# Global Solutions: Italy

## Soluzioni Globali: Italia

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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.

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# 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 Italy

## About Business in Italy

Italy is a member of the European Union (EU) and is bound by the agreements of the EU with European Free Trade Association (EFTA) countries. The EU has signed agreements with all EFTA countries whereby the trade of industrial goods among EU and EFTA countries is tariff free.

The agreements among EFTA and EU countries also concern other matters that affect the business environment, including:

- Economic policy
- Monetary policy
- Environment
- Health and safety in the workplace
- Consumer protection
- Transport cooperation and development
- Energy standards
- Industrial policy

In Italy, government policy is one of free trade, although a number of regulations exist that must be addressed by administrative duties.

## Accounting Principles

The national accountancy boards (*Consiglio Nazionale dei Dottori Commercialisti* and *Consiglio Nazionale dei Ragionieri*) are responsible for establishing the accounting principles in Italy. The principles conform to those that are generally accepted internationally.

# Fiscal Requirements

Italian fiscal requirements affect fundamental business practices regarding:

- Ledgers and journals
- Financial statements
- Valuation of assets
- Depreciation
- Foreign currency

## Ledgers and Journals

The Italian Civil Code requires every business to maintain a journal (*Giornale Bollato*) and a balance book (*libro inventari*) and such other accounting records that are considered necessary to report on the type and extent of its activities.

The journal and balance book are official books. By law, the pages in the books must be numbered progressively and must have each sheet stamped by the business registry office or by a notary public before being used. The books must also be notarized annually by the business registry office or by a notary public.

The journal must show the daily transactions of the business in strict chronological order. The balance book includes all the details of assets and liabilities at the end of each fiscal year. The final balance sheet and income statement are based directly on the balance book.

In accordance with tax regulations, businesses must maintain the following books and records:

- Accounting books required by the Civil Code
- Corporate legal books
- Register of depreciable assets
- Registers required by value-added tax (VAT legislation)
- Register for decoding accounting records and EDP information of the accounting system, if the printout is not sufficiently clear
- Inventory stock movement
- Supplementary accounting books in which all assets and liabilities, and income and expense items, are grouped in homogeneous categories
- Payrolls and register of employees
- Individual accounts connected with payments that are subject to withholding tax

All limited companies with a capital over a certain threshold are required by the Civil Code to have statutory auditors (*sindaci*). There are no regulations linking taxation and audited statements.

## Financial Statements

The Italian Civil Code mandates the presentation of financial statements and principles of valuation of assets and liabilities.

In Italy, businesses prepare financial statements based on the accrual concept. Revenue is recognized when the earning activity is complete and the collection of a designated amount is reasonably assured.

The accounting period is a 12 month year, but there are no special requirements regarding the closing date. The fiscal year for businesses can begin and end on any date. Only in special circumstances can the fiscal year be other than 12 months, and normally the fiscal year can never be longer than 14 months. In addition, when a business decides to change the year-end date, the next accounting period must be less than a year.

Financial statements must conform to the rules introduced by Legislative Decree Number 127/91, which implements the Fourth EU Directive. According to these rules, businesses must disclose the following financial statements:

- Balance sheet
- Income statement (profit and loss account)
- Notes to the financial statements

The directors' report must be submitted with the financial statements. In some circumstances , consolidated financial statements are also required.

### Bad Debts

Businesses can charge an allowance against income each year until the accumulated provisions for doubtful debts equals five percent of the receivables. The allowance cannot exceed one-half percent of the total amount of trade receivables shown in the financial statements. Any allowance exceeding five percent of receivables must be reported as income for the period.

## Valuation of Assets

The Civil Code requires businesses in Italy to conform to the following guidelines regarding the valuation of assets:

| | |
|---|---|
| **Noncurrent assets** | Noncurrent assets must be stated at the cost of acquisition (or production) or at the market price, if the market price is permanently lower. The revaluation of noncurrent assets is generally not allowed. |
| **Current assets** | Generally, current assets must be valued at either cost or market value, whichever is lower. The acquisition (or production) cost of replaceable goods can be calculated based on the following methods: |

- Weighted average
- Last in, first out (LIFO)
- First in, first out (FIFO)

At the end of the year, if the acquisition cost of replaceable goods is significantly different from the actual costs, the difference must be disclosed in the notes attatched to the financial statements.

## Depreciation

All fixed assets, except for land, are depreciable for tax purposes. Depreciation is calculated by the straight-line method. Accelerated depreciation can be claimed in the first three years of an asset's existence, up to a maximum equal to the annual rates established by the Ministry of Finance on the original cost of the individual asset.

Costs incurred by the acquisition of intangible assets, such as trademarks and patents, can be amortized for tax purposes over their useful lives or as per contract. If there is no fixed term, intangible assets can be written off over a three year period.

## Foreign Currency

Italian monetary policy is guided mainly by the objectives stated in the Maastricht agreement. The goal of the Maastricht agreement is to create a single European currency.

## European Common Currency

The European Union (EU) is currently creating a plan for 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 in three phases:

**Phase A**    The European Heads of Government 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 are irrevocably locked, implying that nation currencies and the euro are different expressions of what is economically the same currency.

The euro will not yet have legal tender status, but it will be used as an accounting unit. When the European Central Bank begins its single monetary policy, it 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 the single currency.

**Phase C**    The euro becomes legal tender. Euro bank notes and coins come into circulation. For 6 months, both national currencies and the euro have legal tender status. During this time, prices must be listed in both currencies.

After the 6-month period, the euro becomes the only legal tender, national currencies of participating nations are withdrawn as legal tender.

## Exchange Gains and Losses

Income, receipts, and expenditures in foreign currency should be translated at the exchange rates effective for the day that they were received or sustained, or, on the nearest business day prior to the transactions. Profits realized in the course of the year are taxable and losses are deductible.

The provisions for unrealized exchange losses are limited to the net of debits and credits denominated in foreign currency. Unrealized gains and losses are based on the difference between the balance converted at the average exchange rate of the last month of the period and the exchange rate effective for the date

of the transaction. In calculating the net balance, the part for which the exchange risk is covered by either forward exchange contracts or insurance is excluded.

# Tax Requirements

Taxes in Italy can be raised only by laws approved by Parliament. The tax system is administered by the Ministry of Finance. There are many tax authorities in Italy, each with different responsibilities. These authorities include the following:

- Ministry of Finance (*Ministero delle Finanze*)
- District Office of Direct Taxes (*Ufficio Distrettuale delle Imposte Dirette*)
- Provincial VAT Office (*Ufficio Provinciale - IVA*)
- Registration Tax Office (*Ufficio del Registro*)
- Inland Revenue Office (*Intendenza di Finanza*)

Businesses are required to file tax returns annually to report on the results of the fiscal year. The tax returns include corporate income tax and local income tax and are usually prepared by the financial advisors of the business. The returns must be filed within one month of approval by the shareholders at the annual general meeting. Tax returns that are filed more than one month late are considered by the tax authorities as not having been filed.

The tax administration usually reviews tax returns by calling for details of expenses and other items. In some cases, the tax authorities can audit a company at irregular intervals and make adjustments on the nonaudited returns based on their conclusions with regard to the audited return.

## Collection

All businesses and partnerships that have a value added tax (VAT) identification number must pay or ask for reimbursement of the following taxes by means of a specific personal tax current account:

- Corporate and local tax
- Value added tax (VAT)
- Withholding tax

| | |
|---|---|
| **Corporate and local tax** | Businesses that are subject to corporate income tax (IRPEG) and local income tax (ILOR) must pay an amount equal to 98 percent of the tax due on the income of the previous year. The payment can be made in two installments, the first of which must be equal to 40 percent of the total amount due. |
| **Value added tax (VAT) or Imposto sul valore aggiunto (IVA)** | Value added tax (VAT), or *Imposta sul valore aggiunto* (IVA), is a noncumulative tax that is imposed at each stage of the production and distribution cycle.<br><br>In Italy, the taxpayer is liable for Output VAT and Input VAT. Output VAT is included on sales. Input VAT is included in the purchase of goods, equipment, and services. Output VAT can be offset against any Input VAT. In certain circumstances, businesses can postpone the declaration of VAT. |
| **Withholding tax** | Taxes withheld at source must be paid by means of a specific personal tax current account within specific time periods. Payments must be accompanied by returns in the prescribed form, giving sufficient details of the payment. |

## Reporting

Businesses in Italy are required to submit the following tax reports to the authorities:

| | |
|---|---|
| **VAT (IVA) reports** | Businesses are required to print or prepare electronic files to complete monthly VAT (*Libro IVA*) and annual VAT (*Allegati IVA*) reports and tax declaration forms for tax officials. The reports are also used to reconcile VAT accounts. |
| **Summary VAT (IVA) report** | Business print the Summary VAT (*Riepilogo IVA*) report to report, in a summary format, value added taxes that are collected through accounts receivable transactions and paid through accounts payable transactions. |
| **Intrastat reports** | Intrastat reports list details about product dispatches and arrivals among countries that belong to the European Union. |

| **Withholding Tax report** | Businesses that pay withholding tax print Withholding Tax reports to accompany payments to the government office. Businesses also print Certification reports for the suppliers that are subject to withholding tax. |
| --- | --- |
| **Suspended VAT (IVA) report** | Specific types of businesses print the Suspended VAT report to differentiate between transactions that are subject to the ordinary VAT regime and the transactions that are subject to the VAT on receipts regime. |

# Banking Requirements

Italian businesses can maintain an unlimited number of bank accounts in both Italian lire and in foreign currency at home and abroad.

Common Italian banking practices include the following:

| **Bank and bank branch identification** | The *Associazione Bancaria Italiana (ABI)* sets the standards for bank identification. These standards consist of a 5-digit bank identification number (ABI) and a 5-digit branch identification number (CAB). |
| --- | --- |
| | Banks in Italy charge businesses penalty fees for remitting incorrect or incomplete bank account and bank branch information for processing. To avoid these charges, businesses must carefully validate the bank account information that is entered into the system. |
| **Accounts payable payments** | Common payment formats include:<br>• Checks<br>• Electronic fund transfer (EFT) in Italian lire (domestic) |
| **Accounts receivable cash receipts** | The most common cash receipts format is *Ricevute Bancarie (RiBa). RiBa* can also be referred to as bank drafts. |

# Setup Requirements

## About Setup Requirements

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

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

❑ Setting up user display preferences

❑ Setting up user defined codes for Italy

❑ Setting up an alternate chart of accounts

❑ Setting up for bank information validation

❑ Setting up for withholding tax processing

❑ Setting up withholding tax codes

❑ Setting up withholding tax information for suppliers

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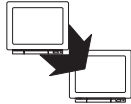
# Set Up User Display Preferences

## 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 utilizes country-server technology. Country-server technology was developed to isolate country-specific features 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 indicates to the system which country server to use.

