding Off parameter values can be specified based on parameter setting in CPS.

### 5.14.8 Deployment

Logistics Receivables Invoice component may be deployed at single or multiple organization units. This component is often deployed at those organization units where logistics operations is performed. The transaction is recorded against the company that has been mapped to the organization unit, from where the transaction originates. Financial entries are posted to the Finance Book that is selected at the time of transaction. All the Finance books mapped to the organization unit, business unit and company are available for posting.

### 5.14.9 Component Interaction

Cardinality → LRI: Other Components

Component Name	Cardinality
Account Based Budget	N:1
Customer	N:1
Customer Direct Invoice	N:N
Tax Calculation	N:N

### 5.14.10 Status

Status...	Denotes...
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Status...	Denotes...
Draft	An invoice whose information is either not complete or correct. Hence, this document will not be available for authorization.  This status can be intentionally arrived at when the user selects the "Draft" option during invoice creation.
Fresh	The document is complete in all respects and is available for authorization.
Deleted	A document that is deleted prior to authorization.
Authorized	The document is authorized appropriately and can be used for all external purposes. Financial postings are made and customer balances are updated accordingly. All taxes and liabilities to the government are also recorded.
Held	A document that has been put on hold so that it will not be available for balance adjustment.  Once the held document is released, it reverts back to its status prior to being held.
Partly adjusted	A document for which part payment has been received and balance adjustment has been authorized
Adjusted	A document for which full payment has been received and balance adjustment has been authorized.
Reversed	A document that has been rendered null or voided.  On reversal, all the updations made on authorization are nullified. This includes financial posting and customer balance updations also.  A document that is in "Partly Adjusted" or "Paid" status cannot be reversed.

### 5.14.11 Postings

#### 5.14.11.1 Financial postings

##### Credit Sales and Revenue booking is Net of TCD

Account	Dr/Cr	Remarks
Revenue Account	Cr	Value of service
Tax(TCD) Payable Account	Cr	This is the Taxes(TCD) payable account as specified in the referred invoice document. The amount is as specified in the multiline
Charges Payable Account	Cr	This is the Charges (TCD) payable account as specified in the referred invoice document. The amount is as specified in the multiline
Discount Account	Dr	Discount allowed to the customer
Customer Control Account (as selected)	Dr	Amount billed to the customer and subsequently recovered.

##### Credit Sales and Revenue booking is Gross of TCD

Account	Dr/Cr	Remarks
---------	-------	---------

Account	Dr/Cr	Remarks
Revenue Account	Cr	Value of Service
Tax(TCD) Payable Account	Cr	This is the Taxes (TCD) payable account as specified in the referred invoice document. The amount is as specified in the multiline
Charges Payable Account	Cr	This is the Charges (TCD) payable account as specified in the referred invoice document. The amount is as specified in the multiline
Discount Account	Dr	Discount allowed to the customer
Tax/Charge Expense	Dr	Tax and charges expense booking
Customer Control Account (as selected)	Dr	Amount billed to the customer and subsequently recovered.

**Cash Sales and Revenue booking is Net of TCD**

Account	Dr/Cr	Remarks
Revenue Account	Cr	Value of service
Tax(TCD) Payable Account	Cr	This is the Taxes payable account as specified in the referred invoice document. The amount is as specified in the multiline
Charge(TCD) Payable Account	Cr	This is the Charges payable account as specified in the referred invoice document. The amount is as specified in the multiline
Discount Account	Dr	Discount allowed to the customer
Cash Account	Dr	Amount of cash received from the customer in case of Cash Sale

## 6 Common Parameters

Parameter Description	Value	Level	Remarks
Pricing Application Preference	Price List Code, Pricing Engine	Company	<p>The prices of items in the invoicing component can be defaulted either based on a price list code or by running the price engine.</p> <p>If the user chooses "Price List Code", then the pricing will be based on the Price codes. If it is set to "Pricing Engine" then the pricing will be based on the Pricing engine.</p>
Pricing applied on Customer	Bill To Customer, Ship To Customer	Company	<p>This parameter determines the customer for whom the pricing engine shall be run to obtain the price.</p> <p>If the parameter is set to "Bill To</p>

Parameter Description	Value	Level	Remarks
			Customer" then the pricing engine calculates the prices based on Bill to Customers. If it is set to "Ship To Customer" then the pricing engine calculates the prices based on Ship to Customers.
Allow adjustment across Bus	Yes / No	Company	This parameter determines whether the adjustment between a debit document and a credit document can cut across business units (i.e.) if a company has two BUs, then this parameter determines whether an invoice raised in one BU can be adjusted with the receipt raised in another BU.  <i>Note: However adjustment is always restricted to documents pertaining to the same company</i>
Modify Pricelist Unit Price in Cash Invoice	Yes / No	Company	This parameter determines whether the price defaulted by the price list / engine can be modified in a Cash invoice.
Modify Pricelist Unit Price in Direct Invoice	Yes / No	Company	This parameter determines whether the price defaulted by the price list / engine can be modified in a direct invoice.
Modify Pricelist Unit Price in Credit Note	Yes / No	Company	This parameter determines whether the price defaulted by the price list / engine can be modified in a Credit Note.
Modify Pricelist Unit Price in Order Invoice	Yes / No	Company	This parameter determines whether the price defaulted by the price list / engine can be modified in an Order invoice.
Allow Pricelist modification in Order Invoice	Yes / No	Company	This parameter determines whether the price defaulted from sale order can be modified in an order based invoice.
Allow Freight Amount Inclusion In Credit Note	Yes / No	Company	This parameter determines whether the Freight Amount can be included in the Credit Note or not.
Allow Freight Amount Inclusion In Cash Invoicing	Yes / No	Company	This parameter determines whether the Freight Amount can be included in the Cash Invoicing or not.
Allow Freight Amount Inclusion In Direct Invoicing	Yes / No	Company	This parameter determines whether the Freight Amount can be included in the Direct Invoicing or not.
Automatic Authorization of Invoices	Yes / No	Company	This parameter determines whether the Invoice can be authorized automatically on Creation



