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Global Solutions: Germany

Globale Lösungen: Deutschland

JDEdwards®

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Welcome

About this Guide

This guide is a country-specific supplement to J.D. Edwards software documentation. The purpose of this guide is to:

- Describe the special considerations and statutory requirements that you need to know about when you do business in a specific country

- Explain how J.D. Edwards software accommodates those special considerations and statutory requirements

Before using this guide, you should have a fundamental understanding of the J.D. Edwards systems that your company uses, user defined codes, and category codes. You should also know how to:

- Use the menus

- Enter information in fields

- Add, change, and delete information

- Create and run report versions

- Access online documentation

Audience

This guide is intended primarily for the following audiences:

- Users

- Client Services personnel

- Consultants and implementation team members

Organization

This guide is divided into overviews and sections. Overviews contain the general information that you need to understand how J.D. Edwards software is designed to work in specific countries and the business environment for a specific country. Sections contain chapters for each task or group of related tasks. Each chapter contains the information that you need to accomplish the task, run the program, or print the report. Chapters typically include an overview, form or report samples, and procedures.

When it is appropriate, chapters also might explain automatic accounting instructions, processing options, and warnings or error situations.

This guide has a detailed table of contents and an index to help you locate information quickly.

Conventions Used in this Guide

The following terms have specific meanings when used in this guide:

- *Form* refers to a screen or a window.
- *Table* generally means "file."

We assume an "implied completion" at the end of a series of steps. That is, to complete the procedure described in the series of steps, either press Enter or click OK, except where noted.

Table of Contents

Appendices

Glossary

Index

Localization Overview

Localization is the process of enhancing J.D. Edwards software to meet specific legal business requirements and common business practices within selected industries and markets. The primary focus of the localization effort is to enable J.D. Edwards and business partners to remain competitive within strategic industries and currently targeted markets.

See Also

- *International Product Handbook* for more information about the J.D. Edwards localization solutions

Defining the Scope of Localization

To manage the scope of the localization effort, J.D. Edwards has formulated specific guidelines to determine which statutory requirements and common business practices to address. The major localization categories are defined as follows:

Fiscal requirements

Localization for fiscal requirements includes:

- Reports, such as ledgers, journals, trial balances, financial statements, and other reports that you cannot generate with the use of standard DREAM Writer, FASTR, or World Writer report tools. Reporting requirements across multiple countries are consolidated into acceptable formats for multiple countries to limit the scope of this category.
- Additional validation of dates, accounts, tax identification numbers, and document number sequences.
- Legal document number assignment for countries that use prenumbered documents or require a legal document number in addition to the J.D. Edwards assigned document number.
- Legal report formats, when a specific format is required for a country or the standard J.D. Edwards format does not provide all of the required information.

Banking requirements   Localization for banking requirements includes:

- Bank information validation verify bank account numbers
- Payment term assignment
- Payment and receipt document formats and media

Tax requirements   Localization for tax requirements includes:

- Validation of tax identification numbers, often using prescribed algorithms
- Additional tables to collect information for tax calculation and reporting
- Special tax calculation routines for withholding, sales, and other country-specific taxes

Many other types of enhancements might be considered localizations, but are not in the scope of J.D. Edwards localization. Enhancements that are outside the scope of localization are addressed by the corporate development group or by custom programming groups for specific areas. Specifically, the localization effort is *not* responsible for enhancements in the following categories:

Industry-specific requirements   Changes to the software to meet industry-specific requirements are not considered localizations. For example, a complete software solution for a specific industry would not be included in the scope of localization.

Client-specific enhancements   Client-specific enhancements are not considered localizations. J.D. Edwards analyzes all enhancement requests to determine whether the request is common to many clients or whether it is a custom request that will always remain specific to a single client.

Base software enhancements   Base software enhancements are not localizations. Enhancement requests that involve the base software are entered in the software action request (SAR) system and addressed by corporate development at regular intervals.

Business in Germany

About Business in Germany

Germany is a member of the European Union (EU). With the advent of the single European market in 1993, the movement of goods between member countries of the European Union are no longer considered imports and exports. Goods exchanged between intra-union members are not subject to any form of border controls.

In addition to laws and regulations relating to specific types of businesses, the main sources of influence on the business environment in Germany include:

- German Commercial Code (*Handelsgesetz*)
- Cooperatives Act (*Genossenschaftsgestz*)

Accounting and Inflation

Germany experienced two serious periods of inflation; one after each world war. During these periods, the usefulness and relevance of financial data based on historical cost accounting were questionable.

Laws required all businesses to restate accounting data for financial and tax purposes. From a valuation point of view, all German businesses had a fresh start in 1948. Balance sheet continuity was affected only in that the law required all balance sheet items appearing on preceding balance sheets be shown on a new balance sheet. The underlying purpose of the law was to restate all assets at amounts approximating current replacement cost.

Trade Conventions

In Germany, goods are classified for customs duty under the definitions of the Harmonized System and Integrated Customs Tariff of the European Union (TARIC). Principles of valuation match the internationally recognized customs code.

Typically, the supplier's invoice is the basis for assessing duties on goods. This basis is subject to amendment either in response to subsequent price adjustments, or because of other charges and credits raised separately or otherwise borne by the importer that directly affect the imported value of the goods.

German import turnover tax (EUSt) is levied on imports at the appropriate VAT rate. The tax is levied on the border in the course of customs clearance and is paid by the importer in the same way as customs duties. The EUSt can be recovered in the importer's own VAT return. Entitlement to the refund is dependent on the importer's retaining the original receipt stamped by the customs authorities. There are no free-trade zones in Germany.

Intercompany Transactions and Consolidations

Intercompany transactions are usually subject to careful scrutiny by financial auditors. All intercompany transactions are acceptable provided that the business conducts them based on terms that would be agreed upon by unrelated parties. This standard applies both in respect of the price and quality relationship of the goods and services delivered and whether they are beneficial to the German subsidiary specifically, as opposed to the organization as a whole.

Consolidations include foreign as well as domestic subsidiaries. The equity method is mandatory for associated undertakings, although proportional consolidation is permitted for joint ventures. Subgroups of European Union-member parents are, under certain conditions, exempt from preparing consolidated accounts.

Fiscal Requirements

German accounting is typically conservative. The impact of the tax law typically determines accounting for individual company financial statements.

Historical cost and the principle of prudence form the basis of accounting methodology in Germany. In addition, as part of the EU, Germany's enforcement of accounting rules in connection with the EU, such as the exact coincidence of debit and credits, are stringent.

German fiscal requirements affect fundamental business practices as follows:

- Ledgers and journals
- Financial statements
- Computer-based systems
- Valuation of assets
- Depreciation
- European common currency

Ledgers and Journals

In Germany, businesses are required to use an accounting system that facilitates the application of tax laws and the auditing of financial statements. The most commonly used ledger is the Trial Balance by Company (*Summen–und Saldenliste*). The most commonly used journal is the General Journal by Account (*Kontenblaetter*).

Business must maintain accessible archives of all journals for ten years and report all ledgers and journals to auditors on demand. Accounting records must represent the following information:

- Supplies and services, separated into taxable and tax-exempt transactions
- Taxable transactions recorded separately when different tax rates are applied
- Payments made or received in advance
- If the business is entitled to only partial input tax deduction, the verification of the allocation method
- Basis for the assessment of tax on imports as well as the amount of import tax
- Basis for the assessment of tax on intra-union acquisitions and the related tax amount

All accounting records are to be written up promptly and accurately in Deutsch marks. Converted foreign currency balances must include a memorandum to record the original amount. All entries must be supported by a voucher.

Financial Statements

In Germany, the main sources of authoritative regulation on financial reporting include:

- Commercial law
- Tax law and rules
- Accounting practice
- Accounting professionals

The financial statements for all businesses that exceed a turnover of DM 8,000,000 or have more than 50 employees must be audited on a yearly basis. All banking and insurance businesses are subject to annual audits regardless of size. Other businesses are subject to audit by the financial authorities every four or five years. Consequently, it is common practice for businesses in Germany to perform an annual audit to be prepared for the potential inquiries by the financial authorities.

Financial statements are presented with assets on the left and liabilities on the right, and are ordered by increasing liquidity. Liabilities are divided into two categories:

- Those that are due in four years or more
- Those that are due within less than four years

All financial statements are open for public inspection. Businesses are required to file financial statements with the trade registry where the business is based. In addition, all financial statements, with the exception of the minutes and the list of shareholders, must be published in the Federal Gazette (*Bundesanzeiger*).

Businesses submit the following financial statements to the trade registry for public review:

- Balance sheet
- Profit and loss account
- Notes to financial statements
- Management report – a narrative that accompanies the financial statements
- Auditors' opinion – a narrative from an impartial auditing party submitted to ensure that the management report does not contain misleading statements or information
- Report of the supervisory board
- Proposed resolution on the net profit appropriations
- Resolution on net profit appropriates
- Minutes of general meeting (public companies only)
- List of shareholders (private companies only)

The income statement can be reported in the "type of cost" or "cost of sales" format.

The most commonly used statements are the Profit and Loss by Company (*Gewinn- und Verlustrechnung*) and the Balance Sheet (*Bilanz*). Businesses must maintain accessible archives of profit and loss statements for ten years.

Computer-Based Systems

In 1990, the European Union filed guideline 90/270/EWG for the evaluation of computer-based systems. The guideline supports the development of pan-European laws regarding the design of software from an ergonomic point of view. The initial plan was to require software certification to protect the user from exposure to non-ergonomic software systems.

Although the actual certification is still in the planning stages, the scope of the certification will require that the software include the following characteristics and features:

User-friendly	The software dialog corresponds with the knowledge, training, and experience of the user.
Error-tolerant	The software enables users to correct errors with little or no effort.
Tutorial	The software supports the user in learning the applications.
Customizeable	The software can be customized to meet the specific needs of the user's tasks and knowledge.
Self-explanatory	The dialog for each step, including program and field level helps, message and symbols, can be fed back to the user to explain the purpose of the step or task that the user is performing.
Scalability	The dialog processing speed of the software can be adjusted by user selections for data entry and retrieval options.

Valuation of Assets

In Germany, assets are grouped into the following categories:

- Land and buildings (*Grundstücke und Gebäude*)
- Heavy equipment (*Maschinen*)
- Vehicles (*Fuhrpark*)
- Other equipment (*Betriebs- und Geschäftsausstattung*)

Businesses in Germany must report assets at the net value at which the assets are acquired. For example, if a business receives a discount upon the acquisition of an asset, the discounted amount is deducted from the value of the asset. The difference between the discounted amount and actual value of the asset is maintained in an offsetting account.

In Germany, the insurance value of an asset is based on an indexed value of the asset. The index is posted yearly by the statistical authority. Insurance companies require that businesses use the indexed value for the asset as of its purchase date, and then calculate forward to the current date to report the asset's actual value on any given date.

Accounts are based primarily on historical costs. The definition of historical cost is different for current and fixed assets. The historical cost for fixed assets is the cost of original acquisition. This allows for exceptional write-downs made in the past to be written back in future periods. The historical cost for current assets is the opening book value for the year in question.

Any valuation taken in the legal financial statements also affect the tax accounts. The German Commercial Code permits accelerated depreciation and similar tax concessions to be taken up into the legal accounts.

Inventories are valued at the lower of cost or net realizable value. Costs are allocated to specific inventories on hand at a direct or moving average basis. Last-in-first-out (LIFO) is permissible, although first-in-first-out (FIFO) is not.

The cost of raw materials and other purchased inputs is defined as landed cost. Landed cost includes the purchase price and all freight, customs duties, and other costs associated with the acquisition of the goods and their movement onto the premises of the business.

The cost of manufactured goods includes the direct manufacturing costs and any administrative and financing costs directly associated with the goods concerned.

Depreciation

The most frequently used depreciation methods in Germany include:

- No depreciation (*keine Abschreibung*)
- Straight line depreciation (*lineare Abschreibung*)
- Declining balance with cross-over (*degressive Abschreibung mit Übergang*)

The depreciation for declining balance with cross-over for the first year can be 300 percent of the straight line depreciation, but can not exceed 30 percent of the cost of the asset.

Plant and machinery, fixtures and fittings must be depreciated at rates corresponding to the estimated useful lives of the individual assets. Generally, businesses use a 20% straight-line rate for motor vehicles and a 10% straight-line rate for other movable assets.

As an alternative, businesses can use declining balance depreciation for movable fixed assets. Assets acquired during the first six months of a full business year qualify for a full year's depreciation. Assets acquired in the second half-year qualify for one-half year's depreciation.

Tax incentives include accelerated depreciation for certain fixed assets acquired for specific purposes.

European Common Currency

The European Union is currently planning a currency union. The plan consists of introducing a new monetary unit called the euro and phasing out all other EU-member currencies. The euro will be used for all monetary transactions for member countries of the European Union.

The currency union will be introduced over the following three phases:

Phase A   The European heads of government will decide which countries qualify for joining the currency union. Money and capital markets will have volatile periods.

Phase B   The currency exchange rates of participating nations will be irrevocably locked, implying that national currencies and the euro will become different expressions of what is economically the same currency.

         The euro will not yet have legal tender status, but will be used as an accounting unit. When the European Central Bank begins its single monetary policy, the bank will conduct foreign exchange operations and issue public debt in euros.

         During this time, businesses should finalize the necessary technical and organizational adjustments in preparation for single currency.

Phase C   The euro will become legal tender. Euro bank notes and coins will come into circulation. For six months, national currencies and the euro will have legal tender status. During this time, prices will be listed in both currencies.

         Within the six-month period after the euro becomes legal tender, the existing notes and coins of participating nations will be withdrawn and lose legal tender status.

Tax Requirements

In Germany, the tax year is the calendar year. Tax incentives include accelerated depreciation for certain fixed assets acquired for specific purposes.

Any person or entity that carries out taxable transactions in Germany must register for a tax number (*Steuernummer*) with the local tax office, regardless of the amount of turnover. All tax returns must be filed under the tax number. For transactions within the European Union, every business must have VAT identification number.

Upon request, businesses are required to issue invoices of all goods and services supplied and must keep a copy. Invoices must include the following information:

- Name and address of the supplier and the recipient
- Quantity and description of the supplied goods or the type and volume of the services
- Date of the supply of goods and services
- Gross total amount for the goods and services
- Tax amount on the gross total

For transactions between states of the European Union, the invoice must also show the VAT identification number of the recipient.

Collection

Businesses in Germany are required to collect the following taxes:

Value added tax (VAT)   Value added tax (*Umsatzstever*), or VAT, is a noncumulative tax that is imposed at each stage of the production and distribution cycle.

In Germany, the standard VAT rate is 15 percent. A reduced rate of 7percent is levied on sales of specific goods, such as basic food items, books, newspapers, and antiques. In addition to the standard and reduced rates, there are a number of special rates and rules governing the performance of individual services.

Grüne Punkt (BPR)   Grüne Punkt (BPR) is a tax on recyclable goods paid to an external company over a period of time

Reporting

Businesses in Germany are required to submit the following tax reports:

VAT Report   The *Umsatzsteuervoranmeldung* (VAT report) shows the reconciliation of VAT accounts to specific revenue accounts for VAT payable. VAT receivable is deducted on the same form as a lump sum. Businesses must be able to prove to tax auditors that the VAT payable derives from revenues earned going back to the last audit date.

Intrastat Report	Businesses must provide monthly details of their transactions among countries that belong to the European Union. Intrastat reports list details about product dispatches and arrivals among countries that belong to the European Union.
	Goods that arrive in Germany must be reported separately from those leaving Germany for another member state.
European Union (EU) Sales Listing	Businesses that complete transactions among countries that belong to the European Union must complete the *Zusammenfassende Meldung (ZM)*, or EU Sales Listing, The listing provides the following information about intra-union trade:

- Customer's VAT registration number
- Country of destination
- Total amount in local currency

Banking Requirements

Common German banking practices include:

Payment formats	German payment formats include:

- Electronic data interchange (EDI)
- Checks
- Electronic fund transfers (EFT), which is used to transfer funds between bank accounts with an electronic file. EFT can be formatted for diskette or magnetic tape.

Automatic debits	Automatic debits are processed based on invoices and pre-approved contracts with clients. German banks accept automatic payment information on magnetic tape or diskette.
Automatic cash receipts	Automatic cash receipts or lock box processing refers to payments that a business receives directly from a customer's bank. The payment information is stored on a custom-bank tape (lock box). Businesses that use automatic cash receipts update customer accounts based on the information on the bank tape.

Bank statement processing	Banking practices in Germany rely heavily on magnetic media processing, electronic fund transfers, and direct bank involvement in settling outstanding debts. In Germany, the bank statement serves as the source document for all banking activity.

Banking reports

Businesses in Germany submit the following banking reports to the authorities:

- Z4 (*Zahlungen im Außenwirtschaftsverkehr*) is used to report foreign currency payments that exceed 5,000 Deutsch marks (DM).
- Z5 (*Forderungen und Verbindlichkeiten aus Finanzbeziehungen mit gebietsfremden Geldinstituten*) is used to report payables and receivables that are made to or received from foreign bank accounts and exceed DM 3,000,000.
- Z5a (*Forderungen und Verbindlichkeiten aus Finanzbeziehungen mit gebietsfremden Nichtbanken*) is used to report payables and receivables that are made to or received from non-banking entities and exceed DM 3,000,000.

Additional Business Practices and Reporting

Additional business practices in Germany include:

Encashment processing

Encashment is a process by which a third party receives payments from the customers of a business and then disburses the payment to the business.

Payment reminders

When customers are delinquent in paying, German businesses frequently send out reminder notices for past due invoices. Payment reminders must include all open items, regardless of actual past due status. If the business does not send the customer a payment reminder, the amount is not eligible for past due collection.

Setup Requirements

About Setup Requirements

To process business transactions in Germany, you must set up your system to meet specific German requirements.

J.D. Edwards setup requirements for Germany consist of the following tasks:

❑ Setting up user display preferences

❑ Setting up user defined codes for Germany

❑ Setting up an alternate chart of accounts

❑ Setting up tax rules by company

❑ Setting up to update tax amounts

❑ Setting up for European Union (EU) reporting
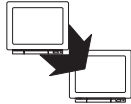
Set Up User Display Preferences

Setting Up User Display Preferences

From Advanced and Technical Operations (G9), choose Security Officer

From Security Officer (G94), choose Library List Control

From Library List Control (G944), choose User Display Preferences

Alternately, you can use Hidden Selection 85 from any command line to access the User Display Preferences form.

Much of J.D. Edwards country-specific software functionality utilizes country-server technology. Country-server technology was developed to isolate country-specific functionality from the base software. For example, if during normal transaction processing, you need to capture additional information about a supplier or validate a tax identification number to meet country-specific requirements, that additional function is performed by a country server rather than by the base software.

To take full advantage of J.D. Edwards localized solutions for your business, you must set up your user display preferences to use the appropriate country server. To do this, specify a country code in your user display preference. The country code that you designate for a user indicates to the system which country server to use.

You can also set up user display preferences to utilize other features in the software. For example, specify a date format to control how the system displays dates (such as DDMMYY, the typical European format), or specify a language to override the base language.

See Also

- *Appendix C – Translation Issues* for information about using J.D. Edwards software in a multi-language environment

▶ **To set up user display preferences**

On User Display Preferences

1. To locate the preferences for a specific user, complete the following field:

   - User ID

2. Use the Inquire action.

   The system displays the preferences for the user

3. Complete the following field:

   - Country

4. To further define the user preferences, complete the following optional fields:

   - Company

   - Language

   - Version Prefix

   - Date Format

   - Date Separator Character

   - Decimal Format Character

Field	Explanation
User ID	For World, The IBM-defined user profile.
	For OneWorld, the creator of the version.
Country	A user defined code (system 00, type CN) that identifies a country. The country code has no effect on currency conversion.
	The Address Book system uses the country code for data selection and address formatting.
	. . . . *Form-specific information* . . . .
	If you use any of J.D. Edwards localized systems (systems 74, 75, or 76), the country code that you specify activates the country-server for that country.
Company	A code that identifies a specific organization, fund, entity, and so on. This code must already exist in the Company Constants table (F0010). It must identify a reporting entity that has a complete balance sheet. At this level, you can have intercompany transactions.
	NOTE: You can use company 00000 for default values, such as dates and automatic accounting instructions (AAIs). You cannot use it for transaction entries.
	. . . . *Form-specific information* . . . .
	Complete the Company field to default the selected companies within transaction processing.
Language	A user defined code (system 01/type LP) that specifies a language to use in forms and printed reports.
	For World, if you leave the Language field blank, the system uses the language that you specify in your user preferences. If you do not specify a language in your user preferences, the system uses the default language for the system.
	Before any translations can become effective, a language code must exist at either the system level or in your user preferences.
	. . . . *Form-specific information* . . . .
	A user defined code for a language. The system uses the language code you type on this form as your default language. To view a translated form or report, a record for that translated form or report must exist in the Vocabulary Overrides table. When you access a form, the translated form appears. When you run a report, the system prints the report in your base language.

Field	Explanation
Version Prefix	Identifies a default prefix to assign when creating DREAM Writer versions. Versions can then be suffixed with additional characters.
	. . . . *Form-specific information* . . . .
	Identifies a default prefix to assign when creating DREAM Writer versions. Versions can then be suffixed with an alpha–numeric character up to 6 positions in length.
Date Format	This is the format of a date as stored in the database.
Date Separator Char	The character entered in this field is used to separate the month, day, and year of a given date.
	NOTE: • If an asterisk is entered (*), a blank is used for the date separator. • If left blank, the system value is used for the date separator.
Decimal Format Char	The character entered in this field is used to signify the fractions from whole numbers – the positions to the left of the decimal.
	If left blank, the system value is used as the default.

Set Up User Defined Codes for Germany

Setting Up User Defined Codes for Germany

Many fields throughout J.D. Edwards software accept only user defined codes. You can customize your system by setting up and using user defined codes that meet the specific needs of your business environment.

User defined codes are either soft-coded or hard-coded. You can customize any user defined code that is soft-coded to accommodate your specific business needs. You can also set up additional soft-coded user defined codes. You cannot customize a user defined code that is hard-coded.

User defined codes are stored in tables that relate to specific systems and code types. For example, 12/FM represents system 12 (Fixed Assets) and user defined code list FM (Finance Methods). User defined code tables determine what codes are valid for the individual fields in your system. If you enter a code that is not valid for a field, the system displays an error message. For example, when you enter an invoice, you can enter a user defined code to specify the payment instrument. The system does not accept a payment instrument that is not in the user defined list of valid payment instruments.

You can access all user defined code tables through a single user defined code form. After you select a user defined code form from a menu, change the System Code field and the User Defined Codes field to access another user defined code table.

User defined codes are central to J.D. Edwards systems. You should be thoroughly familiar with user defined codes before you change them.

You set up the following user defined codes to process business transactions in Germany:

Payment instrument (system 00, type PY)

Set up user defined codes to identify each payment instrument that you use. You can associate payment instruments with documents so that you can process similar documents together. For example, you might set up payment instruments for automatic debits and automatic receipts.

Print/tape program – payments (system 04, type PP)

Set up each of the print or tape programs that you use to write payments as a user defined code. The following print and tape programs are available for Germany:
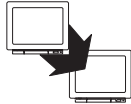
- P04572G1, bank tape
- P04572G2, diskette
- P04572G3, checks

Set Up An Alternate Chart of Accounts

Setting up an Alternate Chart of Accounts

From General Accounting (G09), choose Organization and Account Setup

From Organization and Account Setup (G09411), choose Accounts by Business Unit

You can set up an alternate chart of accounts if your corporate reporting requirements are different than the local reporting requirements of the country in which you are doing business. For example, if you set up the local chart of accounts by object and subsidiary, but you need to provide fiscal reports that reflect a chart of accounts that is different from your local chart of accounts, you can set up and maintain an alternate chart of accounts in category codes 21, 22, and 23.

You can define the local chart of accounts in the Account Master table (F0901) by object and subsidiary, or in category codes 21, 22, and 23. The location you choose may depend on the use of your corporate chart of accounts, especially if your company is multi-national.

Whether you define the local chart of accounts by object and subsidiary, or in category codes 21, 22, and 23, the accounts that you set up in the category codes are referred to in J.D. Edwards software as "alternate descriptions" of your accounts.
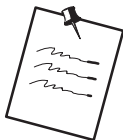
The software identifies individual accounts in your chart of accounts based on a system-assigned number that is unique for each account. This number is referred to as the Account Short ID. The Account Short ID is the key the system uses to distinguish between accounts when you access, change, and delete account information in any J.D. Edwards tables. The system stores the short identification number in the data item named AID.

▶ **To set up an alternate chart of accounts**

On Accounts by Business Unit

```
[0901] - Accounts by Business Unit                                    _ □ ×
Functions  Tools  Help
 ✔  ✗  ₁i  ₂▲  ₄✛  ₃▬

                                          Level of Detail    9
           Business Unit            50  General Powell Accounts
           Skip To Account

 Acct   Sub      Description      L      Account No       P  Budg
                                                             Patt
 1001          Current Assets     4                       N
 1002          Assets             3                       N
 1100           Cash              5                       N
 1105            Petty Cash       6
 1110            Cash in Banks    6                       N
 1110   BEAR     Bear Creek National Bank 7
 1110   FIB      First Interstate Bank    7
 1130            Short-Term Investments   6               N
 1131            Certificates of Deposit  7               L
 1133           Lanell's First    6
 1136            Investment Funds  7
 1137            robbs account     7
 1200          Accounts Receivable 5                      N
 1210           Trade Accounts Receivable 6
 1211             nant Receivables 8

 F5=Account Master List  F6=Chart of Accounts  F13=Account Revs  F24=More
```

1. Choose the Expanded Category Codes/3rd Account Formats function.

```
[0901] - Accounts by Business Unit                                    _ □ ×
Functions  Tools  Help
 ✔  ✗  ₁i  ₂▲  ₄✛  ₃▬

                                          Level of Detail    9
           Business Unit            50  General Powell Accounts
           Skip To Account

 Acct   Sub      Description      L  Statutory   CAT 22   CAT 23
 1001          Current Assets     4
 1002          Assets             3
 1100           Cash              5
 1105            Petty Cash       6
 1110            Cash in Banks    6
 1110   BEAR     Bear Creek National Bank 7
 1110   FIB      First Interstate Bank    7
 1130            Short-Term Investments   6
 1131            Certificates of Deposit  7
 1133           Lanell's First    6
 1136            Investment Funds  7
 1137            robbs account     7
 1200          Accounts Receivable 5
 1210           Trade Accounts Receivable 6
 1211             nant Receivables 8

 F5=Account Master List  F6=Chart of Accounts  F13=Account Revs  F24=More
```

2. To specify a business unit, complete the following field:

    •   Business Unit

3. To enter an alternate chart of accounts, complete the following fields:

    - Account
    - Subsidiary
    - Description
    - Level
    - Category Code 21 (Statutory)
    - Category Code 22
    - Category Code 23

Field	Explanation
Object Account	The object account portion of a general ledger account. The term "object account" refers to the breakdown of the Cost Code (for example, labor, materials, and equipment) into subcategories (for example, dividing labor into regular time, premium time, and burden). If you are using a flexible chart of accounts and the object is set to 6 digits, J.D. Edwards recommends that you use all 6 digits. For example, entering 000456 is not the same as entering 456, because the system enters three blank spaces to fill a 6-digit object.
Subsidiary	A subdivision of an object account. Subsidiary accounts include more detailed records of the accounting activity for an object account.

Field	Explanation
Account Level of Detail	A number that summarizes and classifies accounts in the general ledger. You can have up to 9 levels of detail. Level 9 is the most detailed and 1 the least detailed. Example:

      3   Assets, Liabilities, Revenues, Expenses

      4   Current Assets, Fixed Assets, Current Liabilities, and so on

      5   Cash, Accounts Receivable, Inventories, Salaries, and so on

      6   Petty Cash, Cash in Banks, Trade Accounts Receivable, and so on

      7   Petty Cash – Dallas, Petty Cash – Houston, and so on

      8   More Detail

      9   More Detail

Levels 1 and 2 are reserved for company and business unit totals. When using the Job Cost system, Levels 8 and 9 are reserved for job cost posting accounts.

. . . . *Form-specific information* . . . .

In the Level of Detail field at the top of the Account Structure by BU screen, enter a level of detail (LOD) number. This limits the account information to accounts whose LOD is equal to or greater than the LOD you specify. Leave this field blank to display all LODs. After you press Enter to inquire on a business unit, the level of detail appears in the L field next to each account.
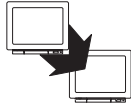
See Also

- *Appendix A – Alternate Chart of Accounts* for more information about maintaining an alternate chart of accounts

- *Reviewing Your Chart of Accounts* in the *General Accounting I Guide*

Set Up Tax Rules by Company

Setting Up Tax Rules by Company

From General Systems (G00), choose Tax Processing & Reporting

From Tax Processing and Reporting (G0021), choose Tax Rules by Company

You can set up your tax rules so that the system can calculate the appropriate invoice and discount amount when you enter a transaction. You should set up tax rules for each of your companies in your Accounts Payable, Accounts Receivable and General Accounting systems. The system uses these rules to:

- Display a warning message (or reject a transaction) whenever you enter a tax amount that differs from the system-calculated tax

- Determine whether invoice amounts are calculated on the amount including or excluding the discount

- Determine whether discount amounts are calculated on the gross amount (including tax) or the net amount (excluding tax)

The tax rules you set up for your system consist of tolerance ranges and calculation rules.

Understanding Tolerance Ranges

Tolerance ranges specify the amount of variance that can exist between the amount of tax you enter for a transaction and the tax amount that the system calculates. When you enter a tax amount that differs from the tax amount that the system calculates, you might receive a warning or a hard error message. You can set up tolerance ranges to control the type of message that the system issues for different variance amounts. Tolerance ranges apply only to VAT.

You can specify tolerance ranges by percentages or amounts, but not both. If you specify tolerance percentage ranges, do not specify tolerance amount ranges. If you specify tolerance amount ranges, do not specify tolerance percent ranges.

For example, you may specify a tax rule with a tolerance range by amounts as follows:

Tolerance amount for warning is 2.

Tolerance amount for error is 10.

To determine the taxable amount, the system multiplies the taxable amount by the tax rate. If the taxable amount for a transaction is 1000 and the tax rate is 10 percent, the system calculates a tax amount of 100. Based on your tolerance range, the system determines the range for the warning or error as follows:

Range for warning

Tolerance amount for warning is 2:

- 100 + 2 = 102
- 100 − 2 = 98

The system issues a warning message if the tax amount you enter is greater than 102 or less than 98 (that is, outside of the tolerance range of 98 to 102).

NOTE: If you enter a tax amount of 98.01 or 101.99, the system does not issue a warning message. The amount is within the acceptable tolerance range.

Range for error

Tolerance amount for error is 10:

- 100 + 10 = 110
- 100 − 10 = 90

The system issues an error message if the tax amount you enter is greater than 110 or less than 90 (that is, outside of the tolerance range of 90 to 110).

NOTE: If you enter a tax amount of 109.99 or 90.01, the system does not issue an error message.

Understanding Calculation Rules

You can set up calculation rules to specify how the system calculates tax and discounts amounts when both are specified.

The example uses the following amounts:

- Taxable: 1,000
- Tax percent: 10
- Tax amount: 100
- Discount: 1 percent

Example: Tax and Discount Calculation for Germany

In Germany, you must set company tax rules as follows:

Calculate Tax on Gross (Including Discount)	Yes
Calculate Discount on Gross (Including Tax)	Yes
Discount Formula	(Taxable Amount + Tax Amount) x (Discount Rate Percent) = Discount Available (1,000 + 100) x .01 = 11.00
Gross Formula	Taxable Amt + Tax = 1,000 + 100 = 1,100

▶ **To set up tax rules by company**

On Tax Rules by Company

```
[0022] - Tax Rules by Company
Functions  Tools  Help

Company                                      00001  J.D. Edwards & Company
System (A/R=1, A/P=2, G/L=3)                 1

Tolerance Percentage for Warning             [        ]
Tolerance Percentage for Error               [        ]
or
Tolerance Amount for Warning                 [        1,00]
Tolerance Amount for Error                   [       20,00]

Calculate Tax on Gross (Including Disc)       Y
Calculate Disc on Gross (Including Tax)       Y
Allow Understatement of Tax Amount            N

Calculate Sales Order Taxes on Summary        [ ]

                                              [ ]

        F3=Exit  F24=More Keys
```

1. Complete the following fields:

   - Company

   - System

2. To specify the calculation rules for the company, complete the following fields:

   - Calculate Tax on Gross (Including Discount)

   - Calculate Discount on Gross (Including Tax)

   For Germany, verify that the Calculate Tax on Gross and Calculate Discount on Gross fields are both set to yes (Y).

3. To specify tolerance percentage ranges, complete the following fields:

   - Tolerance Percentage for Warning

   - Tolerance Percentage for Error

4. To specify tolerance amount ranges, complete the following fields:

   - Tolerance Amount for Warning

   - Tolerance Amount for Error

5. To further specify tolerance information for the Accounts Receivable system, complete the following fields:

- Allow Understatement of Tax

- Calculate Sales Order Taxes on Summary

- Tax Service Date Selection

6. Use the Add action.

Field	Explanation
Calculate Tax on Gross (Including Disc)	A code that indicates whether to calculate the invoice amount on an amount that includes the discount. Valid codes are: Y — Calculate the invoice amount including the discount N — Calculate the invoice amount excluding the discount Blank — Defaults to Y, Self-assessed taxes are not included in discount calculations. NOTE: This field applies only to A/R, A/P, sales orders, and purchase orders. It does not apply to G/L processing.
Calculate Disc on Gross (Including Tax)	A code that indicates whether to calculate the discount on a gross amount that already includes the tax amount. Valid codes are: Y — Calculate the discount amount on the gross with tax. N — Calculate the discount amount on the gross less the tax amount. Blank — Defaults to N. Self-assessed taxes are not included in discount calculations. NOTE: This field does not apply to G/L processing. A/R, A/P, sales orders, and purchase order processing use it.

Field	Explanation
Tolerance Percentage for Warning	Percentage used only for A/R, A/P, and G/L processing (sales order and purchase order processing do not use it). When you enter a VAT or GST amount that differs from the system-calculated tax, the system uses this percentage to determine whether to display a warning message.
	Enter the percentage as a whole number. For example, enter 10% as 10. If you enter 10 in this field and there is a difference between the tax amount you entered and the system-calculated tax amount, the system handles it as follows:
	Accept difference is 9.99% or less
	Warning difference is 10% or more
	The default (blank) causes a warning message to display if you enter a tax that does not exactly match the system-calculated amount tax.
	NOTE: This field applies only to VAT and GST.
Tolerance Percentage for Error	Percentage used only for A/R, A/P, and G/L processing (sales order and purchase order processing do not use it). When you enter a VAT or GST amount that differs from the system-calculated tax, the system uses the percentage to determine whether to reject the tax entry.
	This percentage is used in conjunction with the Tolerance Percentage for Warning field. For example, a 10 tolerance percentage for warning and a 15 tolerance percentage for error works as follows:
	Accept difference is 9.99% or less
	Warning difference is between 10% and 14.99%
	Reject difference is 15% or more
	The default (blank) inidicates that no entry is to be rejected.
	NOTE: This field applies only to VAT or GST.