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

## Setting Up User Defined Codes for Italy

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 can be hard-coded. Unless the user defined code is hard coded, you can customize any user defined codes to accommodate your specific business needs. You can also set up additional user defined codes. You cannot customize user defined code that are hard-coded.

User defined codes are stored in tables that are related 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 method. The system does not accept a payment method 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.

Set up the following user defined codes to process business transactions in Italy:

**Payment instrument (system 00, type PY)**

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

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

Set up a user defined code for each of the print or tape programs that you use to write payments. Use the following codes for print and tape programs for Italy:

- P04572I1 – diskette
- P04572I2 – checks

**VAT codes for year-end processes (system 00, type IV)**

Set up VAT codes so that you can associate a tax rate to a transaction. For example, you might set up codes for the following:

- VAT rate 0 percent
- Excluded
- Non-recoverable 50 percent
- Non-recoverable 100 percent
- IVA 12 percent
- IVA 19 percent

**Register class (system 74, type 01)**

Set up register type codes to track and report IVA tax in a summarized format. For example, you might set up codes for the following register classes:

- Purchases
- Correspondent
- No deduction
- Sales

**Register types (system 74, type 02)**

Set up register type codes to track and report IVA tax in a summarized format. For example, you might set up codes for the following register types:

- Purchases (Tax Italy)
- Purchases (Tax CEE)
- Purchases (Tax extra CEE)
- Tax not deductible
- Sales (Tax Italy)
- Sales (Tax CEE)
- Sales (Tax extra CEE)
- Suspended IVA

**Suspended VAT document types (system 74, type DT)**
Set up document types to identify transactions that are subject to suspended VAT. The system uses this document type when you generate suspended VAT amounts.

You must also set up the codes for these document types on user defined codes 00/DT and 00/DI.

**Suspended VAT rates (system 74, type SP)**
Set up codes to identify the rate at which the system calculates suspended VAT amounts.

**Section of 770 form (system 74, type RA)**
Set up codes to identify the information that you want to use when you run your Model 770 form reports. For example, you might set up codes for the following information:

- INPS withholding
- Regular employment revenue
- Employee termination indemnity
- Employee termination indemnity prior to 1973
- Employee assimilated revenues
- Self employment revenues
- Sales commissions
- Revenues on equity
- Life insurance revenues
- Equity revenue interests
- Capital gain
- Yearly distributable profits
- Foreign stock exchange securities
- Mandatory contributions

**Ledger types (system 74, type LT)**
Set up user defined codes to identify each ledger that you use. You can use the codes to specify a ledger type when you run General Ledger and Trial Balance reports. For example, you might set up codes to identify:

- Corporate ledger
- Local ledger
- Foreign currency ledger

See *Printing the General Ledger Report* or *Printing the Trial Balance Report*.

**Withholding tax government (system 74, type IM)**

Set up user defined codes to further define withholding tax information for your suppliers. You specify the government withholding tax information for each code in the Special Handling Code field. The codes that you specify are for internal use to link the government information to withholding tax types (user defined codes table 74/WT).

Valid values for the Special Handling Code field include:

- 1 – Self-employed
- 2 – Sales commissions

**Withholding type (system 74, type WT)**

In Italy, suppliers can be eligible for different types of withholding tax. For reporting and processing purposes, set up user defined codes to identify the types of withholding tax that apply to your suppliers.

Set up the following codes:

- E – Sales commissions withholding (*ENASARCO*)
- I – Social security withholding (*INPS*)
- R – Standard withholding tax (*Ritenuta d'acconto*)

NOTE: Withholding type codes are linked to an internal withholding tax code in the Withholding Tax Codes Revisions form (P74405).

# 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 might 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 21, the accounts that you set up in the category codes are referred to in J.D. Edwards software as alternate descriptions of your accounts.
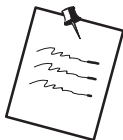
The software identifies individual accounts in your chart of accounts based on a system-assigned number that is unique for each account. This number is referred to as the Account Short ID. The Account Short ID is the key the system uses to distinguish between accounts when you access, change, and delete the account information in any of J.D. Edwards tables. The system stores the short identification number in data item 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 |
| --- | --- |
| Acct | 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. |
| Sub | A subdivision of an object account. Subsidiary accounts include more detailed records of the accounting activity for an object account. |

| Field | Explanation |
|---|---|
| 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:<br>3     Assets, Liabilities, Revenues, Expenses<br>4     Current Assets, Fixed Assets, Current Liabilities, and so on<br>5     Cash, Accounts Receivable, Inventories, Salaries, and so on<br>6     Petty Cash, Cash in Banks, Trade Accounts Receivable, and so on<br>7     Petty Cash – Dallas, Petty Cash – Houston, and so on<br>8     More Detail<br>9     More Detail<br><br>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.<br><br>. . . . . . . . . . . . . *Form-specific information* . . . . . . . . . . . . . .<br><br>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. |
| Statutory | Category code 21 associated with the Account Master file (F0901).  This is a user defined code (system 09, type 21) for use in flex account mapping and in printing selected account information on reports. |
| CAT 22 | Category code 22 associated with the Account Master file (F0901).  This is a user defined code (system 09, type 22) for use in flex account mapping and in printing selected account information on reports. |
| CAT 23 | Category code 23 associated with the Account Master file (F0901).  This is a user defined code (system 09, type 23) for use in flex account mapping and in printing selected account information on reports. |

## 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 for Bank Information Validation

## Setting Up for Bank Information Validation

In Italy, businesses that remit incorrect or incomplete bank identification or account information to the bank are subject to fees. To avoid these charges, businesses must carefully validate bank identification and account information that is entered into the system during data entry.

You can use J.D. Edwards software to validate the following information:

- Bank identification numbers
- Account information

Setting up for Italian bank information validation consists of the following tasks:

❑ Updating bank identification information from tape or diskette

❑ Revising bank identification information manually

### Bank Identification Validation

Italian bank identification information consists of two 5-character numbers:

| | |
|---|---|
| **ABI** | Bank transit number (Bank ID) |
| **CAB** | Bank branch code (Branch ID) |

The *Banca d'Itali*a maintains and updates valid bank identification numbers. Individual banks can provide their clients with the updated information on tape or diskette.

J.D. Edwards supports the COMIT format and ships a preloaded bank identification information table with the localized software for Italy. The table includes all the possible valid combinations of bank transit accounts and branches as provided by the Banca d'Italia. J.D. Edwards updates the bank identification information table with each release of the software. In addition, you can make your own revisions to update the bank table as needed.

If you use J.D. Edwards localized software to validate bank identification information, the system validates bank transit numbers and bank branch codes when you:

- Generate preauthorized *RiBa* (accounts receivable drafts)
- Create the *RiBa* remittance table

During both processes, the system validates the customer bank information against the valid bank identification information in the Italian Bank ID table (F74030). The system creates drafts for all of the customers, even if the bank information is invalid. The system identifies the customers whose bank information is invalid with a warning message. If the bank information for a customer is missing from the Italian Bank ID table, the system prints a list of these customers on an exception report (R03571E).

## Account Information Validation

You can also set up your system to automatically validate account information when you access the following forms during data entry:

- Bank Account Cross-Reference
- Bank Account Cross-Reference Window
- G/L Bank Account Information

When you access these data entry forms, the system validates the bank account information based on the following bank account validation programs:

- Bank Account Cross-Reference Country Server
- Bank Account Cross-Reference Window Country Server
- G/L Bank Account Information Country Server

The system validates bank information based on the Italian Bank Master Table (F74030).

The following graphic illustrates how the system validates bank information for preauthorized drafts.
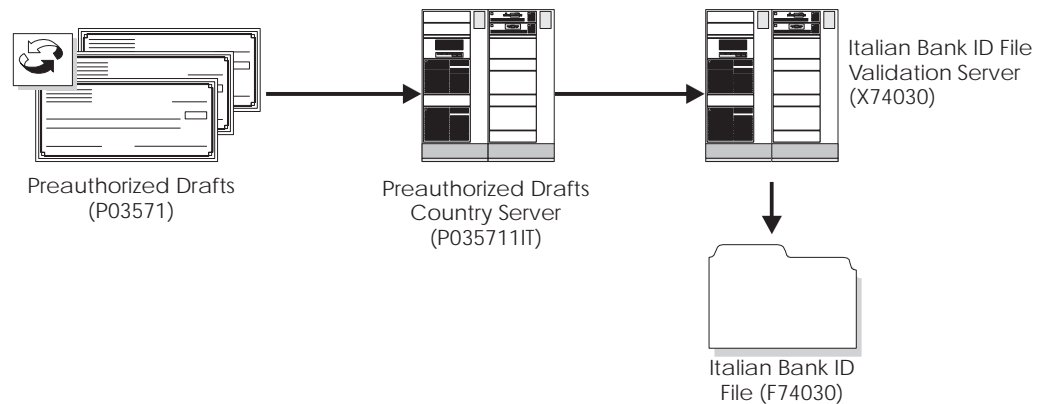


See Also

- *Working with Bank Account Information* for more information about maintaining account information in the system for your company, your customers, and your suppliers.

## Updating Bank Identification Information from Tape or Diskette
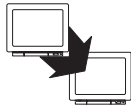
From EMEA Localizations (G74), choose Italian Bank File Processing

From Italian Bank File Processing (G00215), choose Upload Italian Bank File

You can automatically update bank identification information from a tape or diskette to your system. To do this, run the Upload Italian Bank File program (P74301). This program is a template that is based on the COMIT record layout. The program might require customization to meet your specific needs.

## Revising Bank Identification Information Manually

From EMEA Localizations (G74), choose Italian Bank File Processing

From Italian Bank File Processing (G00215), choose Italian Bank File Revisions

You can revise bank identification information manually on an as-needed basis to update this information..