Parameter Description	Value	Level	Remarks
Discretionary Discount in Order Invoice	Yes / No	Company	This parameter determines whether the Discretionary Discount can be specified in Order Invoice
Discretionary Discount in direct/Cash Invoice	Yes / No	Company	This parameter determines whether the Discretionary Discount can be specified in Cash/ <u>Direct</u> Invoice
Default Discount computation base for invoicing	Gross Amount/Base Amount	Organization Unit	This parameter defaults the discount computation type (i.e.) if the user sets the discount computation type as "Gross Amount" then the discount computation control in the Payment Schedule or Payment Information pages will be defaulted with the gross amount and vice versa if set to "Base Amount".
Exchange Rate Type for Receivables invoicing	Exchange Rate Types	Organization Unit	This parameter allows the user to set the exchange rate type for the invoicing components.
Allow Pay Term modification at transaction level	Yes / No	Organization Unit	This parameter allows the user to modify the details of the payterm at the transaction level (i.e.) in invoicing components the user can modify a 100% due installment into two 50% due installments.
Centralized Due date Modification	Yes/No	Company	This Parameter indicates whether Revised Due Date modification done centralized at company level or decentralized at ou level.
Computation of Discount / Penalty based on revised due date	Yes/No	Organization Unit	This Parameter indicates whether Discount / Penalty for the documents to be computed based on Revised Due date or Original due date.

## 7 Reports – Receivables Management

### 7.1 Functionality

Reports – Receivables Management component enables report generation and MIS information. Ramco ERP Suite Enterprise Edition – Receivables Management System provides both online as well as offline reports. While online reports are provided as tasks in the respective activities of the components itself, offline reports are available as individual activities in this component. The list of offline reports available is:

- Customer Balance Adjustment
- Customer Balance Ageing Analysis
- Customer Credit Status
- Customer Statement

- Customer Sub Ledger Balance
- Print Invoice
- Print Note
- Print Receipts
- Print Vouchers
- Customer Early Payment Report
- Customer Balance Revaluation
- Sales Realization Forecast
- Sales Journal
- Customer Transaction List
- Dunning Report
- Held Documents
- Unmatured LC Receivables

## 7.2 Functional Parameters

Parameter	Value	Implication
Allow multiple Finance Book Postings	Yes / No	<p>If set to “Yes”, then all the finance books mapped to the login organization unit can be used for transactions.</p> <p>If set to “No”, then only one of the finance books mapped to the login organization unit can be used for transactions.</p>
Default Finance Book	FB IDs	<p>The Finance book that is to be defaulted during transactions.</p> <p>If the “Allow multiple Finance Book Postings” is set as “No”, then it is mandatory to set the default finance book.</p>
Allow multiple Finance Book Postings	Yes / No	<p>If set to “Yes”, then all the finance books mapped to the login organization unit can be used for transactions.</p> <p>If set to “No”, then only one of the finance books mapped to the login organization unit can be used for transactions.</p>

## 7.3 Deployment

Reports – Receivables Management component can be deployed in multiple organization units of a company. This is typically done when the company decentralizes the process of reporting data. However, if the company wants to centralize this process, then one instance of the component can be deployment at the company level.

## 7.4 Component Interaction

Cardinality → Reports: Other Components

Component Name	Cardinality
Organization Setup	N:1
Accounting Setup	N:1
Account Rule Definition	N:1
Customer	N:N
Credit Management	N:N
Customer Inquiry	N:1
Financial Calendar Closure	N:1
Customer Direct Invoice	N:N
Customer Prepayment Invoice	N:N
Customer Order Based Invoice	N:N
Customer Debit Credit Note	N:N
Customer Balance Transfer	N:N
Customer Payment	N:N
Customer Balance Adjustment	N:N
Sundry Receipts	N:N
Company Parameter Setup	1:1
Release Payment	N:N
Customer Receipt	N:N

## 7.5 Reports (Offline)

### 7.5.1 Customer Balance Adjustment

#### 7.5.1.1 Business Functionality

Customer balance adjustment is a business function where a credit documents like receipts, credit notes and prepayment invoices are adjusted against the debit documents like invoices and debit notes of a particular customer. The customer balance adjustment report lists all the adjustments made for a selected set of documents. This is a two-way analysis report, where the user can find the receipts matched against a selected list of invoices or the set of invoices settled for a selected receipt.

This report provides the following details:

- Transaction type
- The details of the document involved like: the document number, date and amount
- The amount to be adjusted and the amount due
- The reference document type and document number
- The adjustment voucher details
- The total amount due from the customer

### 7.5.1.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1.	Company Code	Yes	Represents the company for which the report is being generated.
2.	Business Unit	Yes	Represents the business unit for which the report is being generated. Defaulted with the business unit mapped to the login organization unit. However, this value can be changed.
3.	Finance Book	Yes	Represents the finance book for which the report is being generated.
4	Report Type	Yes	Represents the type of report.
5	Customer Code	No	Represents the customer code whose adjustment details are to be reported.
6	Voucher No	No	Represents the vouchers that have been created during adjustment of customer documents.
7	Receipt No	No	Represents the receipt numbers that have been created while receiving payments
8	Currency	Yes	Represents the currency in which the report is to be generated.
9	Date	No	The date range for which the report is to be generated.
10	Report ID	No	Represents whether report ID must be displayed in every page of the report.
11	Entry Point Page	No	Represents whether the entry point page must be displayed as the first page along with the report.

### 7.5.1.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.2 Customer Balance Ageing Analysis

### 7.5.2.1 Business Functionality

After making credit sales, every organization has to ensure prompt receipts from customers. However some customers may not be regular in settling dues. In such a case the organization will need an ageing tool to analyze overdue balances and classify the dues according to the age. Reminder letters are sent based on this report in order to speed up the collection process. In some extreme cases when the recovery is doubtful, provisions are made to write-off the dues. This report also provides customer-wise overdue balance ageing information for appropriate details. The report also provides the facility to include the value of overdue unprocessed transactions and the post dated receipt transactions for which the instrument date has not reached the system date. The report also facilitates inclusion/ exclusion of the effect of deposits in the report.