Field	Explanation
Tolerance Amount for Warning	Percentage used only for A/R, A/P, and G/L processing (sales order and purchase order processing do not use it). When you enter a VAT or GST amount that differs from the system-calculated tax, the system uses this percentage to determine whether to display a warning message.
	Enter the percentage as a whole number. For example, enter 10% as 10. If you enter 10 in this field and there is a difference between the tax amount you entered and the system-calculated tax amount, the system handles it as follows:
	Accept 　　　difference is 9.99% or less
	Warning 　　　difference is 10% or more
	The default (blank) causes a warning message to display if you enter a tax that does not exactly match the system-calculated amount tax.
	NOTE: This field applies only to VAT and GST.
Tolerance Amount for Error	Percentage used only for A/R, A/P, and G/L processing (sales order and purchase order processing do not use it). When you enter a VAT or GST amount that differs from the system-calculated tax, the system uses the percentage to determine whether to reject the tax entry.
	This percentage is used in conjunction with the Tolerance Percentage for Warning field. For example, a 10 tolerance percentage for warning and a 15 tolerance percentage for error works as follows:
	Accept 　　　difference is 9.99% or less
	Warning 　　　difference is between 10% and 14.99%
	Reject 　　　difference is 15% or more
	The default (blank) inidicates that no entry is to be rejected.
	NOTE: This field applies only to VAT or GST.

Field	Explanation
Allow Understatement of Tax Amount	Code that indicates whether you can enter a VAT or GST amount on the A/R Invoice Entry screen that is less than the system-calculated tax amount (less than the specified tax rate). Codes are: Y Accept amount less than the specified tax rate. N Reject amount less than the specified tax rate. Blank Defaults to N. NOTE: This field applies only to VAT and GST. . . . . *Form-specific information* . . . . This field appears on the screen only when the System field is 1, and it only applies to A/R.
Calculate Sales Order Taxes on Summary	Code that indicates whether the system calcualtes taxes and performs rounding for sales orders at the detail or the order level. Values are: Y Calculate taxes and rounding at the order level. N Calculate taxes and rounding at the detail level. Blank Defaults to N.
Tax Service Date Selection	Code which indicates what date will be used as the tax service date for orders entered through the sales order processing system. Values are: 1 Order date is used as tax service date 2 Invoice date is used as tax service date 3 Ship date is used as tax service date Blank Order date defaults as tax service date Value can be specified at the ship to address number level or the header branch plant company level. If the ship to address number value is blank, the header branch plant company value will be retrieved. If both values are blank, the order date will default as the tax service date.

Set Up to Update Tax Amounts

Setting Up to Update Tax Amounts

In Germany, tax rules are set to calculate tax on the gross amount of a transaction. In this case, the system calculates tax on A/P and A/R invoices as though discounts do not apply. If a discount is applied to a transaction upon cash receipt or payment entry, businesses are allowed to adjust the VAT amount for the transaction.

You can use J.D. Edwards base software to automatically adjust the tax amounts for discounts.

The values that you define in the processing options for the G/L posting program determine whether the system updates tax amounts in the Sales/Use/VAT Tax table (F0018). The processing options also determine whether the system creates adjusting VAT entries for the General Ledger.

If you do not set the processing options correctly, the system will not transfer the applicable tax information to the Sales/Use/VAT Tax table or create adjusting entries for discounts.

Before You Begin

❏ Set up tax rules to specify how you want the system to process tax for discounted transactions. See *Setting Up Tax Rules by Company*.

Updating the Sales/Use/VAT Tax Table

Regardless of how you set up your company tax rules, you need to specify whether and how the system updates the Sales/Use/VAT Tax table. To update the Sales/Use/VAT Tax table with tax amounts, define processing option 9 as either a 1, 2, or 3 in the following post programs:

- General Ledger Post – Invoice Entry (Version ZJDE0002)
- General Ledger Post – Voucher Entry (Version ZJDE0003)
- General Ledger Post – Manual/Void Payment (Version ZJDE0004)

- General Ledger Post – Cash Receipts (Version ZJDE0005)

- General Ledger Post – Check Writer (Version ZJDE0006)

- Any other post program that uses the above versions in the base software, such as the Post Recycled Invoices to G/L

Creating General Ledger and Tax File Adjustments for VAT

To create the appropriate automatic adjusting entries in the General Ledger and the Sales/Use/VAT Tax table for VAT amounts that you discount, define processing option 11 as either a 1 or a 2 in the following post programs:

- General Ledger Post – Manual/Void Payment (Version ZJDE0004)

- General Ledger Post – Cash Receipts (Version ZJDE0005)

- General Ledger Post – Check Writer (Version ZJDE0006)

- Any other post program that uses the above versions in the base software, such as the Post Auto Debit to G/L

To create the appropriate automatic adjusting entries for cash receipts that you adjust or write-off, define processing option 10 as either a 1 or a 2 in the following post programs:

- General Ledger Post – Cash Receipts (Version ZJDE0005)

- General Ledger Post – Check Writer (Version ZJDE0006)

- Any other post program that uses the above version in the base software, such as the Post Auto Debit to G/L

The system creates the adjusting journal entries only if processing option 9 is set in conjunction with procession options 10 and 11. In addition, processing options 10 and 11 apply only to transactions with a tax explanation code for VAT (V).

What You Should Know About

Tax inclusive and exclusive journal entries
When you enter transactions using the Journal Entry with Tax program (P09106), the system automatically updates the Sales/Use/VAT Tax table. If you use the Journal Entry with Tax program, the system ignores the tax processing options that you set up for the post programs because the Sales/Use/VAT Tax table is already updated.

See *Entering Tax Inclusive and Exclusive Journal Entries* for more information about the Journal Entry with Tax program.

Processing Options for Post General Ledger

```
TAX FILE UPDATE:
9.  Identify when to update the Tax Work
    file (F0018):
    '1' = V.A.T. or Use Tax only               _____
    '2' = for All Tax Amounts
    '3' = for All Tax Explanation Codes
    Blank (Default) = No Update to File.
    Note:  When using Vertex Taxes the
    Vertex Tax Register file will be
    updated instead of the Tax Work
    file for methods '1', '2', and '3'.

10. Adjust VAT Account for Cash Receipt
    Adjustments and Write Offs.  Tax
    explanation must be a 'V'.
    '1' = update VAT amount only               _____
    '2' = update VAT amount, extended
          price and taxable amount

11. Adjust VAT Account for Discount
    Taken.  The Tax Rules file must be
    set to Calculate Tax on Gross
    Amount, including Discount and
    Calculate Discount on Gross Amount,
    including Tax.  Tax explanation must
    be a 'V'.
    '1' = update VAT amount only               _____
    '2' = update VAT amount, extended
          price and taxable amount
```

Set Up for European Union (EU) Reporting

Setting Up for European Union (EU) Reporting

Detailed statistical information regarding merchandise trade between members of the European Union (EU) is used for market research and sector analysis. To maintain the statistics on trade between European Union members, the statistical office of the European Union and the statistical departments of member countries developed the Intrastat system.

In compliance with the Intrastat system, information on intra-union trade is collected directly from businesses. If you do business in a country that belongs to the European Union, and you use J.D. Edwards Sales Order Management and Procurement systems, you can set up your system to meet EU Intrastat requirements.

Setting up for European Union reporting consists of the following tasks:

❑ Entering VAT registration numbers

❑ Setting up tax rates and areas

❑ Setting up user defined codes for the European Union

See Also

- *Printing the EU Sales Listing*
- *Working with Intrastat Requirements*
- *Printing Value Added Tax (VAT) Reports*

Entering VAT Registration Numbers

To export goods free of VAT, you must have the VAT registration number of your customers in other EU countries and send your own VAT registration numbers to your suppliers. The length and format of these numbers varies by country. In Germany specifically, the length varies by region. The VAT number in the following example appears in bold.

Example: VAT Registration Number for Germany

Country
ID

D E **8 2 3 7 9 0 4 2 1**

You can use the Tax ID field in J.D. Edwards base software to enter VAT registration numbers for your companies, suppliers and customers.

Your companies	Create an address book record for each of your companies. For each address book record that you create, use the Tax ID field to specify the VAT registration number for the company. The Tax ID field prints on the EU Sales Listing and Intrastat reports.
Suppliers and customers	Create master information records for each of your suppliers and customers. Use the Tax ID field on the Supplier and Customer Master Information forms to specify VAT registration numbers for your suppliers and customers.
	You access Supplier Master Information from the Supplier and Voucher Entry menu (G0411). Access the Customer Master Information from the Customer and Invoice Entry menu (G0311).
	You might use a processing option to display the Tax ID field on the applicable form.

Setting Up Tax Rates and Areas

You must set up a tax rate and area for both EU member countries and non-member countries. You can use this tax rate and area information as selection criteria when you print the EU Sales Listing.

See Also

- *Setting Up Tax Rates and Areas for A/R* in the *Accounts Receivable Guide*
- *Setting Up Tax Rates and Areas for A/P* in the *Accounts Payable Guide*

Setting Up User Defined Codes for the European Union

You set up the following user defined codes to meet European Union requirements:

- Country of origin (00/CN)
- State and province codes (00/S)
- European Union member codes (74/EC)
- Nature of transaction codes – EU (74/NT)
- Nature of transaction codes – sales orders (41/S1–S5)
- Nature of transaction codes – purchase orders (41/P1–P5)
- Commodity codes (41/E)
- Conditions of transport (00/TC)
- Modes of transport (00/TM)
- Freight handing codes (42/FR)

You can access these user defined codes from any user defined codes table.

Country Codes (00/CN)

You can set up country codes to identify the country of origin for shipments. Use the special handling code to identify the ISO numeric country code. The country specific print programs retrieve the country code. Some countries use the alphabetic code from the Code column, and some countries use the numeric ISO code.

Then, specify the country of origin for inventory items on the Item Branch/Plant Information form.

```
┌──────────────────────────────────────────────────────────────────────────┐
│ ▨ [41026] - Item Branch/Plant Information                        _ □ ×     │
│ Functions  Tools  Help                                                     │
│ ┌──────────────────────────────────────────────────┐                       │
│ │ ✔  ✕  ▐ ₁i ▌ ₂▲  ₄✛  ₉▬ │                                                │
│ └──────────────────────────────────────────────────┘                       │
│                                                                            │
│                                   Branch/Plant            [        30 ]     │
│                                                                            │
│  Item Number          [1001          ]    Pen & Pencil Sets                │
│                                                                            │
│  Stocking Type        [S ]      Line Type             [  ]                 │
│  G/L Class            [IN40]                                               │
│  Item Price Group     [      ]  Sales Taxable         [Y]                  │
│  Basket Reprice Group [      ]  Purchasing Taxable    [Y]                  │
│  Order Reprice Group  [      ]                                             │
│  Backorders Allowed   [Y]       Serial No. Required   [N]                 │
│  Check Availability Y/N [Y]     Lot Status Code       [ ]                 │
│  Shelf Life Days      [    ]    Lot Process Type      [ ]                 │
│  ABC Codes        [C]-[C]-[C]   Commitment Method     [1]                 │
│  Margin Maintenance (%) [   ]   Mix Lots/Serial Number [ ]                │
│  Country of Origin    [GB]          United Kingdom                        │
│  Planner Number       [      ]                                            │
│  Buyer Number         [      ]                                            │
│  Supplier             [      4345] Value Worldwide Paper Supply           │
│  Print Message        [      ]                         .                   │
│ ─────────────────────────────────────────────────────────────────────     │
│ F5=Codes F6=Cost F9=Price F10=Manufacturing F15=Bulk Info  F24=Keys        │
└──────────────────────────────────────────────────────────────────────────┘
```

State and Province Codes (00/S)

You can set up state and province codes to identify the region of destination for shipments. Use the special handling code to identify the numeric code for the state.

```
┌──────────────────────────────────────────────────────────────────────────┐
│ ▨ [00051] - General User Defined Codes                           _ □ ×     │
│ Functions  Tools  Help                                                     │
│ ┌──────────────────────────────────────────────────┐                       │
│ │ ✔  ✕  ▐ ₁i ▌ ▲  ₄✛  ₉▬ │                                                 │
│ └──────────────────────────────────────────────────┘                       │
│                           ┌──────────────────────────────────┐             │
│                           │ System Code            [00]       │             │
│                           │ User Defined Codes       [S]      │             │
│                           │ Skip To Code        [HE]          │             │
│                           │ State & Province Codes            │             │
│                           └──────────────────────────────────┘             │
│                                                                            │
│      03 Character                                                          │
│     ┌────────┬─────────────────────┬─────────────────────────┐            │
│     │  Code  │    Description      │      Description-2       │            │
│     ├────────┼─────────────────────┼─────────────────────────┤            │
│     │HE      │    Hessen           │                         │            │
│     │Special Handling Code   06    │   Hard Coded Y/N    N    │            │
│     │HI      │    Hawaii           │                         │            │
│     │Special Handling Code         │   Hard Coded Y/N         │            │
│     │IA      │    Iowa             │                         │            │
│     │Special Handling Code         │   Hard Coded Y/N         │            │
│     │ID      │    Idaho            │                         │            │
│     │Special Handling Code         │   Hard Coded Y/N         │            │
│     │IL      │    Illinois         │                         │            │
│     │Special Handling Code         │   Hard Coded Y/N         │            │
│     │IN      │    Indiana          │                         │            │
│     │Special Handling Code         │   Hard Coded Y/N         │            │
│     │KS      │    Kansas           │                         │            │
│     │Special Handling Code         │   Hard Coded Y/N         │            │
│     └────────┴─────────────────────┴─────────────────────────┘            │
│ ─────────────────────────────────────────────────────────────────────     │
│ F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More     │
└──────────────────────────────────────────────────────────────────────────┘
```

European Union Member Codes (74/EC)

You can set up codes to identify countries that are members of the European Union. When you print Intrastat reports, the system includes the information regarding shipments or receipts with valid EU member codes in the reports.

```
[00051] - General User Defined Codes                              _ □ ×
Functions  Tools  Help

 ✔  X   1i   2▲   4✛   9▬

                              System Code            74
                              User Defined Codes     EC
                              Skip To Code      [        ]
                              European Community Members

    03 Character
    ┌─────────┬──────────────────────┬──────────────────┐
    │  Code   │     Description       │                  │
    ├─────────┼──────────────────────┤                  │
    │AT       │Austria               │                  │
    │BE       │Belguim               │                  │
    │DE       │Germany               │                  │
    │DK       │Danmark               │                  │
    │ES       │Spain                 │                  │
    │FI       │Finnland              │                  │
    │FR       │France                │                  │
    │GB       │Great Britain         │                  │
    │IR       │Ireland               │                  │
    │IT       │Italy                 │                  │
    │LU       │Luxemburg             │                  │
    │NL       │Netherlands           │                  │
    │PT       │Portugal              │                  │
    │SE       │Sweden                │                  │
    └─────────┴──────────────────────┴──────────────────┘
 F5=Code Types  F14=Memo  F15=Where Used  F18=Translate  F21=Print  F24=More
```

Nature of Transaction Codes – EU (74/NT)

You can specify the nature of transaction in the item branch information related to an item, or in user defined codes table 74/NT. If you choose to set up the user defined codes table, you must enter the values as follows:

- Use the Code field to enter a concatenated value to identify the nature of the transaction. Enter the concatenation as follows:

  Company Number, Line Type, Order Document Type

- Enter the nature of transaction codes in the Description–2 field.

  Set up nature of transaction codes for sales and purchases on user defined code tables 41/S1–S5 and 41/P1–P5.

- Access the detail information. Use the Special Handling Code field to specify the nature of VAT regime (or statistical procedure).

```
[00051] - General User Defined Codes                          _ □ ×
Functions   Tools   Help

 ✔  ✗  1i  2▲  4✚  9▬

                              System Code              74
                              User Defined Codes       NT
                              Skip To Code         [        ]
                              Nature of Transaction

     09 Character
     ┌─────────────┬─────────────────────┬──────────────────────┐
     │    Code     │    Description      │    Description-2      │
     ├─────────────┼─────────────────────┼──────────────────────┤
     │00072SOS     EC Sales             │77                      │
     │Special Handling Code      70707  │Hard Coded Y/N    N     │
     │000730PS     EC Purchases         │88                      │
     │Special Handling Code      80808  │Hard Coded Y/N    N     │
     │00073SOS     EC Sales             │77                      │
     │Special Handling Code      70707  │Hard Coded Y/N    N     │
     │002000PS     Import Intrastat     │11                      │
     │Special Handling Code      40000  │Hard Coded Y/N    N     │
     │013000PS     Import Intrastat     │11                      │
     │Special Handling Code      40000  │Hard Coded Y/N    N     │
     │01300SOS     Intrastat            │11                      │
     │Special Handling Code      98777  │Hard Coded Y/N    N     │
     │09740P1S     Transfer from branch │12                      │
     │Special Handling Code             │Hard Coded Y/N    N     │
     └─────────────┴─────────────────────┴──────────────────────┘
 F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More
```

Nature of Transaction Codes – Sales Orders (41/S1–S5)

You use Nature of Transaction codes to identify whether the movement of a product is for sales, leases, or other reasons.

```
[00051] - General User Defined Codes                          _ □ ×
Functions   Tools   Help

 ✔  ✗  1i  2▲  4✚  9▬

                              System Code              41
                              User Defined Codes       S1
                              Skip To Code         [        ]
                              Sales Catalog Sections

     03 Character
     ┌─────────────┬─────────────────────────────┬──────────┐
     │    Code     │        Description          │          │
     ├─────────────┼─────────────────────────────┼──────────┤
     │             │Blank -Sales Rpt Code 1 41/S1│          │
     │CEQ          │Computer Equipment           │          │
     │CHE          │Chemical Products            │          │
     │CON          │Consumer Goods               │          │
     │DRP          │DRP Planning Family 1         │          │
     │DR2          │DRP Planning Family 2         │          │
     │ELC          │Electronics                  │          │
     │ETO          │Engineer to Order            │          │
     │FDB          │Food & Beverages             │          │
     │FRN          │Furniture                    │          │
     │FUL          │Fuels                        │          │
     │LUB          │Lubes                        │          │
     │M01          │Model                        │          │
     │OFS          │Office Equipment and Supplies│          │
     └─────────────┴─────────────────────────────┴──────────┘
 F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More
```

Nature of Transaction Codes – Purchase Orders (41/P1–P5)

Use Nature of Transaction codes to identify whether the movement of a product is for sales, leases, or other reasons.

```
[00051] - General User Defined Codes                          _ □ ×
Functions   Tools   Help
  ✔    ✗   ₁i   ₂▲   ₄✚   ₉▬

                              System Code              41
                              User Defined Codes       P4
                              Skip To Code        [         ]
                              Master Planning Family

   03 Character
        Code  |          Description
              | Blank-Master Plan Family 41/P4
        AMB   | Ambisome Mystery Drug
        CAR   | Sports Car
        DRP   | DRP Planning Family
        DR2   | DRP Planning Family 2
        ELC   | Electrical
        ETO   | Engineer to Order Items
        FDB   | Food and Beverage
        FKL   | Forklift (Configured Assembly)
        GG1   | G Gage Planning Family
        LG    | Lawn & Garden Products
        OFS   | Office Supplies
        OVH   | Overhead Projectors
        PCE   | Personal Computer Equipment

 F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More
```

Commodity Codes (41/E)

You use Commodity codes to further identify the products that are dispatched from or arriving in your country. To comply with EU requirements, you must modify the second description field for these codes by entering the commodity code numbers required by the customs authorities.

Use the first eight characters of the second description field for the commodity code. Use the ninth and tenth characters to identify the supplementary unit of measure for the item, if required. For example, 12345678**EA**.

```
[00051] - General User Defined Codes                          _ □ ×
Functions   Tools   Help
  ✔    ✗   ₁i   ₂▲   ₄✚   ₉▬

                              System Code              41
                              User Defined Codes       E
                              Skip To Code        [         ]
                              Shipping Commodity Class

   03 Character
        Code  |     Description        |     Description-2
              | Blank-Shipping Comm Class 41/E
        CSE   | Consumer Electronics   | 11111111
        FMR   | Food Materials         | 22222222
        FPD   | Food Products          | 33333333
        LST   | Livestock              | 44444444
        MCH   | Heavy Machinery        | 55555555
        PAP   | Paper Products         | 66666666
        SHO   | Shoes                  | 77777777

 F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More
```
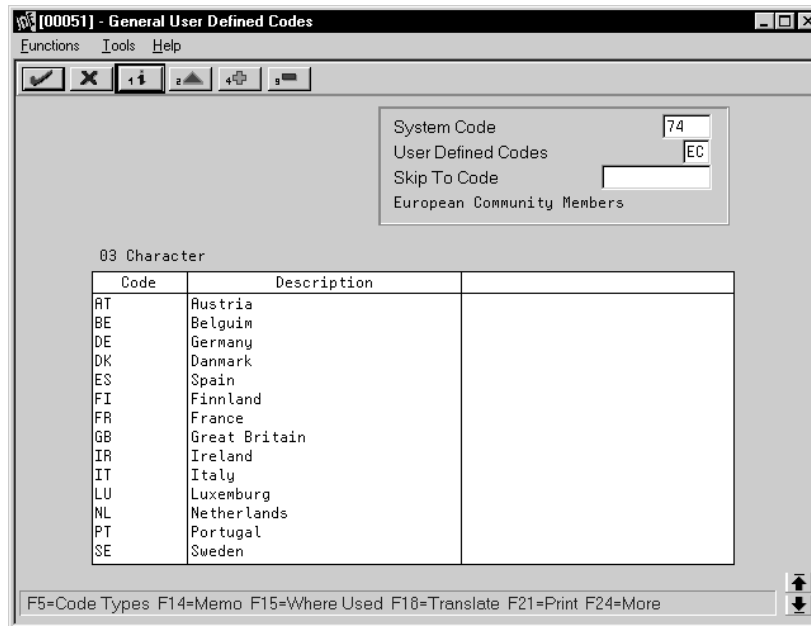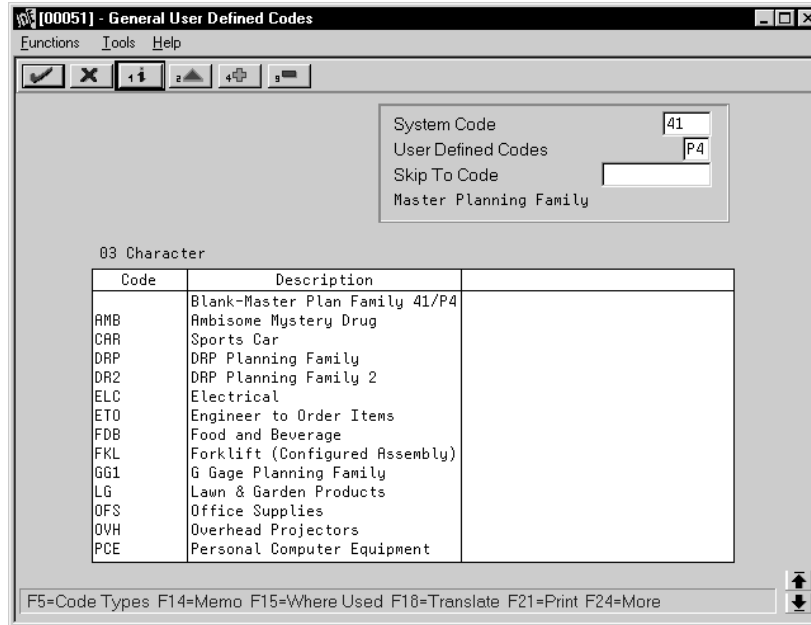
Conditions of Transport (00/TC)

You set up codes for the Conditions of Transport on user defined codes table 00/TC.

```
[00051] - General User Defined Codes                              _ □ ×
Functions  Tools  Help

  ✔  X  ↑i  ₂▲  ₄✚  ₅▬

                                System Code              00
                                User Defined Codes       TC
                                Skip To Code
                                Condition of Transport

     03 Character
        Code            Description
                        .
        CFR             Delivery inc, not insured
        CIF             Carriage, Insurance, Freight
        DDP             Delivered Duty Paid
        DDU             Delivered Duty Unpaid
        EXW             Ex Works
        FOB             Free on Board
        XXX             Other




 F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More
```
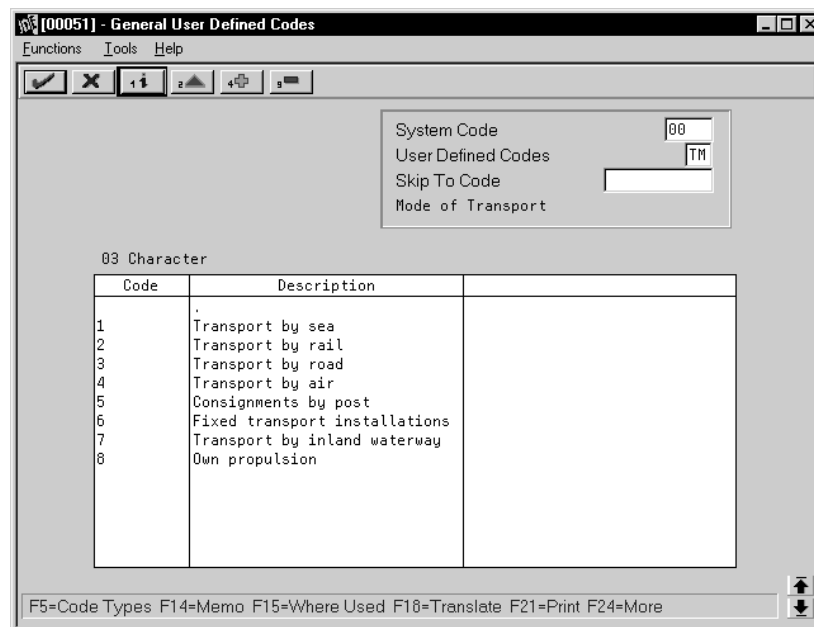
Modes of Transport (00/TM)

You set up codes for the modes of transport on user defined codes table 00/TM.

```
[00051] - General User Defined Codes                              _ □ ×
Functions  Tools  Help

  ✔  X  ↑i  ₂▲  ₄✚  ₅▬

                                System Code              00
                                User Defined Codes       TM
                                Skip To Code
                                Mode of Transport

     03 Character
        Code            Description
                        .
        1               Transport by sea
        2               Transport by rail
        3               Transport by road
        4               Transport by air
        5               Consignments by post
        6               Fixed transport installations
        7               Transport by inland waterway
        8               Own propulsion




 F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More
```
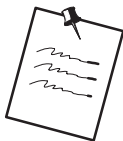
Freight Handling Codes (42/FR)

You use freight handling codes to identify various freight information. To comply with EU requirements, modify your freight handling codes to include the codes that you set up for the Conditions of Transport and Modes of Transport tables. To do this, enter the codes for the conditions of transport and the modes of transport in the second description field for the table.

The Description 02 field allows up to 15 characters. When you modify freight handling codes, use the first three characters in the field to specify the conditions of transport. Use the fourth character to indicate the COT extension (France only). Enter the code for mode of transport as the fifth character of the second description.

You must define the codes that indicate the various conditions and modes of transport on their respective user defined code tables before you can use the codes to modify your Freight Handling codes.

```
[00051] - General User Defined Codes                              _ □ ×
Functions   Tools   Help

 ✔   ✗   1 i   2 ▲   4 ✛   9 ▬

                                    System Code              42
                                    User Defined Codes          FR
                                    Skip To Code        [          ]
                                    Freight Handling Code

    03 Character

    Code            Description                        Description-2

    C          SMS Collect Inbound
    CF3        Delivery inc.not ins./T b road  CFR 3
    F          FOB - Our Dock                  FOB 1
    FO4        Freee on board/Transport b air  FOB 4
    G          FOB - Their Dock
    P          Pickup with our Truck           EXW

 F5=Code Types  F14=Memo  F15=Where Used  F18=Translate  F21=Print  F24=More
```

What You Should Know About

Default conditions of transport

You can set up default conditions of transport on the Supplier Purchasing Instructions form. To do this, enter the condition of transport in the Freight Handling Code field. When you enter purchase orders, this information appears in the purchase order header fields.

You access the Supplier Purchasing Instructions form from the Supplier Management menu.

Nature of Transaction codes

You can set up nature of transaction codes specifically for European Union reporting on user defined codes table 74/NT, or you can use the user defined codes tables from the Inventory systems (41/P1–P5, 41/S1–S5). When you update the Intrastat Workfile, you use a processing option to specify which user defined codes table you want the system to use to find the applicable information.

See *Working with Intrastat Requirements*.

Fiscal Requirements

About Fiscal Requirements

In Germany, businesses are required to track, categorize, and report assets based on an index published by the statistical authority. The most commonly used depreciation methods are also specific to German business and reporting practices. In addition, businesses are frequently required to process transactions in multiple currencies.

J.D. Edwards solutions for fiscal requirements in Germany include the following tasks:

- ❑ Working with asset valuation

- ❑ Working with depreciation

- ❑ Printing the transaction journal

- ❑ Processing multiple currencies

Work with Asset Valuation

Working with Asset Valuation

Businesses in Germany must report assets at the net value at which the assets are acquired. For example, if a business receives a discount upon the acquisition of an asset, the discounted amount is recorded as the value of the asset. The difference between the discounted amount and actual value of the asset is maintained in an offsetting account.

The insurance values of assets that belong to a business are based on an indexed value. The index is posted yearly by the Germany statistical authority. Businesses in Germany must use the indexed value for the asset as of its purchase date and then calculate forward to the current date to report the asset's actual value.

According to the index, businesses must group assets into different categories, based on the type of asset. For each category, two indices are used to compute the actual acquisition cost. You use the first index to deduct the value of the asset to the base year (currently 1970). You use the second index to compute the current acquisition cost.

You can use J.D. Edwards base software to manage asset valuation. To maintain accurate asset valuation records in Germany, you must:

- Set up category codes to assign the base year index to each asset.

- Set up user defined depreciation rules for the index of each current year. To do this, multiply the asset cost by the base year index multiplied by the current year's index.

- Apply the rules to an insurance ledger.

- Run the User Defined Depreciation program for the insurance ledger.

- Run World Writer reporting to retrieve the current acquisition cost.

See Also

- *Setting Up User Defined Depreciation* in the *Fixed Assets Guide* to review the steps for setting up user defined depreciation rules

- *Verifying Depreciation Information* in the *Fixed Assets Guide* to review the steps for applying depreciation rules to a ledger

Work with Depreciation

Working with Depreciation

In Germany, the most frequently used depreciation methods include:

- No depreciation (*keine Abschreibung*)
- Straight line depreciation (*lineare Abschreibung*)
- Declining balance with cross-over (*degressive Abschreibung mit Übergang*)

You can use J.D. Edwards user defined depreciation to set up German depreciation methods and calculate the resulting depreciation for your assets.

To use German-specific depreciation methods successfully, you must be completely familiar with J.D. Edwards user defined depreciation. You must fully understand the setup procedures and information flows for user defined depreciation as defined in J.D. Edwards standard software and documentation as of the A7.3 release.

Working with depreciation for Germany consists of the following tasks:

- ❑ Defining codes for user defined depreciation

- ❑ Defining formulas for user defined depreciation

- ❑ Defining depreciation rules for user defined depreciation

- ❑ Assigning depreciation methods to assets

- ❑ Running the Compute User Defined Depreciation program

The following tasks can be used *only* as general reference and example.

See Also

- *About User Defined Depreciation* in the *Fixed Assets Guide* for more conceptual information about J.D. Edwards user defined depreciation

- *Setting Up User Defined Depreciation* in the *Fixed Assets Guide* to review the steps for setting up user defined depreciation

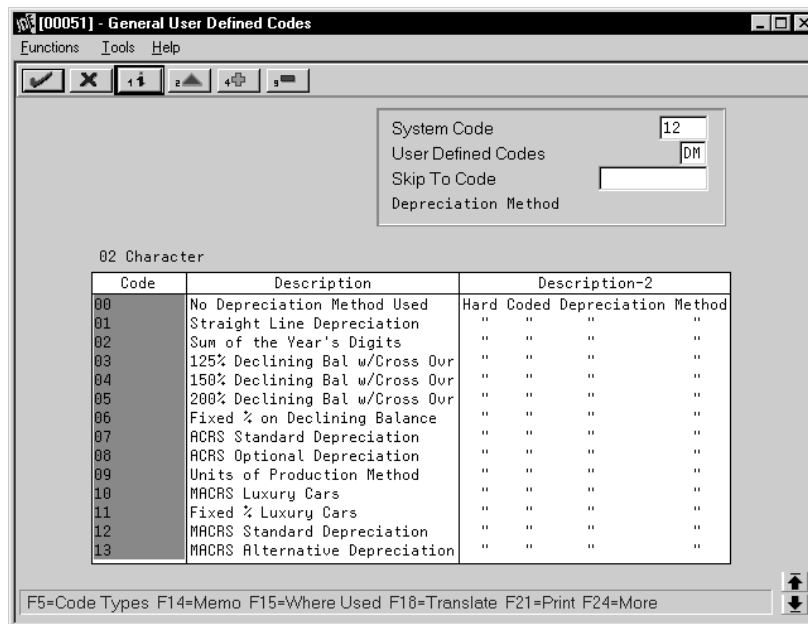## Defining Codes for User Defined Depreciation

You must define a code for each German depreciation method you want to set up in user defined depreciation. You use the Depreciation Method user defined codes table (system 12, type DM) to define codes for user defined depreciation methods.

When you set up the Depreciation Method user defined codes table, you must do the following:

- Use alpha codes to identify user-defined depreciation methods

- Enter a 1 in the Special Handling Code field for each user-defined depreciation method

- Enter an N in the Hard Coded Y/N field for each of user-defined depreciation method

▶ **To define codes for user defined depreciation**

On any User Defined Codes form

```
┌─────────────────────────────────────────────────────────────────────┐
│ ▒▒ [00051] - General User Defined Codes                    _ □ X     │
│ Functions  Tools  Help                                               │
│ ┌───┬───┬────┬────┬────┬────┐                                        │
│ │ ✔ │ X │ ₁i │ ₂▲ │ ₄✛ │ ₅━ │                                        │
│ └───┴───┴────┴────┴────┴────┘                                        │
│                                                                       │
│                              System Code              ┌────┐ 12      │
│                              User Defined Codes            │DM       │
│                              Skip To Code         ┌────────┐         │
│                              Depreciation Method                     │
│                                                                       │
│      02 Character                                                     │
│   ┌────────┬──────────────────────────┬──────────────────────────┐  │
│   │  Code  │       Description         │      Description-2        │  │
│   ├────────┼──────────────────────────┼──────────────────────────┤  │
│   │ 00     │ No Depreciation Method Used │ Hard Coded Depreciation Method │
│   │ 01     │ Straight Line Depreciation  │  "    "    "       "      │  │
│   │ 02     │ Sum of the Year's Digits    │  "    "    "       "      │  │
│   │ 03     │ 125% Declining Bal w/Cross Ovr │ "  "    "       "      │  │
│   │ 04     │ 150% Declining Bal w/Cross Ovr │ "  "    "       "      │  │
│   │ 05     │ 200% Declining Bal w/Cross Ovr │ "  "    "       "      │  │
│   │ 06     │ Fixed % on Declining Balance │ "   "    "       "      │  │
│   │ 07     │ ACRS Standard Depreciation  │  "    "    "       "      │  │
│   │ 08     │ ACRS Optional Depreciation  │  "    "    "       "      │  │
│   │ 09     │ Units of Production Method  │  "    "    "       "      │  │
│   │ 10     │ MACRS Luxury Cars           │  "    "    "       "      │  │
│   │ 11     │ Fixed % Luxury Cars         │  "    "    "       "      │  │
│   │ 12     │ MACRS Standard Depreciation │  "    "    "       "      │  │
│   │ 13     │ MACRS Alternative Depreciation │ "  "    "       "      │  │
│   └────────┴──────────────────────────┴──────────────────────────┘  │
│ F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More │
└─────────────────────────────────────────────────────────────────────┘
```

1. To access the user defined codes table for Depreciation Method, complete the following fields:

    - System Code

    - User Defined Codes

2. To define depreciation codes, complete the following fields:

    - Character Code

    - Description

    - Description 2

3. Access the detail area.

4. To identify the depreciation method as a user defined method, complete the following fields:

    - Special Handling Code

    - Hard Coded Y/N

Field	Explanation
System Code	A user defined code (98/SY) that identifies a J.D. Edwards system.
	A user defined code that identifies a J.D. Edwards system, such as Accounts Receivable, Address Book, Inventory, and so on.
	If an object is used by more than one system, select a common system code. Use 00 for an object that is used by General Accounting, Address Book, and Inventory.
	See UDC 98/SY
User Defined Codes	Identifies the table that contains user defined codes. The table is also referred to as a code type.
User Defined Code	This column contains a list of valid codes for a specific user defined code list. The number of characters that a code can contain appears in the column title.
Special Handling Code – User Def Codes	A code that indicates special processing requirements for certain user defined code values. The particular value you enter in this field is unique for each user defined code record type.
	The system uses the special handling code in many ways. For example, special handling codes defined for Language Preference specify if the language is double-byte or if the language does not have uppercase characters. Programming is required to activate this field.
	. . . . *Form-specific information* . . . .
	If a "P" is in the second position, the system identifies that unit of measure as a potent unit of measure.