▶ **To revise bank identification information manually**

On Italian Bank File Revisions

```
[74030] - Italian Bank File Revisions                              _ □ X
Functions   Tools   Help

┌────┬────┬────┬────┬────┬────┐
│ ✔  │ X  │ ₁i │ ₂▲ │ ₄⊕ │ ₃▬ │
└────┴────┴────┴────┴────┴────┘

Bank Code (ABI)              01000
Bank Branch Code (CAB)       01602

Name
BANCA D'ITALIA

Address
C/O CASSA SOVV.E RISP.FRA PERS.BCA I.TALIA-C.SO SEMPIONE 57/MILANO SUCCURSALE

City


Town
MILANO

Postal Code           20149  State
Default CAB Location  01600
Short Name            BCA ITALIA-MILANO

    F1=Help  F3=Exit  F22=Clear Screen  F24= More Keys
```

1.  To locate a bank identification record, complete the following fields:

    - Bank Code (ABI)
    - Bank Branch Code (CAB)

2.  Revise any of the following fields:

    - Name
    - Address
    - City
    - Town
    - Postal Code
    - State
    - Default CAB Location
    - Short Name

| Field | Explanation |
|-------|-------------|
| Bank Code (ABI) | Code assigned by the Bank of Italy. The ABI segment of the transit code (5 digits) identifies the bank (i.e., Banco di Napoli) and is followed by the CAB segment of the transit code (5 digits) which identifies the branch (i.e. Banco di Napoli – Positano). The values in these fields are pre-loaded into the Italian Bank File (F74030) and can be maintained in the Italian Bank File Revisions program (P740030). |
| Bank Branch Code (CAB) | Code assigned by the Bank of Italy. The ABI segment of the transit code (5 digits) identifies the bank (i.e. Banco di Napoli) and is followed by the CAB segment of the transit code (5 digits) which identifies the branch (i.e. Banco di Napoli – Positano). The values in these fields are pre-loaded into the Italian Bank File (F74030) and can be maintained in the Italian Bank File Revisions program (P740030). |
| Bank Name | The full name of the bank associated with a bank transit number (ABI/CAB). The value in this field is pre-loaded in the Italian Bank File (F74030) and can be maintained in the Italian Bank File Revisions program (P740030). |
| Address | The address (street and number) of the bank. The value in this field is pre-loaded in the Italian Bank File (F74030) and can be maintained in the Italian Bank File Revisions program (P740030). |
| City | Administrative division of municipality where the bank is located. The value in this field is pre-loaded in the Italian Bank File (F74030) and can be maintained in the Italian Bank File Revisions program (P740030). |
| Bank Town | The name of the town where the bank is located. The value in this field is pre-loaded in the Italian Bank File (F74030) and can be maintained in the Italian Bank File Revisions program (P740030). |
| Bank Postal Code | The postal code of the town where the bank is located. The value in this field is pre-loaded in the Italian Bank File (F74030) and can be maintained in the Italian Bank File Revisions program (P740030). |
| State | A user defined code system 00, type S for the state or province.  This is usually a postal service abbreviation. |
| Default CAB Location | Default location of the bank branch code (Italian CAB code). The value in this field is pre-loaded in the Italian Bank File (F74030) and can be maintained in the Italian Bank File Revisions program (P740030). For Example:<br>    CAB 1600 – Default Milano CAB<br>    CAB 1601 – Milano Centro<br>    CAB 1602 – Milano Duomo<br>    CAB 1603 – Milano Scala |

# Set Up for Withholding Tax Processing

## Setting Up for Withholding Tax Processing

To process withholding tax, you must set up the following elements for your system:

- Data dictionary
- Automatic accounting instructions
- Multi-currency

### See Also

- *Technical Foundations Guide* for general information about setting up and implementing the data dictionary and automatic accounting instructions

### Data Dictionary

When you process withholding tax, the system uses the data item IRSA - Withholding Tax Status to track the status of the tax.

The following values are hard-coded for IRSA:

- 0 - Voucher entered with withholding tax information
- 1 - Payment for voucher entered (debt to fiscal authority)
- 2 - Withholding tax paid to fiscal authority
- 9 - Withholding tax cancelled

In addition, you can set up another user defined value to indicate that a Withholding Tax Certification report has been generated for the tax.

### See Also

- *Working with Withholding Tax* for more information about the status of withholding tax records during the withholding process

## Automatic Accounting Instructions

To identify the Withholding Tax account in your chart of accounts, set up the PKD and PKL automatic accounting instructions with the same object account.

### Example: PKD Automatic Accounting Instruction

```
[0012] - Single AAI Revisions                                    _ □ ×
Functions   Tools   Help

  ✔   ✘   ₁i   ₂▲   ₄✛   ₉▬

   Item Number              PKD
   Company                  00074

   Sequence Number              4.050
   System Code              04

   Account Codes                      Option        Options:
    Business Unit               74      0        O = Optional
    Object Account         4434         R        R = Required
    Subsidiary                          0        N = Not Used

   Account Use Description   Italian Withholding Tax




   F21=Print Automatic Accounting Instructions   F24=More Keys
```

### Example: PKL Automatic Accounting Instruction

```
[0012] - Single AAI Revisions                                    _ □ ×
Functions   Tools   Help

  ✔   ✘   ₁i   ₂▲   ₄✛   ₉▬

   Item Number              PKL
   Company                  74

   Sequence Number          4.060
   System Code              04

   Account Codes                      Option        Options:
    Business Unit         74            0        O = Optional
    Object Account         4434         R        R = Required
    Subsidiary                          0        N = Not Used

   Account Use Description   Italian Withholding Tax




   F21=Print Automatic Accounting Instructions   F24=More Keys
```

## Multi-Currency

You must activate J.D. Edwards multi-currency functionality to process withholding tax. To do this, access the General Accounting Constants form and complete the multi-currency fields.

### Example:  General Accounting Constants

```
┌──────────────────────────────────────────────────────────────────────────┐
│ ▓▓ [000909] - General Accounting Constants                     _ □ ×      │
│ Functions  Tools  Help                                                     │
│ ┌────┬────┬────┬────┬────┬────┐                                           │
│ │ ✔  │ ✗  │ 1i │ 2▲ │ 4✚ │ 9▬ │                                          │
│ └────┴────┴────┴────┴────┴────┘                                           │
│                                                                            │
│              Batch Control Required (Y/N)              ▢                    │
│              Management Approval of Input (Y/N)        N                    │
│              Management Approval of Input F/A (Y/N)    N                    │
│              Allow PBCO Postings (Y/N)                 Y                    │
│              Allow Invalid Accounts (Y/N)              Y                    │
│                                                                            │
│              Symbol to Identify Short Number           *                    │
│              Symbol to Identify BU.Object.Sub          ▢                    │
│              Symbol to Identify 3rd G/L Account        /                    │
│              Account Separator Character               .                    │
│                                                                            │
│              Intercompany Settlement(Y/D/C/1/2/3/*/N)  *                    │
│                                                                            │
│              Multi-Currency Conversion (Y/N/Z)         Y                    │
│              Allow Multi-Currency Intercompany JE      N                    │
│                                                                            │
│                                                                     ▲       │
│         F24=More Keys                                                ▼       │
└──────────────────────────────────────────────────────────────────────────┘
```
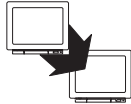
# Set Up Withholding Tax Codes

## Setting Up Withholding Tax Codes

From EMEA Localization (G74), choose Withholding Tax Processing

From Additional Italian Tax Processing (G002131), choose Set Up Withholding Tax Codes

If your suppliers are subject to withholding tax, define withholding tax rates so that the system can calculate the withholding tax when you enter supplier vouchers. To do this, you set up withholding tax codes.

When you set up codes for withholding tax, you specify the withholding tax percentage and the base of computation for the tax. For example, suppose a supplier is subject to a certain type of withholding tax. Based on the type of withholding tax, vouchers for the supplier might be subject to a withholding tax rate that is 19 percent of the total taxable amount.

You can also establish links between different withholding taxes and the user defined codes that you set up for Model 770 reporting.

### Before You Begin

❑ Set up the user defined codes for Model 770 reporting on user defined codes table 74/RA. See *Setting Up User Defined Codes for Italy*.

▶  **To set up withholding tax codes**

On Setup Withholding Tax Codes

```
┌─────────────────────────────────────────────────────────────────────┐
│ ▓▓ [740405] - Setup Withholding Tax Codes                   _ □ ×    │
│ Functions  Tools  Help                                              │
│ ┌───┬───┬────┬────┬────┬────┐                                       │
│ │ ✔ │ X │ ↑i │ 2▲ │ ↔  │ ▬  │                                       │
│ └───┴───┴────┴────┴────┴────┘                                       │
│                                                                     │
│   W/T Code                  [01 ]                                    │
│   W/T Code Description       Withholding Tax Internal Code 01        │
│   W/T Short Description      SHORT 01                                │
│   Fiscal W/T Code            010                                     │
│   Basis Percentage          100.00                                   │
│   W/T Percentage             10.00                                   │
│   Model 770 Section         B1  Empl. Term. Idemnity prior1973       │
│   Withholding Type          2                                        │
│   Balance Flag              4                                        │
│                                                                     │
│                                                                     │
│         F24=More Keys                                                │
└─────────────────────────────────────────────────────────────────────┘
```

1. To define a withholding tax code, complete the following fields:

   • W/T Code

   • W/T Code Description

   • W/T Short Description

   • Fiscal W/T Code

   • Withholding Type

   • Balance Flag

2. To define the withholding tax percentage and base of computation for the withholding tax code, complete the following fields:

   • Basis Percentage

   • W/T Percentage

3. To establish a link between the withholding tax code and the 770 Model reporting code, complete the following field:

   • Model 770 Section

   NOTE: You must complete this field when you define a new withholding tax code.

| Field | Explanation |
| --- | --- |
| W/T Code | Withholding tax internal code. |
| W/T Code Description | Long description of the withholding tax code entered in the Withholding Tax Codes Setup screen (P740405). |
| W/T Short Description | Short description of the withholding tax code entered in the Withholding Tax Codes Setup screen (P740405). |
| Withholding Type | Complete this field to identify the type of withholding tax. In Italy, there are different types of withholding on supplier's vouchers, such as standard withholding and INPS withholding. |
| | You link a withholding type to each internal withholding tax code that you define on the Withholding Codes Revisions (P74405) form. The system uses the withholding type to distinguish between different types of withholding tax for reporting and processing purposes. |
| Withholding Balance Flag | Enter a value in the withholding balance flag to bypass the balance control when an INPS withholding tax code is entered in the Withholding Tax window. This flag is linked to a withholding tax code. |
| | The balance control for Withholding Tax entries is as follows: |
| | Gross Amount = Amount Not Subject to Withholding Tax + Amount Subject to Withholding Tax + VAT Amount |
| Basis Percentage | Percentage of the base invoice or voucher amount that is subject to withholding tax. |
| W/T Percentage | The withholding tax percent or rate. |
| Model 770 Section | Section code of the 770 form for withholding tax declaration. The two sections relative to withholding tax are:<br>DD    Self-employement income<br>DE    Commissions income |

# Set Up Withholding Tax Information for Suppliers

## Setting Up Withholding Tax Information for Suppliers
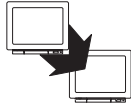
From EMEA Localizations (G74), choose Withholding Tax Processing

From Additional Italian Tax Processing (G002131), choose Setup A/B Additional Info

Businesses in Italy are required to set up the following information about any suppliers that are subject to withholding tax:

- Fiscal group code
- Withholding tax code
- Individual tax identification number
- Country

You are required to include this information in your withholding tax reports.