This report provides the following details:

- Customer details like customer code and customer group
- Currency in which the balance is displayed

A sub report can also be launched for each of the bucket range displayed in the report. The Sub report displays the details of all the transactions that are included in the selected bucket range. Based on the Currency Option selected for the main report, the sub report displays the outstanding amount of transactions in Transaction Currency, Base Currency or Parallel Base Currency.

### 7.5.2.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1.	Company Code	Yes	Represents the company for which the report is being generated.
2.	Finance Book	Yes	Represents the Finance Book for which the report is being generated. Defaulted with the value 'All'. However, this value can be changed.
3.	Customer Group	Yes	Represents the group under which the customer falls.
4.	Customer Code From	No	Represents the starting Customer Code in the range of customers whose balance ageing is to be reported.
5.	Customer Code To	No	Represents the ending Customer Code in the range of customers whose balance ageing is to be reported.
6.	Currency Option	Yes	Represents the Currency in which report needs to be generated. Report can be generated either in Transaction Currency, Base Currency or Parallel Base Currency.
7.	As on Date	Yes	Represents the date on which the customer balances are analyzed.
8	Bucket No From	Yes	Represents the starting bucket in the range of credit buckets to which the balance belongs if the Report Option is selected as Credit Management .

S No	Input Parameter	Mandatory	Usage
9	Bucket No To	Yes	Represents the ending bucket in the range of credit buckets to which the balance belongs if the Report Option is selected as Credit Management.
10	Report option	Yes	Represents the option for which the report is to be generated.
11	Include Post Dated Receipts	No	Check the box to include post dated receipt transactions in the ageing analysis report.
12	Include Deposits	Yes	Represents a specification of whether deposits must be included as part of Ageing Analysis.
13	Detailed	No	Check the box 'Detailed' to view the detailed ageing report.
14	Display Sales Person Wise	No	Represents whether the report can be extracted sales person wise or not.
15	Sales Person Code From	No	Represents the starting code in the range of Sales persons to which the balance belongs if the Display Sales Person wise is selected as Yes
16	Sales Person Code To	No	Represents the ending code in the range of Sales persons to which the balance belongs if the Display Sales Person wise is selected as Yes

### 7.5.2.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.3 Customer Credit Status

### 7.5.3.1 Business Functionality

This report lists the credit status and the credit rating of a particular Customer. The credit status can be either "Hold" or "No Hold" and the credit rating is as calculated by the credit check process. This rating is compared to the acceptable rate as defined in the credit management component in order to determine the credit status. Based on the credit status and credit rating of a particular customer, the company can decide whether to transact with the customer or not.

This report provides the following details:

- Customer details like customer code, name, customer group etc.
- Customer status
- Customer credit rating and ageing run date

### 7.5.3.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1.	Company Code	Yes	Represents the company for which the report is being generated.
2.	Business Unit	Yes	Represents the business unit for which the report is

S No	Input Parameter	Mandatory	Usage
			being generated. Defaulted with the business unit mapped to the login organization unit. However, this value can be changed.
4	Group Type	Yes	Represents the type of group to which the customer belongs.
5	Customer Group Code	Yes	Represents a range of customer groups whose credit status is to be viewed.
6	Entry Point Page	No	Represents whether the entry point page must be displayed as the first page along with the report.
7	Customer Code	No	Represents a range of customer codes whose credit status is to be viewed.
8	Status Type	Yes	Represents the status type of the customer.
9	Status	Yes	Represents the status of the customer.

### 7.5.3.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.4 Customer Statement

### 7.5.4.1 Business Functionality

This report, details the transaction between the customer and the company for a defined period, which is given to the customer on his request or sent at periodic intervals. Apart from the basic customer details, the report lists the various transactions such as the sales made and the receipts collected by the company. The transactions are listed date-wise. The mode (cash/bank etc.) by which the receipt is received and the instrument details (if applicable) are also provided as part of the report. The opening/closing balance due from the customer or to be paid to the customer is also displayed. Furthermore, information on any deposits or advances received from the customer is also reflected in the report. The facility to include overdue unprocessed transactions and post dated receipt transactions for which the instrument date has not reached the system date is also available. The report also facilitates inclusion/ exclusion of the effect of deposits in the report.

Based on the type of the report selected, following details are displayed:

- The details of the customer
- Document details
- The outstanding amount
- The due date
- The instrument details
- The opening balance and the balance due from the customer or due from the company to the customer
- The billing details
- Receipt details
- Advances, deposits and the unadjusted receipt amount details

### 7.5.4.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Finance Book	Yes	Represents the Finance Book whose statement of account is to be generated.
3	Customer Group	Yes	Represents a range of customer groups whose statement of account is to be generated.
4	Customer Code From	No	Represents the starting customer in the range of customer codes whose statement of account is to be generated.
5	Customer Code To		Represents the ending customer in the range of customer codes whose statement of account is to be generated.
6	Report Type	Yes	Represents the type of report, which can be either detail or summary.
7	Currency Option	Yes	Represents the currency in which the statement of account is to be generated.
8	As on Date		Represents the date on which the statement of account is to be generated.
9	Language	Yes	Represents the language in which the statement of account is to be generated.
10	Include Post Dated Receipts	No	Check the box to include post dated receipt transactions in the report.
11	Include Deposits	No	Represents a specification of whether deposits must be included as part of Ageing Analysis.
12	Display Sales Person Wise	No	Represents whether the report can be extracted sales person wise or not.
13	Sales Person Code From	No	Represents the starting code in the range of Sales persons to which the balance belongs if the Display Sales Person wise is selected as Yes
14	Sales Person Code To	No	Represents the ending code in the range of Sales persons to which the balance belongs if the Display Sales Person wise is selected as Yes

### 7.5.4.3 Report Layouts

Refer the Report Book for the Report Layout.