See Also

- *Setting Up User Defined Codes* in the *Fixed Assets Guide* for more information about user defined codes

Defining Formulas for User Defined Depreciation

From Fixed Assets (G12), enter 27

From Advanced Operations (G1231), choose Set Up UDD Depreciation

From Set Up User Defined Depreciation (G1232), choose Depreciation Formula Revisions

You can define or revise specific depreciation formulas for user defined depreciation methods. You assign the depreciation formulas to the life years you specify for the depreciation method. Use the four basic mathematical functions (+ − * /) and parentheses for nesting amounts or quantities to construct depreciation formulas in algebraic format.

The Fixed Assets system includes codes that you can use to represent the elements that the system uses to retrieve the related amounts or quantities from the Item Balance table, Item Master table, Date Pattern table, and so on. For example, you can define a depreciation method that is based on a formula that you create to subtract salvage value from cost.

You can access the Depreciation Formula Revision form directly from the menu, or you can access the form from Depreciation Rule Revision. For example, if you are revising depreciation rules, and you want to update a formula associated with the rule, you can access Depreciation Formula Revision to review and revise formulas you have previously defined without exiting from the Depreciation Rule Revision program.
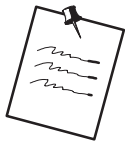
User defined depreciation formulas must have alphabetic identifiers to distinguish them from J.D. Edwards base depreciation formulas. You can modify only the alpha formulas, but you can use the numeric formulas as a starting point to create your own formulas with alphabetic identifiers.

Define the following formulas for German depreciation:

Salvage Value	The Salvage Value is the amount you expect to recover when you dispose of the asset. The salvage value is a key element in many depreciation methods. Define the Salvage Value formula as a percentage of the asset's acquisition cost.

Base/Limit

The Base/Limit is the total amount that can be depreciated over the life of an asset. Define the Base/Limit formula as the cost of the asset less its salvage value.

Assets acquired during the first half of year

Define a formula for assets that are placed in service in the first half of the company's fiscal year. The initial depreciation for the assets is computed for the entire year.

For example, the company's fiscal year is January through December and the asset is placed in service in April. The system computes the initial depreciation for the asset based on twelve months (January through December), rather than eight (April through December).

Assets acquired in the second half of year

Define a formula for assets that are placed in service in the second half of the company's fiscal year. The initial depreciation is computed for a half year.

For example, the company's fiscal year is January through December and the asset is placed in service in November. The system computes the initial depreciation for the asset based on six months (July through December), rather than the entire year.

Assets during second and subsequent years

Define a formula to compute the depreciation for all assets that are in service during the second and subsequent years.

▶ **To define formulas for user defined depreciation**

On Depreciation Formula Revision

```
╔═════════════════════════════════════════════════════════════╗
║ ▓▓[12853] - Depreciation Formula Revision          _ □ X     ║
║ Functions  Tools  Help                                       ║
║ ┌────────────────────────────────────────────────────────┐  ║
║ │ ✔ │ X │ 1i │ 2▲ │ 4✛ │ 3▬ │                             ║
║ └────────────────────────────────────────────────────────┘  ║
║                                                              ║
║   Formula ID            007  Description      % Declining Balance
║   Column Heading 1/2    [        ][        ]                 ║
║   Formula               ((10*47)/49)*06                      ║
║   Multiplier/Constant   [        ]                           ║
║                                                              ║
║        ┌────┬──────────────────────────────────────────────┐║
║        │Ref │          Formula Description                  │║
║        │01  │Asset Cost-Inception Through Current Year      │║
║        │02  │Accumulated Depreciation-PriorYear Balance Forward-(Primary)│
║        │03  │Asset Life in Periods       (Rounded to Whole Periods)│
║        │04  │Asset Life Periods Elapsed at Beginning of Current Year│
║        │05  │Asset Life Periods Remaining at Beginning of Current Year│
║        │06  │Asset Life Periods in Current Year  (Whole Periods)│
║        │07  │Salvage Value              (as Calculated in Annual Rule)│
║        │08  │Annual Depr Base Amount    (as Calculated in Annual Rule)│
║        │09  │Annual Depr Limit          (as Calculated in Annual Rule)│
║        │10  │Basis Amount               (as Calculated in Annual Rule)│
║        │11  │Multiplier                 (from Annual Rule Multiplier)│
║        │12  │Formula Multiplier/Constant  (from Depreciation Formula)│
║        │13  │Asset Life in Days                            │║
║        └──────────────────────────────────────────────────┘║
║                                                          ↑  ║
║ F19/F20=Previous/Next Formula     F24=More Keys          ↓  ║
╚═════════════════════════════════════════════════════════════╝
```

1. To set up or review an existing formula, complete the following field:

    - Formula ID

    Choose the field-sensitive help for Formula ID to review a list of valid formulas or to search for a specific formula by code or description.

2. To define or revise the formula, complete the following fields:
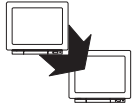
    - Description
    - Formula
    - Multiplier/Constant

Field	Explanation
Formula – Inquiry Column	A calculation that the system uses to input an amount or quantity in this column. You can use a single predefined value or multiple predefined values in conjunction with mathematical operators to enter a formula. Valid mathematical operators are: + Add − Subtract * Multiply / Divide ( ) Left and right parentheses for nesting For example, you can enter the following formula to have the system calculate on-time percentages: 20/(20+21+22) The formula above equals on-time percentages because: • 20 is the value for on-time amounts • 21 is the value for early amounts • 22 is the value for late amounts
Depreciation Formula Amount	A percentage or amount that can be incorporated into a formula as an element to derive depreciation.

See Also

- *Appendix B – Depreciation Examples* to review examples of the depreciation formulas

- *Appendix C – Formula Elements* in the *Fixed Assets Guide* to review a comprehensive list of the elements that you can use to define formulas

Defining Depreciation Rules for User Defined Depreciation

From Fixed Assets (G12), enter 27

From Advanced Operations (G1231), choose Set Up UDD Depreciation

From Set Up User Defined Depreciation (G1232), choose Depreciation Rule Revisions

You must define the rules that you want the system to use when it calculates user defined depreciation for an asset. Depreciation rules consist of the following elements:

- Reference information
- Rule conventions
- Life year rules
- Formulas

Reference Information

You use reference information to tie a specific depreciation rule to an asset. The system uses the values that you specify to reference the specific depreciation method in which the rule is to be used. Reference information includes:

- The code that identifies the method
- Special characteristics of the rule
- Period over which the asset cost is to be apportioned
- Placed in service date for the asset
- Date through which the method is effective

Rule Conventions

Rule conventions dictate how the system calculates depreciation based on the life year rules and formulas you specify for the rule. These conventions apply to the entire apportionment period referenced by the rule. You can set up rule conventions to:

- Override the business unit destination of the depreciation expense.
- Spread the first and last year of cost apportionment. For example, you can designate a rule to spread depreciation throughout the year, or spread the depreciation proportionate beginning with the depreciation start or end date.
- Allow the utilization of a second annual rule.

- Use the asset's life periods or the fiscal year as the beginning reference point in determining the current life year of an asset.

- Depreciate more cost than exists for an asset.

- Allow negative depreciation amounts to be computed in the formula during the life of an asset.

Life Year Rules

The basic equation for computing depreciation for a life year consists of a multiplier that is applied to a cost or basis. The resulting amount is subject to a minimum (base) and a maximum (limit). The basis amount that is multiplied might be subject to an overall floor or salvage value. The same rule might apply to multiple life years, or it might apply to a single life year of a cost.

You can define a rule for any asset life year. You can also define a separate rule for the disposal year of an asset.

Formulas

The formulas that are used by the life year rules can be applied to any element in the depreciation equation, such as:

- Multiplier
- Depreciable basis
- Base
- Limit
- Salvage value

▶ **To define depreciation rules for German depreciation methods**

On Depreciation Rule Revisions

1. To reference the depreciation rule, complete the following fields:

   - Depreciation Method

   - Life (Periods)

   - Initial Term Apportionment

   - Compute Direction

   - In Service From/Thru

   - Effective From/Thru

   - Pattern Reference

   The Depreciation Method is the code identifier you defined on user defined codes table 12/48.

2. To define the conventions of the depreciation rule, complete any of the following fields:

   - Depreciation Expense Business Unit

   - First Year Spread

   - Last Year Spread

   - Disposal Year

   - Secondary Account/%

- Life Year Reference
- Allow Over Depreciation
- Allow Negative Depreciation

3. To define the life year rules for the depreciation rule, complete the following fields:

- Life Year–From
- Life Year–Thru
- In Service Month
- Annual Multiplier
- Period Pattern

4. Complete the following fields with the codes for the formulas that you want the system to use for each element of the depreciation equation:

- Depreciation Formula–Multiplier
- Depreciation Formula–Basis
- Secondary Percentage Continuation

Use the formulas you defined on the Depreciation Formula Revisions form as applicable.

5. Access the detail area.

6. Complete any of the following optional fields for additional formula specifications:

- Depreciation Formula–Base
- Depreciation Formula–Limit
- Depreciation Formula–Salvage Value

Field	Explanation
Depreciation Method	The user defined code (system 12, type DM) that indicates the method of depreciation for the specified book. In addition to any user defined depreciation methods you set up for your company, the following standard depreciation methods are available in the Fixed Assets system:

00	No depreciation method used
01	Straight Line Depreciation
02	Sum of the Year's Digits
03	125% Declining Balance to Cross-Over
04	150% Declining Balance to Cross-Over
05	Double Declining Balance to Cross-Over
06	Fixed % on Declining Balance
07	ACRS Standard Depreciation
08	ACRS Optional Depreciation
09	Units of Production Depreciation
10	MACRS Luxury Cars – Domestic
11	Fixed % Luxury Cars – Foreign
12	MACRS Standard Depreciation
13	ACRS Alternatative Depreciation
14	ACRS Alternate Real Property
15	Fixed % of Cost
16	Fixed % on Declining Balance to Cross-Over
17	AMT Luxury Auto
18	ACE Luxury Auto

NOTE: Any additional depreciation methods you create for your organization must have an alpha code.

Field	Explanation
Life Months	The life of an asset in months or periods. The system uses months or periods only to express the life of an asset. For example, if your company uses a 12–month calendar, then a five–year ACRS asset has a 60–month life. If your company uses a 13–month calendar, then a five–year ACRS asset has a 65–month life, and so on. You must specify a life month value for all user defined depreciation methods, and for all standard depreciation methods, except the standard methods 00, 06, 09, 11, and 15.

Field	Explanation
Depreciation Information	A code for additional depreciation information. This code is used for Investment Tax Credit (ITC) and averaging conventions. The system validates the code you enter in this field against user defined code table 12/AC. Valid codes are:

	0	No ITC Taken
	1	Three Year Method (3 1/3%)
	2	Five Year Method (6 2/3%)
	3	Seven Year Method (10%)
	4	ACRS Method with Basis Reduction (10% ITC)
	5	ACRS Method without Basis Reduction (2% ITC or No ITC)
	A	Actual Date of Depreciation Start Period
	M	Mid-Month Convention
	Q	Mid-Quarter Convention
	Y	Mid-Year Convention
	P	Middle of Period
	F	First–half/Second–half
	W	Whole Year
	N	First Day of Next Period
	R	First Day of Next Year
	S	Actual Start Date for Primary Rule/First Day of Period for Secondary Rule

NOTE: Numeric codes apply to standard depreciation methods only.

To determine the date for F (First–half/Second–half), use the following guidelines:

- If the asset was placed in service in the first half of the year then the adjusted depreciation start date is the first day of the year.
- If the asset was placed in service in the second half of the year then the adjusted depreciation start date is the first day of the succeeding year.
- The first half of the year expires at the close of the last day of the calendar month which is closest to the middle of the tax year.
- The second half of the year begins the day after the expiration of the first half of the tax year.

Field	Explanation
Computation Method – ITD or Rem	A code that indicates the method of computation that the system uses to calculate depreciation based on the depreciation method you specify.
	Valid codes are:
	C Current year to date. Calculates only the current year's depreciation.
	I Inception to date. Recalculates the entire depreciation amount from the start date through the current year. Prior-year depreciation is then subtracted to determine current year depreciation. This method results in a one-time current period correction for any errors in prior period depreciation.
	F Inception to date. Calculates inception to date for the first rule (if there are two rules) and uses a C for the second rule.
	P Current period. Calculates depreciation for the current period and then extrapolates the annual amount based on the cumulative percent from the period pattern and year-to-date posting. Any depreciation calculated for the current period is subtracted.
	R Remaining months. Depreciates the net book value as of the beginning of the current tax year over the remaining life of the asset. This results in the amortization of prior period calculation errors over the remaining life of the asset.
Date From	The beginning date for which the transaction or code is applicable.
	. . . . *Form-specific information* . . . .
	The date the asset is placed in service or the modified depreciation start date. The system validates this date against the company date patterns. If you leave this field blank, the system uses a default value of 01/01/00 (January 01, 1900). If only the date differentiates two or more depreciation rules, the system will not allow overlapping dates.
Date Thru	The ending date for which the transaction or code is applicable.

Field	Explanation
Date – Beginning Effective	The date on which an address, item, transaction, or table becomes active or the date from which you want transactions to display. The system uses this field depending on the program. For example, the date you enter in this field might indicate when a change of address becomes effective, or it could be a lease effective date, a price or cost effective date, a currency effective date, a tax rate effective date, and so on. . . . . *Form-specific information* . . . . The date from which a depreciation rule is effective. The system validates this date against the company date patterns. If you leave this field blank, the system uses a default value of 01/01/00 (January 01, 1900). If only the dates differentiate two or more depreciation rules, the system will not allow overlapping dates.
Date – Ending Effective	The date on which the item, transaction, or table becomes inactive or through which you want transactions to display. This field is used generically throughout the system. It could be a lease effective date, a price or cost effective date, a currency effective date, a tax rate effective date, or whatever is appropriate. . . . . *Form-specific information* . . . . The date through which a depreciation rule is effective. The system validates this date against the company date patterns. If you leave this field blank, the system uses a default value of 01/01/00 (January 01, 1900). If only the dates differentiate two or more depreciation rules, the system will not allow overlapping dates.
Fiscal Date Pattern	A code that identifies date patterns. You can use one of 15 codes. You must set up special codes (letters A through N) for 4-4-5, 13 period accounting, or any other date pattern unique to your environment. An R, the default, identifies a regular calendar pattern. . . . . *Form-specific information* . . . . Use this field to reference a date pattern that is specific to the initial term for asset depreciated under the rule. This is particularly useful if the date patterns your company uses now are different from previous years due to mergers or short years. The system refers to this pattern in order to adjust the depreciation start date.

Field	Explanation
Depreciation Business Unit	A code that allows an override of the destination of the depreciation expense. Valid codes are: Blank No Override 1 Responsible Business Unit 2 Location Business Unit 3 Work Center Business Unit
1st Year Spread Convention	A code that designates how you want the system to apportion the first year of depreciation for an asset. Valid codes are: Blank Modified Depreciation Start Date 1 Entire Year 2 Actual Depreciation Start Date 3 Placed in Service Period
Last Year Spread Convention	A code that designates how you want the system to apportion the last year of depreciation for an asset. Valid codes are: Blank Modified depreciation end date 1 Entire year
Disposal Convention	A code that designates how you want the system to apportion depreciation when you dispose of the asset. Valid codes are: Blank To End of Disposal Period A Actual Disposal Date Y Mid-Year Q Mid-Quarter M Mid-Month P Middle of Period F First-Half / Second-Half L Last Day of Previous Period I Inverse of Initial Term Apportionment N None

Field	Explanation
Secondary Acct/% Convention	A code that designates how the system uses the amount calculated by the Secondary Account/Percent rule when determining the annual depreciation amount. Valid codes are:
	Blank No secondary percentage
	1 Greater of amounts calculated by Rule 1 or Rule 2
	2 Lesser of amounts calculated by Rule 1 or Rule 2
	6 Amount from Rule 1 to Accumulated Deprecation Account 1; amount from Rule 2 to Accumulated Deprecation Account 2
	7 Amount from Rule 1 to Accumulated Deprecation Account 1 plus Depreciation Expense Account 1 equals Rule 1 amount; amount from Rule 2 to Accumulated Deprecation Account 2 plus Depreciation Expense Account 2 equals Rule 2 amount
	8 Two Amounts – Two A/D Accounts and Three D/E Accounts
	The system uses this field in conjunction with the Secondary Percent Continuation field.
Life Year Reference Convention	A code that designates the beginning reference point from which you want the system to determine the current life year of an asset. Valid codes are:
	Blank 1st day of depreciation start year
	1 Depreciation start date (modified)
Over/Under Allowed	A code that indicates whether you want the system to allow over depreciation for an asset. Use this field when you want the system to allow depreciation in excess of the basis, or when you want to allow depreciation beyond the period you define as the life of the asset, as in the ACRS Luxury Autos depreciation method. Valid values are:
	Blank Over depreciation NOT allowed during asset life, take remaining basis at end of asset life
	1 Accumulated depreciation may EXCEED adjusted basis during asset life, take remaining basis at end of asset life
	2 Over depreciation NOT allowed during asset life, allow depreciation beyond asset life
	3 Accumulated depreciation may EXCEED adjusted basis during and beyond asset life
	The default for this field is blank. The system uses this field in conjunction with the Allow Negative Depreciation field.

Field	Explanation
Negative Allowed	A code that indicates whether you want to allow depreciation formulas to calculate negative amounts. Valid codes are: N Negative depreciation not allowed Y Accumulated depreciation may be less than adjusted basis You can enter a 1 for yes (Y) or a 2 for no (N). The default value is N.
Asset Life Year – Start	The first asset life year to which the rule pertains. You must set up detail annual rules for a depreciation rule, beginning with year 1 and extending through every year in the life of the asset. The system does not allow "gaps" between years. You can set up the detail annual rules beyond the life of the asset. A single record may represent several contiguous years, but the system does not allow duplicate years. Valid values are 1 through 998, and 999. Use 999 only to set up a specific rule for the disposal year of an asset.
Asset Life Year – Through	The last year in the life of an asset to which the rule pertains. You can set up the detail annual rules beyond the life of the asset. Each rule must have a rule for contiguous years beginning with 1. A single record can represent several contiguous years, but the system does not allow duplicate years.

Field	Explanation
Placed In Service Period	This field refers to the month the asset is placed in service. You can specify rules by inclusive ranges. When you use the value of blank, the system continues to use the annual rule for the last specified placed in service month until it finds a higher placed in service month value.
	The system uses the values you enter in this field as follows: • First, the system searches for an exact match. (For example, if an asset is placed in service in month 01, the system looks for a Placed In Service Month value of 01 for that year.) • If an exact match does not exist, the system searches for a value of blank. • If a value of blank does not exist, the system continues to use the annual rule for the last specified placed in service month for a range of months until it finds the next highest month you specify.
	For example, if you set up annual rules for the Placed In Service Months of 01, 03, 06, and 09, the system uses the rule you specify for 01 during the first and second months, the rule you specify for 03 during the third, fourth, and fifth months, the rule you specify for 06 during the sixth, seventh, and eighth months, and the rule you specify for 09 for the remaining months.
	Valid values are blank, 01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 11, and 12.
Annual Multiplier	A percentage that you can use as an element within a formula, or by itself. The system applies this percentage to the basis of an asset to derive depreciation. If no basis is defined for the asset, then the system applies this percentage to the cost.
	Enter a value in this field as a decimal. For example, enter 10% as .10 and 150% as 1.5.
Spread Pattern Reference	The code for a specific depreciation spread pattern. A pattern determines how the annual depreciation amount is to be apportioned to periods within a year. You can designate spread patterns for individual years, or for a group of years.
Secondary % Continuation	Use this code to indicate whether an annual depreciation rule is a primary or secondary rule.

See Also

- *Setting Up Depreciation Rules* in the *Fixed Assets Guide* for more information about how the system uses depreciation rules

Assigning Depreciation Methods to Assets

You must assign depreciation methods to your assets to calculate depreciation. You do this when you create the master records for your assets.

When you create asset master records, the system automatically assigns depreciation information to each asset. You define the default values that the system assigns to new assets when you set up the constants and depreciation default coding for your system.

After you set up asset master records, you can review both master information and balance information on the Depreciation Information form. You might want to review the Depreciation Information form to verify that the depreciation default values that you have set up for the system are correct for individual assets. For example, you might want to verify the following default information:

- Master record information, such as the business unit, object, and subsidiary accounts that the system uses to create journal entries

- All the ledgers assigned to the asset, such as budget and depreciation ledgers

- Depreciation methods for the asset
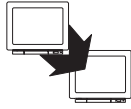
You can review default depreciation information as you enter master records for individual assets or from the Fixed Assets menu. Access depreciation information when you want to:

- View depreciation information for an asset for any fiscal year

- Override an asset's default depreciation information for current or future fiscal years

- Add new ledger types and depreciation methods to individual assets

See Also

- *Creating an Asset Master Record* in the *Fixed Assets Guide* to review the steps for creating an asset master record

- *Verifying Depreciation Information* in the *Fixed Assets Guide* to review the steps for accessing and revising the depreciation information for assets

Running the Compute User Defined Depreciation Program

From Fixed Assets (G12), enter 27

From Advanced Operations (G1231), choose Compute UDD Depreciation

From Set Up User Defined Depreciation (G1233), choose Compute User Defined Deprec.

Use the Compute User Defined Depreciation program to calculate depreciation for assets to which you assign user defined depreciation methods. The program refers to the special handling code in the user defined codes for depreciation method to determine whether or not the deprecation method is user defined.

When you run the Compute User Defined Depreciation program, the program calculates and stores the annual depreciation amount for each asset in the Item Balances table (F1202). The program refers to the Spread Pattern table that relates to the depreciation rule and applies the Year-to-Date Percentage to the annual depreciation amount. The resulting calculation is the depreciation amount for the current period.

When you select Compute User Defined Depreciation, the system displays a DREAM Writer versions list. The DREAM Writer versions list includes DEMO versions that you can run or copy and modify to suit your needs. When you run a version, the system displays Processing Options Revisions before submitting the job for processing.

When you run Compute User Defined Depreciation in final mode, the system creates fixed asset and general ledger journal entries. The system automatically posts the fixed asset journal entries and then submits the general ledger journal entries for posting.

You can approve and post the general ledger journal entries, or you can set up your system to automatically post the entries when you run the depreciation program. For the system to automatically post depreciation journal entries to the general ledger, you must:

- Set Management Approval of Input to No (N) in General Accounting Constants

- Indicate a post version in the processing options for the Compute User Defined Depreciation program

See Also

- *About User Defined Depreciation (P12855)* in the *Fixed Assets Guide*
- *Calculating User Defined Depreciation (P12855)* in the *Fixed Assets Guide*

Print the Transaction Journal

Printing the Transaction Journal

From General Accounting (G09), choose Reports & Inquiries

From Accounting Reports & Inquiries (G0912), choose Transaction Journal

To review all transactions, or transactions within a G/L date range, print the Transaction Journal. This report prints the debit and credit amounts that make up balanced entries for A/R invoices and A/P vouchers. The report uses the logic in the post program to print the original journal entry and the corresponding offsets for the Accounts Receivable and Accounts Payable systems and for taxes.

Multiple offsets for a single journal entry appear on the Transaction Journal as a single amount, as if you were using offset method S (Summary) in the accounts receivable and accounts payable constants. This report includes only the actual amounts (AA) ledger and does not include intercompany settlements.

Transaction Journal

Company   100 Model Finan/Distrib Co (Mktg)
Tax ID
From 06/01/98 Thru 06/30/98

Ty	. . Document . . Number Co	Account Number	Description	Debit Amount	Credit Amount	Explanation	Address Number	Name
PV	4155 00000	100.2060	Furniture & Office Equipment	2,487.61			5830	Gilpin's Office Supply
		100.2060	Furniture & Office Equipment	14,978.95				
		100.4110	Accounts Payable–Trade		17,466.56			
PV	4156 00000	100.2060	Furniture & Office Equipment	3,458.91			5830	Gilpin's Office Supply
		100.4110	Accounts Payable–Trade		3,458.91			
PV	4216 00000	132.8155	Training Expenses	500.00		Travel –A/R Training	6000	Easter, Melvyn
		100.4110	Accounts Payable–Trade		500.00			
PV	4252 00000	210.8360	Telephone Expense	1,465.61			5776	A T & T Long Distance
		100.4110	Accounts Payable–Trade		1,465.61			
PV	4253 00000	400.8360	Telephone Expense	846.61			5776	A T & T Long Distance
		100.4110	Accounts Payable–Trade		846.61			
PV	4254 00000	600.8360	Telephone Expense	1,006.74			5776	A T & T Long Distance
		100.4110	Accounts Payable–Trade		1,006.74			
PV	4267 00000	529.6110	Tools Expense	1,897.00			4005	A & D Parts Company
		529.6120	Prime Cost of Goods	5,855.00				
		529.6130	Scrap	4,155.00				
		529.6140	Freight	6,718.00				
		100.4110	Accounts Payable–Trade		18,625.00			
PV	4277 00000	100.2060	Furniture & Office Equipment	15,967.62		32MB Main Storage	5864	IBM Corporation
		100.2060	Furniture & Office Equipment	31,786.43				
		100.2060	Furniture & Office Equipment	18,689.23				
		100.4110	Accounts Payable–Trade		66,443.28			
PV	4279 00000	529.8375	Water	755.00			5784	Arkla Gas Company
		529.8375	Water	615.00				
		529.8377	Sanitation	485.00				
		100.4110	Accounts Payable–Trade		1,855.00			
PV	4297 00000	210.8360	Telephone Expense	1,245.95			5805	Central Electric
		100.4110	Accounts Payable–Trade		1,245.95			
PV	4299 00000	210.6170	Purchase Part Variance	500.55			4431	Dynamic Works Incorpor
		100.4110	Accounts Payable–Trade		500.55			
PV	4300 00000	90.8350	Rent Expense	1,801.00			4002	E.Z. Rentals
		100.4110	Accounts Payable–Trade		1,801.00			
PV	4301 00000	600.8350	Rent Expense	2,200.00			5821	Fremont Furnishings
		100.4110	Accounts Payable–Trade		2,200.00			
PV	4303 00000	90.8350	Rent Expense	200.15			5856	Halliburton Services
		100.4110	Accounts Payable–Trade		200.15			
PV	4381 00000	90.8175	Uniforms	5,581.93			1001	Edwards, J.D. & Compan
		100.4110	Accounts Payable–Trade		5,581.93			
PV	4623 00000	90.8175	Uniforms	11,428.84			1001	Edwards, J.D. & Compan
		100.4110	Accounts Payable–Trade		11,428.84			
PV	4914 00000	90.8175	Uniforms	8,909.24			1001	Edwards, J.D. & Compan
		100.4110	Accounts Payable–Trade		8,909.24			
PV	5447 00000	90.8330	Insurance – General Liability	5,560.50			1001	Edwards, J.D. & Compan
		90.8355	Maintenance & Repair	5,560.50				
		100.4110	Accounts Payable–Trade		11,121.00			
PV	8324 00100	90.8700	Miscellaneous Expenses	1,500.00		China, Silverware & Glassware	4010	Gourmet & More
		100.4110	Accounts Payable–Trade		1,500.00			
PV	8329 00100	90.8665	Entertainment	825.00		Speciality Items	4010	Gourmet & More
		100.4110	Accounts Payable–Trade		825.00			
PV	8330 00100	90.8740	Travel, Meals & Lodging			Travel Advance	4010	Gourmet & More
		100.4110	Accounts Payable–Trade					

Processing Options for Transaction Journal (P09321)

```
DATE RANGE:
1. Enter the G/L date range to be
   processed:
                              From Date:              _____
                              Thru Date:              _____

ALTERNATE CHART OF ACCOUNTS:
2. To print the account number from the              _____
   alternate chart of accounts, enter
   the Category Code in which it is
   defined ('21', '22', or '23').
   Leave blank to print the account in
   Business Unit.Object.Subsidiary
   format.
```

Process Multiple Currencies

Processing Multiple Currencies

Companies that do business internationally are often faced with additional accounting needs. This arises from doing business in different currencies and following different reporting and accounting requirements. To process and report on transactions in multiple currencies, a company that operates internationally must do as follows:

- Convert foreign currencies into the local currency
- Convert different local currencies into one currency for reporting and comparisons
- Adhere to regulations that are defined in the countries in which the company operates
- Revaluate currencies due to changes in exchange rates

J.D. Edwards software provides the following multi-currency functionality throughout most base applications:

- Conversion from one currency to another
- Restatement of multiple currencies to consolidate into one currency
- Revaluation of currencies due to changes in exchange rates

J.D. Edwards software handles multiple currencies by storing each currency in a different ledger, as follows:

AA ledger	Domestic transactions are posted to the AA ledger.
CA ledger	Foreign transactions are posted to the CA ledger.
XA ledger	Alternate currency transactions, if used, are posted to the XA ledger.

About Multi-Currency Features

You can designate a specific currency for the following:

- Company
- Account
- Address book record

Data Entry in Foreign or Domestic Currency

You can enter all transactions in the original currency of the documents that you receive or send. You do not need to convert currencies before you enter transactions. For foreign entries, there is real-time conversion of foreign amounts to domestic amounts.

Daily Exchange Rate Table

You set up the Daily Exchange Rate Table to utilize the following multi-currency features:

Default exchange rates	When you enter a transaction, the system supplies the exchange rate from the Daily Exchange Rate Table.
Exchange rates for individual contracts	You can specify exchange rates for individual customers and suppliers.
Spot rates	You can enter an exchange rate when you enter a transaction. The value that you enter overrides the exchange rate from the Daily Exchange Rate Table.

Intercompany Settlements

You can enter transactions that cross company and currency boundaries. The system automatically generates the multi-currency intercompany settlements.

Gain and Loss Recognition

Gain and loss recognition features include:

Realized gains and losses	Entries that represent exchange rate realized gains and losses are automatically created at the time of cash receipt or entry.
Unrealized gains and losses	You can print a report to analyze open receivables and payables for booking unrealized gains and losses at the end of the month. Optionally, you can set up your system to create these entries automatically.

Detailed Currency Restatement

Detailed currency restatement features enable you to:

- Maintain a dual set of accounting books, one in the domestic (local) currency and one in an alternate stable currency.

- Restate amounts at the transaction level for a specified range of accounts.

Balance Currency Restatement

Consolidate balance into a common currency. A user-specified ledger type determines where the system creates the new restated balances. In addition, you can set up an exchange table and conversion specifications according to standard restatement practices.

"As If" Currency Repost

Restate all transactions to a new ledger type using one exchange rate instead of the individual rates that were associated with each transaction over the course of time. The "as of" currency repost feature eliminates the exchange rate fluctuation for financial analysis.

Tax Requirements

About Tax Requirements

Germany is part of the European Union (EU), which observes the Single European Act of 1987. The Single European Act is an agreement that opens markets to an area without internal frontiers (boundaries) in which free movement of goods, persons, services, and capital is assured in accordance with the provisions of the Treaty of Rome.

Although day-to-day business activities in Germany are the same as those for businesses in countries that are not EU members, businesses in Germany must adhere to EU requirements. For example, to help monitor the trade among members of the EU, businesses that exceed the limit of intra-union trade must submit the following reports to the customs authorities:

- EU Sales Listing (*Zusammen Fassende Meldung* or *ZM*)
- Intrastat Report

There are also significant differences regarding the specifics of how value added tax (VAT) is handled.

J.D. Edwards solutions for tax requirements in Germany consist of the following tasks:

❑ Entering journal entries with tax

❑ Printing the EU Sales Listing

❑ Working with Intrastat requirements

❑ Printing value added tax (VAT) reports

❑ Working with VAT reconciliation

About Value Added Taxes (VAT)

Umsatzsteuer or *Mehrwertsteuer* (also known as value added tax or VAT) is a noncumulative tax that is imposed at each stage of the production and distribution cycle.

If you work with VAT, you should understand the following terminology and principles:

Output VAT

Suppliers of goods and services must add VAT to their net prices. They must record output VAT for goods on the date that they issue invoices and for services on the date that they receive payment.

Input VAT

Input VAT is the VAT paid by the purchaser of goods and services to the supplier. If the purchaser is subject to VAT of sales (output VAT), they can offset the input VAT they owe against any output VAT that they owe.

Input VAT is generally recovered by offsetting it against output VAT. When input VAT exceeds output VAT, the purchaser can obtain a cash refund.

Nonrecoverable Input VAT

Input VAT cannot be recovered the following:

- Goods and services that are not necessary for running the business
- Expenses that are related to business entertainment
- Transport of persons
- Oil-based fuels and lubricants that are transformed and then resold
- Goods that are provided free of charge or at a substantially reduced price
- Purchase of cars
- Services related to goods that are normally excluded from the right of recovery

VAT Returns

VAT returns must be completed for each month by the tenth day of the following month and filed with the local tax office.

You must pay any excess output VAT over input VAT at the time of filing.

VAT exemptions

In Germany, the following transactions are non-taxable:

- Transactions within the same entity
- Transactions for the transfer of business
- Transactions for subsidies, penalty payments, and compensation

Enter Journal Entries with Tax

Entering Journal Entries with Tax

From General Accounting (G09), enter 27

From G/L Advanced & Technical Operations (G0931), choose Journal Entry With VAT Tax

When you enter a journal entry with tax, you might know the gross amount or the taxable amount of the entry. If you enter the gross amount, the system calculates the taxable amount and the tax. If you enter the taxable amount, the system calculates the gross amount and the tax.

For journal entries with tax, the system calculates the tax based on the tax area. The following restrictions apply to journal entries with tax:

- The system posts each journal entry with tax to a single tax authority.
- You cannot create model or reversing journal entries with this type of journal entry.
- This type of journal entry can be used only for transactions that have a tax explanation code of V or VT.

Entering journal entries with tax consists of the following tasks:

❏ Entering a tax inclusive journal entry

❏ Entering a tax exclusive journal entry

Example: Journal Entry with Tax

If you have tax on a bank charge, your entry might look like this example:

Account Number	Amount	Tax Amount	Ex	Tax Area
7001.8810	1000	60	V	BE6
70.1110.BBL	1060–			

The resulting entry to the general ledger would look like this example:

Account Number	Description	Amount
7001.8810	Bank Charges	1000
70.1240	Tax	60
70.1110.BBL	Bank Account	1060–

What You Should Know About

Tax-only journal entries To enter a journal entry for tax only, provide a tax amount and a tax explanation code of VT. Do not enter a gross taxable amount.

See Also

▶ **To enter a tax inclusive journal entry**

On Journal Entry With VAT Tax

1. Access the gross amount format by pressing F2 if needed.

2. Follow the steps to enter journal identifiers for a basic journal entry.

3. For each G/L distribution, complete the following fields:

   - Account Number

- Gross Amount
- Tax Amount
- Tax Explanation Code
- Tax Area

4. To add the record, do one of the following:

- In WorldSoftware, press Enter
- In WorldVision, click Add

Field	Explanation
Gross Amount	The gross amount of the invoice payments. This is a total of the gross amounts of all scheduled payments.
Tax Amount	This is the amount assessed and payable to tax authorities. It is the total of the VAT, use, and sales taxes (PST). . . . . *Form-specific information* . . . . Leave this field blank to have the system calculate the tax. Also, leave this field blank on the offsetting entry, where the Amount field includes the amount and the tax amount from the preceding lines. Enter the tax in this field for tax-only journal entries.
Tax Ex Code	A user defined code (00/EX) that controls how a tax is assessed and distributed to the general ledger revenue and expense accounts. You assign this code to a customer or supplier to set up a default code for their transactions.
Tax Area	A user-defined code that identifies a tax or geographical area that has common tax rates and tax distribution. The tax rate/area must be defined to include the tax authorities (for example, state, county, city, rapid transit district, or province) and their rates. Typically, the U.S. sales and use taxes require multiple taxing authorities per tax rate/area, whereas value added taxes often require only one simple rate.