In addition, when you set up withholding tax information for your suppliers, you associate suppliers with specific withholding tax rates. Then, when you enter vouchers for your suppliers, the system uses this default rate to calculate the withholding tax amounts. You can override default supplier information if necessary.

The system displays the individual tax identification number and country of the supplier based on the supplier's record in the Address Book Master table (F0101).

▶ **To enter withholding tax information for suppliers**

On Setup A/B Additional Info



1. To locate a supplier, complete the following field:

    • Address Number

2. To enter withholding tax information for the supplier, complete the following fields:

    • Fiscal Group Code

    • W. T. Internal Code

3. Complete the following optional fields:

    • Indvidual

    • Gender

    • Date of Birth

    • Place of Birth

    • Province of Birth

4. Verify the information in the following fields:

    • Add'l Ind Tax ID

    • Country

| Field | Explanation |
| --- | --- |
| Fiscal Group Code | The fiscal group to which a person belongs.<br><br>Valid values are:<br>F    Foreign (not resident in Italy)<br>D    Domestic (resident in Italy) |
| W.T. Internal Code | Withholding tax internal code. |
| Add'l Ind Tax ID | An additional identification number that a tax authority assigns to an individual. |
| Country | A user defined code (system 00, type CN) that identifies a country.<br><br>The Address Book system uses the country code for data selection and address formatting. |

# 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 Processing and Purchase Order Processing 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*

## 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. The VAT number in the following example appears in bold.

### Example: VAT Registration Number for Italy

Country
ID

I T **0 4 8 8 6 0 7 0 1 5 2**

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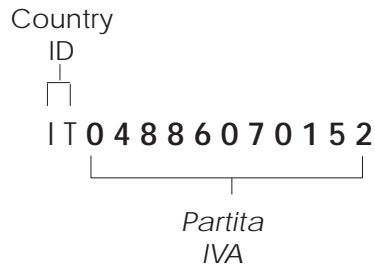
You can use the Tax ID field in J.D. Edwards base software to enter VAT registration numbers for your companies, suppliers, and customers.

**Your companies**   Create an address book record for each of your companies. Use the Tax ID field to specify the VAT registration number for the company. The value in 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 Customer Master Information from the Customer and Invoice Entry menu (G0311).

You might need to 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 nonmember 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

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

- Country codes (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)

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)

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  2▲  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)

Set up codes to identify countries that are members of the European Union (EU). 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 values as follows:

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

    Company Number, Line Type, Order Document Type

- Enter the nature of transaction codes in the Description-02 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 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)

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                                              │
│ ┌────┐ ┌───┐ ┌────┐ ┌────┐ ┌────┐ ┌────┐                             │
│ │ ✓  │ │ ✕ │ │₁ i │ │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)

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 Description 02 field for these codes by entering the commodity code numbers required by the customs authorities.

Use the first eight characters of the Description 02 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                                              │
│ ┌────┐ ┌───┐ ┌────┐ ┌────┐ ┌────┐ ┌────┐                             │
│ │ ✓  │ │ ✕ │ │₁ i │ │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

  ✔  ✕  ↑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

  ✔  ✕  ↑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 fifteen 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

  ✔   ✘   ↑i   ▲   ✚   ▬

                                        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
```
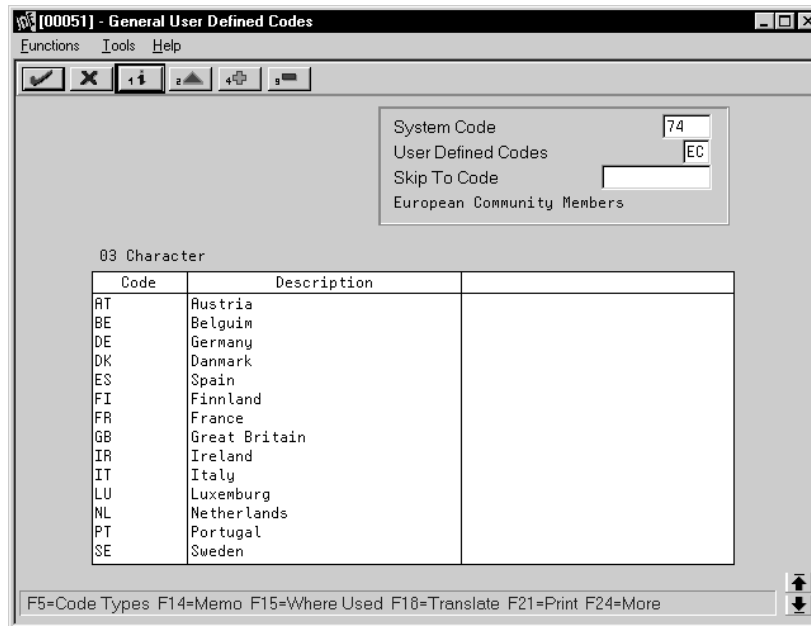
## What You Should Know About

**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 Supplier Purchasing Instructions 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

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

❑ Working with registration numbers

❑ Printing the Sequential Number Report

❑ Printing the General Ledger Report

❑ Printing the Trial Balance Report

❑ Printing the G/L Registration Report

❑ Working with the annual close

# Work with Registration Numbers

## Working with Registration Numbers

In Italy, original fiscal vouchers (accounts payable) and fiscal invoices (accounts receivable) must include a registration number that is both sequential and chronological. Businesses are required to coordinate data entry so that the G/L date on each document is the same or later than the date on the previous document.

Use J.D. Edwards localized software to edit the dates that you enter for original fiscal documents. When you use J.D. Edwards standard data entry programs with date edit functionality and your user preferences are set with the country preference code of IT (Italy), you automatically access the following servers each time you enter a document.

Use J.D. Edwards localized software to edit the dates that you enter for original fiscal vouchers and invoices. When you use J.D. Edwards standard data entry programs with date edit functionality, and your user preferences are set with the country preference code of IT (Italy), you automatically access the following business functions each time you enter a document.

| | |
|---|---|
| **A/P and A/R Functional Servers** | The system accesses the A/P and A/R Functional Servers to validate the information that you enter for invoices and vouchers. The servers also determine the appropriate next number assignments for these documents. |
| **Italian Country Servers (A/P and A/R)** | The system accesses the Italian Country Servers to validate that the G/L date that you enter for the document is the same or later than that of the document immediately preceding. |

You set processing options on the servers to determine the type of edit to perform for each of the documents that you enter.

**Server for Voucher Entry Italian Date Edits (XT0411Z3IT)**

The program performs the following edits based on the processing options for the country server:

Blank No validation is performed on the date
1 A warning message is issued
2 The system prevents you from making the entry

**Server for Invoice Entry Italian Date Edits (XT0311Z3IT)**

The program performs the following edits based on the processing options for the country server:

Blank No validation is performed on the date
1 A warning message is issued
2 The system prevents you from making the entry

You must set up your country servers with the same DREAM Writer version as the calling base program, in this case the A/R or A/P Functional Server.

After you set up the processing options for the business servers, you can set up different versions of the data entry programs for fiscal documents (invoices and vouchers that include VAT) and nonfiscal documents (other documents that do not include VAT). The versions are based on the processing options you set up for the country server, in combination with the processing options for the A/R or A/P Functional Server to default the document type. Set up the version for fiscal documents to include the date editing feature. The version for nonfiscal documents can either issue a warning or not include the date editing feature.

The following graphic illustrates how the system validates dates and registration numbers.

Accounts Payable
Data Entry Programs

Voucher Entry, Speed Voucher Entry,
Voucher Logging, Receipts with
Purchase Order

Accounts Payable Functional
Server (XT0411Z1)

The Functional server is called for
validation of voucher information
and assignment of next numbers

Fiscal Document
version xxx

Nonfiscal Document
version yyy

Italian Country Server
(XT0411Z3IT)

The Italian Country Server will
be used to validate that the
G/L date on a voucher is the
same or higher than that of the
voucher whose number is
immediately preceding.

Hard Error
version xxx

Warning Error
version xxx

P4b

## Before You Begin

❑ Set up your user display preferences with a country preference code for
Italy (IT). See *Setting Up User Display Preferences.*

## Processing Options for A/R Functional Server – Italy (XT0311Z3IT)

**G/L DATE VALIDATION:**
```
1. Enter a value to select G/L Date          _____
   Validation. Values are as
   follows:
        Blank = No Validation
            1 = Warning
            2 = Hard Error
```

## Processing Options for A/P Functional Server – Italy (XT0411Z3IT)

**G/L DATE VALIDATION:**
```
1. Enter a value to select G/L Date          _____
   Validation. Values are as
   follows:
        Blank = No Validation
            1 = Warning
            2 = Hard Error
```

# Print the Sequential Number Report

## Printing the Sequential Number Report

From EMEA Localization (G74), choose Italian Reports

From Italian Reports (G093152), choose Sequential Number Report

Businesses in Italy are required by law to number each original fiscal document both sequentially and chronologically. Fiscal documents are documents that include IVA taxes, such as accounts payable vouchers and accounts receivable invoices. Because each revenue and expense event must be documented in chronological order, businesses must include the numeric sequencing of each document number in the IVA registers.

You use the Sequential Number report to identify any document numbers that are out of sequence. When you print the report, the system checks the number for each document that includes an IVA amount in the following tables:

- Sales/Use/VAT Tax (F0018)
- Accounts Payable Ledger (F0411)
- Accounts Receivable Ledger (F0311)

The report prints the appropriate error message for each document that meets the following conditions:

- The document number is not sequential.
- The General ledger date is lower than that of the previous document.

You must manually correct any errors in the sequential numbering or justify the gap in the numbering of your documents.

J.D. Edwards recommends that you print the Sequential Number Report daily and if not daily, at least before you change the G/L date.

You can use processing options to indicate which table you want to perform the sequential document number validation.

**Sales/Use/VAT Tax (F0018)**

To run a report that verifies that document numbers are in sequential order without interruptions, leave the processing option blank. The system prints a report based on the Sales/Use/VAT Tax table (F0018).

Create one version of the report for each print version of the monthly VAT purchasing and VAT sales reports.

For example, if you use the document types PV and PD to identify Italian invoices and credit memos, create a special version of the report that selects the control data for document types PV and PD only.

**Accounts Receivable Ledger (F0311)**

To run a report that verifies that document numbers are in sequential order without interruptions, enter 1 in the processing option. The system prints a report based on the Accounts Receivable Ledger (F0311).

Create one version of the report for each document number series in the monthly VAT sales report.

**Accounts Payable Ledger (F0411)**

To run a report that verifies that document numbers are in sequential order without interruptions, enter 2 in the processing option. This report is based on the Accounts Payable Ledger (F0411).

Create one version of the report for each document number series in the monthly VAT purchasing report.

# Sequential Number Report - Accounts Receivable