## 7.5.5 Customer Sub Ledger Balance

### 7.5.5.1 Business Functionality

This is an operational report usually required at the end of every financial period. This report can be generated customer-wise or account-wise. Based on the customer group, customer code, financial period or date range, a



report is generated with details such as, the opening balances, debit and credit postings during the period and the closing balance. The facility to include overdue unprocessed transactions and post dated receipt transactions for which the instrument date is greater than the system date is also available. This report also gives transaction-wise posting information in the transaction currency, base currency or parallel base currency of the company.

The report provides the following details:

- Customer details like the customer code and name
- Opening balance, period debit, period credit and closing balance

### 7.5.5.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1.	Company Code	Yes	Represents the company for which the report is being generated.
2.	Finance Book	Yes	Represents the finance book for which the report is being generated.
3	Currency Option	Yes	Represents the currency in which the ledger balances are to be viewed.
4	Customer Group	Yes	Represents a range of customer groups whose ledger balances are to be viewed.
5	Customer Code From	No	Represents the starting customer in the range of customer codes whose ledger balances are to be viewed.
6	Customer Code To	No	Represents the last customer in the range of customer codes whose ledger balances are to be viewed.
7	Date Option	Yes	Represents the duration for which the ledger balances are to be viewed.
8	Financial Year	Yes	Represents the financial year for which the ledger balances are to be viewed.
9	Financial Period	Yes	Represents the financial period for which the ledger balances are to be viewed.
10	Calendar Year	Yes	Represents the calendar year for which the ledger balances are to be viewed.
11	Month	Yes	Represents the month for which the ledger balances are to be viewed.
12	Report Type	Yes	Represents the type of report, which can be either detail or summary.
13	Date From	No	Represents the starting date in the range for which the ledger balances are to be viewed.
14	Date To	No	Represents the ending date in the range for which the ledger balances are to be viewed.
15	Reporting Basis	Yes	Represents the specification of whether the ledger balances report must be generated based on

S No	Input Parameter	Mandatory	Usage
			Accounts or Customers.
16	Control Account Type	Yes	Represents the control account type to which the account belongs.
17	Include Post Dated Receipts	No	Check the box to include post dated receipt transactions in the report.
18	Display Narration	No	Represents the Multiline Remarks, Header Remarks, Both the Remarks or Remarks not to be displayed in the report.

### 7.5.5.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.6 Print Invoice

### 7.5.6.1 Business Functionality

This is a bulk printing facility for all types of invoice. Based on the selection criteria opted by the user, the invoice documents are printed in the report along with the company logo and invoice status.

This report provides the following details:

- Invoice details like the invoice number, date and invoice amount
- Reference document details (if any)
- Details of the customer for whom the invoice has been raised

### 7.5.6.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Business Unit	Yes	Represents the business unit for which the report is being generated. Defaulted with the business unit mapped to the login organization unit. However, this value can be changed.
3	Organization Unit	Yes	Represents the OU for which the report is being generated.
4	Invoice Type	Yes	Represents the type of invoice whose details is to be displayed.
5	Finance Book	Yes	Represents the finance book for which the report is being generated.
6	Status	Yes	Represents the status of the invoice.

S No	Input Parameter	Mandatory	Usage
7	Bill to Customer	Yes	Represents a range of bill to customer whose invoice details is to be viewed.
8	Customer	No	Represents a range of customer whose invoice details is to be viewed.
9	Invoice No	No	Represents a range of invoices whose details are to be viewed.
10	Currency	Yes	Represents the currency in which the invoice details are to be viewed.
11	Invoice Date	No	Represents the duration in which invoices for customers raised.
12	Invoice Category	Yes	Represents the category of invoice whose details is to be viewed.
13	Sale Order	No	Represents a range of sale orders based on which invoices were created.
14	Shipping Point	Yes	Represents the OU to which the goods were shipped.
15	Invoice Amount	No	Represents a range of invoice amounts based on which invoice details are to be viewed.
16	Entry Point Page	No	Represents whether the entry point page must be displayed as the first page along with the report.

### 7.5.6.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.7 Print Note

### 7.5.7.1 Business Functionality

This is a bulk printing facility for debit / credit notes. Based on the selection criteria opted by the user, the debit / credit documents are printed in the report along with the company logo and note status.

This report provides the following details:

- Note details like the note number, date and amount
- Details of the customer for whom the note has been raised

### 7.5.7.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Business Unit	Yes	Represents the business unit for which the report is being generated. Defaulted with the business unit mapped to the login organization unit. However, this value can be changed.
3	Organization Unit	Yes	Represents the OU for which the report is being

S No	Input Parameter	Mandatory	Usage
			generated.
4	Print Note Type	Yes	Represents the type of note whose details is to be displayed.
5	Finance Book	Yes	Represents the finance book for which the report is being generated.
6	Note No	No	Represents a range of notes for which the report is being generated.
7	Status	Yes	Represents the status of the note.
8	Note Date	No	Represents the duration in which notes for customers were raised.
9	Currency	Yes	Represents the currency in which the note details are to be viewed.
10	Note Amount	No	Represents a range of note amounts based on which invoice details are to be viewed.
11	Customer Name	No	Represents the customer for whom the note has been raised.
12	Customer Code	No	Represents a range of customers whose note details are to be viewed.
13	Entry Point Page	No	Represents whether the entry point page must be displayed as the first page along with the report.

### 7.5.7.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.8 Print Receipts

### 7.5.8.1 Business Functionality

This is a bulk printing facility for receipt vouchers. Based on the selection criteria opted by the user, the receipt documents are printed in the report along with the company logo and receipt status.

This report provides the following details:

- Receipt details like the receipt number, date and amount
- Details of the customer for whom the note has been raised

### 7.5.8.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Business Unit	Yes	Represents the business unit for which the report is being generated. Defaulted with the business unit mapped to the login organization unit. However, this value can be changed.