▶ **To enter a tax exclusive journal entry**

On Journal Entry With VAT Tax

```
┌─────────────────────────────────────────────────────────────────┐
│ ░░ [09106] - Journal Entry With Tax                    _ □ ×     │
│ Functions  Tools  Help                                          │
│ ┌──────────────────────────────────────────────────┐           │
│ │ ✔ │ ✗ │ ₁i │ ₂▲ │ ₄✛ │ ₉▬ │                      │           │
│ └──────────────────────────────────────────────────┘           │
│                                                                 │
│                      Mode (F)      ☐ Void (V)          ☐        │
│                                      Base Co. Currency          │
│  Document Type        ☐                                         │
│  Document Number/Co  [      ][  ]  Explanation  [            ]  │
│  G/L Date            [      ]      Batch Number                 │
│  Gross Amount                      Currency Code  [  ]          │
│  Remaining                         Exchange Rate  [        ]    │
│                                                                 │
│  ┌──────────────────┬────────────┬────────────┬──┬────────┬─┐  │
│  │  Account Number  │Gross Amount│ Tax Amount │Ex│Tax Area│P│  │
│  │                  │            │            │  │        │ │  │
│  │                  │            │            │  │        │ │  │
│  │                  │            │            │  │        │ │  │
│  │                  │            │            │  │        │ │  │
│  │                  │            │            │  │        │ │  │
│  │                  │            │            │  │        │ │  │
│  │                  │            │            │  │        │ │  │
│  │                  │            │            │  │        │ │  │
│  └──────────────────┴────────────┴────────────┴──┴────────┴─┘  │
│                                                          ▲      │
│  F2=Toggle F4=Details F13=Acct Master F15=Model JE's F24=More ▼ │
└─────────────────────────────────────────────────────────────────┘
```

1. Access the taxable amount format by pressing F2 if needed.

2. Follow the steps to enter journal identifiers for a basic journal entry.

3. For each G/L distribution, complete the following fields:

    - Account Number

    - Taxable Amount

    - Tax Amount (optional)

    - Tax Explanation Code

    - Tax Area

4. To add the record, do one of the following:

    - In WorldSoftware, press Enter

    - In WorldVision, click Add

Field	Explanation
Taxable Amt	The amount on which taxes are assessed.
	. . . . *Form-specific information* . . . .
	If you enter the taxable amount in this field, the system calculates the tax and gross amount for you.

What You Should Know About

Sales/Use/VAT Tax table (F0018)	When you enter transactions using the Journal Entry with Tax program (P09106), the system automatically updates the Sales/Use/VAT Tax table. The system ignores the tax processing options that you set up for the post programs.
Automatic accounting instructions	The AAIs for journal entries with VAT are in the format GTyyyy, where yyyy is the G/L offset for the tax authority.
	If you do not specify a business unit in the AAI, the system uses the business unit of the account number from the first line item of the journal entry.
Model journal entries	Although you cannot create model journal entries on Journal Entry With VAT Tax, you can access Index of Model Journal Entries to select a model. The system displays the model information on Journal Entry With VAT Tax, and you can add the VAT information.

See Also

- *Working with Basic Journal Entries (P09101)* in the *General Accounting Guide*

Processing Options for Journal Entry with Tax (P09106)

```
DW VERSION FOR JOURNAL ENTRY PROCESSOR
1. To override standard journal entry          _____
   processing (DREAM Writer XT0911Z1,
   version ZJDE0001), enter an override
   version number. This should only be
   changed by persons responsible for
   system wide setup.

EXCHANGE RATE:
2. Enter a '1' to protect the Exchange         _____
   Rate field.  If left blank, the
   Exchange Rate will not be protected.

FORMAT CONTROL:
3. Select default screen format:               _____
   BLANK = Exclusive Tax
    '1'  = Inclusive Tax

                          . . . END
```

What You Should Know About Processing Options

Processing option 3   You can set the default format for this form. Leave this processing option blank to display the taxable amount (the amount exclusive of tax) on the fisrt line or enter 1 to display the gross amount (the amount inclusive of tax). The system calculates the value that you do not enter and the tax.

Print the EU Sales Listing

Printing the EU Sales Listing

From General Systems (G00), choose Tax Processing and Reporting

From Tax Processing and Reporting (G0021), choose EC VAT Processing

From EC VAT Processing (G00211), choose EC Sales Listing

Businesses in Germany that exceed the limit of intra-union trade must submit the EU Sales Listing (Zusammen Fassende Meldung) to the customs authorities on a quarterly basis if they:

- Supply goods to an entity that is registered for VAT in another EU-member country

- Send goods to an entity that is registered for VAT in another EU-member country for process

- Return processed goods to an entity that is registered for VAT in another EU-member country

- Transfer goods from one EU-member country to another EU-member country in the course of business

The EU Sales Listing provides the following information about customers:

- VAT number

- Country of destination

- Total amount in local currency

The EU Sales Listing is based on the information in the Sales/Use/VAT Tax table (F0018). If you plan to run the EU Sales Listing, ensure that the processing options in the post program are set up to automatically update this table.

Before You Begin

❏ Enter VAT registration numbers and country codes for each customer. See *Setting Up for European Union (EU) Reporting*.

```
0018S                               J.D. Edwards & Company                        Page -     2
                                       EC Sales Listing                           Date -   5/22/97
VAT Registration Number : 5555555
Company    : 00074      Model Italian Company              Reporting Period From :  01 / 96
                        Italian22                                            To  :  12 / 98
                        Italian33
                        Italian44
Branch ID  :
Telephone  :            39  248-015568
Telefax    :
Contact Person :
  Line      Country      Customers          Sales Amount
Number        of           VAT               in local
          Destination Registration Number    Currency
-------  ----------- ------------------- --------------------
       1      IT        00258987456              110,589.07-
       2      IT                                 741,311.32-
       3      IT                                  30,220.46-
       4      IT        00021577751                7,689.08-
       5      IT        00265328975                1,680.67-
       6      IT        00012548523                5,882.35-
       7      IT                                     149.33-
       8      IT        00213652359               12,580.43-
```

Processing Options for EU Sales Listing Report (P0018S)

```
        1. Enter the Branch ID to print on the          _____
           report.

        2. Enter the from/to reporting period to
           print on the heading
                                      From period :      _____
                                      From Year :        _____

                                      To period :        _____
                                      To year :          _____
```

Work with Intrastat Requirements

Working with Intrastat Requirements

Customs formalities and controls at the internal borders between member states of the European Union (EU) disappeared in 1993 with the creation of the European Single Market. With the elimination of custom formalities, the traditional systems for collecting statistics on trade between EU member states also disappeared.

Detailed statistical information regarding merchandise trade between members of the EU is important for market research and sector analysis. To maintain the statistics on trade between European Union members, the statistical office of the European Union and the statistical departments of member countries developed the Intrastat system.

In compliance with the Intrastat system, information on intra-union trade is collected directly from businesses. Each month, businesses are required to send a statistical declaration or, in some member states, a combined statistical and fiscal declaration that gives detailed information regarding their intra-union trade operations of the previous month.

The major features of the Intrastat system are common in all member states, but the system takes national specificities into account. If you do business in a country that belongs to the European Union, and you use J.D. Edwards Sales Order Management and Procurement systems, you can meet Intrastat reporting requirements.

The information that is tracked by the Intrastat system is based strictly on the actual, physical movement of goods between member countries of the European Union. Intrastat information *does not* apply to the movement of monetary amounts or placement of orders between member countries.

Working with Intrastat requirements consists of the following tasks:

❑ Updating the Intrastat workfile

❑ Revising the Intrastat workfile

❑ Printing the Intrastat Report

The following graphic illustrates the Intrastat reporting process.
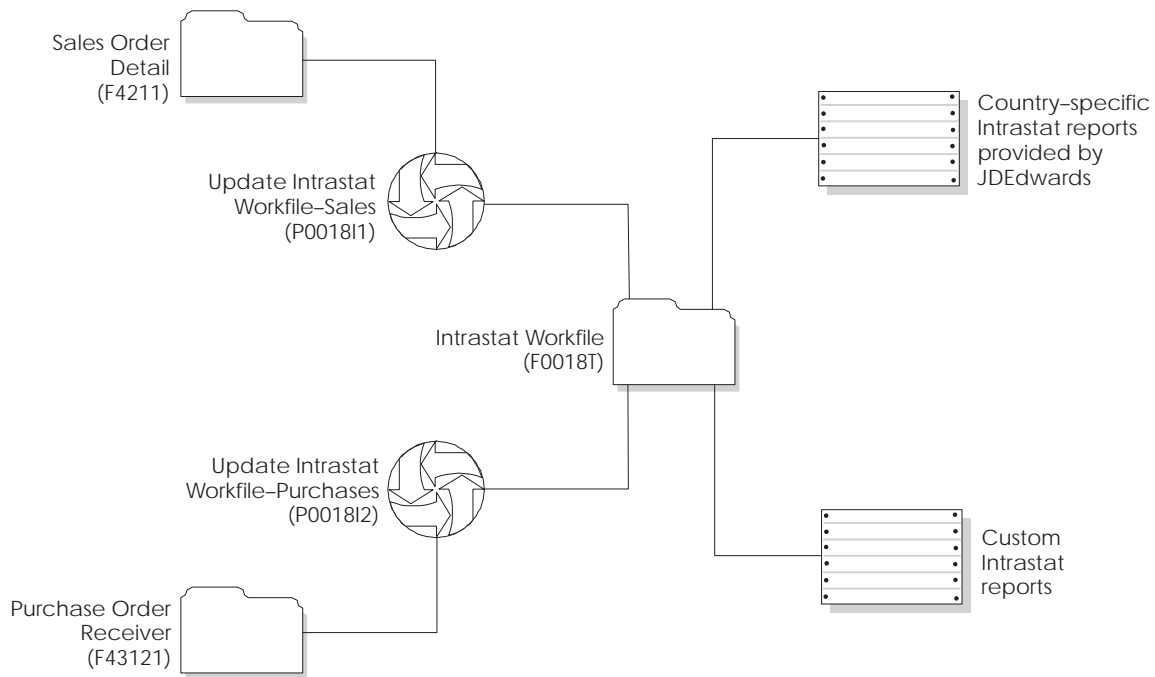
Before You Begin

❑ Verify that you have set up the appropriate user defined codes for Intrastat reporting. See *Setting Up for European Union (EU) Reporting*.

Updating the Intrastat Workfile
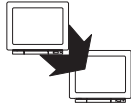
From General Systems (G00), choose Tax Processing and Reporting

From Tax Processing and Reporting (G0021), choose EU VAT Processing

From EU VAT Processing (G00211), choose an option under the EU VAT Processing heading

The collection Intrastat information is based solely on the Sales Order Management and Procurement systems. You print monthly Intrastat reports based on your company's sales and purchasing transactions for the previous month. To do this, you write all of the required information from the tables in the Sales Order Management and Procurement systems to a single repository table, the Intrastat Workfile (F0018T).

Use the following programs to update the Intrastat Workfile:

Intrastat Workfile Update – Sales

Updates the Intrastat Workfile with sales information based on the following tables:

- Sales Order Header (F4201)
- Sales Order Detail (F4211)

Update Extra Tax File – Purchases

Updates the Intrastat Tax table with purchase information based on the following tables:

- Purchase Order Header (F4301)
- Purchase Order Detail (F4311)
- Purchase Order Receiver (F43121)

In addition, the update programs collect information from the following tables:

- Branch/Plant Constants (F41001)
- Business Unit Master (F0006)
- Company Master (F0010)
- Currency Code Master (F0013)
- Item Master (F41001)
- Item/Branch Information (F4102)
- Address Book (F0101 and F0116)
- Order Address (F4006)
- Unit of Measure Conversion (F41002 and F41003)
- User Defined Codes (F0005)

When you run the update programs, you use processing options and data selections to select transactions based on any of the criteria in the sales and purchasing tables. The system verifies that the transactions that meet your selection criteria qualify for Intrastat reporting. If so, the required information from the sales and purchasing tables, and any applicable information from the additional tables, is written to the Intrastat Workfile.

To ensure that the Intrastat Workfile contains the most current information, update the information in the Intrastat Workfile periodically. Depending on your company policy, you may update the workfile as often as nightly, but at least monthly.

The system creates records in the workfile only if the country of the supplier address is different than the country of the ship-to address. Codes for both countries must be included as valid values on user defined codes table for European Community Members (74/EC).

To collect the correct data in the Intrastat Workfile, you must assign the appropriate commodity code information to all inventory items, and all orders must include the appropriate freight handling codes.

What You Should Know About

Interbranch processing   The system writes interbranch records to the Intrastat workfile based on your specifications in the processing options for the update program. Depending on the structure of your company and country-specific reporting requirements, you can specify that records are written at cost, cost plus markup, or at the taxable purchase price.

Multi–currency   The system creates records in the Intrastat Workfile based on the currency of the company specified in the Branch/Plant Constants for each transaction.

Country codes   The branch/plant and the supplier specified for the transaction must have a valid country code. For countries that require regional information, specify the region in the State field of the address in the Address Book record. The system searches for the address number based on the Branch/Plant Constants (F41001). If no address number is specified, the system uses the address number specified in the Business Unit Master table (F0006).

If the original country or origin is required information for your Intrastat reports, specify the Country of Origin in the Item/Branch Master table.

Performance issues   Depending on your data selection and the number of transactions in the Sales and Purchasing systems, the time it takes to run the update programs can vary. To minimize the impact that these update programs can have on system performance, you can do the following actions:

- Specify your data selection as carefully as possible so that only the necessary records are written to the workfile
- Update the Intrastat Workfile as part of your nightly operations

Revising the Intrastat Workfile

From General Systems (G00), choose Tax Processing and Reporting

From Tax Processing and Reporting (G0021), choose EC VAT Processing

From EC VAT Processing (G00211), choose Direct Extra Tax File Adjust

You can revise existing data in the Intrastat Workfile to correct missing or inaccurate information.

▶ **To enter information in the Intrastat Tax table**

On Direct Extra Tax File Adjust

1. To locate an intra-union trade transaction, complete the following fields:

   - Order Number
   - Order Type
   - Document Company
   - Order Suffix
   - Line Number

2. Complete any of the remaining optional fields.

Field	Explanation
Document (Order No, Invoice, etc.)	The number that identifies an original document. This can be a voucher, an order number, an invoice, unapplied cash, a journal entry number, and so on.
Order Type	A user defined code (00/DT) that identifies the type of document. This code also indicates the origin of the transaction. J.D. Edwards has reserved document type codes for vouchers, invoices, receipts, and time sheets, which create automatic offset entries during the post program. (These entries are not self-balancing when you originally enter them.)
	The following document types are defined by J.D. Edwards and should not be changed:
	P Accounts Payable documents
	R Accounts Receivable documents
	T Payroll documents
	I Inventory documents
	O Purchase Order Processing documents
	J General Accounting/Joint Interest Billing documents
	S Sales Order Processing documents
Order Company (Order Number)	A number that, along with order number and order type, uniquely identifies an order document (such as a purchase order, a contract, a sales order, and so on).
	If you use the Next Numbers by Company/Fiscal Year facility, the Automatic Next Numbers program (X0010) uses the order company to retrieve the correct next number for that company. If two or more order documents have the same order number and order type, the order company lets you locate the desired document.
	If you use the regular Next Numbers facility, the order company is not used to assign a next number. In this case, you probably would not use the order company to locate the document.
Order Suffix	In the A/R and A/P systems, a code that corresponds to the pay item. In the Sales Order and Purchase Order systems, this code identifies multiple transactions for an original order. For purchase orders, this is always 000. For sales orders with multiple partial receipts against an order, the first receiver used to record receipt has a suffix of 000, the next has a suffix of 001, the next 002, and so on.
Line Number	A number that identifies multiple occurrences, such as line numbers on a purchase order or other document. Generally, the system assigns this number, but in some cases, you can override it.

Printing the Intrastat Report

From General Systems (G00), choose Tax Processing and Reporting

From Tax Processing and Reporting (G0021), choose EC VAT Processing

From EC VAT Processing (G00211), choose an option under the Country Specific Intrastat heading

You print Intrastat reports based on the information in the Intrastat Workfile (F0018T). Although the information that is required to appear on the Intrastat report is common for most all European Union members, report formats vary from country to country. J.D. Edwards base software includes Intrastat report formats for the following countries:

- Belgium
- France
- Germany
- United Kingdom
- Austria

To print an Intrastat report for a country with different country-specific format requirements, such as Italy, you must create a custom World Writer report or use a specialized software package.

Processing Options for Intrastat Report – Germany (P0018IG)

IDENTIFICATION:
1. Enter the Branch ID to print on the   _____
   report.

2. Enter the Region code of the Tax   _____
   Authority.

3. Enter the Tax Number of the   _____
   Registrar. If left blank, the Tax
   Number from the Address Book record
   for the company will be used. If
   the registrar is a third party,
   enter their Tax Number here.

REPORTING PERIOD:
4. Enter the reporting period to print
   on the report heading   Period :   _____
                                Year: _____

REPORT TYPE:
5. Enter the record type to be processed   _____
     1 – Arrival of goods (Import)
     2 – Expedition of goods (Export)

OUTPUT FORMAT:
6. Output format to be created: _____
     ' ' = Report format
     '1' = Diskette file format
     '2' = Both report and diskette

SUMMARIZATION:
7. Enter '1' to output summary records.   _____
   Leave blank to output in detail.

FILE IDENTIFICATION:
8. If the output format is a diskette
   file, enter the file name and
   the library name of the file.
                            File name :   _____
                          Library name :   _____
     (Note : Any Existing data in this
       file will be cleared)

MINERAL/OIL IMPOSITION:
9. Enter the Address Book category code   _____
   (25 – 30) used to store the Mineral/
   Oil Imposition value in the company
   Address Book record.

Print Value Added Tax (VAT) Reports

Printing VAT Reports

From General Systems (G00), choose Tax Processing and Reporting

From Tax Processing and Reporting (G0021), choose VAT Journals

It is a common business practice in Germany and throughout Europe to track and reconcile VAT by revenue and expense account.

You can use J.D. Edwards software to track and reconcile VAT by revenue and expense account by classifying each transaction as taxable or non-taxable. You can also give various reasons for the classification of each transaction. The system stores the tax information for transactions in the Sales/Use/VAT Tax table (F0018).

Run the VAT Journal program to print a VAT report. The VAT report includes all records in the Sales/Use/VAT Tax table that meet your data selections and processing option criteria.

You can customize the tax information that prints on VAT reports by defining up to five columns of tax information from the Sales/Use/VAT Tax table. Each column can represent up to twelve different Tax Rate and Areas. You can also specify whether a column contains taxable or tax amounts.

What You Should Know About

Tax on sales or purchases	You can print VAT reports to review the taxes on sales or the taxes on purchases.
	To specify taxes on sales or purchases, include Document Type in the data selection. For example, to print a VAT report for purchases, specify Document Type PV.
Multiple currencies	If you print a VAT report that includes multiple currencies, the system does not print a grand total. To see grand total amounts, print separate VAT reports for companies that have different currencies.

Report sequence   You can sequence VAT reports by any field in the
Sales/Use/VAT Tax table (F0018). The most common
report sequence is as follows:

- Company
- Document Type
- Document Number

See Also

- *Technical Foundation Guide* for more information about running,
  copying, and changing a DREAM Writer version

Processing Options for VAT Journals (P00320)

```
SELECTION DATE:
1.  Enter the beginning G/L date.  This              _____
    date will select documents greater
    than or equal to this date.

2.  Enter the ending G/L date.  This                 _____
    date will select documents less than
    or equal to this date.

AMOUNT DISTRIBUTION:
3.  Enter a '1' to distribute the                    _____
    TAXABLE amount into the tax
    area columns.  Leave blank to
    distribute the actual TAX amount.

REPORTING COMPANY:
4.  Enter the number of the company                  _____
    to use for the heading information
    and VAT Registration Number.

Note:  Does not affect the information
       being reported.

COMMA SUPPRESSION:
5.  Enter a '1' to suppress commas (,)               _____
    in column amounts.  Leave blank to
    print commas.
```

Work with VAT Reconciliation for Germany

Working with VAT Reconciliation for Germany

From EMEA Localization (G74), choose Build VAT Reconciliation WF.

In Germany, businesses are required to reconcile value added tax amounts and rates with original revenue and expense accounts. In J.D. Edwards software, the Tax Reconciliation Workfile (F56911) contains information that links detailed tax records from the Sales/Use/VAT Tax File table (F0018) with their original revenue or expense accounts in the Account Ledger (F0911). You can use this information to report your value added tax against the revenue or expense that originally generated the tax.

You run the VAT Reconciliation Workfile Build program (P74518) to create the Tax Reconciliation Workfile. The system creates records in the workfile that are based on the records that are posted to the Account Ledger and the Sales/Use/VAT Tax table, including:

- Voucher number
- Revenue account
- Revenue amount
- Tax rate or key
- Tax amount
- Nontaxable components of the gross amount
- Taxable amount

To analyze the data in the workfile, you must post the pay items for each voucher individually. Do not post multiple pay items per voucher.

When you run the VAT Reconciliation Workfile Build program, the system marks the records that are processed for the Tax Reconciliation Workfile with a flag in the 1099-Flag field. (This field is typically reserved for U.S. tax processing.) You can use data selection to indicate which accounts to include in the process. You can select accounts by object and subsidiary or category code.

You can create a custom World Writer report to analyze the data in the Tax Reconciliation Workfile.

Banking Requirements

About Banking Requirements

Businesses in Germany frequently use electronic banking methods, including:

- Automatic payments
- Automatic debits
- Automatic receipts
- Electronic bank statement reconciliation

To process electronic banking transactions in Germany, you must use German payment instruments and table formats.

In addition to electronic banking methods, the use of special payment terms for invoices is also a common business practice.

J.D. Edwards solutions for banking requirements in Germany include the following tasks:

❏ Working with bank account information

❏ Working with payment terms

❏ Working with automatic payments

❏ Processing automatic debits

❏ Processing automatic receipts

❏ Processing bank statements

Work with Bank Account Information

Working with Bank Account Information

J. D. Edwards software validates account and bank identification information throughout the draft process.

Working with bank account information consists of the following tasks:

❑ Entering bank account information for your company

❑ Entering bank account information for customers and suppliers

Entering Bank Account Information for Your Company
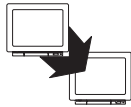
From Accounts Receivable (G03), enter 29

From Accounts Receivable Setup (G0341), choose Bank Account Information

Each draft that you remit to the bank should include bank account information. Banks use the account information to process the drafts. You can update this information on an as-needed basis.

▶   **To enter bank account information for your company**

On G/L Bank Account Information

1. To enter the bank information for a customer, complete the following fields:

   - G/L Bank Account Number

   - Description

2. Complete the following fields:

   - Address Number

   - Control Digit

   - Bank Transit

   - Pre-Note Option Code

   - Bank Account Number

   - Float Days - Receivables

   - Checking or Savings Account

   - SWIFT Code

Field	Explanation
Account Number	A field that identifies an account in the general ledger. You can use one of the following formats for account numbers: • Standard account number (business unit.object.subsidiary or flexible format) • Third G/L number (maximum of 25 digits) • 8-digit short account ID number • Speed code (not currently available in OneWorld) The first character of the account indicates the format of the account number. You define the account format in the General Accounting Constants program.
Address Number – Input (Mode Unknown)	The address number you want to retrieve. You can use the short format, the long format, or the tax ID (preceded by the indicators listed in the Address Book constants).
Bank Account – Control Digit	This is an optional field that allows you to enter a check digit for a bank account number. The check digit is not part of the key to the Bank Account table (F0030).
Transit Number – Bank	The routing and transit number for a particular bank account. The combination of account number and transit number must be unique.
Pre–Note Option Code	The code used to override the Pre-Note processing for electronic funds transfers. Valid values are: blank Use the Pre-Note code assigned to the supplier. 1 Override the Pre-Note code assigned to the supplier and produce a bank tape with no check output even if the Pre-Note code is set to P.
Bank Account Number – Customer	The customer's bank account number, usually found on the bottom of the customer's check.
Float Days for Checks – Receivables	The number of days the check floated. This is defined by subtracting the check date from the bank deposit date.
Checking or Savings Account	A flag that indicates whether the account is a checking or savings account. This indicator is only meaningful on the G type bank account records and is used during bank tape processing for automatic payments. Valid values: blank checking account 0 checking account 1 savings account For OneWorld, designate whether the account is checking or savings with a check mark.
SWIFT Code	The Society for Worldwide Interbank Financial Telecommunications (SWIFT) code is an international banking identification code used to identify the origin and destination of electronic (or wire) financial transfers.

Entering Bank Account Information for Customers and Suppliers

From Accounts Receivable (G03), enter 29

From Accounts Receivable Setup (G0341), choose Bank Account Cross Reference

Each draft that you remit to the bank should include bank account information. Banks use the account information to process the drafts. You can update this information on an as-needed basis.

▶ **To enter bank account information for customers and suppliers**

On Bank Account Cross Reference

1. To locate a customer or supplier, complete the following field:
   - Address Number

2. To enter bank account information, complete the following fields:
   - Transit Number - Bank
   - Bank Account Number
   - Bank Account Control Digit (optional)
   - Description
   - Record Type - Bank Transit

What You Should Know About

Alternate entry methods   You can also set up the bank account information for your customer and suppliers from the Customer Master Information (P01053) and Supplier Master Information (P01054) forms. To do this, use the Bank Codes function.

Work with Payment Terms

Working with Bank Account Information

You use payment terms to ensure that both the seller and the buyer agree on when a payment is due for goods or services rendered. Payment terms can range from simple to complex, depending on the policy of your organization. For example, you might set up a simple payment term, such as 1/10, net 30, to encourage early payment. You might also set up a more complex payment term to allow an invoice or a voucher to be split into multiple payments with a different discount percentage for each payment.

Working with payment terms consists of the following tasks:

❏ Setting up due date rules

❏ Setting up workday calendars (optional)

❏ Setting up payment term codes

❏ Setting up installment payments (optional)

❏ Working with payment terms for multi-tiered discounts (optional)

Payment terms provide you with the flexibility to define how the system calculates due dates and discount percentages for your invoices and vouchers. A due date can either be a net due date or a discount due date. Because of the complex and diverse ways of calculating due dates, you can set up due date rules using various components to calculate a due date. For example, you can specify that the system add 10 days to the based on date, which might be the G/L date, when calculating the discount due date of an invoice.

After you set up due date rules for both the net due date and the discount due date, you set up the payment term code. You can specify a due date rule as either a discount due date or a net due date. This enables you to link the rules together with a discount percent to define the:

- Default payment term code for a customer or supplier
- Payment term code of a specific invoice or voucher

The system stores payment term information in the following tables:

- Advanced Payment Terms (F00141)
- Due Date Rules (F00142)
- Due Date Rules Day Range (F00143)
- Installment Payment Terms (F00144)
- Accounts Payable Ledger (F0411)

Setting Up Due Date Rules
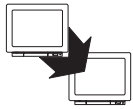
From Accounts Receivable (G03), enter 29

From Accounts Receivable Setup (G0341), choose Payment Terms Revisions

From Payment Terms Revisions (G00141), choose Due Date Rule Revisions

Before you set up specific payment terms, you must define the rules that the system uses to calculate due dates for invoices and vouchers. You can set up as many due date rules as necessary.

A due date rule can consist of any of the following components:

Based on Date	This can be an invoice date, G/L date, a service tax date, and so on.
Months to Add	This is the number of months that the system adds to the based on date.
Days to Add	This is the number of days that the system adds to the based on date.
Fixed Date	This is the same date every month, such as the 10th or 15th of each month.
Workday Calendar	This is a calendar that you can use to ensure that the due date is on a workday.
Workday Rule	This is a rule that you can use to ensure that, if a due date is on a non-workday, the system ignores the date classifications or moves the date forward or backward to an actual working day. It also determines whether to count non-workdays when calculating the due date.

Date Range   This is a range of days that the system uses in conjunction with other components.

By using a combination of these components, you can set up a variety of payment terms. For example, you might set up date rules as follows:

- Use the invoice date as the based on date and add one month. For example, if the date of the invoice is June 25th, the due date is July 25th.

- Use the G/L date as the based on date, and add one month and five days. For example, if the G/L date is June 12th, the due date is July 17th.

- Use the G/L date as the based on date, set up a day range, specify a number of days to add to the day range and a month to add. For example, if the G/L date is June 2nd, the month to add is 1, and the date ranges are as follows:

    - The 1st through the 10th, add 5 days

    - The 11th through the 31st, use the 31st as the fixed date

    Since the based on date is within the first date range, the system adds five days and one month to the last day in the day range. Therefore, the due date for the payment is July 15th. This is commonly known as a "swing payment term," and is most often used in Germany.

▶ **To set up due date rules**

On Due Date Rule Revisions

```
[00146] - Due Date Rule Revisions                                    _ □ X
Functions   Options   Tools   Help

 ✔  X  ₁i  ₂▲  ₄✛  ₉▬

                     Skip To Date Rule        [      ]

O  Date   Description          Base Mth Days Fix  Calendar  Dy Range
P  Rule                        Date Add Add  Days           Rl Tier
   .      last tier for multi-tiered
   DIS10  10% discount         1        10            10  2
   F09M1  Fix 09 Month 1            1         9        10  3
   F10M1  Fix 10 Month 1            1        10        10  1  R
   F11M1                           1        11
   F20TX  20 days - tax date   3        30
   MT     Multi Tiered Discount 1                              T
   NET30  Due Date net 30      1        30            10  2
   NTIER  NET TIER RULE            10
   RSS1   text for rss1                                        T
   RSS2   text for rss2            36
   TEST                       1         7
   TIER   Tiered Due date Rule                       10  2  T
   15DAY  Fifteen day discount 1        15            10  2
   5PEOM  5th Prox/End of Month 1                             R
                                                              ⤒
Opt:1=Date Range 9=Delete F5=Updt w/Redisplay F15=Pymt Terms F24=More Keys  ⤓
```

1. Complete the following fields:

   - Date Rule

   - Description

2. To define how the system calculates the due date, complete any of the following fields:

   - Based on Date

   - Months to Add

   - Days to Add

   - Fix Days to Use

3. To specify information about a work day calendar, complete the following fields:

   - Calendar

   - Work Day Rule

4. To set up a date range as part of your due date rule, choose the Date Range option next to the rule.
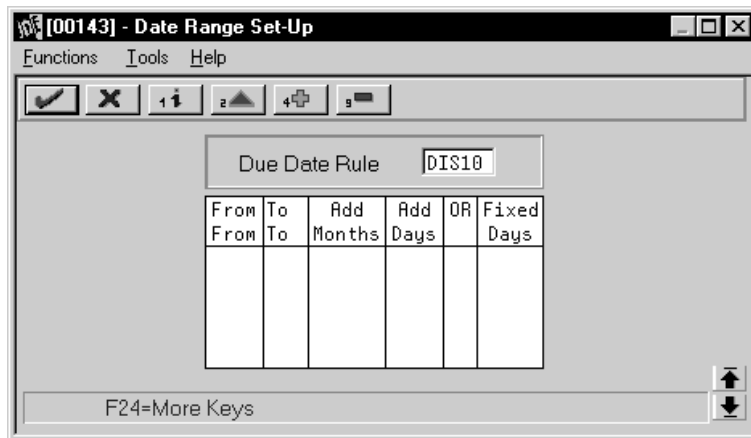
5. On Date Range Setup, complete the following fields:

   - From Day Range

   - To Day Range

6. Complete the following optional fields and press Enter:

   - Add Months

   - Add Days

   - Fixed Days

7. Choose the Update function to update and redisplay the due date rule.

Field	Explanation
Date Rule	The due date rule that the system uses to determine the installment due date of an invoice. You defiine due date rules on the Due Date Rule Revisions form.
Description	A user defined name or remark.
Base Date	Date to base the due date calculation on (future use).
Mth Add	This field indicates the number of months to add to the based on date to determine the net due date or the discount due date.
Days Add	This field indicates the number of days to add to the based on date to determine the discount or net due date.
Fix Days	This indicates the fixed day which will be used during the date calculation.
Calendar	The calendar name to be used in work day calculations. It will be validated against the Work Day table (F0007).
Dy Rl	A code that controls how the system determines the due date when the due date falls on a non-working day. The work day rule operates in conjunction with the fixed days, add days, and date range.
	Valid values:
	blank When calculating the due date, use actual days. Ignore day classifications, such as working day, weekend, and holiday.
	1 When calculating the due date, omit non-working days. If the due date falls on a non-working day, move the due date forward to the next working day.
	2 When calculating the due date, use actual days. If the due date falls on a non-working day, move the due date forward to the next working day.
	3 When calculating the due date, do not omit non-working days. If the due date falls on a non-working day, move the due date back to the last working day.
From	This field indicates the lower value of a day range. The allowable values are 1 to 31. This must be lower than the To Day value.
To	This field indicates the upper value of a day range. The allowable values are 1 to 31. This must be greater than the From Day value.

What You Should Know About

Date ranges

If you specify a date range in your due date rule, the system uses the last day in the range in conjunction with the months to add, days to add, or a fixed date. If you do not specify a month to add, days to add, or a fixed date, the system assigns the due date as the last day of the range.

For example, if you set up a date range from the 10th to the 25th of June and you do not specify a fixed date or months/days to add, the due date of the payment is June 25th.

The ranges must not overlap, and they must include a full month (days 1 through the 31st).

Additionally, when you set up a date range, you cannot specify both the number of days to add and a fixed days number. However, you can specify the number of months to add along with the number of days to add or the fixed days.

The system adds the days to add, months to add, and fixed days to the last day in the range on the Due Date Rule Revision form. To determine the date range, the system adds the days to add, months to add, and fixed days to the based on date.

See Also

- *Setting Up Workday Calendars*

Setting Up Workday Calendars

From Accounts Receivable (G03), enter 29

From Accounts Receivable Setup (G0341), choose Payment Terms Revisions

From Payment Terms Revisions (G00141), choose Work Day Calendar

When setting up due date rules for your payment terms, you can set up workday calendars. These calendars enable you to specify the actual workdays, weekends, holidays, and so on, of your organization. You can set up multiple calendars and reference the name of one in the due date rule.

After you set up a workday calendar, you specify which action to take if the system calculates the due date on a non-workday. You do this on the Due Date Rule Revisions form. For example, you can instruct the system to:

- Ignore non-workdays when counting the days to calculate the due date and not allow the due date to occur on a non-workday.

- Use the workday after the calculated due date as the due date. For example, if the calculated due date occurs on the weekend, the system moves it to the following Monday.

- Use the workday before the calculated due date as the due date. For example, if the calculated due date occurs on the weekend, the system moves it to the previous Friday.

If you specify a workday rule, you can adjust the payment's due date to correspond with your working days. For example, you can prevent unintended "grace periods" that might occur if the due date falls on a Saturday and your business is closed. In addition, you can specify that the payment is due in 30 working days instead of 30 calendar days.