```
74099                                    J.D. Edwards & Company                          Page No. . .    1
                                        Sequential Number Report                         Date - . . .  5/22/97
    . . . . . Previous . . . . .      . . . . . . Next . . . . . .
   Document  Do   Doc     G/L        Document  Do   Doc     G/L
   Number    Ty   Co     Date        Number    Ty   Co     Date      E R R O R
   --------  --   -----  --------    --------  --   -----  --------   ----------------------------------------
          1  RI   00074  06/06/98           1  RM   00074  01/01/98   Document number is not in sequence
          1  RI   00074  06/06/98           1  RM   00074  01/01/98   Date - For G/L  is not in sequence
          1  RM   00074  01/01/98           1  RI   00074  06/06/98   Document number is not in sequence
          1  RI   00074  06/06/98           1  RM   00074  01/01/98   Document number is not in sequence
          1  RI   00074  06/06/98           1  RM   00074  01/01/98   Date - For G/L  is not in sequence
          2  RI   00074  06/06/98           2  RM   00074  05/01/97   Document number is not in sequence
          2  RI   00074  06/06/98           2  RM   00074  05/01/97   Date - For G/L  is not in sequence
          2  RM   00074  05/01/97           2  RI   00074  06/06/98   Document number is not in sequence
          2  RI   00074  06/06/98           2  RM   00074  05/01/97   Document number is not in sequence
          2  RI   00074  06/06/98           2  RM   00074  05/01/97   Date - For G/L  is not in sequence
          2  RM   00074  05/01/97           3  RI   00074  01/01/96   Date - For G/L  is not in sequence
          3  RI   00074  01/01/96           3  RM   00074  06/01/97   Document number is not in sequence
          3  RM   00074  06/01/97           3  RI   00074  01/01/96   Document number is not in sequence
          3  RM   00074  06/01/97           3  RI   00074  01/01/96   Date - For G/L  is not in sequence
          3  RI   00074  01/01/96           3  RM   00074  06/01/97   Document number is not in sequence
          3  RM   00074  06/01/97           4  RI   00074  01/01/96   Date - For G/L  is not in sequence
          4  RI   00074  01/01/96           4  RM   00074  01/01/98   Document number is not in sequence
          4  RM   00074  01/01/98           4  RI   00074  01/01/96   Document number is not in sequence
          4  RM   00074  01/01/98           4  RI   00074  01/01/96   Date - For G/L  is not in sequence
          4  RI   00074  01/01/96           4  RM   00074  01/01/98   Document number is not in sequence
          4  RM   00074  01/01/98           5  RI   00074  01/01/96   Date - For G/L  is not in sequence
          5  RI   00074  01/01/96           5  RM   00074  01/01/98   Document number is not in sequence
          5  RM   00074  01/01/98           5  RI   00074  01/01/96   Document number is not in sequence
          5  RM   00074  01/01/98           5  RI   00074  01/01/96   Date - For G/L  is not in sequence
          5  RI   00074  01/01/96           5  RM   00074  01/01/98   Document number is not in sequence
          5  RM   00074  01/01/98           6  RI   00074  12/31/96   Date - For G/L  is not in sequence
          6  RI   00074  12/31/96           6  RM   00074  01/01/98   Document number is not in sequence
          6  RM   00074  01/01/98           6  RI   00074  12/31/96   Document number is not in sequence
          6  RM   00074  01/01/98           6  RI   00074  12/31/96   Date - For G/L  is not in sequence
          6  RI   00074  12/31/96           6  RM   00074  01/01/98   Document number is not in sequence
         11  RM   00074  03/03/98          12  RM   00074  01/01/98   Date - For G/L  is not in sequence
         14  RM   00074  03/03/98          15  RI   00074  01/01/98   Date - For G/L  is not in sequence
         15  RI   00074  01/01/98          15  RM   00074  03/03/98   Document number is not in sequence
         16  RM   00074  03/03/98          17  RI   00074  01/01/98   Date - For G/L  is not in sequence
         17  RI   00074  01/01/98          17  RM   00074  06/06/98   Document number is not in sequence
         19  RM   00074  06/06/98          20  RI   00074  01/01/98   Date - For G/L  is not in sequence
         20  RI   00074  01/01/98          20  RM   00074  05/05/98   Document number is not in sequence
         20  RM   00074  05/05/98          21  RI   00074  01/01/98   Date - For G/L  is not in sequence
         21  RI   00074  01/01/98          21  RM   00074  12/12/98   Document number is not in sequence
         21  RM   00074  12/12/98          22  RM   00074  09/09/98   Date - For G/L  is not in sequence
         22  RM   00074  09/09/98          23  RM   00074  06/06/98   Date - For G/L  is not in sequence
         23  RM   00074  06/06/98          24  RM   00074  05/05/98   Date - For G/L  is not in sequence
         30  RM   00074  05/05/98          31  RI   00074  01/01/98   Date - For G/L  is not in sequence
         31  RI   00074  01/01/98          31  RM   00074  05/05/98   Document number is not in sequence
         36  RM   00074  05/05/98          37  RI   00074  01/01/98   Date - For G/L  is not in sequence
         37  RI   00074  01/01/98          37  RM   00074  05/05/98   Document number is not in sequence
         38  RM   00074  05/05/98          40  RI   00074  01/01/98   Document number is not in sequence
         38  RM   00074  05/05/98          40  RI   00074  01/01/98   Date - For G/L  is not in sequence
         42  RI   00074  01/01/98          51  RI   00074  12/31/98   Document number is not in sequence
         51  RI   00074  12/31/98          58  RI   00074  01/01/98   Document number is not in sequence
         51  RI   00074  12/31/98          58  RI   00074  01/01/98   Date - For G/L  is not in sequence
         58  RI   00074  01/01/98          63  RI   00074  05/01/97   Document number is not in sequence
         58  RI   00074  01/01/98          63  RI   00074  05/01/97   Date - For G/L  is not in sequence
         64  RI   00074  05/01/97          65  RI   00074  05/01/96   Date - For G/L  is not in sequence
```

# Sequential Number Report - Accounts Payable

```
74099                                       J.D. Edwards & Company                    Page No. . .    1
                                            Sequential Number Report                  Date - . . .   5/22/97
      . . . . . Previous . . . . .          . . . . . . Next . . . . . .
      Document  Do   Doc      G/L           Document  Do   Doc      G/L
      Number    Ty   Co       Date          Number    Ty   Co       Date       E R R O R
      --------  --   -----    --------      --------  --   -----    --------    ------------------------------------------
             1  PD   00074    01/01/98             4  PV   00074    01/03/98    Document number is not in sequence
             4  PV   00074    01/03/98             5  PV   00074    01/01/98    Date - For G/L  is not in sequence
             5  PV   00074    01/01/98             5  PD   00074    05/05/98    Document number is not in sequence
             5  PD   00074    05/05/98             6  PV   00074    01/01/98    Date - For G/L  is not in sequence
             6  PV   00074    01/01/98             6  PD   00074    05/05/98    Document number is not in sequence
             6  PD   00074    05/05/98             7  PV   00074    01/01/98    Date - For G/L  is not in sequence
             7  PV   00074    01/01/98             8  PV   00074    07/03/96    Date - For G/L  is not in sequence
             8  PV   00074    07/03/96             8  PD   00074    08/15/98    Document number is not in sequence
             8  PD   00074    08/15/98             9  PV   00074    01/01/98    Date - For G/L  is not in sequence
            10  PV   00074    01/01/98            10  PD   00074    05/05/98    Document number is not in sequence
            10  PD   00074    05/05/98            11  PV   00074    01/01/98    Date - For G/L  is not in sequence
            12  PV   00074    01/01/98            12  PD   00074    05/05/98    Document number is not in sequence
            12  PD   00074    05/05/98            13  PV   00074    05/01/98    Date - For G/L  is not in sequence
            13  PV   00074    05/01/98            13  PD   00074    09/09/98    Document number is not in sequence
            13  PD   00074    09/09/98            14  PD   00074    06/06/98    Date - For G/L  is not in sequence
            14  PD   00074    06/06/98            16  PD   00074    09/09/98    Document number is not in sequence
            16  PD   00074    09/09/98            17  PD   00074    05/05/98    Date - For G/L  is not in sequence
            18  PD   00074    06/06/98            19  PD   00074    05/05/98    Date - For G/L  is not in sequence
            20  PD   00074    05/05/98            21  PV   00074    01/01/98    Date - For G/L  is not in sequence
            21  PV   00074    01/01/98            21  PD   00074    05/05/98    Document number is not in sequence
            21  PD   00074    05/05/98            22  PV   00074    04/30/96    Date - For G/L  is not in sequence
            22  PV   00074    04/30/96            22  PD   00074    05/05/98    Document number is not in sequence
            22  PD   00074    05/05/98            23  PV   00074    01/01/98    Date - For G/L  is not in sequence
            23  PV   00074    01/01/98            23  PD   00074    05/05/98    Document number is not in sequence
            23  PD   00074    05/05/98            24  PV   00074    01/01/98    Date - For G/L  is not in sequence
            24  PV   00074    01/01/98            24  PD   00074    05/05/98    Document number is not in sequence
            24  PD   00074    05/05/98            25  PV   00074    01/01/98    Date - For G/L  is not in sequence
            28  PV   00074    05/31/98            29  PV   00074    01/01/98    Date - For G/L  is not in sequence
            32  PV   00074    01/01/98            33  PV   00074    07/09/96    Date - For G/L  is not in sequence
            34  PV   00074    07/10/96            35  PV   00074    07/07/96    Date - For G/L  is not in sequence
            35  PV   00074    07/07/96            36  PV   00074    06/07/96    Date - For G/L  is not in sequence
            36  PV   00074    06/07/96            37  PV   00074    06/01/96    Date - For G/L  is not in sequence
            37  PV   00074    06/01/96            38  PV   00074    01/01/96    Date - For G/L  is not in sequence
            41  PV   00074    01/01/98            42  PV   00074    01/01/96    Date - For G/L  is not in sequence
            50  PV   00074    01/01/98            54  PV   00074    01/01/98    Document number is not in sequence
            54  PV   00074    01/01/98            62  PV   00074    01/01/97    Document number is not in sequence
            54  PV   00074    01/01/98            62  PV   00074    01/01/97    Date - For G/L  is not in sequence
            73  PV   00074    06/01/97            75  PV   00074    06/01/97    Document number is not in sequence
            77  PV   00074    06/01/97            78  PV   00074    01/06/97    Date - For G/L  is not in sequence
            79  PV   00074    06/06/98            81  PV   00074    01/01/96    Document number is not in sequence
            79  PV   00074    06/06/98            81  PV   00074    01/01/96    Date - For G/L  is not in sequence
            83  PV   00074    06/01/97            84  PV   00074    01/01/97    Date - For G/L  is not in sequence
            86  PV   00074    06/01/97            94  PV   00074    08/29/98    Document number is not in sequence
            95  PV   00074    08/29/98            96  PV   00074    01/05/98    Date - For G/L  is not in sequence
            98  PV   00074    01/07/98            99  PV   00074    01/01/98    Date - For G/L  is not in sequence
           103  PV   00074    01/01/98           105  PV   00074    06/30/98    Document number is not in sequence
           106  PV   00074    06/30/98           107  PV   00074    01/05/98    Date - For G/L  is not in sequence
           108  PV   00074    06/30/98           109  PV   00074    01/08/98    Date - For G/L  is not in sequence
           112  PV   00074    01/21/98           113  PV   00074    06/30/96    Date - For G/L  is not in sequence
           119  PV   00074    06/30/98           120  PV   00074    01/01/98    Date - For G/L  is not in sequence
           136  PV   00074    01/01/99           138  PV   00074    01/01/99    Document number is not in sequence
           143  PV   00074    01/01/99           145  PV   00074    01/01/99    Document number is not in sequence
           149  PV   00074    01/01/99           153  PV   00074    01/01/98    Document number is not in sequence
           149  PV   00074    01/01/99           153  PV   00074    01/01/98    Date - For G/L  is not in sequence
```

# Sequential Number Report - Accounts Receivable VAT