S No	Input Parameter	Mandatory	Usage
3	Receipt Type	Yes	Represents the type of Receipt for which the report is being generated.
4	Created At	Yes	Represents the OU at which the receipt is created.
5	Receipt Route	Yes	Represents the method in which the payment is received.
6	Receipt Mode	Yes	Represents the mode in which the payment is received.
7	Bank/Cash Code	Yes	Represents the bank / cash code in which the payment is received.
8	Customer Code	No	Represents a range of customers whose note details are to be viewed.
9	Currency	Yes	Represents the currency in which the receipt details are to be viewed.
10	Receipt No	No	Represents a range of receipts whose details are to be viewed.
11	Finance Book	No	Represents the finance book for which the report is being generated.
12	Receipt Amount	No	Represents a range of amounts for which receipts are raised.
13	User ID	No	Represents the login ID of the user created the receipt.
14	Receipt Date	No	Represents the duration in which receipts for customers were raised.
15	Document Status	No	Represents the status of the document received.
16	Instrument Status	No	Represents the status of the instrument received.
17	Entry Point Page	No	Represents whether the entry point page must be displayed as the first page along with the report.

### 7.5.8.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.9 Print Vouchers

### 7.5.9.1 Business Functionality

This is a bulk printing facility for customer payment vouchers. Based on the selection criteria opted by the user, the payment voucher documents are printed in the report along with the company logo and voucher status.

This report provides the following details:

- Voucher details like the receipt number, date and amount.
- Details of the customer for whom the voucher has been raised.

### 7.5.9.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Business Unit	Yes	Represents the business unit for which the report is being generated. Defaulted with the business unit mapped to the login organization unit. However, this value can be changed.
3	Created At	Yes	Represents the OU at which the voucher is created.
4	Voucher Type	Yes	Represents the Type of voucher for which the report is to be generated
5	Customer Name	Yes	Represents the name of the customer for whom the voucher has been raised.
6	Finance Book	Yes	Represents the finance book for which the report is being generated.
7	Status	Yes	Represents the status of the voucher.
8	Customer Code	No	Represents a range of customers whose note details are to be viewed.
9	Payment Route	Yes	Represents the method by which payment is made.
10	Voucher No	No	Represents a range of vouchers whose details are to be viewed.
11	Pay Mode	Yes	Represents the mode of payment.
12	Voucher Date	No	Represents the duration in which vouchers for customers were raised.
13	Currency	Yes	Represents the currency in which the vouchers are to be viewed.
14	Voucher Amount	No	Represents a range of amounts for which vouchers are raised.
15	Entry Point Page	No	Represents whether the entry point page must be displayed as the first page along with the report.
16	Request Date	No	Represents the duration in which the payment requests were made.
17	User ID	No	Represents the login ID of the user created the voucher.

### 7.5.9.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.10 Customer Early Payment Report

### 7.5.10.1 Business Functionality

An organization may provide its discounts to its customers, if dues are settled within the due dates specified. In some cases the company may also give their customers a reduced discount based on the agreement between them. This report lists the details of the full discount and partial discount availed by the customers with the corresponding due dates, discount date and discount amount. This report is used to ensure that correct discounts are given to the customers. This report can be generated for a period of time, which could be a financial year or a date range.

This report provides the following details:

- Transaction type
- Document number and finance book
- The due date and the due amount
- The discount date and the discount amount
- The currency in which the report is displayed (Base, Transaction or Parallel Base Currency)

#### 7.5.10.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Business Unit	Yes	Represents the business unit for which the report is being generated. Defaulted with the business unit mapped to the login organization unit. However, this value can be changed.
3	Created At	Yes	Represents the OU at which the customer documents were created.
4	Customer Code	No	Represents a range of customers whose note details are to be viewed.
5	Order Based Invoice	No	Represents whether order based invoices must be included in the report.
6	Direct Invoice	No	Represents whether direct invoices must be included in the report.
7	Debit Credit Note	No	Represents whether debit credit must be included in the report.
8	Prepayment Invoice	No	Represents whether order based invoices must be included in the report.
9	All	No	Represents whether all kinds of invoices must be included in the report.
10	Entry Point Page	No	Represents whether the entry point page must be displayed as the first page along with the report.
11	Date Option	Yes	Represents the duration for which the early payment report is to be viewed.

S No	Input Parameter	Mandatory	Usage
12	Financial Year	Yes	Represents the financial year for which the early payment report is to be viewed.
13	Financial Period	Yes	Represents the financial period for which the early payment report is to be viewed.
14	Date	No	Represents a date range for which the early payment report is to be viewed.
15	Currency	Yes	Represents the currency in which the early payment report is to be viewed.

### 7.5.10.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.11 Customer Balance Revaluation

### 7.5.11.1 Business Functionality

When multinational customers settle their dues in foreign currency, the risk of base currency of the company getting depreciated or appreciated with respect to the settlement currency is high. In such cases the company will prefer to revalue their balance due from customers on a periodic basis to reflect the impact of the changes in the income statement. However, prior to actually affecting the financial statements with the revaluation, a simulation process is considered prudent to judge the impact of the revaluation. This report caters to this need. Thus, an organization can revalue the balances due as on a date for all or selected accounts from a single or multiple customers. This report lists out the revalued amount both in the base currency as well as the parallel base currency of the company. In addition to these details, the simulated exchange gain/loss is also reported.

This report provides the following details:

- Account details like account code, description, account currency and exchange rate
- Balances in account currency and base currency
- Revalued balance in base currency and exchange gain / loss
- Totals: Total revalued balance in account currency, Total revalued balance in base currency and Total exchange gain / loss in base currency

### 7.5.11.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Finance Book	Yes	Represents the finance book for which the report is being generated.
3	Simulated Date	No	Represents the date on which the customer balances were revalued.
4	Customer Group Code	Yes	Represents the customer group whose balances were revalued.
5	Currency	Yes	Represents the currency in which the revalued customer balances must be displayed.



S No	Input Parameter	Mandatory	Usage
6	Entry Point Page	No	Represents whether the entry point page must be displayed as the first page along with the report.
7	Financial Year	Yes	Represents the financial year for which the early payment report is to be viewed.
8	Financial Period	Yes	Represents the financial period for which the early payment report is to be viewed.
9	Account Code	No	Represents a range of account codes based on which the revalued balances are displayed.