▶ **To set up work day calendars**

On Work Day Calendar

```
[00071] - Work Day Calendar                              _ □ ✕
Functions   Tools   Help

  ✔  ✗  ⅰ  ▲  ✛  ▬

                                    Branch           74
          Calendar Year      97
          Calendar Month     05
          Shift              
          Line               

            1997      MAY              1997      MAY
          S  M  T  W  T  F  S        S  M  T  W  T  F  S
                        1  2  3                    W  W  E
          4  5  6  7  8  9  10       E  W  W  W  W  W  E
         11 12 13 14 15 16 17        E  W  W  W  W  W  E
         18 19 20 21 22 23 24        E  W  W  W  W  W  E
         25 26 27 28 29 30 31        E  W  W  W  W  W  E

       F24=More Keys
```
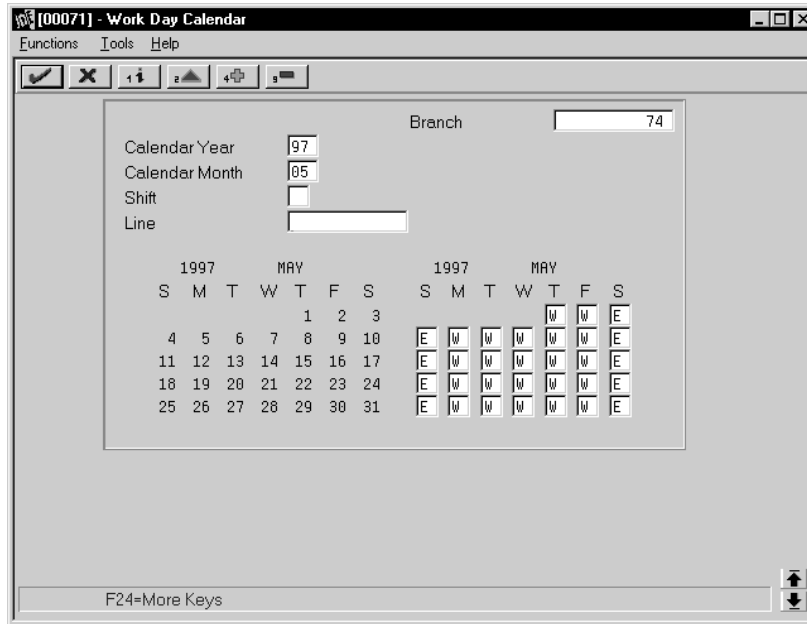
1. Complete the following fields:

    The calendar for the month and year displays twice. The left portion of the form shows the numerical days, and the right portion of the form shows the work days and non-work days.

2. In the right portion of the form, change the default values as necessary for each day of the week.

What You Should Know About

Specifying the type of day   Some examples of the type of day you can specify on the calendar are as follows:

- W (workday)
- E (weekend)
- H (holiday)
- S (shut-down)

The Workday Calendar program (P00071)

The Workday Calendar program is a Manufacturing program. On the Work Day Calendar form, the Branch field refers to a Branch/Plan (business unit). You can only set up a workday calendar for a valid business unit. After you add a workday calendar, you can specify the calendar on the Due Date Revisions form.

Only valid business units from the Business Unit table (F0006) can be added to the Work Day Calendar table (F0007).

See Also

- *Setting Up Due Date Rules* for information about specifying workday rules

Setting Up Payment Term Codes
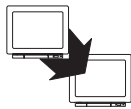
From Accounts Receivable (G03), enter 29

From Accounts Receivable Setup (G0341), choose Payment Terms Revisions

From Payment Terms Revisions (G00141), choose Advanced Payment Terms

You can set up codes for various payment terms, which determines the net due dates, discounts, and discount due dates for your invoices and vouchers. This makes entering invoices and vouchers more efficient.

When you enter a customer or supplier record, you specify the payment term code that the customer or supplier uses most frequently. Then, when you enter the invoice or voucher, you can either:

- Accept the default payment term code
- Designate a different payment term code

Payment Term Codes

When you set up a payment term code, you can use a one-, two- or three-character combination of the following codes:

- Alphabetic (A – Z)
- Numeric (1 – 999)
- Special characters (including blank)

You should set up a blank code for the most commonly used payment terms. If you do this, you must also set up a non-blank code for the same payment terms in case you need to change a supplier's payment terms later.

For example, you have a supplier with a payment terms code of D (due upon receipt). The supplier changes the terms to net 30 days, which is set up as a blank code. Because you cannot replace the existing code of D with a blank, you must use a non-blank code, such as N for net 30 days.

Before You Begin

❑ Set up the necessary due date rules that the system uses to calculate net due dates and discount due dates. This enables the system to link the rule to a specific payment term. See *Setting Up Due Date Rules.*

▶ **To set up payment term codes**

On Advanced Payment Terms

1. Complete the following fields:

   • Payment Term

   • Description (optional)

2. To attach a due date rule to the payment term, complete the following fields:

   • Net Due Date Rule

   • Discount Due Date Rule

3. To specify a discount percentage for the invoice, complete the following field:

- Discount Percentage

Field	Explanation
Payment Term	A code that specifies the terms of payment, including the percentage of discount available if the invoice is paid within a certain amount of time. A blank code usually indicates the most frequently used payment term. You define the specifications for each type of payment term on the Payment Terms Revisions form. For example: blank Net 15 1 1/10 net 30 2 2/10 net 30 N Net 30 P Fixed day of 25th Z Net 90 This code prints on customer invoices.
Description	The text that describes the payment terms code. You can print this text on the invoice, for example, 2/10, net 30, fixed day 25.
Disc Perc	The percent of the total invoice that you will discount if the invoice is paid within the discount period. You enter the discount percent as a decimal, for example, a 2% discount is .02.
Disc. Due Date Rule	The due date rule that the system uses to calculate the discount due date of an invoice. This is similar to a discount due date payment term. You define the discount due date rule on the Due Date Rules Revisions form.
Net Due Date Rule	The due date rule that the system uses to calculate the net due date of an invoice installment. You define net due date rules on the Due Date Rules Revisions form.

What You Should Know About

Simple payment terms You define simple payment terms using the Payment Term Revision form. If you want to set up an advanced payment term, you must use the Advanced Payment Term form.

The system displays both simple and advanced payment terms on the Payment Term Revision form, but the Advanced Payment Term form displays only advanced payment terms. (Advanced payment terms are payment terms that include a net due date and discount due date information.)

Setting Up Installment Payments

From Accounts Receivable (G03), enter 29

From Accounts Receivable Setup (G0341), choose Payment Terms Revisions

From Payment Terms Revisions (G00141), choose Installment Payment Revisions

Instead of a customer or you paying all of an invoice or voucher at one time, you can might arrange installment payments. You can set up installment payment terms to pay an invoice or voucher with multiple payments over a specified period of time.

When you set up installment payment terms, you can set up equal payments or unequal payments with different percentages. You can also specify a different discount percent for each installment. The system calculates the due date of each installment based on the due date rule you assign to it.

The following describes two examples of installment payment terms:

Equal payments with a discount due date   You might set up five equal payments. Each payment includes a 10 percent discount if paid within the discount period that you defined in the discount due date rule.

The actual due date of the payment depends on the net due date rule that you set up.

Unequal payments with a discount due date   You might set up 6 payments. Five of the payments might be 15 percent of the invoice amount, and the sixth payment is 25 percent. Each payment might also include a 5 percent discount if paid within the discount period that you defined in the discount due date rule.

The actual due date of the payment depends on the net due date rule that you set up.

▶ **To set up installment payments**

On Installment Payment Revisions

```
┌──────────────────────────────────────────────────────────────────────┐
│ [00144] - Installment Payment Revisions                    _ □ X       │
│ Functions  Tools  Help                                                 │
│ ┌────┬────┬────┬────┬────┬────┐                                        │
│ │ ✔  │ X  │ 1i │ 2▲ │ 4✚ │ 5▬ │                                        │
│ └────┴────┴────┴────┴────┴────┘                                        │
│                                                                        │
│         Payment Term      ┌────┐                                       │
│         Description       │Net 30 Days                    │            │
│                                                                        │
│         No. of Equal Payments    ┌────┐                                │
│                                                                        │
│         Discount Percent      ┌────┐  (default)                        │
│         Disc. Due Date Rule   ┌────┐  (default)                        │
│         Net Due Date Rule     ┌────┐  (default)                        │
│                                                                        │
│         ┌────────┬──────────┬────────┬──────┬──────┐                   │
│         │Sequence│Percent of│Discount│ Disc │ Net  │                   │
│         │ Number │Installment│Percent│ Rule │ Rule │                   │
│         │        │          │        │      │      │                   │
│         │        │          │        │      │      │                   │
│         │        │          │        │      │      │                   │
│         │        │          │        │      │      │                   │
│         │        │          │        │      │      │                   │
│         └────────┴──────────┴────────┴──────┴──────┘                   │
│ F5=Update w/Redisplay   F15=Due Date Rules   F24=More Keys      ▲▼     │
└──────────────────────────────────────────────────────────────────────┘
```

1. Complete the following fields:

   - Payment Terms

   - Description (optional)

2. To set up equal installment payments with the same due date rules, complete the following fields in the header area:

   - Number of Equal Payments

   - Discount Percent

   - Discount Due Date Rule

   - Net Due Date Rule

3. To set up unequal installment payments or to apply different due date rules, complete the following fields for each installment in the detail area:

   - Sequence Number

   - Percent of Installment

   - Discount Percent

   - Discount Due Date Rule

   - Net Due Date Rule

Field	Explanation
No. of Equal Payments	This field indicates the number of equal installments to be initially generated by the system. Using default values, the system uses this fast path method to create equal installments.
Discount Percent	The default value for the percent of the total invoice that will be discounted if the invoice is paid within the discount period. This is entered as a decimal, for example, a 2% discount is .02. Note: This field is only available the first time that installments are entered for a payment term. It is the value which will initially be replicated for the generated installments.
Disc. Due Date Rule	The default value of the discount due date rule that the system uses when generating equal installments. Note: This field is only available for use when first generating new equal installments for a payment term.
Sequence Number	A number used to organize the table into a logical group for online viewing and reporting.
Percent of Installment	The percentage of the invoice that is going to be split to generate one installment. The total of all installments must add up to 100.00 % of the invoice total amount. This is different than the split payment concept where the split is a fixed percent. Here you create installments using variable percentages. If the percent of the installment is 20%, you enter it as 20.
Discount Percent	The percent of the total invoice that you will discount if the invoice is paid within the discount period. You enter the discount percent as a decimal, for example, a 2% discount is .02.

What You Should Know About

Verifying installment payments	To verify that installment payments are attached to the appropriate payment term, locate the payment term on Advanced Payment Term Revisions and choose the Update function.

Working with Payment Terms for Multi-Tiered Discounts

You can set up payment terms that allow for multiple discount percentages for invoices or vouchers. For example, you might set up a payment term that allows your customer to receive a 20 percent discount on their invoice if they remit payment within 10 days, a 10 percent discount if the invoice is paid within 20 days, and no discount with the full amount due in 30 days.

After you set up payment terms for multi-tiered discounts, you can assign the payment terms to the applicable vouchers or invoices. Then, you run the multi-tiered batch update program to recalculate the discount available and the due date for your vouchers or invoices. The system changes the discount percent based on the number of days that have passed and the current tier.

For example, you could put the Update A/R Invoice Batch program in your sleeper routine so that is runs nightly. Then, you can set up a multi-tiered payment term for which the first tier is 30 percent for 10 days and the second tier is 20 percent for 20 days. You assign the payment term to an invoice.

When the invoice is 11 days old and the multi-tiered batch update program is run, the system replaces the discount amount at 30 percent with the discount amount at 20 percent. The discount due date becomes 20 days from the date of the invoice. In the Accounts Payable system, the net due date is changed to 20 days from the date of the voucher.

Multi-tiered payment terms can be used only by companies that set the tax rule for calculating tax on gross (including discount) to "yes". Vouchers and invoices that are generated by companies with the tax rule for calculating tax on gross (including discount) set to "no" are not processed by the multi-tiered batch update programs because the programs cannot update the discount amount without changing the tax amounts. Unless the multi-tiered batch update programs process the documents, the vouchers and invoices do not move to the next tier and the due dates and discount percent remain the same unless manually changed.

Before You Begin

❑ Verify that your company tax rules are set up correctly. See *Setting Up Tax Rules by Company for A/R (P0022)* in the *Accounts Receivable Guide*.

❑ Set up or choose the net due date rule that you will use for your multi-tiered payment term.

❑ Set up a payment term code for your multi-tiered payment term.

Working with payment terms for multi-tiered discounts consists of the following tasks:

❑ Setting up a multi-tiered due date rule

❑ Updating the discount available for multi-tiered terms

Setting Up a Multi-Tiered Due Date Rule

From Accounts Receivable (G03), enter 29

From Accounts Receivable Setup (G0341), choose Payment Terms Revisions

From Payment Terms Revisions (G00141), choose Due Date Rule Revisions

Set up multi-tiered due date rules for payment terms that allow multiple discount percentages.

▶   **To set up a multi-tiered due date rule**

On Due Date Rule Revisions

1. Complete the following fields:
   - Date Rule
   - Description

2. To define how the system calculates the due date, complete any of the following fields:
   - Based on Date
   - Months to Add
   - Days to Add
   - Fix Days to Use

3. To specify information about a work day calendar, complete the following fields:
   - Calendar
   - Work Day Rule

4. Choose the Add Multi-Tiered Information option.

5. Complete the following fields:

    - Day Range From

    - Day Range To

    - Discount Percent

Field	Explanation
From	This field indicates the lower value of a day range. The allowable values are 1 to 31. This must be lower than the To Day value.
To	This field indicates the upper value of a day range. The allowable values are 1 to 31. This must be greater than the From Day value.
Disc Perc	The percent of the total invoice that you will discount if the invoice is paid within the discount period. You enter the discount percent as a decimal, for example, a 2% discount is .02.

What You Should Know About

Date ranges	Multi-tiered due date rules cannot include date ranges. You can set up a date rule with a range or a tier, but not both.

Updating the Discount Available for Multi-Tiered Terms
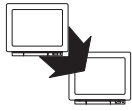
From Accounts Receivable (G03), enter 29

From Accounts Receivable Setup (G0341), choose Payment Terms Revisions

From Payment Terms Revisions (G00141), choose an option under the Multi-Tiered Batch Updates heading

To update the discount available for invoices and vouchers that you assign multi-tiered discount payment terms, you run the multi-tiered batch update programs. The update programs recalculate the discount available for your vouchers or invoices.

When you run the batch update program, the program selects invoices and vouchers with multi-tiered payment terms. The system verifies that the available discount is correct by multiplying the gross amount by the discount percentage for the correct tier. The system determines the correct tier based on the "based on date" and the number of days that have past. If the amount is not correct, the system will update the due date and the discount amount.

What You Should Know About

Changing discount amounts or due dates	If you want to permanently change the discount amount or the due date to something other than a multi-tiered payment term, you must change the payment term field in the voucher or the invoice. If you change only the discount amount or the due date, and you do not change the payment term for the invoice or voucher, the next time you run the multi-tiered batch update program, the system will recalculate these values to fit into the tier.
Calculating due and discount dates for A/R	In Accounts Receivable, the system uses a net due date (data item DDNJ) and a discount due date (data item DDJ). The system calculates the net due date based on the net due date rule and the discount due date based on the discount due date rule. If the discount due date rule is a multi-tiered payment term, the system uses the "to day" of the current tier to calculate the discount due date. When the batch update program is run, the system determines that the discount amount is incorrect for the date. The system recalculates the discount and changes the discount due date to the right "to day". The system does not check to verify that the net due date is after the discount due date. You should monitor this when selecting discount and net due date rules for your payment terms.

Calculating due and discount dates for A/P

In Accounts Payable, the system uses only one due date (data item DDJ). The system uses data item DDJ to store the discount due date, although on the form, the field name is Net Due Date. The system does not store the value from the net due date rule in the Accounts Payable Ledger (F0411). Even after the last "to day" from the multi-tiered payment term has passed, the system does not update DDJ with the date from the net due date rule.

Processing Options for Update Multi–Tiered A/R (P005142)

```
TAX PROCESSING:
1. Enter a '1' to indicate that Tax
   Information should not be printed.          _____

AS OF DATE:
2. Enter the "As of" date to process.         _____
   The batch program will calculate the
   discount as if the current date were
   this date. If left blank the system
   date will be used.
```

Work with Automatic Payments

Working with Automatic Payments

Use automatic payment processing to pay vouchers during your usual payment cycle. To process automatic payments, you assign formats to payment instruments. Then, you create payment groups. After you create your payment groups, you process automatic payments in the group. When you select the Write function for your payment group, the system determines which payment formats to generate based on the payment formatting programs that you assign to your payment instruments.

The programs that you assign to your payment instruments determine the formats for payments and any additional output that the system generates when you process payment groups. The additional output components can include:

- Payment registers — A printed list of payments.

- Attachments — A printed report that contains the detail information that does not fit on a payment stub or in the specified fields of the electronic file.

- Debit statements — A printed list of debit balances. Debit statements list net amounts that can either decrease or clear the amount of a voucher.

To assign formats to payment instruments, you specify a format generation program for each component of a payment instrument. For example, you could assign program P04573 (for print standard attachments) to the attachments component of your payment instrument for drafts. Then, when you generate drafts, the system accesses this program to produce the appropriate type of attachment.

You can also define the specific uses for a payment instrument by assigning a specific bank account to the instrument. For example, you can set up two types of payment instruments for drafts with each type drawn on a different bank account.

Working with automatic payments includes the following tasks:

❑ Assigning formats to payment instruments

❑ Creating a payment group

❑ Working with payment groups for automatic payments

The following graphic illustrates working with automatic payments.

Step 1.
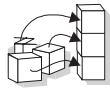
Assign format programs to payment instruments.

Step 2.
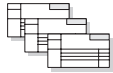
Create payment groups.

Step 3.

Review payment group. Edit report and payment analysis report (optional).

Step 4.
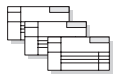
Work with payment groups.

See Also

- *Automatic Payment Processing* in the *Accounts Payable Guide*

Assigning Formats to Payment Instruments

You can specify various output formats for automatic payments by assigning the programs that generate the formats to user-defined payment instruments. Payment formats can be printed or electronic. Payment instruments can include checks, electronic files, and drafts.

Assign the following programs to payment instruments for Germany:

Payment formats	Specify the following Write Programs to generate payment formats for Germany: • P04572G1 for bank tape format • P04572G2 for diskette format • P04572G3 for check format • P04572G5 for Z1 diskette format
Registers	Specify the following Register Programs to generate payment registers for Germany: • P04576T for bank tape or diskette • P04576 for checks
Attachments	Specify program P04573 as the Attachment Program to generate the attachments for bank tape, diskette and check payments for Germany.
Debit statements	Specify program P04574 as the Debit Statement Program to generate the debit statements for bank tape, diskette and check payments for Germany.

Before You Begin

❏ Set up a code on user defined codes table 00/PY for each payment instrument that you use and user defined codes table 04/PP for your payment programs. See *Setting Up User Defined Codes for Germany*.

See Also

▶   **To assign formats to payment instruments**

On Payment Instrument Defaults

```
[0417] - Payment Instrument Defaults                              _ □ ✕
Functions  Options  Tools  Help

  ✔  ✕  ⁱ⁣ɪ  ₂▲  ₄✛  ₃▬

              Skip To         ☐

  O P      Description          Bank Account        Write      Register
  P I                                               Program    Program
     Default          (A/R                          P04572     P04576
     Attachment Program P04573    Debit Stmt Program P04574
     Write Vers        Reg Vers           Debit Stmt Vers

   B BACS (UK EFT)    (A/R                          P04572U    P04576T
     Attachment Program P04573U   Debit Stmt Program P04574
     Write Vers        Reg Vers           Debit Stmt Vers

   C Check - 8 3/4"   (A/R                          P04572     P04576
     Attachment Program P04573    Debit Stmt Program P04574
     Write Vers        Reg Vers           Debit Stmt Vers

   D Draft by Invoice (A/R                          P04572N    P04576N
     Attachment Program P04573    Debit Stmt Program P04574
     Write Vers        Reg Vers           Debit Stmt Vers

Opt: 9=Delete    F4=Details  F5=User Defined Codes  F24=More Keys
```

1. Complete the following fields:
   - Payment Instrument
   - Write Program
   - Register Program
2. Complete the following optional field:
   - Bank Account
3. Choose the Details function.
4. Complete the following fields:
   - Attachment Program
   - Debit Statement Program
5. To specify a particular version for a format program, complete the following fields:
   - Write Version
   - Register Version
   - Debit Statement Version
   - Attachment Version

What You Should Know About

Specifying different program versions   You can specify different versions of the Write, Register, Debit Statement and Attachment programs that you assign to your payment instruments. To do this, access the versions list to create a new version of the program. Then, on Payment Instrument Defaults, access the detail area and type the new version name in the appropriate Version field.

Printing German checks   If you print German checks, you must specify the German translation program (X00500D). To do this, access the processing options for the A./P Payments - Print German Checks program (P04572G3). Enter X00500D in processing option 1.

Processing Options for A/P Payments – German Bank Tape (P04572G1)

```
ELECTRONIC FUNDS TRANSFER:
1. Enter the city of origin.                            _____

BANK TAPE:
2. Enter the following default values:
            Device Name . . . . . . .           _____
            Tape Density. . . . . . .           _____
            Label Name. . . . . . . .           _____
            New Volume Name . . . . .           _____
            New Owner ID. . . . . . .           _____
            Tape File Name. . . . . .           _____
```

Processing Options for A/P Payments – German Diskette (P04572G2)

```
ELECTRONIC FUNDS TRANSFER:
1. Enter the city of origin.                            _____

BANK TAPE:
2. Enter the following default values:
            Device Name . . . . . . .           _____
            Tape Density. . . . . . .           _____
            Label Name. . . . . . . .           _____
            New Volume Name . . . . .           _____
            New Owner ID. . . . . . .           _____
            Tape File Name. . . . . .           _____
            Block Size. . . . . . . .           _____
```

Processing Options for A/P Payments – German Checks (P04572G3)

```
TRANSLATION PROGRAM:
1. Enter the program name to translate        _____
   payment amounts from numbers to
   words.  (See User Defined Codes
   system code '98', record type 'CT'
   for program names.)  If left blank,
   the translation program associated
   with the payment currency code will
   be used.

ADDRESS FORMAT:
2. Enter an override address format to        _____
   use for the payee and/or company
   addresses.  If left blank, the
   country format will be used.

PRINT INFORMATION:
3. Enter the Forms Type for the               _____
   Payments Spool File.  If left blank,
   the default is 'APCHECKS'.
```

Processing Options for Print Payments - Z1 Diskette Format (P04572G5)

```
ELECTRONIC FUNDS TRANSFER:
1. Enter the city of origin.                  _____

WAY BILL INFORMATION:
2. Label Name.                                _____

RECORD 'R' INFORMATION
3.  Regional Central Bank Area Codes          _____
    (2 digit)
    Principals Company Code                   _____
    (5 digit)
    Principals Industrial Classification      _____
    (3 digit)

4.  Enter the LZB table to use, if left
    the default table 74/LA will be
    used.
            System Code. . . . . . . .        _____
            User Defined Codes . . . .        _____
```

Processing Options for A/P Payments – German Register (P04572T)

```
ELECTRONIC FUNDS TRANSFER:
1. Enter the File ID modifier (1 pos.).          _____
   This is used to distinguish between
   multiple files created on the same
   date.  Default value is '1'.

2. Enter the tape payment detail                 _____
   (10 pos.) description.  For example,
   you may want to enter EXP REIMB for
   expense reimbursements.  This
   description may be used by the bank
   and printed on the supplier's bank
   account statement.

3. Enter the Company ID number                   _____
   (10 pos.).  This is the
   Identification Code Designator (ICD)
   followed by a 9 digit identification
   number.  Valid ICD's are:
     '1' = IRS Employer ID Number
     '3' = Data Universal Numbering Syst
     '9' = User Assigned Number
   If left blank, the Tax ID for the
   Bank Account's company will be used.
   Please note that if this field is
   blank on the tape, the tape will be
   rejected by the banking clearing
   house.
4. Enter a value (20 character alpha) to         _____
   be placed in the Discretionary Data
   field on the Company/Batch Header
   record format.  If left blank, the
   Discretionary Data field will be
   blank.

PRINT PROGRAM:
5. Enter the check print program to              _____
   use if the pre-note status is set
   to 'P', requiring a check print.

BANK TAPE:
6. Enter the following default values:
                 Device Name . . . . .           _____
                 Tape Density. . . . .            _____
                 Label Name. . . . . .            _____
                 Blocksize . . . . . .            _____
                 New Volume Name . . .            _____
                 New Owner ID. . . . .            _____
                 File Name . . . . . .            _____
```

Creating a Payment Group

From Accounts Payable (G04), choose Automatic Payment Processing

From Automatic Payment Processing (G0413), choose Create Payment Groups

Before you can generate automatic payments, you must create payment groups. When you create payment groups, the system separates vouchers that have similar information, such as the same bank account and payment instrument. This allows the system to process similar vouchers in the same way. You use the payment groups when you review and write payments.

Each payment group contains information that determines how the group will be processed, including:

- Bank account
- Payment instrument
- Output queue

Each payment group also contains control information that determines which format program the system uses to generate:

- Payments
- Registers
- Attachments
- Debit statements

See Also

- *Creating Payment Groups* in the *Accounts Payable Guide*

Processing Options for Create Payment Groups (P04570)

```
PAYMENT SELECTION:
1. Enter in either a Pay Thru date or
   the number of displacement days
   from today.
                    Pay Thru Date               _____
                    Displacement Days           _____

DISCOUNT DATE:
2. Enter the cutoff date for allowing          _____
   discounts.  Pay items with a due date
   prior to this date will not take a
   discount.  If left blank, all
   discounts will be taken.

AMOUNT RANGE:
3. Enter the payment amount range to be
   included in this pre-payment run.
```

Also enter the pay instrument to be
assigned to payments outside of the
amount range. If currency conversion
is turned on, enter the currency code
for the amount range. Enter your
amount range in whole numbers.

Minimum Amount. . . .   _____
Min Pay Instrument. .   _____
Maximum Amount. . . .   _____
Max Pay Instrument. .   _____
Currency Code . . . .   _____

COMPANY PROCESSING:
4. Enter a '1' to create a different   _____
   payment by company. Leave blank to
   process multiple companies on each
   payment.

DUE DATE PROCESSING:
5. Enter a '1' to print a separate   _____
   payment by due date. If left blank a
   separate payment by due date will not
   be printed.
   Note: If choosing this option, the
   DREAM Writer sequence should be set
   to include Due Date after Alternate
   Payee Address Number.

PAYEE PROCESSING:
6. Enter a '1' to create one payment   _____
   per payee regardless of supplier.

PRINT CONTROL:
7. Enter a '1' to print a special   _____
   attachment when payment detail
   information will not print on the
   stub.

8. Enter the sequence ID which will   _____
   order the payments when printed.

                                          _____

9. Enter a '1' to print the full   _____
   address for each payee on the Edit
   report. Leave blank to only print
   the payee alpha name.

10. Enter a '1' to print contract   _____
    information on the report.

11. Enter a '1' to print job information _____
    on the report.

    Note: If choosing either option 10
    or 11, payments should be sequenced
    by contract number.

PAY ITEM SUMMARIZATION:
12. Enter a '1' to summarize pay items   _____
    within a document on the pay stub
    and/or the attachment. If left
    blank, pay items will not be
    summarized.

13. Enter a '1' to have the summary   _____
    description on the pay stub default
    from the first pay item's remark.
    If left blank, the description will
    be retrieved from the vocabulary
    overrides for this program.

BANK ACCOUNT:
14. Enter an override bank account to be   _____
    used for payment. If left blank the
    bank account in the Accounts Payable
    detail record will be used.
    Note: This must be a Short Acct ID.

CURRENCY PROCESSING: _____
15. Enter one of the following values
    to indicate which currency should
    be used for payment.
        ' ' – Bank Account Monetary Unit
        '1' – Voucher Domestic Currency
        '2' – Voucher Foreign Currency
        '3' – Current Domestic Amount

BUSINESS UNIT PROCESSING:
16. Enter a '1' to use the business unit   _____
    as a selection criteria in the
    creation of a Payment Control Group.
    If left blank, business unit will
    not be considered and one PCG may
    include vouchers with different
    business units.

ELECTRONIC FUNDS TRANSFER/EDI ONLY:
17. Enter a '1' if you will be using   _____
    tape output and would like to see
    tape information on the edit report.
    If left blank, no tape information
    will appear on the report.

18. Enter a '1' to issue an error on the   _____
    edit report if the Payee's EFT/EDI
    bank information does not exist.

19. Enter a '1' to issue an error on the   _____
    edit report if a G/L Bank Account's
    X12 information does not exist.

CALCULATE WITHHOLDING:
20. Enter a '1' submit the Calculate   _____
    Withholding program (P04580) prior
    to running Pre-Payments. If left
    blank, Calculate Withholding will
    not be run.
    Note: The voucher withholding pay
    items created will not be posted.

21. Enter the DREAM Writer version   _____
    number of the Calculate Withholding
    program to be run. If left blank,
    version ZJDE0001 will be used.

```
USER EXIT OPTION:
22. Enter the User Exit program name.                    _____
    If left blank the name 'X04570E'
    will be used.
```

Working with Payment Groups for Automatic Payments

From Accounts Payable (G04), choose Automatic Payment Processing

From Automatic Payment Processing (G0413), choose Work with Payment Groups

After you create payment groups for automatic payments, you can work with them to review and change transfer information. You generally review payment groups twice, under the following conditions:

- After you create payment groups but before you write bank transfers. This allows you to identify transfers that you want to change or remove from the payment cycle. You can:

    - Change information at the payment and voucher levels

    - Remove payment groups, payments, and vouchers from the payment cycle

    - Change control information for payment groups

- After you write automatic payments but before you update the Accounts Payable ledger. This allows you to identify transfers that you want to void or remove from the payment cycle. You can:

    - Void the automatic payments that were written and rewrite them

    - Remove payment groups, payments, and vouchers from the payment cycle

See Also

- *Working with Payment Groups* in the *Accounts Payable Guide*

Processing Options for Work with Payments (P04257)

```
INTERACTIVE OR BATCH:
1. Enter a '1' to process the payments                   _____
   interactively.  Leave blank to submit
   the write or update in batch mode
   without a submittal message.

BUSINESS UNIT PROCESSING:
2. Enter a '1' to display the business                   _____
   unit fields.  If left blank, the
   business unit fields will not display
   Note:  The selection and display of
   the business unit would only be
   applicable if you ran your Payment
```

Control Group using business unit as
a control field.

PRINT OPTIONS:
3. Enter '1' to use the first voucher's
exchange rate (thus ignoring any
gains/losses) or an effective date to
use to retrieve the exchange rate.
If both options are blank, the G/L
date assigned to the payment will be
used to retrieve the exchange rate.
   Voucher Exchange Rate. . . .   _____
   or Effective Date . . . .   _____

4. For BACS, enter a '1' to allow entry   _____
of BACS processing dates. If left
blank, BACS processing will not
function.

5. Enter one of the following options   _____
for output:
 ' ' – Each Payment Control Group(PCG)
   will be output to a separate
   tape file or spool file.
 '1' – Group PCGs for the same bank
   account into one file.
 '2' – Group all selected PCGs into
   one file regardless of account.
6. Enter a '1' to request the following:
   Save Spool File . . .   _____
   Hold Spool File . . .   _____

7. Enter a '1' to force the assignment   _____
of payment numbers to be in
sequential order. This option is
only valid if you have selected to
output separate PCGs or those with
the same bank account to one spool
file. (Option 5 is a blank or '1').
Note: This option is only valid for
hard-copy payments and reserves the
bank account payment number from the
bank account file (F0030). This
option will not work with tape
payments.

UPDATE OPTIONS:
8. Enter a '1' to bypass clearing the   _____
prenote code in Vendor Master.

 9. Enter a '1' to submit the A/P payment   _____
post after the payments have been
updated. If left blank, the post
WILL NOT be automatically submitted.
This will allow you to review the
payment batch and post it at a more
convenient time.

10. Enter a '1' to process void payments   _____
through the system (post to G/L,
and the bank reconciliation).
If left blank, void payments will
not be processed.

```
PRELOADED DATA SELECTIONS:
11.Any values entered into the following
   options will be loaded upon entry
   into the program:
           Bank Account. . . . . . . .         _____
           Version . . . . . . . . . .         _____
           Originator. . . . . . . . .         _____
           Payment Instrument. . . . .         _____
           Print Queue . . . . . . . .         _____
           Currency Code . . . . . . .         _____
           Business Unit . . . . . . .         _____
           Write/Update. . . . . . . .         _____

DW VERSION FOR BANK TAPE REVIEW:
12. Enter the version number for the              _____
    Bank Tape Review program.  If left
    blank, ZJDE0001 will be used.

DW VERSION FOR A/P PAYMENT PROCESSOR:
13. To override standard A/P Payment               _____
    processing (DREAM Writer XT0413,
    version ZJDE0001), enter an override
    version number. This should only be
    changed by persons responsible for
    system wide setup.

DW VERSION FOR G/L PROCESSOR:
14. To override standard G/L processing            _____
    (DREAM Writer XT0911Z1, version
    ZJDE0001), enter an override version
    number. This should only be changed
    by persons responsible for system
    wide setup.
```

Work with Automatic Debits

Working with Automatic Debits

You can automatically debit (withdraw funds from) a customer's bank account by creating a tape or diskette file for Electronic Funds Transfer (EFT) by the bank.

Working with automatic debits consist of:

- ❑ Processing automatic debits

- ❑ Reviewing and approving automatic debits

- ❑ Posting automatic debits

- ❑ Copying files to tape or diskette

Before You Begin

- ❑ Contact your bank to determine the transfer format

Processing Automatic Debits
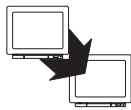
From Accounts Receivable (G03), choose Customer and Invoice Entry

From Customer and Invoice Entry (G0311), choose Other Invoice Entry Methods

From Other Invoice and Receipts Entry Methods (G03111), choose Process Automatic Debits

You can select A/R invoices that are subject to direct debiting from a customer's bank account by processing automatic debits in proof or final mode.

You can also specify the type of agreement you have with your customer regarding automatic debits. In Germany, businesses can enter into the following automatic debit agreements:

- • *Einzugsermaechtigung* – An agreement between the business (supplier) and the customer that allows the customer to dispute the automatic debit charge within six weeks.

- *Abbuchungsvereinbarung* – An agreement between the business (supplier) and the bank. In this case, the customer does not have the right to protest the charges.

Proof mode

The program:

- Validates the selection of invoices that are debited to your customers
- Does not update the A/R Ledger table
- Enables you to exclude invoices from automatic debiting using Speed Status Change

Final mode

The program:

- Updates invoices as paid and creates matching records when you process batch receipts.
- Creates a batch to post receipts to the Account Ledger table (F0911).
- Creates a tape or diskette file for the bank.
- Prints a customer statement of those invoices that are debited. You control this with a processing option.
- Prints a final report of processed invoices.

After you run the program in final mode

The program:

- Prevents you from rerunning the same version of automatic debiting until you copy the created file to tape. This protects the information from being overwritten by a new version before it is saved.
- Allows you to reverse or delete receipts.

Before You Begin

❑ On Customer Master Information, specify A in the Payment Instrument field and Y in the Auto Cash Algorithm field. See *Entering Customers.*

❑ On Customer Master Information, verify the customer G/L bank account information. Your customers must have a bank account type D set up for automatic debits. See *Setting Up Customer Bank Information.*

❑ On A/R Constants, specify Y in the Auto Cash field. See *Setting Up Constants.*

❑ Load the appropriate tape if you are automatically copying to tape or diskette.

Processing Options for Auto Debit - German Disk Format (P03575DD)

ABBUCHUNGEN V. LASTSCHRIFTEN:
1. Enter a '1' if the automatic debits   _____
    are to be created as Abbuchungen.
    If left blank, Lastschriften records
    will be created.

Processing Options for Processing Automatic Debits (P03575)

PROOF OR FINAL MODE PROCESSING:
1. Enter a '1' to create the file to be   _____
   sent to the bank and to create the
   Automatic Debit entries against the
   selected invoices. If left blank,
   only a proof report will be produced.