```
   74099                                        J.D. Edwards & Company                         Page No. . .    1
                                                Sequential Number Report                       Date - . . .  5/22/97
      . . . . . Previous . . . . .       . . . . . . Next . . . . . .
      Document  Do   Doc      G/L         Document Do   Doc      G/L
      Number    Ty   Co       Date         Number  Ty   Co       Date       E R R O R
      --------  --   -----  --------      --------  --   -----  --------    ----------------------------------------
             9  RM   00074  01/01/98            18  RM   00074  06/06/98    Document number is not in sequence
            19  RM   00000  06/06/98            29  RI   00000  08/15/98    Document number is not in sequence
            29  RI   00074  08/15/98            68  RM   00074  01/01/98    Document number is not in sequence
            29  RI   00074  08/15/98            68  RM   00074  01/01/98    Date - For G/L  is not in sequence
            68  RM   00074  01/01/98            92  RI   00074  06/01/97    Document number is not in sequence
            68  RM   00074  01/01/98            92  RI   00074  06/01/97    Date - For G/L  is not in sequence
            93  RI   00074  06/01/97            96  RM   00074  06/06/98    Document number is not in sequence
            96  RM   00074  06/06/98           107  RI   00074  06/01/97    Document number is not in sequence
            96  RM   00074  06/06/98           107  RI   00074  06/01/97    Date - For G/L  is not in sequence
           107  RI   00074  06/01/97           118  RI   00074  06/01/97    Document number is not in sequence
           118  RI   00074  06/01/97           150  RI   00074  01/01/98    Document number is not in sequence
           150  RI   00074  01/01/98           308  RI   00074  05/05/98    Document number is not in sequence
           309  RI   00074  05/05/98           370  RI   00074  06/06/98    Document number is not in sequence
           372  RI   00074  06/06/98           405  RI   00074  06/06/98    Document number is not in sequence
           405  RI   00074  06/06/98           413  RI   00074  06/06/98    Document number is not in sequence
           414  RI   00074  06/06/98           417  RI   00074  09/09/98    Document number is not in sequence
           417  RI   00074  09/09/98           418  RI   00074  03/03/98    Date - For G/L  is not in sequence
           418  RI   00074  03/03/98           423  RI   00074  05/05/98    Document number is not in sequence
           425  RI   00074  09/09/98           426  RI   00074  08/08/98    Date - For G/L  is not in sequence
           426  RI   00074  08/08/98           427  RI   00074  05/05/98    Date - For G/L  is not in sequence
           429  RI   00074  05/05/98           431  RI   00074  06/06/98    Document number is not in sequence
           432  RI   00074  09/09/98           433  RI   00074  05/05/98    Date - For G/L  is not in sequence
           435  RI   00074  06/06/98           437  RI   00074  06/06/98    Document number is not in sequence
           439  RI   00074  09/09/98           456  RI   00074  05/05/98    Document number is not in sequence
           439  RI   00074  09/09/98           456  RI   00074  05/05/98    Date - For G/L  is not in sequence
           456  RI   00074  05/05/98           458  RI   00074  09/09/98    Document number is not in sequence
           461  RI   00074  09/09/98           469  RI   00074  08/08/98    Document number is not in sequence
           461  RI   00074  09/09/98           469  RI   00074  08/08/98    Date - For G/L  is not in sequence
           469  RI   00074  08/08/98           470  RI   00074  08/08/97    Date - For G/L  is not in sequence
           474  RI   00074  08/10/98           482  RI   00074  08/15/98    Document number is not in sequence
           482  RI   00074  08/15/98           493  RI   00074  12/31/96    Document number is not in sequence
           482  RI   00074  08/15/98           493  RI   00074  12/31/96    Date - For G/L  is not in sequence
           496  RI   00074  01/31/97           499  RI   00074  01/31/97    Document number is not in sequence
           499  RI   00074  01/31/97           519  RI   00074  01/31/97    Document number is not in sequence
           519  RI   00074  01/31/97           559  RI   00074  01/01/98    Document number is not in sequence
           559  RI   00074  01/01/98           574  RI   00074  01/01/98    Document number is not in sequence
           574  RI   00074  01/01/98           580  RI   00074  01/03/98    Document number is not in sequence
           581  RI   00074  01/04/98           596  RI   00074  05/05/98    Document number is not in sequence
           599  RI   00074  05/05/98           604  RI   00074  05/05/98    Document number is not in sequence
           604  RI   00074  05/05/98           623  RI   00074  05/05/98    Document number is not in sequence
           626  RI   00074  05/05/98          5599  RI   00074  01/01/98    Document number is not in sequence
           626  RI   00074  05/05/98          5599  RI   00074  01/01/98    Date - For G/L  is not in sequence
          5599  RI   00074  01/01/98          7788  RI   00074  01/01/98    Document number is not in sequence
          7789  RI   00074  01/01/98          7795  RI   00074  01/01/98    Document number is not in sequence
          7795  RI   00074  01/01/98          9631  RI   00074  05/05/98    Document number is not in sequence
          9631  RI   00074  05/05/98          9677  RI   00074  09/09/98    Document number is not in sequence
          9677  RI   00074  09/09/98          9680  RI   00074  06/06/98    Document number is not in sequence
          9677  RI   00074  09/09/98          9680  RI   00074  06/06/98    Date - For G/L  is not in sequence
          9680  RI   00074  06/06/98        112233  RI   00074  01/01/98    Document number is not in sequence
          9680  RI   00074  06/06/98        112233  RI   00074  01/01/98    Date - For G/L  is not in sequence
        112233  RI   00074  01/01/98        112244  RI   00074  01/01/98    Document number is not in sequence
        112244  RI   00074  01/01/98        114477  RI   00074  01/01/98    Document number is not in sequence
```

# Sequential Number Report - Accounts Payable VAT

```
74099                                     J.D. Edwards & Company                          Page No. . .    1
                                          Sequential Number Report                        Date - . . .  5/22/97
. . . . . Previous . . . . .      . . . . . . Next . . . . . .
Document  Do   Doc    G/L         Document  Do   Doc    G/L
Number    Ty   Co     Date        Number    Ty   Co     Date       E R R O R
--------  --   -----  --------    --------  --   -----  --------   ----------------------------------------
       5  PV   00074  01/01/98           5  PD   00074  05/05/98   Document number is not in sequence
       6  PD   00074  05/05/98           8  PD   00074  08/15/98   Document number is not in sequence
       8  PD   00074  08/15/98          11  PV   00074  01/01/98   Document number is not in sequence
       8  PD   00074  08/15/98          11  PV   00074  01/01/98   Date - For G/L  is not in sequence
      11  PV   00074  01/01/98          23  PV   00074  01/01/98   Document number is not in sequence
      23  PV   00074  01/01/98          26  PV   00074  05/05/98   Document number is not in sequence
      26  PV   00074  05/01/98          30  PV   00074  01/01/98   Document number is not in sequence
      26  PV   00074  05/01/98          30  PV   00074  01/01/98   Date - For G/L  is not in sequence
      32  PV   00074  01/01/98          41  PV   00074  01/01/98   Document number is not in sequence
      41  PV   00074  01/01/98          45  PV   00074  01/01/98   Document number is not in sequence
      48  PV   00074  01/01/98          50  PV   00074  01/01/98   Document number is not in sequence
      50  PV   00074  01/01/98          54  PV   00074  01/01/98   Document number is not in sequence
      54  PV   00074  01/01/98          65  PV   00074  06/01/97   Document number is not in sequence
      54  PV   00074  01/01/98          65  PV   00074  06/01/97   Date - For G/L  is not in sequence
      65  PV   00074  06/01/97          96  PV   00074  01/05/98   Document number is not in sequence
      98  PV   00074  01/07/98          99  PV   00074  01/01/98   Date - For G/L  is not in sequence
      99  PV   00074  01/01/98         105  PV   00074  06/30/98   Document number is not in sequence
     106  PV   00074  06/30/98         107  PV   00074  01/05/98   Date - For G/L  is not in sequence
     108  PV   00074  06/30/98         109  PV   00074  01/08/98   Date - For G/L  is not in sequence
     112  PV   00074  01/21/98         113  PV   00074  06/30/96   Date - For G/L  is not in sequence
     118  PV   00074  01/01/98         120  PV   00074  01/01/98   Document number is not in sequence
     120  PV   00001  01/01/98         198  PV   00001  07/24/96   Document number is not in sequence
     120  PV   00001  01/01/98         198  PV   00001  07/24/96   Date - For G/L  is not in sequence
     198  PV   00074  07/24/96         258  PV   00074  08/30/98   Document number is not in sequence
     258  PV   00074  08/30/98         369  PV   00074  05/05/98   Document number is not in sequence
     258  PV   00074  08/30/98         369  PV   00074  05/05/98   Date - For G/L  is not in sequence
     369  PV   00074  05/05/98         370  PV   00074  02/02/98   Date - For G/L  is not in sequence
     371  PV   00074  03/03/98         372  PV   00074  01/01/98   Date - For G/L  is not in sequence
     374  PV   00074  03/03/98         407  PV   00074  03/03/98   Document number is not in sequence
     407  PV   00074  03/03/98         409  PV   00074  06/06/98   Document number is not in sequence
     410  PV   00074  06/06/98         413  PV   00074  05/05/98   Document number is not in sequence
     410  PV   00074  06/06/98         413  PV   00074  05/05/98   Date - For G/L  is not in sequence
     415  PV   00074  09/09/98         418  PV   00074  09/09/98   Document number is not in sequence
     418  PV   00074  09/09/98         420  PV   00074  09/09/98   Document number is not in sequence
     420  PV   00074  09/09/98         421  PV   00074  06/06/98   Date - For G/L  is not in sequence
     422  PV   00074  09/09/98         424  PV   00074  09/09/98   Document number is not in sequence
     425  PV   00074  09/09/98         427  PV   00074  06/06/98   Document number is not in sequence
     425  PV   00074  09/09/98         427  PV   00074  06/06/98   Date - For G/L  is not in sequence
     428  PV   00074  06/06/98         458  PV   00074  05/05/98   Document number is not in sequence
     428  PV   00074  06/06/98         458  PV   00074  05/05/98   Date - For G/L  is not in sequence
     460  PV   00074  05/05/98         461  PV   00074  04/04/98   Date - For G/L  is not in sequence
     462  PV   00074  05/05/98         463  PV   00074  03/12/98   Date - For G/L  is not in sequence
     467  PV   00074  05/05/98         468  PV   00074  02/02/98   Date - For G/L  is not in sequence
     468  PV   00074  02/02/98         471  PV   00074  09/09/98   Document number is not in sequence
     471  PV   00074  09/09/98         473  PV   00074  02/02/98   Document number is not in sequence
     471  PV   00074  09/09/98         473  PV   00074  02/02/98   Date - For G/L  is not in sequence
     474  PV   00074  02/02/98         481  PV   00074  06/06/98   Document number is not in sequence
     481  PV   00074  06/06/98         488  PV   00074  09/09/98   Document number is not in sequence
     488  PV   00074  09/09/98         490  PV   00074  06/06/98   Document number is not in sequence
     488  PV   00074  09/09/98         490  PV   00074  06/06/98   Date - For G/L  is not in sequence
     490  PV   00074  06/06/98         491  PV   00074  05/05/98   Date - For G/L  is not in sequence
     492  PV   00074  05/05/98         495  PV   00074  09/09/98   Document number is not in sequence
     495  PV   00074  09/09/98         500  PV   00074  09/09/98   Document number is not in sequence
     500  PV   00074  09/09/98         501  PV   00074  06/06/98   Date - For G/L  is not in sequence
```

## Processing Options for Sequential Number Report (P74099)