### 7.5.11.3 Report Layout in Base Currency

Refer the Report Book for the Report Layout.

## 7.5.12 Sales Realization Forecast

### 7.5.12.1 Business Functionality

This is a simulation report that lists out the expected dates by which the realization of amounts against credit sales made by the company can be done. Every sale made by the company will have a pay term attached to it detailing the various due dates on or before which the payment has to be made by the customer. Based on the due dates, this report generates the realization forecast for the sales made. So an organization can budget their future cash flows depending on the assumed realization date. This report also provides currency-wise information.

The report provides the following details:

- The financial period in which revaluation has been done
- The revalued balances in transaction currency, base currency and the parallel base currency of the company

### 7.5.12.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Business Unit	Yes	Represents the business unit for which the report is being generated. Defaulted with the business unit mapped to the login organization unit. However, this value can be changed.
3	Group Type	Yes	Represents the type of group to which the customer belongs.
4	Customer Group Code	Yes	Represents a range of customer groups whose sales realization forecast report is to be generated.

S No	Input Parameter	Mandatory	Usage
5	Billing Point	Yes	Represents a range of OUs from which invoices were generated for the customers.
6	Customer Code	No	Represents a range of customer codes whose sales realization forecast report is to be generated.
7	As on Date	No	Represents the date on which the sales realization forecast report is to be generated.
8	Document Type	No	Represents a range of documents that have been generated for the customer.
9	Currency	Yes	Represents the currency in which the sales realization forecast report is to be generated.
10	Date	No	Represents a date range for which the sales realization forecast report is to be generated.
11	Entry Point Page	No	Represents whether the entry point page must be displayed as the first page along with the report.
12	Report ID	No	Represents whether report ID must be displayed in every page of the report.

### 7.5.12.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.13 Sales Journal

### 7.5.13.1 Business Functionality

This is an operational report detailing the sales made by a company for a defined period. In some countries this report is essential for tracking the various duties and taxes to be paid to the government. To do so, the organization can list all the sales made in transaction currency, base currency and the parallel base currency with the corresponding reference document viz. sale order, packslip etc. This report can be grouped based on the products sold or customers.

This report provides the following details:

- Transaction type
- Details of the documents based on which the sale has been done
- Items sold and TCD pertaining to the items
- The corresponding PO and GR details

### 7.5.13.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Business Unit	Yes	Represents the business unit for which the report is being generated. Defaulted with the business unit mapped to the login organization unit. However, this

S No	Input Parameter	Mandatory	Usage
			value can be changed.
3	Finance Book	Yes	Represents the finance book for which the report is being generated.
4	Customer Group	Yes	Represents the customer group for which the sales journal report is to be generated.
5	Customer Code	No	Represents a range of customer codes whose sales journal report is to be generated.
6	Currency Option	Yes	Represents the type of currency in which the sales journal report is to be generated.
7	Currency	Yes	Represents the currency in which the sales journal report is to be generated.
8	Transaction Type	Yes	Represents the transaction type based on which the sales journal report is being generated.
9	Sort By	Yes	Represents the parameter based on which the report contents will be arranged.
10	Item Code	No	Represents the item for which sales journal report is being generated.
11	Item Description	No	Represents the description pertaining to the item for which sales journal report is being generated.
12	Date	No	Represents a date range for which the sales journal report is to be generated.
13	Entry Point Page	No	Represents whether the entry point page must be displayed as the first page along with the report.
14	Due Date	No	Represents a range of due dates for which the sales journal report is to be generated.

### 7.5.13.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.14 Customer Transaction List

### 7.5.14.1 Business Functionality

In a business scenario the company may want to list out the transactions with a customer in a particular time frame, say in a year or a period. The transactions may be invoicing, credit notes, debit notes, receipts etc. This report satisfies the above business need by listing out the various transactions executed between the customer and the company. The user also has the option of retrieving details on a particular transaction, of a certain status, in a particular currency and within a specific timeframe.

This report provides the following details:

- Details of the customer
- Details of the document pertaining to the transaction
- Description of the account to which the amounts are posted

- Amounts in transaction currency, base currency as well as the parallel base currency of the company

#### 7.5.14.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Business Unit	Yes	Represents the business unit for which the report is being generated. Defaulted with the business unit mapped to the login organization unit. However, this value can be changed.
3	Finance Book	Yes	Represents the finance book for which the report is being generated.
4	Customer Group	Yes	Represents the customer group for which the transaction list is to be generated.
5	Customer Code	No	Represents a range of customer codes whose transaction list is to be generated.
6	Currency Option	Yes	Represents the type of currency in which the customer transaction list report is to be generated.
7	Currency	Yes	Represents the currency in which the sales journal report is to be generated.
8	Transaction Type	Yes	Represents the Transaction Type based on which the report contents will be Generated.
9	Date Option	Yes	Represents the duration for which the customer transaction list is to be viewed.
10	Financial Year	Yes	Represents the financial year for which the customer transaction list is to be viewed.
11	Financial Period	Yes	Represents the financial period for which the customer transaction list is to be viewed.
12	Calendar Year	Yes	Represents the calendar year for which the customer transaction list is to be viewed.
13	Month	Yes	Represents the month for which the customer transaction list is to be viewed.
14	Transaction Type	Yes	Represents the transaction type based on which the transaction list is being generated.
11	Date	No	Represents a date range for which the transaction list is to be generated.
12	Entry Point Page	No	Represents whether the entry point page must be displayed as the first page along with the report.
13	Due Date	No	Represents a range of due dates for which the transaction list is to be generated.
14	Created At	Yes	Represents the OU at which the transaction took place.