AS OF DATE:
2. Enter the 'As of' Date to process.   _____
   All invoices will be processed that
   have a comparison date on or before
   the As of Date. If left blank, the
   system date will default.

DATE COMPARISON:
3. Enter the type of date to compare   _____
   to the As of Date.
      ' ' = Net Due Date   (Default)
      'D' = Discount Due Date
      'I' = Invoice Date
      'G' = G/L Date
      'S' = Statement Date

MINIMUM AND MAXIMUM OPTIONS:
4. Enter the MINIMUM amount which is to   _____
   be selected for payment via
   Automatic Debits. Amounts under this
   amount will not be selected.

5. Enter the MAXIMUM amount which is to   _____
   be selected for payment via Automatic
   Debits. Amounts over this amount
   will not be selected.

Note: The processing options above must
be specified in the currency of the
Bank Account.

BANK INFORMATION:
6. Enter the G/L Bank Account that the   _____
   invoices are being submitted to. It
   is MANDATORY to enter a valid account
   short ID for this option.

G/L DATE:
7. Enter a G/L Date. If left blank,   _____
   the system date will be used.

DISCOUNT PROCESSING:
8. Enter a '1' if all discounts are to   _____
   be processed. If left blank, the
   cutoff date option will be used.

9. Enter the cutoff date for applying _____
   discounts. Discounts will not be
   taken if the Discount Due Date is
   prior to this date.

Note: These Discount Options also exist
in Batch Receipts Processing (P03550).
These options should have the same
values as specified in your Batch Cash
version

COUNTRY SPECIFIC FORMAT SELECTION:
10. Enter the name and DREAM Writer
    version number of the program to be
    called to create the formatted file
    for the bank. (Press F1 for a list
    of available programs.)
                 Program Name . . . . .   _____
                 Program Version. . . .   _____

STATEMENT PRINT:
11. Enter a '1' if a Customer Statement   _____
    is to be printed for the Automatic
    Debits. If left blank, Customer
    Statements will only be printed
    where the number of invoice details
    exceeds the maximum number that can
    be included onto the format.

COPY TO TAPE/DISKETTE:
12. Enter a '1' if the Copy to Tape or   _____
    Diskette option should be called
    automatically following Final Mode
    processing. If left blank, the copy
    option may be run at a later stage.
    (Leave blank if creating paper
    forms).

13. Enter the version of the Copy to   _____
    Tape/Diskette program P03579 to be
    called. If left blank, this defaults
    to version ZJDE0001. Confirm
    values in P03579 processing options
    prior to running.

BATCH PROCESSING:
14. Enter the version number of the   _____
    Batch Receipts program to be called
    to create and match the Automatic
    Debits to the selected invoice
    details. If left blank, one of the
    two versions will default.
       ZJDE0002 – For Summary JE's.
       ZJDE0003 – For Detail JE's.

    Note: verify the processing option
    values for the Batch Receipts
    version (P03550).

JOURNAL ENTRY CREATION:
15. Select G/L Entries Method: _____
    ' ' = Create summary total J.E.'s
    '1' = Create detail J.E.'s, which
          will create one J.E. per deposit
          item.

BATCH CASH RECEIPTS PURGE:
16. Enter a '1' to purge the Batch
    Receipts Workfile (F0312) upon run   _____
    completion. If left blank, the file
    will not be purged.

17. Enter the version number of the
    purge program P00PURGE to be called   _____
    to clear records from the Batch
    Receipts work file F0312. If left
    blank, version ZJDE0009 will be
    called.

BACS PROCESSING:
18. Enter a '1' if processing BACS. A
    report message will be issued if the   _____
    processing date is a non-workday.

19. Enter the BACS processing date.   _____

20. Enter the number of days to add to
    the processing date. This is used   _____
    to calculate the BACS expiration
    date.

21. Enter the workday calendar to use
    for validating the processing and   _____
    expiration dates.

MINIMUM AND MAXIMUM FOR BACS CREDITS:
22. Enter the MINIMUM CREDIT amount
    which is to be selected for payment   _____
    via Automatic Debits. Amounts under
    this amount will not be selected.

23. Enter the MAXIMUM CREDIT amount
    which is to be selected for payment   _____
    via Automatic Debits. Amounts over
    this amount will not be selected.

Note: The processing options above must
be specified in the currency of the
Bank Account.

Data Selection for Processing Automatic Debits

J.D. Edwards recommends that you process automatic debits by company. The
receipts applied to the selected invoices are generated for the G/L bank account
of the company.

Reviewing and Approving Automatic Debits

From Accounts Receivable (G03), choose Customer and Invoice Entry

From Customer and Invoice Entry (G0311), choose Other Invoice Entry Methods

From Other Invoice and Receipts Entry Methods (G03111), choose Auto Debit Journal Review

After you process automatic debits, you can review and approve them before posting them to the general ledger.

▶ **To review and approve automatic debits**

On Auto Debit Journal Review

```
[00201] - Auto Debit Journal Review                                    _ □ X
Functions   Options   Tools   Help

  ✔  ✘

                                              Batch Number    [        ]
                                              Batch Date    From  [        ]
 User ID     [*        ]                                     Thru  [        ]
 (Enter '*' for all)         Batch Status   ☐ (Blank will display unposted, '*' all)

 O App    . . Batch . .      . . . Difference . . .    Status   User
 P        Number  Ty  Date   Input Total   Documents
          6069413 R  04/30/96     48,930,826-       1- Approv  CW902004T
          4124    R  11/04/93        400,000        1- Pendin  DEMO
          4327    R  11/19/93        196,217-       1- Pendin  DEMO
          76759   R  03/27/95        500,000-       1- Approv  DEMO
          81680   R  04/17/95          3,500        1- Approv  DEMO
          6138931 R  06/18/97                       2- Error   UCISUSER
          6139123 R  06/19/97                       2- Error   UCISUSER




 Option: 1=Detailed Batch Review   F24=More Keys                        MW
```

1. Display all batches for all users, or complete any of the following fields to limit the information displayed:

   - User ID

   - Batch Number

   - Batch Date From:

   - Batch Date Thru:

   - Batch Status

2. To approve an automatic debit, complete the following field:

   - Approval

See Also

- *Reviewing and Approving Invoices (P03201)*

Posting Automatic Debits
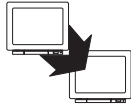
From Accounts Receivable (G03), choose Customer and Invoice Entry

From Customer and Invoice Entry (G0311), choose Other Invoice Entry Methods

From Other Invoice and Receipts Entry Methods (G03111), choose Post Automatic Debits to G/L

After you review and approve batches of automatic debits, you need to post them to the general ledger. When you post automatic debits, you use the standard Post program, which is also used to post invoices, receipts, and drafts.

See Also

- *Posting Invoices (P09800)*

Copying Files to Tape or Diskette
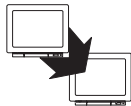
From Accounts Receivable (G03), choose Customer and Invoice Entry

From Customer and Invoice Entry (G0311), choose Other Invoice Entry Methods

From Other Invoice and Receipts Entry Methods (G03111), choose Copy File to Tape/Diskette

After you post your automatic debits, you need to send the information to your bank. Use the Copy File to Tape/Diskette program to copy your automatic debits to either a tape or diskette.

If necessary (perhaps for different versions), you can run this program more than once.

Processing Options for Copy Tape File to Tape (P03579)

```
AUTOMATIC DEBITS VERSION:
1. Enter the version number of the                    _____
   Automatic Debits for which the Copy
   to Tape/Diskette is to be performed.

COPY TO TAPE OPTIONS:
2. Enter the tape unit to which the
   Automatic Debits file is to be
   copied.
      Tape Unit:                                      _____
      Tape Density:                                   _____
      Tape Volume ID:                                 _____
      Tape Owner ID:                                  _____
      Tape File Name:                                 _____

PC FILE DOWNLOAD:
3. If generating a PC file, enter the
   file name to be used and the library
   name where the file will be placed.
            File Name:                                _____
            Library Name:                             _____
            File Size:                                _____
               Austrian Diskette = 120
               German Diskette   = 128
               German Tape       = 523
               BACS Tape         = 100
               Swiss Diskette    = 128
               Swiss Tape        = 530

COUNTRY SPECIFIC FORMATTING OPTIONS
4. Enter the country-specific program                 _____
   that will perform the copy to tape or
   the creation of the diskette file.
      P03579DT - German Tape
                 (Variable Length)
```

What You Should Know About Processing Options

Automatic debits version (1)
Automatic debit information is stored using the P03575 version.

Copy to tape options (2)
Use this option to initialize the tape or diskette. If you leave it blank, the contents of the Auto Debit Build are written to diskette.

Country specific formatting options (4)
Use this option to specify a customized program. P03579DT produces the variable record length format common to Germany.

If you specify an RPG program, you might need a specific tape. For example, P03579DT creates the tape file DTAUS if it does not already exist. Any tape file name specified in the first option is ignored.

Data Sequence for Copy Files to Tape or Diskette

Set the auto debit sequence to the copy-to-tape or diskette stage (T).

Process Automatic Receipts

Processing Automatic Receipts
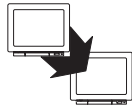
From Accounts Receivable (G03), choose Automatic Receipts Processing

From Automatic Receipts Processing (G0313), choose Load Bank Tape – Custom

You can process automatic receipts if you receive payments directly from a customer's bank on custom bank tapes (lock box). To automatically process and apply receipts to the customer accounts, you must load the receipt information from the bank tape to the Accounts Receivable system.

When you load the bank tape for receipts, the system:

- Reads the magnetic tape from the bank
- Creates a Bank Tape Worktable (F03551) to store the information from the tape
- Converts the information in the worktable to the Batch A/R Cash Application table (F0312)

The following graphic illustrates how the system processes bank tape information.
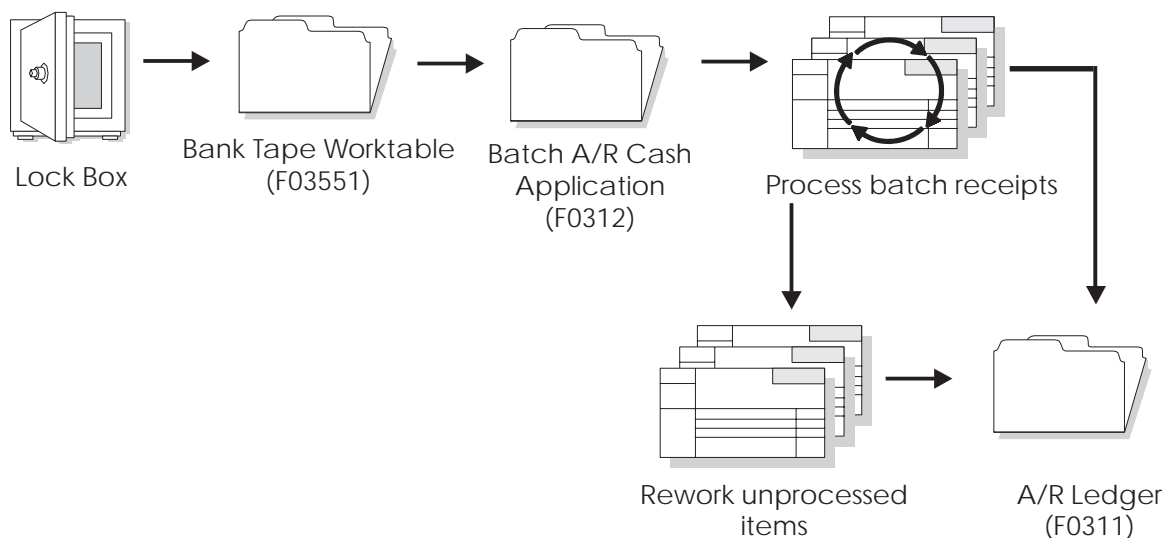
After the system converts the information in the worktable to the Batch A/R Cash Application table, it applies the receipts to the appropriate customer accounts in the A/R Ledger table (F0311). The system stores those items that it cannot process in the Batch A/R Cash Application Worktable until you rework and process them. The system then applies the reworked items to the A/R Ledger table.

Before You Begin

❏ Set the appropriate processing options for the version you want to run. You must access the processing options from the menu before you choose the Load Bank Tape – Custom program. After you choose this program from the menu, you cannot change the processing options.

❏ Ensure that the bank tape program is customized based on the information that is provided by your bank.

❏ Activate Auto Cash on accounts receivable constants.

❏ Ensure that the following information is set up in the customer master record for each customer eligible for bank tape processing:

- A bank transit account number, as well as an account number

- An auto receipt value

- An auto cash algorithm

What You Should Know About

Releasing the lock on the system	If you press exit at the *Load the tape* prompt, you lock the system to prevent further processing. To release the lock, choose 4 in the Option field and press Enter.

Processing Options for Load Custom Bank Tape (P03551)

```
TAPE DEVICE AND LIBRARY:
1. Enter the tape device name.                        _____
   (Default is TAP01)

2. Enter the Data File Library to be                  _____
   used for the load of the F03551 file.
   (Default is *LIBL)

JOURNAL ENTRY CREATION:
3. Enter '1' to create a single Journal               _____
   Entry for each deposit item.  Leave
   blank to create a summarized Journal
   Entry that includes all deposit
   items.
```

What You Should Know About Processing Options

Journal entry creation   Do not enter detail and summary records in the same batch. Instead, create a separate batch for each type of record. The mode (detail or summary) in which you enter transactions from the bank tape affects later processing.

When you process batch receipts, you must use the corresponding version (detail or summary) to process the batch. For example, if you enter receipts from the magnetic tape in summary mode, you must process them in summary mode. If you enter them in summary mode and then try to run the detail version when processing batch receipts for the same receipts, the system cannot process them.

Data Selection for Load Your Custom Bank Tape

The versions for the Load Your Custom Bank Tape program include the correct data selections. Do not change this information.

Process Bank Statements

Processing Bank Statements

From General Accounting (G09), choose Account Reconciliation

From Account Reconciliation (G0921), choose Bank Statement Processing

From Bank Statement Processing (G09211), choose an option

Banking practices in some countries rely on magnetic media process, electronic fund transfers, and direct bank involvement in settling outstanding debts. For these countries, the bank statement serves as the source document for all banking activity.

When you use J.D. Edwards base software to process your bank statements, the system accepts and clears transactions in the following tables:

- Accounts Receivable Ledger (F0311)
- Account Ledger (F0911)
- Account Ledger for Reconciliation (F0911R)

The system also uses the following tables to store bank statement information:

- Bank Statement Header (F0916)
- Bank Statement Detail (F0917)

The following graphic illustrates how you process bank statements using J.D. Edwards base software.
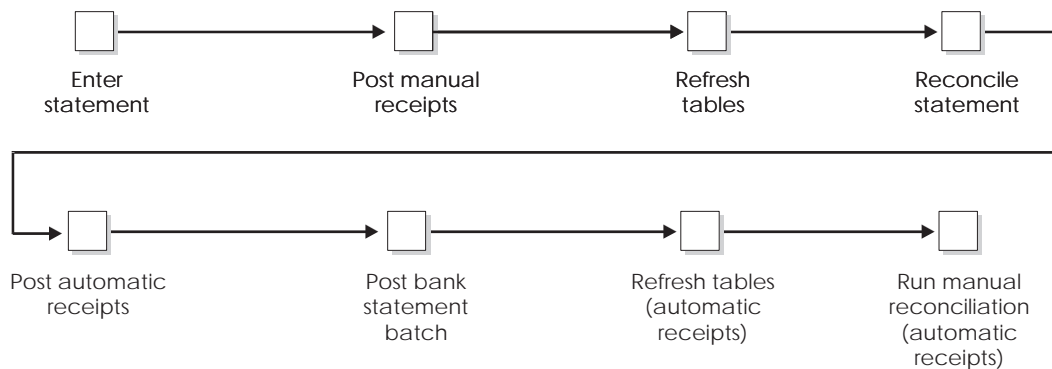
The steps for processing bank statements using J.D. Edwards base software include:

Enter statement	Enter the transactions that appear on your bank statement.
Post manual receipts	Post manual receipts if you enter a cash receipt (for example, if a customer makes a payment directly to your bank account).
Refresh tables	Update the Account Ledger for Reconciliation worktable (F0911R) by refreshing the reconciliation table.
Reconcile statement	Reconcile the transactions to update tables, create accounting batches, and generate reconciliation reports.
Post automatic receipts	Post automatic receipts in batch mode if you enter a cash receipt (for example, if a customer makes a payment directly to your bank account).
Post bank statement batch	Post general journal batches to update the bank statement batch to the Account Ledger (F0911) and Account Balances (F0902) tables.
Refresh and reconcile	Refresh the reconciliation table and manually reconcile if you have entered automatic receipts *and you are not using a transit account.*

What You Should Know About

Multi-currency bank statements	You can process multi-currency bank statements. Transactions can include up to three different currencies. The system calculates the gain or loss.

See Also

- *Bank Statement Processing* in the *General Accounting II Guide* for specific instructions about processing bank statements

Additional Business Practices

About Additional Business Practices

Businesses in Germany frequently use encashment methods to process payments. When customers are delinquent in paying, businesses usually send out reminder notices.

J.D. Edwards solutions for other business practices and requirements in Germany consist of the following tasks:

❑ Working with encashments

❑ Printing payment reminders

❑ Printing ledger reports

❑ Printing open amount reports

Work with Encashments

Working with Encashments

Encashment is a common business practice in Germany. Encashment is a process by which a third party receives payments from the customers of a business and then disburses the payment to the business. You can use J.D. Edwards software to process the following types of encashment methods:

Parent/child	The parent business processes customer invoices and cash receipts for all of its subsidiary businesses.
Factoring	The business forwards its customer invoices to an encashment company.

Working with encashments consists of the following tasks:

❑ Processing encashments using the parent/child method

❑ Processing encashments using the factoring method

Processing Encashments Using the Parent/Child Method

When you use the parent/child method to process encashments, a parent company processes all the receipts for its children companies. To use the parent/child encashment method, you must specify the number of the parent company or the special payee for each customer that you set up.

Process parent/child encashment invoices as you would normal cash receipts. You can use the Parent Number or Factor/Special Payee fields on the Customer Ledger Inquiry form to select only the invoices that the parent company is going to pay.

Processing Encashments Using the Factoring Method

When you use the factoring method to process encashments, your customers remit the payment for their invoices to an encashment company that processes the payments and invoices. You receive the payment for the invoices, less a predetermined commission, from the encashment company.

To process encashments using the factoring method, you write off the receipts that you know will be paid by the encashment company using the Receipts Entry programs in J.D. Edwards base software.

You must set up a reason code (user defined code 03/AR) and a general ledger account for the receipts that you plan to write off for encashment. The reason code that you associate with the receipts determines which general ledger account the system debits when you post the receipts

You set up the reason codes in the automatic accounting instructions (AAIs). For example, you set up AAI item RAxx (where xx is the 2-character reason code) to associate the reason codes to the general ledger accounts.

See Also

- *Entering Receipts with Write Offs* in the *Accounts Receivable Guide*

Print Payment Reminders

Printing Payment Reminders

From Accounts Receivable (G03), choose Statement/Reminder Processing

From Statement/Reminder Processing (G0322), choose Print Payment Reminders

When customers are delinquent in paying, businesses in Germany are required to send out a reminder notice. Otherwise, the past due amount becomes ineligible for collection. You can print payment reminders to send reminder notices for past due invoices.

When you use payment reminders you can:

- Create user-defined text
- Customize notice text by company or customer
- Specify three levels of text for the notice, from mild to severe
- Print reminders notices in proof and final mode
- Set up the A/R constants to determine by company whether to send reminder notices
- Specify at the customer level whether to send reminder notices and the number of notices to send
- Associate the recipients with the collections reporting process

You can set up text for payment reminders by company or by customer. In the customer master record, you indicate how many reminders you want the customer to receive. The system generates payment reminders based on information in the A/R Ledger table.

The following graphic illustrates how customers or invoices are selected for payment reminders.

Run payment reminders

Customer Master

Delinquency notice   = Y
Number of reminders = 1 – 3
Collection report   = Y / N

Processing Options

Overdue balance as of
DD / MM / YY

NO

YES

Overdue amount
GE XXX

NO

YES

Number of days since
last payment reminder

NO

YES

Customer / invoice NOT
considered for
payment reminders

Proposed list of customer /
invoice for payment
reminder
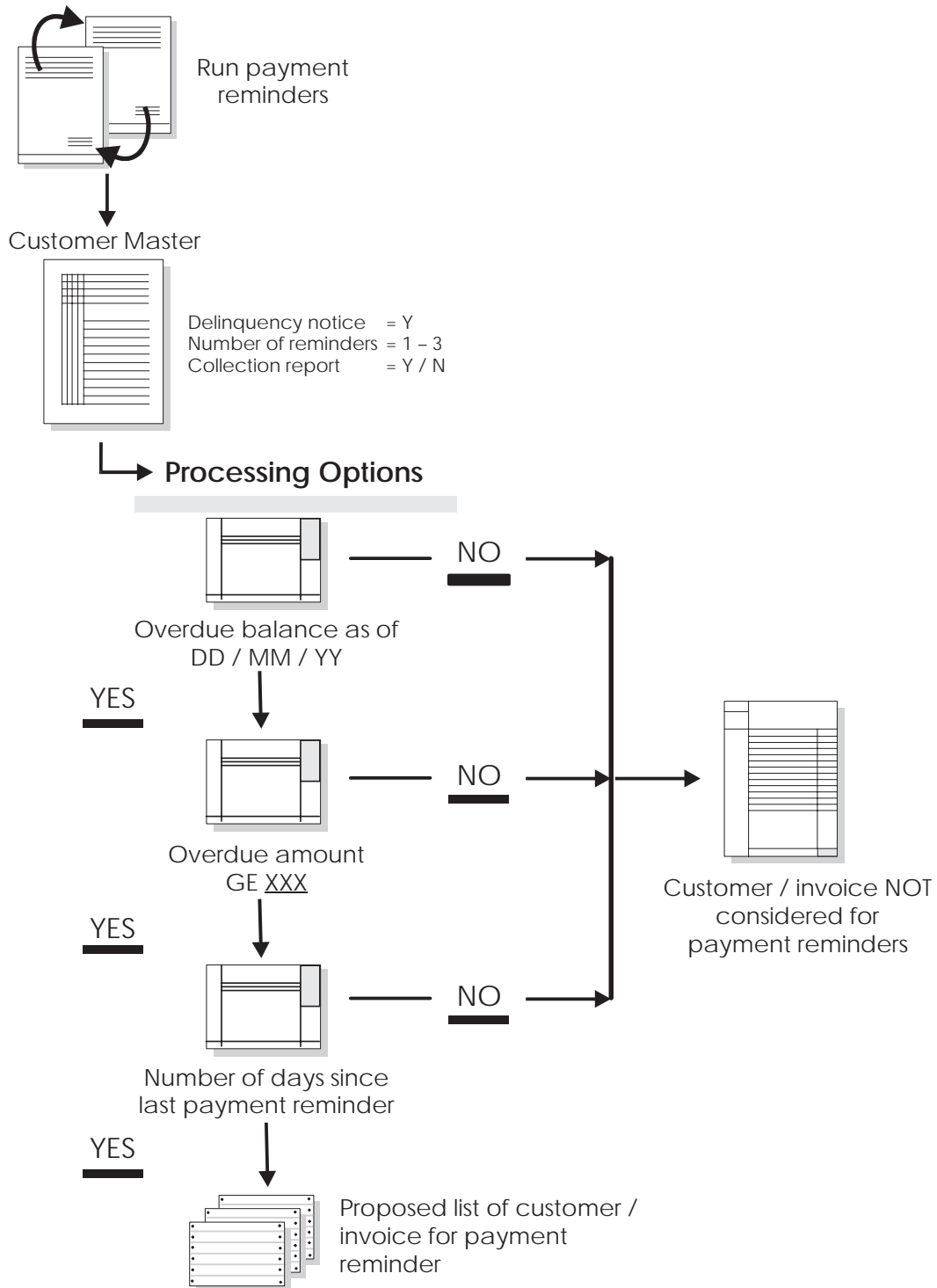
Before You Begin

❏ Verify that Accounts Receivable system constants are set up for payment reminders

❏ Verify that the fields in the customer master record are set up properly for payment reminders

❏ Review the payment reminder messages

❏ Create any necessary new reminder messages for a customer or company

Proof Mode

To review the list of customers eligible to receive payment reminders, print payment reminders in proof mode. This allows you to make changes before you process reminders in final mode. In proof mode, the system:

- Does not update tables
- Lets you run the report as many times as you want
- Does not print actual payment reminders

Final Mode

After you print payment reminders in proof mode and verify the information, print them in final mode. You can print payment reminders based on the criteria you established in proof mode. In final mode, the system:

- Updates the A/R Ledger table with the following information:
  - The number of reminders sent for each level.
  - The level of the last reminder that was sent for each invoice. For example, customers or invoices currently at level 2 will be at level 3 the next time you run this program in final mode.
  - The date you ran the program.
- Updates the Customer Master table (F0301) with the level of reminder sent for each invoice.

The system determines which text to print on the reminder notices by checking the outstanding invoices. It prints the highest level message. For example, it prints a level 3 message for a customer with three outstanding invoices even if one is at level 1, one at level 2, and one at level 3.

After all three reminder notices have been sent to a customer with a delinquent account, the customer's invoices continue to appear on the Reminder Report/Update, but do not appear on future reminder notices.

If you do not want the invoices to appear on the Reminder Report/Update, do one of the following:

- Set the Collections Report field on Customer Master Information to N. This removes all invoices for a customer from the Reminder Report/Update.

- Set the Collections Report field on the Collection Management form to N and enter a reminder stop reason and a collection reason for a specific invoice. This removes the specific invoice from the Reminder Report/Update.

```
   035301                                    J.D. Edwards & Company                          Page      -    3
                                           Payment Reminders Final                          As Of Date - 06/30/98

A Model Property Management Co 00015 USD
   . . . Address . . . .
Number    Name     . . . . Document . . . . .    Tran    . . . . . Domestic . . . . .      . . . . . . Foreign . . . . .
  Inv Date    Ty  Number      Due Date  G/L Date  Curr     Open              Open           Original          Open        Number Level
--------- --- -- -------------- -------- --------  ----  ----------------  ----------------  ----------------  ----------------  ------ -----
    4175 Abernathy & Hitch
02/01/98    RU      9005 000 02/01/98 02/01/98  USD      2,000.00-         2,000.00-                                             001   1
04/20/98    RN      1936 001 05/01/98 04/30/98  USD        200.00           200.00                                              001   1
03/31/98    RJ       819 000 03/31/98 03/31/98  USD        341.67           341.67                                              001   1
05/31/98    RJ       827 000 05/31/98 05/31/98  USD        695.83           695.83                                              001   1
02/28/98    RJ       811 000 02/28/98 02/28/98  USD        750.00           750.00                                              001   1
04/30/98    RJ       823 000 04/30/98 04/30/98  USD        895.83           895.83                                              001   1
04/01/98    RD       663 002 05/01/98 04/01/98  USD      1,650.00         1,650.00                                              001   1
04/01/98    RD       663 001 05/01/98 04/01/98  USD      3,300.00         1,300.00                                              001   1
                                                        ----------------  ----------------  ----------------  ----------------
      Currency Code. . . . . . . . .                     5,833.33         3,833.33

                                                        ----------------  ----------------  ----------------  ----------------
      Abernathy & Hitch                                  5,833.33         3,833.33
```

What You Should Know About

Multi-currency   If you use multiple currencies and you run payment reminders for all companies, you might get incorrect customer totals. You should set up a version of this report for each company or groups of companies with the same base currency.

Processing Options for Payment Reminders (P03530)

```
                    PROOF/FINAL MODE:
                    1. Enter a '1' to print a Final payment        _____
                       reminder.  A default value of blank
                       will print a Proof payment reminder.

                    AS OF DATE:
                    2. Enter the "As Of" Date to be used           _____
                       for invoice selection.  If left
                       blank, the current date will be used.
                       The system selects invoices with
                       overdue amounts and invoice dates
                       greater than or equal to this date
                       for payment reminders.

                    MINIMUM DAYS:
                    3. Enter the minimum number of days            _____
                       between payment reminders.

                    MINIMUM AMOUNTS:
                    4. Enter the total minimum amount open         _____
                       for a customer that is required to
                       send a reminder.
                       ** Note: Please enter Twelve Dollars
                          and Twenty-Five cents as 12.25,
                          One Dollar as 1.00.

                    5. Enter the currency code that defines        _____
                       the minimum amount open.

                    TEXT MESSAGE:
                    6. Enter a "Y" to print a text message         _____
                       on the reminder.  (Final mode only)

                    NUMBER OF REMINDERS:
                    7. Enter the number of payment reminders       _____
                       to send.  If left blank, the default
                       value is '3'.

                       The system will use the number of
                       reminders specified at the invoice
                       level first, then at the customer
                       level and then in this processing
                       option until a non-blank value is
                       found.

                    PRINT FORMAT:
                    8. Enter '1' to print the alternate            _____
                       format which has the address on the
                       left side and prints a remark column
                       and no G/L date column.
```

Data Selection for Print Payment Reminders

The following data selection is required:

- The open amount cannot equal zero.

- The document type cannot equal RF (to exclude finance charges).

Print Ledger Reports

Printing Ledger Reports

You print ledger reports to review the detail of the transactions between your company and your customers and suppliers. When you print localized customer and supplier ledger reports, the system prints the transactions in the accounting format that is generally used by many European companies, with debit and credit amounts in two separate columns. In addition, you can specify:

- Whether you want to print the reports based on main address book numbers or a parent number

- Currency totalling, where invoices and vouchers with similar currencies are totalled

Printing ledger reports consists of the following tasks:

❏ Printing customer ledger reports

❏ Printing supplier ledger reports

Printing Customer Ledger Reports

The localized customer ledger report includes the following features:

- Debit and credit amounts are printed in separate columns, rather than in a single column where the amounts are differentiated by a minus sign for a debit or reduction of the credit towards a customer

- The amount of the A/R drafts that are generated for a batch of invoices is printed in the credit column the same as any other payment

- You can print a report for all the transactions recorded for a certain customer based on a user-specified time lapse

The system excludes the following documents from the customer ledger report:

- A/R draft transactions, identified by document type R1

- Gains and losses on foreign transactions, identified by document types RG and RL

- Adjustments that are made to original invoices, identified by document type RE

Customer Ledger Report

```
 7403013                                        J.D. Edwards & Company          Date -        5/22/97
                                                 Customer Ledger Report          Page -              2
                                                                                 From Date - 01/01/98
                                                                                 Thru Date - 12/31/98
         Customer . . .    34201    Informazioni Management
                                    Corso Vittorio Emanuele II, 452
                                    00128 Roma
         Tax ID . . . .
         G/L      Do Document Description        Invoice      Debit           Credit           Amount       P Cur    Currency         Exchange
         Date     Ty Number   Operation          Date         Amount          Amount           Balance      C Cod    Amount           Rate
         -------- -- -------- ------------------ -------- -------------------- -------------------- -------------------- - --- -------------------- ----------------
                                                          Initial Balance                         0
         06/30/98 RI      23 Invoice             06/06/98      56,420.00                       56,420.00   D FRF
         06/30/98 RI      23 Invoice             06/06/98      56,420.00                      112,840.00   D FRF
         06/30/98 RI      24 Invoice             06/07/98       2,500.00                      115,340.00   D FRF
         06/30/98 RI      24 Invoice             06/07/98       2,700.00                      118,040.00   D FRF
         06/30/98 RI      24 Invoice             06/07/98       2,500.00                      120,540.00   D FRF
         06/30/98 RI      24 Invoice             06/07/98       2,700.00                      123,240.00   D FRF
         06/30/98 RI      25 Invoice             06/10/98          23.69                      123,263.69   D ITL           500.00      0.0004737
         06/30/98 RI      25 Invoice             06/10/98          22.83                      123,286.52   D ITL           482.00      0.0004737
         06/30/98 RI      25 Invoice             06/10/98          23.69                      123,310.21   D ITL           500.00      0.0004737
         06/30/98 RI      25 Invoice             06/10/98          22.83                      123,333.04   D ITL           482.00      0.0004737
         06/30/98 RI      26 Invoice             06/15/98      10,000.00                      133,333.04   D FRF
         06/30/98 RI      26 Invoice             06/15/98      10,000.00                      143,333.04   D FRF
         07/07/98 RC    4849 Cash Receipts       07/06/98                     112,840.00       30,493.04   D FRF
         07/07/98 RO    4849 Reversing or Void En 07/06/98    112,840.00                      143,333.04     FRF
         07/15/98 RC    4850 Cash Receipts       07/15/98                      20,000.00      123,333.04   D FRF
                                                          -------------------- -------------------- --------------------
                      Transaction Total                       256,173.04       132,840.00      123,333.04
```

Processing Options for Customer Ledger Report (P7403013)

```
DATE RANGE:
1. Specify the "From" Date                           _____

2. Specify the "Through" Date                        _____

PARENT/CHILD PROCESSING:
3. Enter a "1" to list activity for                  _____
   parent accounts.  Leave blank to
   list each child account separately.
```

Printing Supplier Ledger Reports

The localized supplier ledger report includes the following features:

- Debit and credit amounts are printed in separate columns (instead of a single column where the amounts are differentiated by a minus sign for a debit or reduction of the credit towards a supplier)

- The amount held when a voucher is paid for a supplier that is subject to withholding tax is printed in the line immediately after the payment, rather than in the Discount Available column

- You can print a report for all the transactions recorded for a certain customer based on a user-specified time lapse

The system excludes the following documents from the supplier ledger report:

- Voided payments, identified by document type PO

- Gains and losses on foreign transactions, identified by document types PG and PL

- Adjustments that are made to original vouchers, identified by document type PE

Supplier Ledger Report

```
7404014                               J.D. Edwards & Company          Date -      5/22/97
                                      Supplier Ledger Report          Page -          2
                                                                      From Date - 01/01/96
                                                                      Thru Date - 12/31/98
```

```
Supplier . . .    11287   Invicta SpA
                          Invicta SpA
                          viale della Stazione, 45
                          Milano
                          20000 Milano
Tax ID . . . . 12111458021
```

G/L Date	Do Ty	Document Number	Description Operation	Invoice Number	Invoice Date	Debit Amount	Credit Amount	Amount Balance	P C	Cur Cod	Currency Amount	Exchange Rate
			Initial Balance					0				
01/01/96	PV	38	Voucher	5	01/01/96		50,000.00	50,000.00-		ITL		
01/01/96	PV	42	Voucher	1125	01/01/96		5,000,000.00	5,050,000.00-		ITL		
01/01/96	PV	43	Voucher	4564	01/01/96		5,000,000.00	10,050,000.00-		ITL		
01/01/96	PV	44	Voucher	989	01/01/96		5,000,000.00	15,050,000.00-		ITL		
06/01/96	PV	37	Voucher	87	06/01/96		30,000.00	15,080,000.00-		ITL		
06/01/97	PL	5	Voucher Logging		01/01/98		50.00	15,080,050.00-	D	ITL		
06/01/97	PL	6	Voucher Logging		01/01/98		44.44	15,080,094.44-		ITL		
06/01/97	PL	7	Voucher Logging		01/01/98		60.00	15,080,154.44-	D	ITL		
06/01/97	PV	68	Voucher		05/01/97		15.00	15,080,169.44-		USD		
06/01/97	PV	69	Voucher		01/01/97		217.50	15,080,386.94-		USD	87,000.00	0.2500000
06/01/97	PV	70	Voucher		01/01/97		50.00	15,080,436.94-	D	ITL		
06/01/97	PV	71	Voucher		01/01/98		87,660.72	15,168,097.66-	D	USD	6,000.00	1461.0120000
06/01/97	PV	72	Voucher		01/01/97		40.00	15,168,137.66-	D	ITL		
06/01/97	PV	73	Voucher		05/01/97		50.00	15,168,187.66-		ITL		
06/01/97	PV	75	Voucher	501	01/01/95		6,000.00	15,174,187.66-		ITL		
06/01/97	PV	85	Voucher	84	01/01/98		6,000.00	15,180,187.66-		ITL		
06/01/97	PV	86	Voucher	4	06/01/97		5,000.00	15,185,187.66-		ITL		
06/01/97	PN	545	Manual Check			50.00		15,185,137.66-		ITL		
06/01/97	PN	888	Manual Check			87,660.72		15,097,476.94-	D	USD	6,000.00-	1471.0120000
06/01/97	PO	545	Void Check				50.00	15,097,526.94-	D	ITL		
07/01/97	PR	5	Recurring Voucher		08/06/96		50.00	15,097,576.94-		ITL		
01/01/98	PV	5	Voucher		01/01/98		5,000.00	15,102,576.94-	D	USD		
01/01/98	PV	5	Voucher	44	01/01/98		5,000.00	15,107,576.94-	D	ITL		
01/01/98	PV	6	Voucher	88	01/01/98		5,000.00	15,112,576.94-	D	ITL		
01/01/98	PV	7	Voucher	75	01/01/98		500.00	15,113,076.94-	D	ITL		
01/01/98	PV	9	Voucher	8787	01/01/98		50.00	15,113,126.94-	D	ITL		
01/01/98	PV	10	Voucher	10	01/01/98		30.00	15,113,156.94-	D	ITL		
01/01/98	PV	11	Voucher	11	01/01/98		40.00	15,113,196.94-	D	ITL		
01/01/98	PV	21	Voucher		01/01/98		50.00	15,113,246.94-	D	ITL		
01/01/98	PV	30	Voucher		01/01/98		6.00	15,113,252.94-	D	ITL		
01/01/98	PV	31	Voucher		01/01/98		6.00	15,113,258.94-	D	ITL		
01/01/98	PV	41	Voucher	77	01/01/98		5,000,000.00	20,113,258.94-	D	ITL		
01/01/98	PV	54	Voucher	878	01/01/98		5,000.00	20,118,258.94-	D	ITL		
01/01/98	PV	117	Voucher	28	01/01/98		50.00	20,118,308.94-	D	ITL		
01/01/98	PV	118	Voucher	66	01/01/98		20.00	20,118,328.94-	D	ITL		
01/01/98	PV	120	Voucher	2	01/01/98	40.00	40.00	20,118,328.94-	D	ITL		
01/01/98	PV	153	Voucher	21547	01/01/98		60.00	20,118,388.94-		ITL		
01/01/98	PV	154	Voucher	21547	01/01/98		40.00	20,118,428.94-		ITL		
01/01/98	PV	155	Voucher	555	01/01/98		40.00	20,118,468.94-		ITL		
01/01/98	PV	247	Voucher	AK5	01/01/98		80.00	20,118,548.94-		ITL		
01/01/98	PV	422	Voucher	987	01/01/98		8,000.00	20,126,548.94-	D	USD		
01/01/98	PV	423	Voucher	654	01/01/98		5,000.00	20,131,548.94-	D	USD		

```
                                                  -------------------  -------------------  -------------------
                      Transaction Total               126,316.04          38,231,389.66       38,100,438.94-
```

Processing Options for Supplier Ledger Report (P7404014)

```
DATE RANGE:
1. Specify "From" Date                          _____

2. Specify "Through" Date                       _____

ITALIAN WITHHOLDING TAX PROCESSING:
3. Enter a "1" to list Italian                  _____
   withholding tax on a separate line.

PARENT/CHILD PROCESSING:
4. Enter a "1" to list activity for             _____
   parent accounts.  Leave blank to
   list each child account separately.
```

Print Open Amount Reports

Printing Open Amount Reports

Businesses in many European countries are required to report customer and supplier open amounts at year-end. To do this, print open amount reports for your customers and suppliers. You are required by law to include these reports as attachments to the Balance Sheet.