```
1. Specify the date range to select the
   documents to be controlled.

                      From Date          _____
                      Thru Date          _____

2. Indicate on which file the control    _____
   should be performed:
   ' ' – V.A.T. File (F0018)
   '1' – A/R Detail  (F0311)
   '2' – A/P Detail  (F0411)
```

# Print the General Ledger Report

## Printing the General Ledger Report

From EMEA Localization (G74), choose Italian Reports

From Italian Reports (G093152), choose an option under the G/L Reports heading

The General Ledger report includes detailed information about account transactions. You can use the report to:

- Review transactions within individual accounts
- Research accounts that are out-of-balance
- Verify account accuracy

You also use the General Ledger report to open and audit accounts with the same control totals as the journal report. The accounts and the totals are the basis of the trial balance.

In Italy, businesses use the General Ledger report as a basis for:

- Internal auditing, as a control of account accuracy
- External auditing by a third party, such as a fiscal authority or auditing firm

The General Ledger report includes the following information:

- Beginning and ending balances for each account
- Accumulation of amounts from different ledger types for the same account
- Transactions based on a period selection or a date range selection
- G/L registration numbers for each transaction
- Currency codes for each transaction
- Company codes and names on the header of the report
- Business units (optional)

Businesses print the General Ledger report at least once a year for all accounts, typically at the end of the fiscal year. The total debits and credits that print on the report should equal the total debits and credits of the following:

- Trial Balance Report
- G/L Registration Report

You can print the General Ledger report by object and subsidiary or by category code, depending on whether your accounts are defined in the Account Master table by object and subsidiary, or in category codes 21, 22, or 23.

## What You Should Know About

| | |
|---|---|
| **Accumulating ledger types for one account** | You can print General Ledger reports for a single ledger type by specifying the ledger type in the processing options. To print reports that accumulate up to three ledger types for the same accounts, set up the ledger types that you want to accumulate on user defined codes table 74/LT. Then, specify the table in the processing options. |

## See Also

- *Setting Up an Alternate Chart of Accounts (P0901)*
- *Setting Up User Defined Codes for Italy (P00051)*

# General Ledger Report by Object Account

```
7409C1                                          J.D. Edwards & Company                                    Page  -            3
                                               General Ledger by Object                                   Date  -      5/22/97
                                                                                                          Time  -      14:52:08
                                                                                                          From   12 96 To   12 96

  Company. . . . .   74  Italian Company
  G/L      Document  Do  Sub-   S              Explanation           Explanation      Ref   R R . . . . . . . Transactions . . . . . . .              P
  Date     Number    Ty  ledger T                 Name                  Remark         2    C V     Debit           Credit          Balance          LT C  Regis.N. Cur
  --------  -------  --  ------- -             -------------------   -------------------  --------  - -  ------------------ ------------------ ------------------  -- - -------- ---
                              Balance Forward     1000              Assets                                1,006,000.00                        1,006,000.00
  31/12/96    493 RI                             Vera's Test Client ITL                                                        10.00                             AA  P      21 ITL
                                                                                                                    -------------------- -------------------- --------------------
                                                                    Posted                                                     10.00              10.00-
                                                                    Unposted
                                                                                                        -------------------- -------------------- --------------------
                                                Period Total Transactions. . 12/96                                             10.00              10.00-
                                                                                                        -------------------- -------------------- --------------------
                                                                    Posted                              1,006,000.00           10.00           1,005,990.00
                                                                    Unposted
                                                                                                        -------------------- -------------------- --------------------
                                                Period End Balance.  . . . . 12/96                       1,006,000.00           10.00           1,005,990.00
                                                                                                        -------------------- -------------------- --------------------
                                                                    Posted                              1,006,000.00           10.00           1,005,990.00
                                                                    Unposted
                                                                                                        -------------------- -------------------- --------------------
                                                Account Total       1000              Assets             1,006,000.00           10.00           1,005,990.00
  ---------------------------------------------------------------------------------------------------------------------------------------------------------------------
                              Balance Forward     1110ITALY         Bank Of Germany                       10,000.00          4,000.00           6,000.00
  31/12/96  13604 PV                             Bhaviks Test Supplier Alpha                                 20.00                                               AA         ITL
  31/12/96  13605 PV                             Bhaviks Test Supplier Alpha                                 25.21                                               AA         ITL
  31/12/96  13606 PV                             Bhaviks Test Supplier Alpha                                 15.21                                               AA         ITL
                                                                                                        -------------------- -------------------- --------------------
                                                                    Posted
                                                                    Unposted                                 60.42                               60.42
                                                                                                        -------------------- -------------------- --------------------
                                                Period Total Transactions. . 12/96                           60.42                               60.42
                                                                                                        -------------------- -------------------- --------------------
                                                                    Posted                               10,000.00          4,000.00           6,000.00
                                                                    Unposted                                 60.42                               60.42
                                                                                                        -------------------- -------------------- --------------------
                                                Period End Balance.  . . . . 12/96                        10,060.42          4,000.00           6,060.42
                                                                                                        -------------------- -------------------- --------------------
                                                                    Posted                               10,000.00          4,000.00           6,000.00
                                                                    Unposted                                 60.42                               60.42
                                                                                                        -------------------- -------------------- --------------------
                                                Account Total       1110ITALY         Bank Of Germany     10,060.42          4,000.00           6,060.42
  ---------------------------------------------------------------------------------------------------------------------------------------------------------------------
                              Balance Forward     1210              Trade Accounts Receivable            2,000,000.00        8,500.00           1,991,500.00
  31/12/96    493 AE                             Offset by Document RI 0000049                              11.90                                                AA  P      19 ITL
  31/12/96    494 AE                             Offset by Document RI 0000049                              11.90                                                AA  P      22 ITL
  31/12/96    495 AE                             Offset by Document RI 0000049                              11.90                                                AA  P      25 ITL
                                                                                                        -------------------- -------------------- --------------------
                                                                    Posted                                  35.70                               35.70
                                                                    Unposted
```

## Processing Options for General Ledger by Object (P7409C1)

```
REPORTING PERIOD:
1. Beginning month:     (mandatory)          _____
   Beginning year:      (mandatory)          _____

   Ending month:        (mandatory)          _____
   Ending year:         (mandatory)          _____

LEDGER TYPE SELECTION:
2. Enter the requested Ledger Type.          _____
   The default is 'AA'.  For multiple
   Ledger Types, enter the User Defined
   Codes table in which they are
   listed.               System Code:         _____
                         Record Type:         _____

SUBLEDGER INFORMATION:
3. Enter '1' to print the Subledger and      _____
   Subledger Type on the report. Leave
   blank to omit these columns.

BUSINESS UNITS:
4. Enter '1' to print the Business Unit      _____
   on the report. Leave blank to omit
   this column.

5. Enter the model Business Unit to use      _____
   to retrieve the account descriptions.
   By default, the transaction
   description will be printed.

POSTING:
6. Enter '1' to print unposted              _____
   transactions. Leave blank to print
   only posted transactions.

7. Enter '1' to print a total for           _____
   posted transactions and a total for
   unposted transactions. By default,
   these totals will not be printed.

ZERO BALANCES:
8. Enter '1' to print the accounts with     _____
   a zero balance in the period and year
   requested. By default, these accounts
   will not be printed.

FORMAT SELECTION:
9. Enter '1' to print the G/L               _____
   Registration Number and Currency
   Code instead of Batch Number and
   Batch Type.