### 7.5.14.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.15 Dunning Report

### 7.5.15.1 Business Functionality

Dunning is the process of methodically communicating with customers to ensure the collection of accounts receivable, which has been automated in the Ramco ERP Suite Enterprise Edition system. Dunning procedure is a part of the Credit Management component, where each customer is set with a defined dunning procedure and dunning charges, depending on the number of overdue days. This report is used to list out the dunning details viz. document details, currency, dunning charges for a particular customer.

This report provides the following details:

- The dunning level
- The currency and the document details pertaining to the transaction
- Dunning date and charges
- Customer details like customer code and name

### 7.5.15.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Business Unit	Yes	Represents the business unit for which the report is being generated. Defaulted with the business unit mapped to the login organization unit. However, this value can be changed.
3	Finance Book	Yes	Represents the finance book for which the report is being generated.
4	Customer Group	Yes	Represents a range of customer groups for which dunning letters are to be generated.
5	Customer Code	No	Represents a range of customer codes whose dunning letters is to be generated.
6	Currency	Yes	Represents the currency in which the sales journal report is to be generated.
7	Dunning Date	No	Represents the duration for which dunning letters are to be generated.
8	Document No	No	Represents a range of documents based on which dunning letters are to be generated.
9	Due Date	No	Represents a range of due dates for which dunning letters must be generated.
10	Dun Level	No	Represents the level at which dunning letters must be generated.
11	Entry Point Page	No	Represents whether the entry point page must be

S No	Input Parameter	Mandatory	Usage
			displayed as the first page along with the report.

### 7.5.15.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.16 Held Documents

### 7.5.16.1 Business Functionality

The invoice documents, debit notes, transfer notes or receipts can be held from the adjustment process for a valid reason. The objective behind this is to stop the future receipts from adjustment against the document held. This report is used to list out the documents, which are in "Held" status for a defined period, invoice category, finance book and for a specific customer code. This report also lists out the reasons due to which the document is held.

This report provides the following details:

- Document details like: document type, number, date and amount
- The customer for whom the document was raised
- Last modified user and date
- Remarks and reason for putting the document on hold

### 7.5.16.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Business Unit	Yes	Represents the business unit for which the report is being generated. Defaulted with the business unit mapped to the login organization unit. However, this value can be changed.
3	Organization Unit	Yes	Represents the OU for which the report is being generated.
4	Document Type	Yes	Represents the type of document based on which held documents are retrieved.
5	Finance Book	Yes	Represents the finance book for which the report is being generated.
6	Invoice Category	Yes	Represents the category of invoice based on which held documents are retrieved.
7	Customer Code	No	Represents a range of customer codes whose held documents must be retrieved.
8	Currency	Yes	Represents the currency in which the held documents report is to be generated.
9	Document No	No	Represents a range of documents based on which held documents report is to be generated.

S No	Input Parameter	Mandatory	Usage
10	Reason Code	Yes	Represents the reason codes that have been set for putting documents on hold.
11	Document Date	No	Represents a range of document dates for which held documents report is to be generated.
12	Entry Point Page	No	Represents whether the entry point page must be displayed as the first page along with the report.
13	Document Amount	No	Represents a range of document amounts for which held documents report is to be generated.

### 7.5.16.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.17 Unmatured LC Receivables

### 7.5.17.1 Business Functionality

This report generates the details of transactions with LC details for which LC has not expired and the payment has not been received. The user can select the criteria for which the report can be generated. You can select the Company and Finance Book for which you want to generate the report. The range of LC number for which the report can be generated can also be mentioned. The system retrieves the transactions based on the search criteria entered.

### 7.5.17.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Organization Unit	Yes	Represents the OU for which the report is being generated.
3	Finance Book	Yes	Represents the finance book for which the report is being generated.
4	LC Number From	No	The starting number in the range of Letter of Credit Number for which the report is being generated
5	LC Number To	No	The ending number in the range of Letter of Credit Number for which the report is being generated
6	Currency	Yes	Represents the currency of the transactions for which the report is being generated
7	Customer Code From		The starting Code in the range of Customer Codes for which the report is being generated
8	Customer Code To	Yes	The ending Code in the range of Customer Codes for which the report is being generated

### 7.5.17.3 Report Layout

Refer the Report Book for the Report Layout.

## 7.5.18 Outward Freight Tracking Report

### 7.5.18.1 Business Functionality

This report facilitate the user to extract reports for the freight Tracking. This Report helps the user to track the outward freight amount recorded in the Customer invoices, and tracking the same.

### 7.5.18.2 Input Parameters

S No	Input Parameter	Mandatory	Usage
1	Company Code	Yes	Represents the company for which the report is being generated.
2	Finance Book	Yes	Represents the finance book for which the report is being generated.
3	Report Type	Yes	Represents the type of report, which can be either detail or summary.
4	Customer Group	Yes	Represents the group under which the customer falls.
5	Customer Code From	No	The starting Code in the range of Customer Codes for which the report is being generated
6	Customer Code To	No	The ending Code in the range of Customer Codes for which the report is being generated
7	Financial Year	Yes	Represents the financial year for which the report is to be viewed.
8	Date From	No	Represents a the starting date in the range for which the ledger balances are to be viewed.
9	Date To	No	Represents the ending date in the range for which the ledger balances are to be viewed.
10	Currency Option	Yes	Represents the Currency in which report needs to be generated. Report can be generated either in Base Currency or Parallel Base Currency.
11	Transaction Type	Yes	Represents the transactions type for which the report can be extracted

### 7.5.18.3 Report Layout

Refer the Report Book for the Report Layout.

## 8 Workspace

### 8.1 Receivables Workspace

This is a workspace where all receivable processing can be done in a single space. Workspace generally list the transactions in three broad headings viz., Liability, collection, adjustments.

#### 8.1.1 Liability

Under Liability all the invoices, debit credit notes in different statuses would be displayed for further processing. Liability tab further subdivided into



- Order Based Invoice
- Order Based Prepayment
- Packslip
- Direct
- Debit Note
- Credit Note

#### 8.1.1.1 Order Based Invoice

All the Order Based Invoice would be displayed in three different heads.

##### Pending Authorization

- Customer Order based Invoices with "Draft", "Fresh" and "Returned" statuses displayed under pending authorization.