You can run several versions of the open amount reports. When you choose a version, you specify whether to include positive or negative balances. The system does not include positive and negative signs in the report and prevents you from including both positive and negative balances on the same report. You also specify whether you want to review:

- Total amounts
- Amounts as of a certain date
- Records sorted by customer or supplier name
- Records sorted by customer or supplier address book number

Open Amount Report – Supplier

```
7404026              J.D. Edwards & Company           Page     -       1
                  Supplier Inventory Book - Positive   Date     -   5/22/97
. . . . . . . . . .   Supplier . . . . . .
Number        Name                  Fiscal ID      Co    Open Balance
--------  ------------------------------  ----------------  -----  --------------------
     888 Jo Bloggs                        00124567801       00074           500,000,000
    2020 GO AWAY, N W. 123                00235164201       00074               156,570
    2222 Bhaviks_Test_Supplier_Alpha_Nam  00025487441       00074           302,534,945
    2727 Acme Drilling                                      00074                   800,000
    6767 supplier that has a name over 4  00321005982       00074         7,917,872,156,989
    7002 JDE France                       21548720012       00074           238,000,100
    9751 George Ltd                       00021147854       00074         1,000,000,000
   11287 Invicta Plc                      12111458021       00074         3,809,159,894
   11877 team sports                      54421540021       00074               500,000
   11914 Peter Deely                      33021998567       00074            17,507,400
   11957 Not W/T Supplier                 00258778987       00074             3,556,000
   12028 Supplier 3                       00235532333       00074             1,965,638
   14550 Supplier Ledger Vendor           12455447023       00074           312,996,000
   14859 Tom Store                        22560124785       00074                 5,000
   15624 Harry Cross                      00214774102       00074             5,542,000
   16900 Parent Supplier                  89856115682       00074               605,000
   19174 Guido's Supplier                 12500124825       00074        10,800,000,000
   20124 test supplier                    02586354125       00074                 6,400
   20466 Bertolli - Test Register/multi-  02154823513       00074             1,122,489
   21611 Supplier Test                                      00074           939,762,086,850
   28628 Automatic payment                                  00074               500,000
   28636 Auto payment customer                              00074               900,000
   30103 Auto Payment Supp                                  00074             2,000,000
   30437 Italian Auto Payment                               00074               600,000
   32598 W/T Supplier A73                                   00074             6,343,378
   34577 Commision Supplier                                 00074                 5,000
   34614 Notula 2                                           00074                 5,378
   37090 W/T Supplier for Comp 74                           00074             2,587,540
   37591 split supp                                         00074            14,246,100
   37671 Supplier 4                                         00074            19,760,159,666
   38092 Supplier seventeen                                 00074             1,600,000
   38105 Supplier two                                       00074             2,000,000
   38113 Supplier three                                     00074               700,000
   39722 Open Supplier                                      00074             1,600,000
   40280 Martini & Rossi                  IT04886070151     00074             1,190,000
   42315 WT Supplier                                        00074             1,550,000
   42323 WT supplier 2                                      00074             2,039,802
   44142 new supplier                                       00074                19,000
  110163 Patel's Grocery                                    00074               450,000
 1919867 SUPPLIER                                           00074            12,856,000
 1919876 Elena                            13132161321       00074            20,380,000
 5724260 Prakash Parekh                                     00074                35,000
                                                                   --------------------
         00074            Italian Company                          8,894,460,468,139
                                                                   --------------------
```

Processing Options for A/P Inventory Book (P7404026)

```
NEGATIVES BALANCES:
1. Enter '1' to print only suppliers
   with negative balances.  Leave blank          _____
   to only print suppliers with
   positive balances.
                                  End
```

Open Amount Report – Customer

```
7403025              J.D. Edwards & Company          Page    -      1
                  Customer Inventory Book - Positive   Date    -  5/22/97
. . . . . . . . . . Client . . . . . .
Number        Name                Fiscal ID      Co     Open Balance
--------  ------------------------------  ---------------  -----  --------------------
   25611  auto debit test                                 00074           3,390,000
   11949  fred smith                      00124574102     00074              52,000
 1919877  sequential customer             02124587451     00074             393,062
   43060  suspended VAT                                   00074           4,700,000
   20116  test cust                       02654258452     00074             624,000
   36581  test Draft                      00215452145     00074               8,000
   38130  void customer                   00213652359     00074           1,500,000
   37680  Auto Debit Cust                 00258526547     00074          11,758,000
   33013  Auto Debits Test Client                         00074           5,200,000
   11308  Cars Corner                     00215632489     00074      14,121,961,000
   19297  Comtech Plc                     00021577751     00074          12,464,000
   24900  Customer Test                   00265328975     00074           1,500,000
   24969  Customer Test III               00012548523     00074           1,300,000
   30002  Customer02                      22568945001     00074           3,300,000
   13637  Draft Customer                  00214111032     00074          14,922,000
   32264  Duplicate Dafts Customer        00115852469     00074              37,768
    1001  Edwards, J.D. & Company                         00074           3,200,000
   13629  Frank Doberman Ltd              00258987456     00074          41,770,112
   39829  French VAT Customer                             00074             700,000
  300001  Fun-N-Sun Recreational Sports -                 00074             400,000
   37954  German Autodebits Customer from                 00074         100,200,000
   46025  Ingallati, Vera                                 00074               2,000
   14779  Mark Store who Lives In Croydon                 00074     110,047,215,064
   37145  New Notula Supplier (2)                         00074               5,000
   39731  Open Customer                                   00074           2,500,000
     517  Rashpals Test Customer for remi                 00074                 200
     516  Rashpals Test Spanish Supplier                  00074                 500
   11931  Telecom Ltd                                     00074          35,421,900
   37057  Vera's Test Client ITL                          00074               9,320
   18964  Void Cust                                       00074              12,000
   13611  Volvo (Tonbridge)                               00074           1,822,012
   15288  Volvo Supplies                                  00074           4,500,000
                                                                 --------------------
         00074          Italian Company                       124,420,867,938
```

Processing Options for A/R Inventory Book (P7403025)

```
NEGATIVES BALANCES:
1. Enter '1' to print only customers          _____
   with negative balances.  Leave blank
   to print only customers with
   positive balances.
                                    End
```

Appendices

Appendix A - Alternate Chart of Accounts

In addition to the corporate chart of accounts you set up in the Account Master table (F0901), you can define an alternate chart of accounts using category codes 21, 22, and 23.

Data Integrity

If you use an alternate chart of accounts, the question of the integrity of your accounting data is very important. To help maintain the integrity of accounting data, consider the following examples.

Example: Account Defined Only in the Account Master Table

You might create an account in the Account Master table without defining a corresponding alternate account. If you do, when transactions are entered for the account in the Account Master table, any reporting measures that are based on the alternate chart of accounts are incomplete.

J.D. Edwards suggests that you establish an internal procedure to audit the integrity of the data entered. For example, you can run a Financial Enterprise Report Writer (Financial ERW) report that provides the following information:

Ledger Type (AA Actual Amounts)	DR	CR
Total Alternate Accounts (A)	DR	CR
Total Other/Corporate Accounts (B)	DR	CR
General Total (A + B)	DR	CR

Run the report on a daily or weekly basis, depending on the volume of your transactions.

Example: Account Defined Only in the Alternate Chart of Accounts

You might create an alternate account using category codes 21, 22, and 23 without defining a corresponding account in the Account Master table.

In this case, no actual transactions can be entered for the account. In J.D. Edwards software, you cannot enter accounts with an alternate account number.

Example: Account Deleted from the Alternate Chart of Accounts

You might delete an alternate account from the User Defined Codes table that has active transactions and balances. When you do, the system does not display an error message to indicate that active transaction information is attached to the account.

J.D. Edwards recommends that you establish an internal procedure to restrict the access to the user defined codes tables to a few individuals who are responsible for system setup. These individuals should understand how category codes and accounts are related.

In Version A7.3 software, a new security feature called "User Defined Codes by User ID" exists to prevent alternate accounts from being inadvertently deleted. You can implement this new feature to define security for specific user defined codes and users.

Example: Reorganization of Accounts in the Chart of Accounts

If you need to reorganize your chart of accounts, you might remove a category code or move an alternate account from category code 21, 22, or 23 to a different object account. You might also delete an alternate account, or move it to a different object account in the Account Master table (F0901).

J.D. Edwards recommends that you establish an internal procedure to restrict the access to the Account Master table (F0901) to a few individuals who are responsible for system setup. These individuals should understand how category codes and accounts are related.

An additional recommended security feature is to journal the Accounts Master table and to audit all modifications to its records in a live production environment.

See Also

- *Setting Up an Alternate Chart of Accounts*

Appendix B – Depreciation Examples

Depreciation Formulas

Set up the following depreciation formulas for your depreciation rules.

Base/Limit
The Base/Limit is the total amount that can be depreciated over the life of the asset. Define the Base/Limit as the cost of the asset less its salvage value.

Formula ID: BGS

Formula: 01–07

Salvage Value
Define the Salvage Value as a percentage of the asset's acquisition cost.

Formula ID: SGS

Formula: 01*12

Multiplier/Constant: 5.0

Set up the following depreciation formulas for your assets.

Assets acquired during the first half of year
Define a formula for assets that are placed in service in the first half of the company's fiscal year. The initial depreciation for the assets is computed for the entire year.

Formula ID: FYG

Description: Full Year German

Column Heading 1/2:   Initial/Full Year

Formula: 01/03*12

Multiplier/Constant: 12

Assets acquired in the second half of year

Define a formula for assets that are placed in service in the second half of the company's fiscal year. The initial depreciation is computed for a half year.

Formula ID: HYG

Description: Half Year German

Column Heading 1/2:   Initial/Half Year

Formula: 01/03*12

Multiplier/Constant: 6

Assets during second and subsequent years

Define a formula to compute the depreciation for all assets that are in service during the second and subsequent years.

Formula ID: 101

Description: Straight Line

Formula: 10/03

Example: Base/Limit
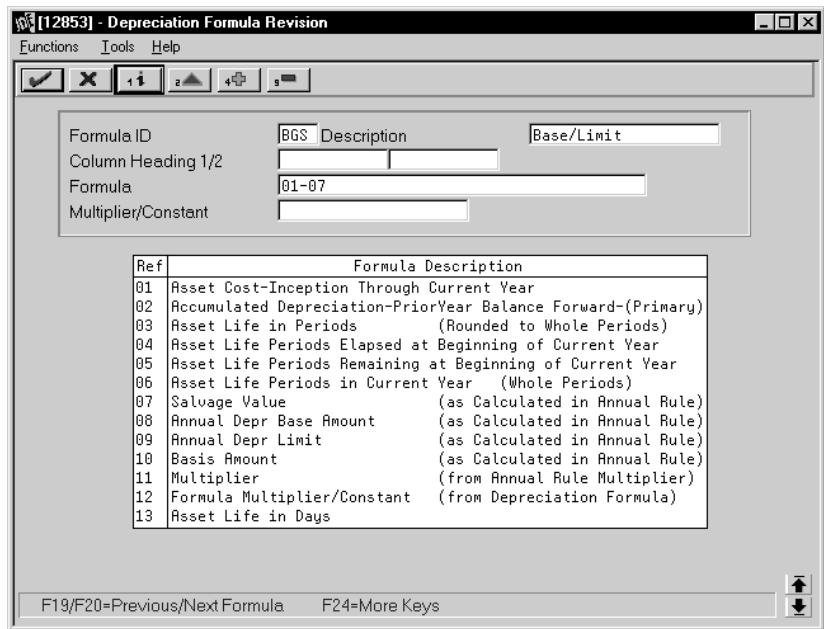
Example: Salvage Value

```
[12853] - Depreciation Formula Revision
Functions   Tools   Help

Formula ID            SGS   Description              Salvage Value
Column Heading 1/2    
Formula               01*12
Multiplier/Constant                    5.000000

Ref              Formula Description
01  Asset Cost-Inception Through Current Year
02  Accumulated Depreciation-PriorYear Balance Forward-(Primary)
03  Asset Life in Periods          (Rounded to Whole Periods)
04  Asset Life Periods Elapsed at Beginning of Current Year
05  Asset Life Periods Remaining at Beginning of Current Year
06  Asset Life Periods in Current Year    (Whole Periods)
07  Salvage Value                 (as Calculated in Annual Rule)
08  Annual Depr Base Amount       (as Calculated in Annual Rule)
09  Annual Depr Limit             (as Calculated in Annual Rule)
10  Basis Amount                  (as Calculated in Annual Rule)
11  Multiplier                    (from Annual Rule Multiplier)
12  Formula Multiplier/Constant   (from Depreciation Formula)
13  Asset Life in Days

F19/F20=Previous/Next Formula      F24=More Keys
```

Example: Assets Acquired During First Half of Year

```
[12853] - Depreciation Formula Revision
Functions   Tools   Help

Formula ID            FYG   Description              Full Year - Germany
Column Heading 1/2    INITIAL       FULL YEAR
Formula               01/03*12
Multiplier/Constant                   12.000000

Ref              Formula Description
01  Asset Cost-Inception Through Current Year
02  Accumulated Depreciation-PriorYear Balance Forward-(Primary)
03  Asset Life in Periods          (Rounded to Whole Periods)
04  Asset Life Periods Elapsed at Beginning of Current Year
05  Asset Life Periods Remaining at Beginning of Current Year
06  Asset Life Periods in Current Year    (Whole Periods)
07  Salvage Value                 (as Calculated in Annual Rule)
08  Annual Depr Base Amount       (as Calculated in Annual Rule)
09  Annual Depr Limit             (as Calculated in Annual Rule)
10  Basis Amount                  (as Calculated in Annual Rule)
11  Multiplier                    (from Annual Rule Multiplier)
12  Formula Multiplier/Constant   (from Depreciation Formula)
13  Asset Life in Days

F19/F20=Previous/Next Formula      F24=More Keys
```

Example: Assets Acquired During Second Half of Year

```
[12853] - Depreciation Formula Revision                              _ □ ×
Functions  Tools  Help

  ✔   ✖  ‖ ₁i ‖ ₂▲ ‖ ₄✛ ‖ ₉▬ ‖

  Formula ID             HYG  Description          Half Year - Germany
  Column Heading 1/2     INITIAL     HALF YEAR
  Formula                01/03*12
  Multiplier/Constant                    6.000000

       Ref                Formula Description
       01  Asset Cost-Inception Through Current Year
       02  Accumulated Depreciation-PriorYear Balance Forward-(Primary)
       03  Asset Life in Periods        (Rounded to Whole Periods)
       04  Asset Life Periods Elapsed at Beginning of Current Year
       05  Asset Life Periods Remaining at Beginning of Current Year
       06  Asset Life Periods in Current Year   (Whole Periods)
       07  Salvage Value              (as Calculated in Annual Rule)
       08  Annual Depr Base Amount    (as Calculated in Annual Rule)
       09  Annual Depr Limit          (as Calculated in Annual Rule)
       10  Basis Amount               (as Calculated in Annual Rule)
       11  Multiplier                 (from Annual Rule Multiplier)
       12  Formula Multiplier/Constant  (from Depreciation Formula)
       13  Asset Life in Days

  F19/F20=Previous/Next Formula      F24=More Keys
```

Example: Assets During Second and Subsequent Years

```
[12853] - Depreciation Formula Revision                              _ □ ×
Functions  Tools  Help

  ✔   ✖  ‖ ₁i ‖ ₂▲ ‖ ₄✛ ‖ ₉▬ ‖

  Formula ID             101  Description          SL (Period)
  Column Heading 1/2
  Formula                10/03
  Multiplier/Constant

       Ref                Formula Description
       01  Asset Cost-Inception Through Current Year
       02  Accumulated Depreciation-PriorYear Balance Forward-(Primary)
       03  Asset Life in Periods        (Rounded to Whole Periods)
       04  Asset Life Periods Elapsed at Beginning of Current Year
       05  Asset Life Periods Remaining at Beginning of Current Year
       06  Asset Life Periods in Current Year   (Whole Periods)
       07  Salvage Value              (as Calculated in Annual Rule)
       08  Annual Depr Base Amount    (as Calculated in Annual Rule)
       09  Annual Depr Limit          (as Calculated in Annual Rule)
       10  Basis Amount               (as Calculated in Annual Rule)
       11  Multiplier                 (from Annual Rule Multiplier)
       12  Formula Multiplier/Constant  (from Depreciation Formula)
       13  Asset Life in Days

  F19/F20=Previous/Next Formula      F24=More Keys
```

Example: Item Balance Percent of Basis

```
[12853] - Depreciation Formula Revision
Functions  Tools  Help

Formula ID          KHO  Description              Item Bal % of Basis
Column Heading 1/2
Formula                   (( 10 * 11 ) * ( 06 / 49 ))
Multiplier/Constant

Ref                     Formula Description
01  Asset Cost-Inception Through Current Year
02  Accumulated Depreciation-PriorYear Balance Forward-(Primary)
03  Asset Life in Periods        (Rounded to Whole Periods)
04  Asset Life Periods Elapsed at Beginning of Current Year
05  Asset Life Periods Remaining at Beginning of Current Year
06  Asset Life Periods in Current Year   (Whole Periods)
07  Salvage Value              (as Calculated in Annual Rule)
08  Annual Depr Base Amount    (as Calculated in Annual Rule)
09  Annual Depr Limit          (as Calculated in Annual Rule)
10  Basis Amount               (as Calculated in Annual Rule)
11  Multiplier                 (from Annual Rule Multiplier)
12  Formula Multiplier/Constant  (from Depreciation Formula)
13  Asset Life in Days

F19/F20=Previous/Next Formula      F24=More Keys
```

Example: Income Tax Credit (ITC) Amount

```
[12853] - Depreciation Formula Revision
Functions  Tools  Help

Formula ID          ITC  Description              Investment Tax CR
Column Heading 1/2
Formula                   12-10/05*06
Multiplier/Constant

Ref                     Formula Description
01  Asset Cost-Inception Through Current Year
02  Accumulated Depreciation-PriorYear Balance Forward-(Primary)
03  Asset Life in Periods        (Rounded to Whole Periods)
04  Asset Life Periods Elapsed at Beginning of Current Year
05  Asset Life Periods Remaining at Beginning of Current Year
06  Asset Life Periods in Current Year   (Whole Periods)
07  Salvage Value              (as Calculated in Annual Rule)
08  Annual Depr Base Amount    (as Calculated in Annual Rule)
09  Annual Depr Limit          (as Calculated in Annual Rule)
10  Basis Amount               (as Calculated in Annual Rule)
11  Multiplier                 (from Annual Rule Multiplier)
12  Formula Multiplier/Constant  (from Depreciation Formula)
13  Asset Life in Days

F19/F20=Previous/Next Formula      F24=More Keys
```

Example: ITB Amount

```
[12853] - Depreciation Formula Revision                              _ □ ×
Functions   Tools   Help

  ✔  ✗  ┃ 1i ┃ 2▲ ┃ 4✛ ┃ 9▬

    Formula ID              ITB  Description              ITC
    Column Heading 1/2
    Formula                 42
    Multiplier/Constant

      Ref            Formula Description
      01  Asset Cost-Inception Through Current Year
      02  Accumulated Depreciation-PriorYear Balance Forward-(Primary)
      03  Asset Life in Periods        (Rounded to Whole Periods)
      04  Asset Life Periods Elapsed at Beginning of Current Year
      05  Asset Life Periods Remaining at Beginning of Current Year
      06  Asset Life Periods in Current Year   (Whole Periods)
      07  Salvage Value              (as Calculated in Annual Rule)
      08  Annual Depr Base Amount    (as Calculated in Annual Rule)
      09  Annual Depr Limit          (as Calculated in Annual Rule)
      10  Basis Amount               (as Calculated in Annual Rule)
      11  Multiplier                 (from Annual Rule Multiplier)
      12  Formula Multiplier/Constant  (from Depreciation Formula)
      13  Asset Life in Days

  F19/F20=Previous/Next Formula      F24=More Keys
```

Example: Replacement Cost

```
[12853] - Depreciation Formula Revision                              _ □ ×
Functions   Tools   Help

  ✔  ✗  ┃ 1i ┃ 2▲ ┃ 4✛ ┃ 9▬

    Formula ID              INS  Description              Replacement Cost
    Column Heading 1/2
    Formula                 ( (01 / 45) * 31 )
    Multiplier/Constant

      Ref            Formula Description
      01  Asset Cost-Inception Through Current Year
      02  Accumulated Depreciation-PriorYear Balance Forward-(Primary)
      03  Asset Life in Periods        (Rounded to Whole Periods)
      04  Asset Life Periods Elapsed at Beginning of Current Year
      05  Asset Life Periods Remaining at Beginning of Current Year
      06  Asset Life Periods in Current Year   (Whole Periods)
      07  Salvage Value              (as Calculated in Annual Rule)
      08  Annual Depr Base Amount    (as Calculated in Annual Rule)
      09  Annual Depr Limit          (as Calculated in Annual Rule)
      10  Basis Amount               (as Calculated in Annual Rule)
      11  Multiplier                 (from Annual Rule Multiplier)
      12  Formula Multiplier/Constant  (from Depreciation Formula)
      13  Asset Life in Days

  F19/F20=Previous/Next Formula      F24=More Keys
```

Example: Lower Limit 1000

```
┌──────────────────────────────────────────────────────────────────┐
│ 📟 [12853] - Depreciation Formula Revision              _ □ ✕     │
│ Functions  Tools  Help                                            │
│ ┌──┬──┬───┬───┬───┬───┐                                          │
│ │ ✔│ ✕│ ₁i│ ₂▲│ ₄⊹│ ₉▬│                                          │
│ └──┴──┴───┴───┴───┴───┘                                          │
│                                                                    │
│  Formula ID            ┌────┐ Description    ┌────────────────┐   │
│                        │L10 │                │Lower Limit 1000│   │
│  Column Heading 1/2    └────┘  ┌──────┐ ┌────┴────────────────┘   │
│                        ┌──────┐└──────┘ └────┐                     │
│  Formula               │12    │              │                     │
│  Multiplier/Constant   └──┬───────────────┐  │                     │
│                           │  100000.000000 │  │                     │
│                           └────────────────┘                       │
│                                                                    │
│        ┌────┬─────────────────────────────────────────────┐       │
│        │Ref │            Formula Description               │       │
│        │01  │Asset Cost-Inception Through Current Year      │       │
│        │02  │Accumulated Depreciation-PriorYear Balance Forward-(Primary)│
│        │03  │Asset Life in Periods        (Rounded to Whole Periods)│    │
│        │04  │Asset Life Periods Elapsed at Beginning of Current Year│    │
│        │05  │Asset Life Periods Remaining at Beginning of Current Year│  │
│        │06  │Asset Life Periods in Current Year   (Whole Periods)│      │
│        │07  │Salvage Value            (as Calculated in Annual Rule)│   │
│        │08  │Annual Depr Base Amount   (as Calculated in Annual Rule)│  │
│        │09  │Annual Depr Limit         (as Calculated in Annual Rule)│  │
│        │10  │Basis Amount              (as Calculated in Annual Rule)│  │
│        │11  │Multiplier                (from Annual Rule Multiplier)│   │
│        │12  │Formula Multiplier/Constant  (from Depreciation Formula)│  │
│        │13  │Asset Life in Days                             │       │
│        └────┴─────────────────────────────────────────────┘       │
│                                                                    │
│  F19/F20=Previous/Next Formula      F24=More Keys                  │
└──────────────────────────────────────────────────────────────────┘
```

Example: Upper Limit 2500

```
┌──────────────────────────────────────────────────────────────────┐
│ 📟 [12853] - Depreciation Formula Revision              _ □ ✕     │
│ Functions  Tools  Help                                            │
│ ┌──┬──┬───┬───┬───┬───┐                                          │
│ │ ✔│ ✕│ ₁i│ ₂▲│ ₄⊹│ ₉▬│                                          │
│ └──┴──┴───┴───┴───┴───┘                                          │
│                                                                    │
│  Formula ID            ┌────┐ Description    ┌─────────────────┐  │
│                        │U10 │                │Upper Limit eq 2500│ │
│  Column Heading 1/2    └────┘  ┌──────┐ ┌────┴─────────────────┘  │
│                        ┌──────┐└──────┘ └────┐                     │
│  Formula               │12    │              │                     │
│  Multiplier/Constant   └──┬───────────────┐  │                     │
│                           │  250000.000000 │  │                     │
│                           └────────────────┘                       │
│                                                                    │
│        ┌────┬─────────────────────────────────────────────┐       │
│        │Ref │            Formula Description               │       │
│        │01  │Asset Cost-Inception Through Current Year      │       │
│        │02  │Accumulated Depreciation-PriorYear Balance Forward-(Primary)│
│        │03  │Asset Life in Periods        (Rounded to Whole Periods)│    │
│        │04  │Asset Life Periods Elapsed at Beginning of Current Year│    │
│        │05  │Asset Life Periods Remaining at Beginning of Current Year│  │
│        │06  │Asset Life Periods in Current Year   (Whole Periods)│      │
│        │07  │Salvage Value            (as Calculated in Annual Rule)│   │
│        │08  │Annual Depr Base Amount   (as Calculated in Annual Rule)│  │
│        │09  │Annual Depr Limit         (as Calculated in Annual Rule)│  │
│        │10  │Basis Amount              (as Calculated in Annual Rule)│  │
│        │11  │Multiplier                (from Annual Rule Multiplier)│   │
│        │12  │Formula Multiplier/Constant  (from Depreciation Formula)│  │
│        │13  │Asset Life in Days                             │       │
│        └────┴─────────────────────────────────────────────┘       │
│                                                                    │
│  F19/F20=Previous/Next Formula      F24=More Keys                  │
└──────────────────────────────────────────────────────────────────┘
```

Example: Cost Less Salvage

```
[12853] - Depreciation Formula Revision                                    _ □ ✕
Functions   Tools   Help

  ✔   ✕   ╎i   ₂▲   ₄✚   ₉▬

   Formula ID            B10  Description              Cost Less Salvage
   Column Heading 1/2
   Formula               01 - 07
   Multiplier/Constant


        Ref                   Formula Description
        01  Asset Cost-Inception Through Current Year
        02  Accumulated Depreciation-PriorYear Balance Forward-(Primary)
        03  Asset Life in Periods        (Rounded to Whole Periods)
        04  Asset Life Periods Elapsed at Beginning of Current Year
        05  Asset Life Periods Remaining at Beginning of Current Year
        06  Asset Life Periods in Current Year   (Whole Periods)
        07  Salvage Value               (as Calculated in Annual Rule)
        08  Annual Depr Base Amount     (as Calculated in Annual Rule)
        09  Annual Depr Limit           (as Calculated in Annual Rule)
        10  Basis Amount                (as Calculated in Annual Rule)
        11  Multiplier                  (from Annual Rule Multiplier)
        12  Formula Multiplier/Constant (from Depreciation Formula)
        13  Asset Life in Days

 F19/F20=Previous/Next Formula     F24=More Keys
```

Depreciation Rules

Example: Mid Year Convention

```
[12851] - Depreciation Rule Revisions                                      _ □ ✕
Functions   Options   Tools   Help

  ✔   ✕   ╎i   ₂▲   ₄✚   ₉▬

                                          Edit Disable      □
                               Rule Description      Mid-Year Convention - Germany
 Depreciation Method    GE     German Example, Mid Year Conv. Life(Periods)      96
 Initial Term Apport    A      Actual Depreciation Start       Pattern Ref    □
 Compute Direction      R      Remaining Life
 In Service From/Thru   01/01/2000 /
 Effect From/Thru       01/01/2000 /
                     *** Rule Conventions ***
 Depr Expense Business Unit    2     Location Business Unit
 1st Year Spread               □     Modified Depreciation Start Date
 Last Yr Spread                □     Modified Depreciation End Date
 Disposal Year                 □     To Disposal Period
 Secondary Acct/%              □     No Secondary Percentage
 Life Year Reference           □     1st Day of Depreciation Start Year
 Allow Over Depreciation       □     Allow Negative Depreciation    N
 Skip To: Life Year /    In-Service Month     /

  O Life Yr  IS  Annual   Per   * * * * * * Formulas * * * * * *  S
  P Frm  Thr Mo  Multiplier Pat     Depreciation        Basis     C
      1   1   1                FYG Full Year - Germany            1
      1   1   7                HYG Half Year - Germany            1
      2   8                    101 SL (Period)                    1
 Opt: 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More
```

Example: Mid Year Convention, Life Year Detail

```
┌─────────────────────────────────────────────────────────────────────────┐
│ ░▓[12851] - Depreciation Rule Revisions                      _ □ ×       │
│ Functions  Options  Tools  Help                                          │
│ ┌──┬──┬────┬────┬────┬────┐                                              │
│ │✔ │ X │ ₁i │₂▲ │₄╬ │₉▬ │                                              │
│ └──┴──┴────┴────┴────┴────┘                                              │
│                                              Edit Disable    □            │
│                                   Rule Description   Mid-Year Convention - Germany │
│ Depreciation Method    GE    German Example, Mid Year Conv. Life(Periods)   96 │
│ Initial Term Apport    A     Actual Depreciation Start    Pattern Ref   □  │
│ Compute Direction      R     Remaining Life                               │
│ In Service From/Thru   01/01/2000 /                                       │
│ Effect From/Thru       01/01/2000 /                                       │
│                 *** Rule Conventions ***                                  │
│ Depr Expense Business Unit  2   Location Business Unit                    │
│ 1st Year Spread        □    Modified Depreciation Start Date             │
│ Last Yr Spread         □    Modified Depreciation End Date               │
│ Disposal Year          □    To Disposal Period                           │
│ Secondary Acct/%       □    No Secondary Percentage                      │
│ Life Year Reference    □    1st Day of Depreciation Start Year           │
│ Allow Over Depreciation □   Allow Negative Depreciation   N              │
│ Skip To: Life Year /   In-Service Month    □ /□                          │
│ ┌──┬────┬───┬──┬────────┬───┬─────────────────────────────────┬─┐        │
│ │O │Life│Yr │IS│ Annual │Per│  * * * * * * * Formulas * * * * * * │S│    │
│ │P │Frm │Thr│Mo│Multiplier│Pat│  Depreciation  |  Basis       │C│        │
│ │  1 │  1 │ 1 │           FYG Full Year - Germany          │1│            │
│ │      Depr. Base / Limit BGS Base/Limit                    │            │
│ │         Salvage Value SGS Salvage Value                   │            │
│ └──────────────────────────────────────────────────────────┴─┘ ▲        │
│ Opt: 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More │▼│
└─────────────────────────────────────────────────────────────────────────┘
```

Example: Mid Year Convention, Life Year Detail

```
┌─────────────────────────────────────────────────────────────────────────┐
│ ░▓[12851] - Depreciation Rule Revisions                      _ □ ×       │
│ Functions  Options  Tools  Help                                          │
│ ┌──┬──┬────┬────┬────┬────┐                                              │
│ │✔ │ X │ ₁i │₂▲ │₄╬ │₉▬ │                                              │
│ └──┴──┴────┴────┴────┴────┘                                              │
│                                              Edit Disable    □            │
│                                   Rule Description   Mid-Year Convention - Germany │
│ Depreciation Method    GE    German Example, Mid Year Conv. Life(Periods)   96 │
│ Initial Term Apport    A     Actual Depreciation Start    Pattern Ref   □  │
│ Compute Direction      R     Remaining Life                               │
│ In Service From/Thru   01/01/2000 /                                       │
│ Effect From/Thru       01/01/2000 /                                       │
│                 *** Rule Conventions ***                                  │
│ Depr Expense Business Unit  2   Location Business Unit                    │
│ 1st Year Spread        □    Modified Depreciation Start Date             │
│ Last Yr Spread         □    Modified Depreciation End Date               │
│ Disposal Year          □    To Disposal Period                           │
│ Secondary Acct/%       □    No Secondary Percentage                      │
│ Life Year Reference    □    1st Day of Depreciation Start Year           │
│ Allow Over Depreciation □   Allow Negative Depreciation   N              │
│ Skip To: Life Year /   In-Service Month    □ /□                          │
│ ┌──┬────┬───┬──┬────────┬───┬─────────────────────────────────┬─┐        │
│ │O │Life│Yr │IS│ Annual │Per│  * * * * * * * Formulas * * * * * * │S│    │
│ │P │Frm │Thr│Mo│Multiplier│Pat│  Depreciation  |  Basis       │C│        │
│ │  1 │  1 │ 7 │           HYG Half Year - Germany          │1│            │
│ │      Depr. Base / Limit                                   │            │
│ │         Salvage Value                                     │            │
│ └──────────────────────────────────────────────────────────┴─┘ ▲        │
│ Opt: 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More │▼│
└─────────────────────────────────────────────────────────────────────────┘
```