##### Held

- Customer Order based Invoices which are in "Held" and "Partly held" statuses are displayed.

##### Pending Creation

- Packslip in shipped status, Dropship Receipt in Authorized status, would be displayed.
- Link at the document no. can be taken for further processing of the documents.

#### 8.1.1.2 Order Based Prepayment

- Order Based prepayment Invoice would be displayed in three different heads.

##### Pending Authorization

- Customer Order based prepayment Invoices with "Draft", "Fresh" and "Returned" statuses are displayed.

##### Held

- Customer Order based prepayment Invoices which are in "Held" and "Partly held" statuses are displayed.

##### Pending Creation

- Sale Order in Authorized status with advance specified for the same.
- Link at the document no. can be taken for further processing of the documents.

#### 8.1.1.3 Packslip

Packslip Invoice would be displayed in three different heads.

##### Pending Authorization

- Packslip Invoices with "Draft", "Fresh" and "Returned" statuses are displayed.

##### Held

- Packslip Invoices which are in "Held" and "Partly held" status are displayed.

##### Pending Creation

- Direct Packslip in shipped status are displayed.

Link at the document no. can be taken for further processing of the documents.

#### 8.1.1.4 Direct

Direct and Miscellaneous Invoice are displayed in three different heads.

##### Pending Authorization

- Direct and Miscellaneous Invoices with "Draft", "Fresh" and "Returned" statuses are displayed.

##### Held

- Direct and Miscellaneous Invoices which are in "Held" and "Partly held" status are displayed.

Link at the document no. can be taken for further processing of the documents.

#### 8.1.1.5 Debit Note

All Account Based and Item Based Debit Note are displayed in two different heads.

##### Pending Authorization

- Debit Note with "Draft", "Fresh" and "Returned" statuses is displayed.

##### Held

- Debit Note which is in "Held" and "Partly held" statuses are displayed.

Link at the document no. can be taken for further processing of the documents.

#### 8.1.1.6 Credit Note

All Account Based and Item Based Credit Note are displayed in two different heads.

##### Pending Authorization

- Credit Note with "Draft", "Fresh" and "Returned" statuses is displayed.

##### Held

- Credit Note which is in "Held" and "Partly held" statuses are displayed.

Link at the document no. can be taken for further processing of the documents.

### 8.1.2 Collection

Under Collection, All authorized invoices, which are due for collection would be displayed, Collection tab further subdivided into

- Outstanding
- Receipts
- Pay in Slip

#### 8.1.2.1 Outstanding

All the Order Based Invoice, Prepayment Invoice, Direct Invoice, Packer Invoice, Miscellaneous Invoice, Account Based Debit Note and Item debit note would be displayed in three different heads.

##### Overdue

- All the above documents which are overdue for collection as on the given date are displayed.

##### Current

- All the above documents which are due for collection as on the given date are displayed.

**Due within a week**

- All the above documents which are due for collection within a week from given date are displayed.

**8.1.2.2 Receipts**

All the Customer Receipts which are pending for further processing displayed in two heads

**Pending Authorization**

- All the Receipt in Fresh, Returned, and Draft Statuses are displayed.

**Pending Reversal**

- All the Receipts with status as "To be reversed" are displayed.

**8.1.2.3 Pay in Slip**

- Pay-in-Slips created in Fresh status and is yet to be deposited in to the Bank are displayed.

**8.1.3 Adjustment**

Under Liability all the invoices, debit credit notes which are pending for adjustment and adjustment vouchers which are pending for further processing would be displayed.

- Adjustment Vouchers
- Prepayment Invoices
- Regular Invoices
- Receipts
- Debit Notes
- Credit Notes

**8.1.3.1 Adjustment Vouchers**

All the adjustment vouchers would be displayed under

**Pending Authorization**

- Single / multi currency adjustment Vouchers with "Draft", "Fresh" and "Returned" statuses displayed under pending authorization.
- Link at the document no. can be taken for further processing of the documents.

**8.1.3.2 Prepayment Invoices**

Order Based prepayment Invoice would be displayed under

**Authorized**

- Customer Order based prepayment Invoices with "Authorized" and "Partly adjusted" statuses are displayed.

**8.1.3.3 Regular Invoices**

Customer Order based, Direct, Packslip and Miscellaneous Invoice would be displayed

**Authorized**

- All the above Invoices with "Authorized" and "Partly adjusted" statuses are displayed.

#### 8.1.3.4 Receipts

##### Authorized

- All the Customer Receipts with "Authorized" and "Partly adjusted" statuses are displayed.

#### 8.1.3.5 Debit Note

##### Authorized

- All the Account / Item based Debit with "Authorized" and "Partly adjusted" statuses are displayed.

#### 8.1.3.6 Credit Note

##### Authorized

- All the Account / Item based Credit with "Authorized" and "Partly adjusted" statuses are displayed.

## 8.2 Post Dated Receipts Workspace

This is a workspace where all Post Dated Receipts transactions (which are unprocessed) such as Customer Receipt, Supplier Receipt, Sundry Receipt and IMS Customer Receipts transactions are displayed.

### 8.2.1 PDC Details

First Tab PDC details, displays the Value of Postdated receipts in a graph. The graph can be viewed for options like, Days, Date, Weekly, Fortnightly, Monthly, Quarterly, Half yearly and yearly.

Values for the search criteria displayed above the bar chart and when the bar chart is drilled down to the detailed listing of various receipts.

### 8.2.2 Deposit Planner

A separate tab for deposit planner where in the No. of. Checks which are due for processing, overdue and not yet due details are displayed for each month day wise, in different colour. Provision to process those postdated receipts from the workspace is also available.

## 9 Mobile

### 9.1 Mobile Customer Receipts

The purpose of this component is to record the receipts from customers through Mobile / Ipad. All information pertaining to a receipt like: the purpose, the mode, instrument information, reference documents are recorded as part of this document. The relevant financial postings subsequent to a recorded receipt are also made herein.

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