Example: Mid Year Convention, Life Year Detail

```
[12851] - Depreciation Rule Revisions                              _ □ ×
Functions   Options   Tools   Help

 ✔  ✕  ‖ ₁i ‖  ₂▲  ₄⊕  ₉▬

                                          Edit Disable        □
                              Rule Description     Mid-Year Convention - Germany
Depreciation Method    GE     German Example, Mid Year Conv. Life(Periods)      96
Initial Term Apport    A      Actual Depreciation Start     Pattern Ref     □
Compute Direction      R      Remaining Life
In Service From/Thru   01/01/2000 /
Effect From/Thru       01/01/2000 /
                  *** Rule Conventions ***
Depr Expense Business Unit    2    Location Business Unit
1st Year Spread              □     Modified Depreciation Start Date
Last Yr Spread              □      Modified Depreciation End Date
Disposal Year              □       To Disposal Period
Secondary Acct/%           □       No Secondary Percentage
Life Year Reference        □       1st Day of Depreciation Start Year
Allow Over Depreciation    □       Allow Negative Depreciation    N
Skip To: Life Year /    In-Service Month    □  / □

O Life Yr  IS  Annual   Per     * * * * * * * Formulas * * * * * *   S
P Frm  Thr Mo Multiplier Pat       Depreciation        Basis        C
    2    8             101 SL (Period)                                1
            Depr. Base / Limit
              Salvage Value
Opt: 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More
```

Example: German Buildings

```
[12851] - Depreciation Rule Revisions                              _ □ ×
Functions   Options   Tools   Help

 ✔  ✕  ‖ ₁i ‖  ₂▲  ₄⊕  ₉▬

                                          Edit Disable        □
                              Rule Description     German Buildings
Depreciation Method    GB     German Buildings              Life(Periods)     360
Initial Term Apport    □      1st Day of 1st Month          Pattern Ref     □
Compute Direction      I      Inception to Date
In Service From/Thru   01/01/2000 /
Effect From/Thru       01/01/2000 /
                  *** Rule Conventions ***
Depr Expense Business Unit    1    Responsible Business Unit
1st Year Spread              □     Modified Depreciation Start Date
Last Yr Spread              □      Modified Depreciation End Date
Disposal Year              □       To Disposal Period
Secondary Acct/%           □       No Secondary Percentage
Life Year Reference        1       Depreciation Start Date (Modified)
Allow Over Depreciation    □       Allow Negative Depreciation    N
Skip To: Life Year /    In-Service Month    □  / □

O Life Yr  IS  Annual    Per    * * * * * * * Formulas * * * * * *   S
P Frm  Thr Mo Multiplier Pat       Depreciation        Basis        C
    1    5      .07000000 KHO Item Bal % of Basis 502 Cost           1
    6   13      .03000000 KHO Item Bal % of Basis 502 Cost           1
   14   30      .02500000 KHO Item Bal % of Basis 502 Cost           1
Opt: 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More
```

Example: German Income Tax Credit

```
[12851] - Depreciation Rule Revisions                                    _ □ X
Functions  Options  Tools  Help

 ✔  X  ┃ i┃ ┃2▲┃ 4✛┃ 9▬┃

                                                     Edit Disable    ☐
                                   Rule Description   German ITC
Depreciation Method     GM         German ITC             Life(Periods)      60
Initial Term Apport     ┌┐         1st Day of 1st Month    Pattern Ref    ☐
Compute Direction       C          Current Year
In Service From/Thru    01/01/2000 /
Effect From/Thru        01/01/2000 /
                   *** Rule Conventions ***
Depr Expense Business Unit    ☐    No override
1st Year Spread               ☐    Modified Depreciation Start Date
Last Yr Spread                ☐    Modified Depreciation End Date
Disposal Year                 ☐    To Disposal Period
Secondary Acct/%              6    Two Amounts - Two A/D Accounts
Life Year Reference           1    Depreciation Start Date (Modified)
Allow Over Depreciation       ☐    Allow Negative Depreciation    Y
Skip To: Life Year /       In-Service Month   ┌┐ / ┌┐

 O Life Yr  IS  Annual     Per   * * * * * * * Formulas * * * * * * S
 P Frm  Thr Mo  Multiplier Pat       Depreciation         Basis    C
    1    5                       GMR S/L Periods       502 Cost     1
    5    5                       ITC Investment Tax CR ITB ITC      1
                                                                    ⤒
 Opt: 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More  ⤓
```

Example: Replacement Cost

```
[12851] - Depreciation Rule Revisions                                    _ □ X
Functions  Options  Tools  Help

 ✔  X  ┃ i┃ ┃2▲┃ 4✛┃ 9▬┃

                                                     Edit Disable    ☐
                                   Rule Description   Replacement Cost
Depreciation Method     IN         Replacement Cost         Life(Periods)      60
Initial Term Apport     ┌┐         1st Day of 1st Month    Pattern Ref    ☐
Compute Direction       C          Current Year
In Service From/Thru    01/01/1997 /
Effect From/Thru        01/01/1997 /
                   *** Rule Conventions ***
Depr Expense Business Unit    ☐    No override
1st Year Spread               ☐    Modified Depreciation Start Date
Last Yr Spread                ☐    Modified Depreciation End Date
Disposal Year                 ☐    To Disposal Period
Secondary Acct/%              ☐    No Secondary Percentage
Life Year Reference           ☐    1st Day of Depreciation Start Year
Allow Over Depreciation       ☐    Allow Negative Depreciation    Y
Skip To: Life Year /       In-Service Month   ┌┐ / ┌┐

 O Life Yr  IS  Annual     Per   * * * * * * * Formulas * * * * * * S
 P Frm  Thr Mo  Multiplier Pat       Depreciation         Basis    C
    1    5                       INS Replacement Cost  502 Cost     1

                                                                    ⤒
 Opt: 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More  ⤓
```

Appendix C - Translation Issues

Multi-Language Environments

J.D. Edwards software can display menus, forms, and reports in different languages. All software is shipped with the base language of English. You can install other languages as needed. For example, if you have multiple languages loaded onto one environment to allow different users to display different languages, each user can work in their preferred language by setting up their user preferences accordingly.

See Also

- *Setting Up User Display Preferences*

Other Translation Capabilities

In addition to the standard menus, forms, and reports, you might want to translate other parts of the software. For example, you might want to translate the names of the accounts that you set up for your company. You might also want to translate the values in some user defined code tables. A list of common software elements that you might want to translate if you use the software in a multinational environment follows:

- Business unit descriptions
- Account descriptions
- Descriptions for automatic accounting instructions (AAIs)
- Payment terms
- Reminder text
- User defined codes
- Custom menus
- Vocabulary overrides
- DREAM Writers
- Data dictionary
- Function key definitions

The translations that you set up for your system work in conjunction with the language that is specified in the user profile for each person who uses the system. For example, when a French-speaking user accesses the chart of accounts, the system displays the account descriptions in French rather than the base language.

See Also

- *Technical Foundation Guide* for more information about translating custom menus, vocabulary overrides, Dream Writers, data dictionary items and function keys.

Account Descriptions

You can translate the descriptions of your accounts into languages other than the base language. To do this, choose Translate Accounts from the Organization and Account Setup menu.

After you translate your chart of accounts, you can print the Account Translation report. You can set a processing option to show account descriptions in both the base language and one or all of the additional languages that your business uses. To print the report, choose Account Translation Report from the Organization and Account Setup menu.

See Also

- *Translating Accounts* in the *General Accounting I Guide*

Business Unit Descriptions

You can translate the descriptions of the business units that you set up for your system. From the Organization and Account Setup menu (G09411), choose Translate Business Units

The system stores business unit translation information in the Business Unit Alternate Description table (F0006D)

Print the Business Unit Translation report to review the description translations in the base language and one or all of the additional languages that your business uses. From the Organization and Account Setup menu (G09411), choose Business Unit Translation report

See Also

- *Translating Business Units* in the *General Accounting I Guide*

Automatic Accounting Instruction (AAI) Descriptions

You can translate the descriptions of the automatic accounting instructions that you set up for your system. From the General Accounting System Setup(G0941) menu, choose Translate AAIs.

See Also

- *Translating AAIs* in the *General Accounting I Guide*

Payment Term Descriptions

You can translate the descriptions of the payment terms that you set up for your system. To do this, access the Payment Term Revisions form and select the Language Translation function. The system displays the Translate Payment Terms form.

User Defined Code (UDC) Descriptions

You can translate the descriptions of the user defined codes that you set up for your system. To do this, access any user defined codes table. The translation functionality is field sensitive. Select the field with the information that you want to translate and choose Translate. The system displays the Translate User Defined Codes form. After you access the form, you can translate the description for the field into many different languages.

See Also

- *Translating User Defined Codes* in the *General Accounting I Guide*

Reminder Text

Specify a language preference for each customer when you create customer master records. The language preference field on the Address Book - Additional Information form (P010513) determines the language in which the reminder and the text on the reminder should print when you use final mode. (In proof mode, the statements print in the language preference of the user that generates the reminders).

J.D. Edwards base software includes the reminder form translated into German, French, and Italian. You will need to translate any text that you are adding to print at the bottom of the reminder. To do this, follow the instructions for adding text and verify that you complete the language preference field on Revise Payment Reminders Text (P03280).

See Also

- *Entering Reminder Messages* in the *Accounts Receivable Guide*

Glossary

Glossary

This glossary defines terms in the context of J.D. Edwards systems and the accompanying guide.

1099 form. An income tax reporting form required by the U.S. government for many types of payments made to persons and non-corporate entities.

AA ledger. The ledger type that the system uses for transactions in domestic amounts (actual amounts).

AAI. Automatic accounting instructions. A code that points to an account in the chart of accounts. AAIs define rules for programs that automatically generate journal entries. This includes interfaces between Accounts Payable, Accounts Receivable, and Financial Reporting and the General Accounting system. Each system that interfaces with the General Accounting system has AAIs. For example, AAIs can direct the General Ledger Post program to post a debit to a certain expense account and a credit to a certain accounts payable account.

A/P Ledger method. One of the two methods J.D. Edwards provides to process 1099 tax reporting forms. Using this method, you produce 1099s from data stored in the A/P Ledger table (F0411). Formerly known as the *expedient method* and the *fast path method.* Contrast with *G/L method*.

access. A way to get to information or functions provided by the system through menus, forms, and reports.

account status. The state or condition of a customer's A/R transaction account.

accounting period. One of the divisions of a fiscal year. A fiscal year can contain 12 to 14 accounting periods, or more rarely, 52 periods. There can also be an additional period for year-end adjustments, and another additional period for audit adjustments.

activity type. A code that represents an action that is to be taken when reviewing and working customer accounts for credit and collection management purposes. For example, credit review required and delinquency notice approval required.

adjustment. A payment and receipt application method that modifies an amount, such as a minor write-off or outstanding freight charges and disputed taxes.

algorithm. A predetermined set of instructions or method used to automatically apply receipts to invoices, such as balance forward.

alphabetic character. A letter or other symbol from the keyboard (such as *, &, and #) that represents data. Contrast with *alphanumeric character*, *numeric character*, and *special character*.

alphanumeric character. A combination of letters, numbers, and other symbols (such as *, &, and #) that represents data. Contrast with *alphabetic character*, *numeric character*, and *special character*.

application. See *system*.

approver number. The user ID of the person who approves vouchers for payment.

as of report. A report that lists information from the A/R Ledger and A/P Ledger tables in summary or detail for a specific point in time.

audit adjustments. The adjustments you make to G/L accounts following an audit. You generally enter these adjustments annually, following the close of the fiscal year.

audit trail. The detailed, verifiable history of a processed transaction. The history consists of the original documents, transaction entries, and posting of records, and usually concludes with a report.

AZ ledger. The ledger type that the system uses for cash basis accounting.

backup copy. A copy of original data preserved on a magnetic tape or diskette as protection against destruction or loss.

BACS. Bank Automated Clearing System. An electronic funds transfer method used in the United Kingdom.

balance forward receipt application method. A receipt application method in which the receipt is applied to the oldest or newest invoices in chronological order according to the net due date.

bank tape (lock box) processing. The receipt of payments directly from a customer's bank via customer tapes for automatic receipt application.

batch. (1) An accumulation of data to be processed. (2) A group of records brought together to be processed or transmitted at the same time. (3) Pertaining to an activity that involves little or no user interaction.

batch control. A feature that verifies the number of transactions and the total amount in each batch that you enter into the system.

batch header. The information the computer uses as identification and control for a group of transactions or records in a batch.

batch input. A group of transactions loaded from an external source.

batch input table. An external table that holds data being loaded into the system.

batch job. See batch.

batch number. A unique identifier that the system assigns to a batch for identification purposes.

batch processing. A method by which the computer selects jobs from the job queue, processes them, and writes output to the out queue. Contrast with *interactive processing*.

batch receipts entry. An alternative method (such as an optical reader or magnetic scanner) to load receipts into the Accounts Receivable system.

batch status. A code that indicates the posting status of a batch. For example, A indicates approved for posting, P indicates posting in-process, and D indicates posted.

batch type. A code that designates to which system the associated transactions pertain. This code controls which records the system selects for processing. For example, the General Journal Post program selects only unposted transaction batches with a batch type of G (General Accounting) for posting.

Boolean logic. See *operand*.

broadcast message. 1. An e-mail message that you send to a number of recipients. 2. A message that appears on a form instead of in your mailbox.

business unit. A division of your business organization that requires a balance sheet or profit and loss statement. Also known as a *cost center*.

cash basis accounting. A method of accounting that recognizes revenue and expenses when monies are received and paid.

category code. In user defined codes, a temporary title for an undefined category. For example, if you are adding a code that designates different sales regions, you could change category code 4 to Sales Region, and define E (East), W (West), N (North), and S (South) as the valid codes.

character. Any letter, number, or other symbol that a computer can read, write, and store.

chargeback. A receipt application method that generates an invoice for a disputed amount or for the difference of an unpaid receipt.

check. See *payment.*

command. A character, word, phrase, or combination of keys you use to instruct the computer to perform a defined activity.

consolidation. A method of grouping or combining information for several companies or business units. Consolidation is used for budgeting, inquiries, and reports.

consolidation reporting. The process of combining financial statements for companies or business units so that the different entities can be represented by a single balance sheet or income statement. If the different entities operate in different currencies, consolidation reporting may be complicated by the need for currency restatement.

constants. Parameters or codes that rarely change. The computer uses constants to standardize information processing by an associated system. Some examples of constants are allowing or disallowing out-of-balance postings and having the system perform currency conversions on all amounts. After you set constants such as these, the system follows these rules until you change the constants.

contra/clearing account. A G/L account used by the system to offset (balance) journal entries. For example, you can use a contra/clearing account to balance the entries created by allocations.

cost allocations. A procedure that allocates or distributes expenses, budgets, adjustments, and so on among business units, based on actual numbers.

cost center. See *business unit.*

credit message. A code that indicates information about a customer's account status, such as Over Credit Limit.

credit note reimbursement. A form generated by the system that reclassifies a credit memo or unapplied cash record from the Accounts Receivable system to an open voucher in the Accounts Payable system.

cursor. The blinking underscore or rectangle on your form that indicates where the next keystroke will appear.

currency code. A code that designates the currency used by a customer, supplier, bank account, company, or ledger type.

currency restatement. The process of converting amounts from one currency into another currency, generally for reporting purposes. It can be used, for example, when many currencies must be restated into a single currency for consolidated reporting.

cursor sensitive help. An online help function that allows you to view a description of a field, an explanation of its purpose, and, when applicable, a list of the valid codes you can enter. To access this information, move the cursor to the field and press F1.

customer. An individual or organization that purchases goods and services.

customer ledger. A detailed transaction history for a customer that includes invoices, receipts, chargebacks, writeoffs, and so on. You use the customer ledger for indepth analysis of A/R information for your customer accounts.

customer payment. See *receipt*.

data. Numbers, letters, or symbols representing facts, definitions, conditions, and situations, that a computer can read, write, and store.

database. A continuously updated collection of all information a system uses and stores. Databases make it possible to create, store, index, and cross-reference information online.

data dictionary. A database table consisting of the definitions, structures, and guidelines for the usage of fields, messages, and help text. The data dictionary table does not contain the actual data itself.

data types. Supplemental information, attached to a company or business unit. Narrative type contains free-form text. Code type contains dates, amounts, and so on.

date pattern. A period of time set for each period in standard and 52-period accounting.

debit statement. A list of debit balances.

default. A code, number, or parameter the system supplies when you do not enter one. For example, if the default for an input field default is N and you do not enter another value in that field, the system supplies an N.

detail. The individual pieces of information and data that make up a record or transaction. Contrast with *summary*.

detail area. An area of a form that displays additional information associated with the records or data items displayed on the form.

display. To cause the computer to show information on a form.

display field. A field of information on a form that contains a code or parameter provided by the system that you cannot change. Contrast with *input field.*

display sequence. A number that the system uses to reorder a group of records on the form.

document number. A number that identifies the original document, such as voucher, invoice, unapplied receipt, journal entry, and so on.

draft. A promise to pay a debt. Drafts are legal payment instruments in certain European countries.

DREAM Writer. Data Record Extraction and Management Writer. A flexible data manipulator and cataloging tool. You use this tool to select and sequence the data that is to appear on a report.

EDI. Electronic Data Interchange. A method of transferring business documents, such as purchase orders, invoices, and shipping notices, between computers of independent organizations electronically.

edit. (1) To make changes by adding, changing, or removing information. (2) The program function of highlighting fields into which you have entered inadequate or incorrect data.

effective date. The date upon which an address, item, transaction, or table becomes effective. For example, the date a change of address becomes effective or the date a tax rate becomes effective. In the Address Book system, effective dates allow you to track past and future addresses for suppliers and customers.

EFT. Electronic Funds Transfer. A method of transferring funds from one company's bank account to that of another company.

e-mail. Electronic mail.

execute. See *run*.

exit. (1) To interrupt or leave a computer program by pressing a specific key or a sequence of keys. (2) An option or function key displayed on a form that allows you to access another form.

FASTR. Financial Analysis Spreadsheet Tool and Report Writer. A report writer that allows you to design your own report specifications using the financials tables.

field. (1) An area on a form that represents a particular type of information, such as name, document type, or amount. Fields that you can enter data into are designated with underscores. See *input field* and

display field. (2) A defined area within a record that contains a specific piece of information. For example, a supplier record consists of the fields Supplier Name, Address, and Telephone Number. The Supplier Name field contains just the name of the supplier.

file. See *table*.

52 period accounting. A method of accounting that uses each week as a separate accounting period.

finance charge. An amount charged to a customer based on a percentage of an unpaid invoice exceeding the grace period associated with the due date.

financial reporting date. The user defined date used by the system when you run financial reports.

fiscal year. A company's tax reporting year. Retained earnings are generally calculated at the end of a fiscal year. It is often different than a calendar year. For example, a fiscal year may be the period October 1 through September 30.

flash message. A code that you define to describe the credit status of a customer. Examples include over credit limit, COD only, bad credit risk, and requires a purchase order.

fold area. See *detail area*.

form. A specific set of fields and information displayed on your monitor. Also known as a *screen*.

function. A separate feature within a program that allows you to perform a specific task, for example, the field help function.

functional server. A central system location for standard business rules about entering documents such as vouchers, invoices, and journal entries. Functional servers ensure uniform processing according to guidelines you establish.

general ledger receipt. A receipt (G type) that the system applies directly to a G/L account without applying it to a specific invoice. These receipts are typically non-A/R receipts. For example, an insurance reimbursement.

G/L. General ledger.

G/L method. One of the two methods J.D. Edwards provides to process 1099 tax reporting forms. Using this method, you produce 1099s from data stored in the Account Ledger table (F0911). Formerly known as the *tough/right method.* Contrast with *A/P Ledger method*.

G/L offset. A G/L account used by the post program to create automatic offsetting entries.

G/L posted code. A code that indicates the posting status of individual documents. For example, P indicates that a voucher or invoice has been posted.

GST. Goods Services and Taxes. A tax assessed in Canada.

hard copy. See *printout*.

hash total. A total produced by numbers with different units. For example, the total of amounts expressed in different currencies.

header. Information at the beginning of a table. This information identifies or provides control information for the group of records that follows.

help instructions. Online documentation or explanations of fields.

hidden selections. Menu selections you cannot see until you enter HS in a menu's Selection field. Although you cannot see these selections, they are available from any menu. They include such items as Display

Submitted Jobs (33), Display User Job Queue (42), and Display User Print Queue (43). The Hidden Selections window displays three categories of selections: user tools, operator tools, and programmer tools.

indexed allocations. A procedure that allocates or distributes expenses, budgets, adjustments, and so on, among business units, based on a fixed percentage.

input. Information you enter in the input fields on a form or that the computer enters from other programs, then edits and stores in tables.

input field. An area on a form where you type data, values, or characters. See *field*. Contrast with *display field*.

install system code. See *system code*.

integrity test. A process that supplements a company's internal balancing procedures by locating and reporting balancing problems and data inconsistencies.

interactive processing. A job that the computer performs in response to commands you enter from a terminal. During interactive processing, you are in direct communication with the computer, and it might prompt you for additional information during the processing of your request. See *online*. Contrast with *batch processing*.

interest invoice. An invoice calculated on paid invoices for which payment was received after the specified due dates.

interest rate computation code. A code that designates the rates and effective dates used for calculating interest charges.

invalid account. A G/L account that has not been set up in the Account Master table (F0901).

invoice match. A receipt application method where the receipt is applied to a specific invoice or group of invoices. A discount can be allowed or disallowed using invoice match.

job. A single identifiable set of processing actions you instruct the computer to perform. You start jobs by choosing menu selections, entering commands, or pressing designated function keys. An example of a computer job is payment printing in the Accounts Payable system.

job queue. A form that lists the batch jobs you and others have submitted for processing. When the computer completes a job, the system removes the job's identifier from the list.

justify. To shift the information that you enter in an input field to the right or left side of the field. Many of the programs within J.D. Edwards systems justify information. The system does this after you press Enter.

key field. A field that is common to each record in a table. The system uses the key field designated by the program to organize and retrieve information from the table.

language preference. An address book code that specifies a language for the computer to use when displaying information.

leading zeros. A series of zeros that certain programs place in front of a value you enter. This normally occurs when you enter a value that is smaller than the specified length of the field. For example, if you enter 4567 in a field that accommodates eight numbers, the system places four zeros in front of the four numbers you enter. The result appears as 00004567.

ledger type. A ledger used by the system for a particular purpose. For example, all transactions are recorded in the AA (actual amounts) ledger type in their domestic currency. The same transactions might also be stored in the CA (foreign currency) ledger type. Also known as a *ledger*.

level of detail. The degree to which account information in the General Accounting system is summarized. The

highest level of detail is 1 (least detailed) and the lowest level of detail is 9 (most detailed).

logged voucher. A voucher that is not applied to a specific expense account. Instead, it is applied to a G/L suspense account, where it is held until you redistribute it to the correct G/L account or accounts.

mail distribution list. A list of people to whom you send email messages. This list enables you to quickly send notices, instructions, or requests to a predefined group of people.

master table. A computer table that a system uses to store data and information which is permanent and necessary to the system's operation. Master tables might contain data or information such as paid tax amounts and supplier names and addresses.

matching document. A document associated with an original document to complete or change a transaction. For example, a receipt is the matching document of an invoice.

menu. A form that displays selections. Each of these selections represents an application, report, batch process, or another menu.

menu levels. The degree of difficulty of a menu in J.D. Edwards software. The levels of detail for menus are as follows:

    A=Major Product Directories
    B=Product Groups
    1=Basic Operations
    2=Intermediate Operations
    3=Advanced Operations
    4=Computer Operations
    5=Programmers
    6=Advanced Programmers

menu masking. A security feature of J.D. Edwards systems that lets you prevent individual users from accessing specified menus or menu selections. The system does not display the menus or menu selections to unauthorized users.

menu message. Text that sometimes appears on a form after you make a menu selection. It displays a warning, caution, or information about the requested selection.

mode. A code that specifies whether amounts are in the domestic currency of the company with which the journal entries, invoices, vouchers are associated, or in the foreign currency of the transaction.

monetary account. (1) In common usage, any funds account. (2) In J.D. Edwards more specific usage, a bank account limited to transactions in a single currency.

next numbers. A feature that you use to control the automatic numbering of such items as new G/L accounts, vouchers, and addresses. It lets you specify your desired numbering system and provides a method to increment numbers to reduce transposition and typing errors.

next status. The next step in the payment process for payment control groups. The next status can be either WRT (write) or UPD (update).

NSF receipt. Non-sufficient funds receipt. A procedure that designates that a customer's bank account does not have sufficient funds available to pay the receipt. Designating a receipt as NSF reverses (deletes) the receipt and reopens the associated invoice.

numeric character. Represents data using the numbers 0 through 9. Contrast with *alphabetic character*, *alphanumeric character*, and *special character*.

offline. Computer functions that are not under the continuous control of the system. For example, if you run a certain job on a personal computer and then transfer the results to a host computer, that job is considered an offline function. Contrast with *online*.

online. Computer functions over which the system has continuous control. Each time you work with a form in a J.D. Edwards system, you are online. See *interactive processing*. Contrast with *offline*.

online information. Information the system retrieves, usually at your request, and immediately displays on the form. This information includes items such as database information, documentation, and messages.

operand. The Boolean logic operand instructs the system to perform a comparison between certain records or parameters. Available operands are:

EQ   = Equal To
LT   = Less Than
LE   = Less Than or Equal To
GT   = Greater Than
GE   = Greater Than or Equal To
NE   = Not Equal To
NL   = Not Less Than
NG   = Not Greater Than

option. A selection from a form that performs a particular function or task.

original document. The document that initiates a transaction in the system.

output. Information that the computer transfers from internal storage to an external device, such as a printer or a computer form.

output queue. See *print queue*.

override. The process of entering a code or parameter other than the one provided by the system. Many forms have default field values that the system displays when it displays the form. By typing a new value over the default code, you can override the default. See *default*.

P&L. Profit and loss statement.

parameter. A number, code, or character string you specify in association with a command or program. The computer uses parameters as additional input or to control the actions of the command or program.

parent/child relationship. A hierarchical relationship among your addresses (suppliers, customers, or prospects). One address is the parent and one or more subordinate addresses are children for that parent. This relationship is helpful, for example, when you want to send billing for field offices (subsidiary companies) to the corporate headquarters.

password. A unique group of characters that you enter when you sign on to the system. The system uses the password to identify you as a valid user.

pay item. A line item in a voucher or an invoice.

pay status. The current condition of the payment or receipt, such as paid or payment-in-process.

payment. The payment that you make to a supplier.

payment group. A system-generated group of payments with similar information, such as bank account. The system processes all payments in a payment group at the same time.

payment instrument. The method of payment, such as check, draft, EFT, and so on.

payment stub. The printed record of a payment.

payment terms. The amount of time allowed to pay a voucher or an invoice, with or without a discount.

posted code. A code that indicates whether a transaction or batch has been posted.

pre-note code. A code that indicates whether a supplier is set up or in the process of being set up for electronic funds transfer (EFT).

printout. A presentation of computer information printed on paper. Also known as a *hard copy*.

print queue. A list of tables, such as reports, that you have submitted to be written to an output device, such as a printer. The computer spools the tables until it writes them. After the computer writes the table, the system removes the table's identifier from the list. Also known as an *output queue*.

processing options. A feature that allows you to supply parameters to direct the functions of a program. For example, processing options allow you to specify defaults for certain form formats, control the format in which information is printed on reports, change the way a form displays information, and enter "as of" dates.

program. A collection of computer statements that instructs the computer to perform a specific task or group of tasks.

prompt. (1) A reminder or request for information displayed by the system. When a prompt appears, you must respond in order to proceed. (2) A list of codes or parameters or a request for information provided by the system as a reminder of the type of information you should enter or action you should take.

pseudo company. A fictitious company used in consolidations.

PST. Provincial sales tax. A tax assessed by individual provinces in Canada.

purge. The process of removing records or data from a system table.

rate type. For currency exchange transactions, the rate type distinguishes different types of exchange rates. For example, you can use both period average and period-end rates, distinguishing them by rate type.

realized gain or loss. Currency gains and losses are incurred due to fluctuating currency exchange rates. A gain or loss is realized when you pay the invoice or voucher. Contrast with *unrealized gain or loss.*

receipt. The payment you receive from a customer.

receipt logging. See *logged receipt*.

record. A collection of related, consecutive fields of data that the system treats as a single unit of information. For example, a

supplier record consists of information such as the supplier's name, address, and telephone number.

recurring frequency. The cycle in which a recurring voucher or invoice becomes due for payment. For example, monthly or quarterly.

recurring invoice. An invoice that becomes due for payment on a regular cycle, such as a lease payment.

recurring journal entry. A procedure that allocates or distributes expenses, budgets, adjustments, and so on among business units, based on actual numbers.

recurring voucher. A voucher that comes due for payment on a regular cycle, such as a lease payment.

recycle. A process that creates the next cycle (for example, next month's) of recurring invoices or vouchers.

refresh. A process that updates a customer's credit and collection information, such as Credit Analysis Refresh.

reset. The process of changing a payment from a next status of UPD (update) to a next status of WRT (write). This allows you to correct or reprint payments.

reverse. A process that creates an opposite entry when the original transaction is posted to the general ledger.

reverse image. Text on a form that displays in the opposite color combination of characters and background from what the form typically displays (for example, black on green instead of green on black).

routing/transit number. A number that uniquely identifies U.S. banks. This number is assigned by the Federal Reserve Board. It consists of two parts: a routing number and a transit number.

run. To cause the computer to perform a routine, process a batch of transactions, or carry out computer program instructions.

screen. See *form*.

scroll. To use the roll keys to move form information up or down a form at a time. When you press the Rollup key, for instance, the system replaces the currently displayed text with the next form of text if more text is available.

selection. Selections represent programs or menus that you can access from a given menu.

self-reconciling item. An item that does not require reconciliation.

sequence ID. A code defines the order in which payments print in a payment group. Each sequence review ID has its own data sequence and a code that indicates whether the system sorts each data item in ascending or descending order.

SIC. Standard Industry Classification. A U.S. government code that classifies U.S. companies according to their economic activity. Examples include agricultural services (0100), wholesale trade (5000), and services (7000).

soft coding. A group of features that allow you to customize and adapt J.D. Edwards software to your business environment. These features lessen the need for you to use computer programmers when your data processing needs change.

software. The operating system and application programs that instruct the computer what tasks to perform and how to perform them.

special character. Symbols that are neither letters nor numbers. Some examples are *, &, and #. Contrast with *alphabetic character*, *alphanumeric character*, and *numeric character*.

special period/year. The date that determines the source balances for an allocation.

speed code. A user defined code that represents a G/L account number. You can use speed codes to simplify data entry by making G/L accounts easier to remember.

spool. The function by which the system stores generated output to await printing and processing.

spooled table. A holding table for output data waiting to be printed or input data waiting to be processed.

spread. (1) A payables and receipts application method that distributes and applies an unapplied voucher, receipt, debit memo, or credit memo to open vouchers or invoices. (2) A budgeting process that distributes amounts over a number of periods.

stop date. The date that an allocation becomes inactive.

structure type. A code that identifies a type of organization structure with its own hierarchy in the Address Book system.

subfile. See *detail area*.

submit. See *run*.

summary. The presentation of data or information in a cumulative or totaled manner in which most of the details have been removed. Many J.D. Edwards systems offer forms and reports that are summaries of the information stored in certain tables.

supplemental data. Additional information about a business unit not contained in the master tables.

supplier. An individual or organization that provides goods and services. Also known as a *vendor*.

supplier ledger. The record of transactions between your company and a particular supplier.

suspense account. A G/L account that holds funds until they can be allocated to the correct account. Also known as a *transit account*.

system. A collection of computer programs that allows you to perform specific business tasks. Some examples of systems are Accounts Payable, Inventory, and Order Processing. Also known as an *application.*

system code. The code that identifies a J.D. Edwards system. For example, 01 for the Address Book system, 04 for the Accounts Payable system, and 09 for the General Accounting system.

table. A collection of related data records organized for a specific use and electronically stored by the computer. Also known as a *file*.

three-tier processing. The task of entering, approving, and posting batches of transactions.

third party software. Programs provided to J.D. Edwards clients by companies other than J.D. Edwards.

TI (type input) code. A code that identifies the type of receipt application, which directly affects the way the receipt is processed.

time log. An email method for tracking employees' time in the office. The time log lists when employees sign in, sign out, and employee remarks about their whereabouts and activities.

tolerance range. The amount by which the taxes you enter manually may vary from the tax calculated by the system.

transaction code. A code that distinguishes the type of transaction on a bank statement.

transit account. See *suspense account*.

translation adjustment account. An optional G/L account used in currency balance restatement to record the total adjustments at a company level.

unapplied receipt. A receipt that is applied to a customer's account balance instead of being matched to an invoice or group of invoices.

unrealized gain or loss. Currency gains and losses are incurred due to fluctuating currency exchange rates. A gain or loss is unrealized until you pay the invoice or voucher. Contrast with *realized gain or loss.*

update payments. For example, to add new payments and void payments to the A/P Ledger (F0411), Accounts Payable Matching Document (F0413), and Accounts Payable Matching Document Detail (F0414) tables. The system updates these tables during payment processing and prints the payment register.

user defined code. The individual codes that you create and define within a user defined code type. Code types are used by programs to edit data and allow only defined codes. These codes might consist of a single character or a set of characters that represents a word, phrase, or definition. These characters can be alphabetic, alphanumeric, or numeric. For example, in the user defined code type list ST (Search Type), a few codes are C for Customers, E for Employees, and V for Suppliers.

user defined code type. The identifier for a list of user defined codes. For example, ST for the Search Type codes list in the Address Book system. J.D. Edwards provides a number of these lists for each system. You can create and define lists of your own.

user identification (user ID). The unique name you enter when you sign on to a J.D. Edwards system to identify yourself to the system. This ID can be up to 10 characters long and can consist of alphabetic, alphanumeric, and numeric characters.

valid codes. The allowed codes, amounts, or types of data that you can enter in a specific input field. The system verifies the information you enter against the list of valid codes.

variable numerator allocations. A procedure that allocates or distributes expenses, budgets, adjustments, and so on, among business units, based on a variable.

VAT. Value-added tax. A recoverable tax assessed in some countries.

vendor. See *supplier*.

vocabulary overrides. A feature that lets you to override field, row, or column title text on a form-by-form or report-by-report basis.

void. A process that creates a reversing entry for the original transaction. Voiding a transaction leaves an audit trail.

voucher logging. See *logged voucher*.

voucher match. A payment application method where the payment is applied to specific vouchers.

who's who. The contacts at a particular company. Examples include billing, collections, and sales personnel.

window. A feature that allows a part of your form to function as if it were a form in itself. Windows serve a dedicated purpose within a program, such as searching for a specific valid code for a field.

word search stop word. A common word that the query search in the Address Book system ignores. Examples include street or avenue.

worked. A code that indicates whether a customer's account has been reviewed and updated. For example, you work an account by changing a customer's credit limit or customers who are eligible for a credit review.

write-off. A method for getting rid of inconsequential differences between amounts. For example, you can apply a receipt to an invoice and write off the difference. You can write off both overpayments and underpayments.

write payment. A step in processing payments. Writing payments includes printing checks, drafts, and creating a bank tape table.

Index

Index

C

D