PROOF OR FINAL MODE:
10. Enter '1' to run the report in final    _____
    mode.  In final mode, only records
    that have been printed in final mode
    on the Trial Balance report
    (P7409C3) will be printed.
```

# General Ledger Report by Category Code

```
7409C2                                    J.D. Edwards & Company                                                Page –            2
                                       General Ledger by Cat. Code 21 – Print                                   Date –     5/22/97
                                                                                                               Time –     14:52:27
                                                                                                               From    05 98 To   06 98

Company. . . . .    70 Model Multi-National Corporate
G/L      Document Do  Sub–   S  Business        Explanation            Explanation        Ref   R R . . . . . . . Transactions . . . . . . . .                    P
Date     Number  Ty  ledger  T  Unit               Name                  Remark                 C V     Debit               Credit             Balance      LT C Regis.N. Cur
–––––––– –––––––– –– ––––––– – –––––––––––   –––––––––––––––––––––––   ––––––––––––––––––––––– –––––––– – – ––––––––––––––––––– ––––––––––––––––––– ––––––––––––––––––– –– – –––––––– –––
                        Balance Forward. .                                                                                          0.31                0.31–
06/06/98    219 JE              70 test 2                                                       R          2,469.12                                                    AA          USD
06/06/98    219 JE              70 test 2                                                       R                              2,469.12                                AA          USD
06/06/98    220 JE              70 test 4                                                       R              2.47                                                    AA          USD
06/06/98    220 JE              70 test 4                                                       R                                  2.47                                AA          USD
06/06/98    237 JE              70 TEST                                                                        0.04                                                    AA          USD
06/30/98      1 IA             AS01 Inventory Adjustments       CB01                                       7,912.50                                                    AA          BEF
06/30/98      1 IA             AS01 Inventory Adjustments       CB01                                                          7,912.50                                 AA          BEF
                                                                                                        ––––––––––––––––––– ––––––––––––––––––– –––––––––––––––––––
                                                                       Posted
                                                                       Unposted                          10,384.13           10,384.09              0.04
                                                                                                        ––––––––––––––––––– ––––––––––––––––––– –––––––––––––––––––
                                            Total Period Transactions . .06/98                           10,384.13           10,384.09              0.04
                                                                                                        ––––––––––––––––––– ––––––––––––––––––– –––––––––––––––––––
                                                                       Posted
                                                                       Unposted                          10,384.13           10,384.40              0.27–
                                                                                                        ––––––––––––––––––– ––––––––––––––––––– –––––––––––––––––––
                                            Period End Total. . . . . . .06/98                           10,384.13           10,384.40              0.27–
                                                                                                        ––––––––––––––––––– ––––––––––––––––––– –––––––––––––––––––
                                                                       Posted
                                                                       Unposted                          10,384.13           10,384.40              0.27–
                                                                                                        ––––––––––––––––––– ––––––––––––––––––– –––––––––––––––––––
                                            Account Total. . . . . . . .                                 10,384.13           10,384.40              0.27–
–––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––––
                                                                                                        ––––––––––––––––––– ––––––––––––––––––– –––––––––––––––––––
                                            Profit and Loss Account                                     10,384.13           10,384.40              0.27–
                                                                                                        ––––––––––––––––––– ––––––––––––––––––– –––––––––––––––––––
                                                                       Posted
                                                                       Unposted                          10,384.13           10,384.40              0.27–
                                                                                                        ––––––––––––––––––– ––––––––––––––––––– –––––––––––––––––––
                                            Company. . . . . . . . . . .
                                                             00070   Model Multi-National Corporat       10,384.13           10,384.40              0.27–
                                                                                                        ––––––––––––––––––– ––––––––––––––––––– –––––––––––––––––––
                                                                       Posted
                                                                       Unposted                          10,384.13           10,384.40              0.27–
                                                                                                        ––––––––––––––––––– ––––––––––––––––––– –––––––––––––––––––
                                            General Total . . . . . . . .                                10,384.13           10,384.40              0.27–
```

## Processing Options for General Ledger by Category Code (P7409C2)

```
REPORTING PERIOD:
1. Beginning month:     (mandatory)              _____
   Beginning year:      (mandatory)              _____

   Ending month:        (mandatory)              _____
   Ending year:         (mandatory)              _____

LEDGER TYPE SELECTION:
2. Enter the requested Ledger Type.
   The default is 'AA'.  For multiple              _____
   Ledger Types, enter the User Defined
   Codes table in which they are
   listed.                    System Code:         _____
                              Record Type:         _____

ALTERNATE CHART OF ACCOUNTS:
3. Enter the first Profit and Loss                 _____
   account for the alternate chart of
   accounts.

4. Enter the Category Code used for the            _____
   alternate chart of accounts.
   (R021, R022 or R023)

SUBLEDGER INFORMATION:
5. Enter '1' to print the Subledger and            _____
   Subledger Type on the report. Leave
   blank to omit these columns.

BUSINESS UNITS:
6. Enter '1' to print the Business Unit            _____
   on the report. Leave blank to omit
   this column.

POSTING:
7. Enter '1' to print unposted                     _____
   transactions. Leave blank to print
   only posted transactions.

8. Enter '1' to print a total for the              _____
   posted transactions and a total for
   the unposted transactions. By default
   these totals will not be printed.

ZERO BALANCES:
9. Enter '1' to print the accounts with            _____
   a zero balance in the requested
   period. By default, these accounts
   will not be printed.

DREAM WRITER VERSION:
10. Enter the DREAM Writer Version                 _____
    of the General Ledger report
    program (P7409C2A) to run.
    By default, the version will be
    'XJDE0001'. Depending on which
    category code is used, the DREAM
    Writer version of this program has
    a different data selection.

REPORT SELECTION:
11. Enter '1' to print the G/L                     _____
```

Registration Number and Currency
Code instead of Batch Number and
Batch Type.

PROOF OR FINAL MODE:
12. Enter '1' to run the report in final                    _____
    mode.  In final mode, only records
    that have been printed in final mode
    on the Trial Balance report
    (P7409C4) will be printed.

# Print the Trial Balance Report

## Printing the Trial Balance Report

From EMEA Localization (G74), choose Italian Reports

From Italian Reports (G093152), choose an option under the G/L Reports heading

Businesses in Italy use the Trial Balance report to verify the accuracy of transactions in individual account ledgers. When all the transactions are accurate, the totals of this report equal the totals of the General Ledger report and the General Ledger Registration report. Businesses often print the Trial Balance report to facilitate:

- Internal audits, to verify one or more accounts
- External audits, as required by a fiscal authority or auditing firm

You can print the Trial Balance report to review the total debit and credit amounts for each account in any given ledger. You can also find errors that cause the General Ledger to be out of balance. Possible errors might include incorrect entries or missing transactions.

When you print this report, you can use data selections to specify:

- The company chart of accounts (defined in the Account Master table) or an alternate chart of accounts (defined in category codes 21, 23, or 23)
- Business units and subsidiaries
- Totals by object account
- Beginning and ending dates
- Multiple ledger types
- Exclusion of accounts with a zero balance
- Account balance totals based on the level of detail of the account

## What You Should Know About

**Accumulating ledger types for one account**

You can print Trial Balance reports for a single ledger type by specifying the ledger type in the processing options. To print reports that accumulate up to three ledger types for the same accounts, set up the ledger types that you want to accumulate on user defined codes table 74/LT. Then, specify the table in the processing options.

## See Also

- *Setting Up an Alternate Chart of Accounts (P0901)*
- *Setting Up User Defined Codes for Italy (P00051)*

# Trial Balance Report by Object Account

```
                                                    J.D. Edwards & Company                                              Page -           1
                                                    Trial Balance by Object                                             Date -      5/22/97
                                                                                                                        Time -      14:52:55

Company. . . . .    74 Italian Company
Fiscal Year. . . 96
G/L Period . . . 12

                                     Balance Forward   . . . . . . . . . . Period Transactions . . . . . . . . . . .  . . . . . . . . . . . . . Cumulative YTD . . . . . . . .
     Account       Description         Previous          Debit          Credit          Total            Debit               Credit            Total
 ------------  --------------------  ---------------- --------------- --------------- --------------- --------------- ----------------- ---------------
1000        Assets                    1,000,000.00                        10.00           10.00-      1,006,000.00               10.00     1,005,990.00
                Class Total . . . . . .  10  1,000,000.00                  10.00           10.00-      1,006,000.00               10.00     1,005,990.00
 -----------------------------------------------------------------------------------------------------------------------------------------------------
1110  ITALY   Bank Of Germany                                                                            10,000.00                            10,000.00
1110  ITALYOW Bank Of Germany                                                                                                  4,000.00        4,000.00-
                Class Total . . . . . .  11                                                              10,000.00             4,000.00        6,000.00
 -----------------------------------------------------------------------------------------------------------------------------------------------------
1210        Trade Accounts Receivable  2,000,000.00      35.70                            35.70       2,000,035.70            8,500.00     1,991,535.70
1222        Drafts Rec                 3,000,000.00                                                    3,000,000.00                         3,000,000.00
1224        Drafts Rem                 4,000,000.00                                                    4,000,000.00                         4,000,000.00
1225        Override drafts remm acc   5,000,000.00-                                                                       5,000,000.00     5,000,000.00-
1226        Drafts Rec (Disc)          5,000,000.00-                                                       4,000.00        5,001,000.00     4,997,000.00-
                Class Total . . . . . .  12  1,000,000.00-    35.70                        35.70       9,004,035.70       10,009,500.00     1,005,464.30-
 -----------------------------------------------------------------------------------------------------------------------------------------------------
1890        Prem Paid Vouchers                                                                            2,000.00            5,000.00        3,000.00-
                Class Total . . . . . .  18                                                               2,000.00            5,000.00        3,000.00-
 -----------------------------------------------------------------------------------------------------------------------------------------------------
                Class Total . . . . . .  1               35.70          10.00             25.70      10,022,035.70       10,018,510.00        3,525.70
 -----------------------------------------------------------------------------------------------------------------------------------------------------
3050        Sales                                       20.00          20.00-                                            10,020.00           10,020.00-
                Class Total . . . . . .  30              20.00          20.00-                                            10,020.00           10,020.00-
 -----------------------------------------------------------------------------------------------------------------------------------------------------
                Class Total . . . . . .  3               20.00          20.00-                                            10,020.00           10,020.00-
 -----------------------------------------------------------------------------------------------------------------------------------------------------
4110  OW      Accounts Payable                                                                            4,000.00           13,000.00        9,000.00-
                Class Total . . . . . .  41                                                               4,000.00           13,000.00        9,000.00-
 -----------------------------------------------------------------------------------------------------------------------------------------------------
4431        VAT Account                                  5.70           5.70-                             4,000.00            1,505.70        2,494.30
                Class Total . . . . . .  44               5.70           5.70-                             4,000.00            1,505.70        2,494.30
 -----------------------------------------------------------------------------------------------------------------------------------------------------
                Class Total . . . . . .  4                5.70           5.70-                             8,000.00           14,505.70        6,505.70-
 -----------------------------------------------------------------------------------------------------------------------------------------------------
     Balance Sheet Accounts. . . . . . . . . . . . .    35.70          35.70                          10,030,035.70       10,043,035.70       13,000.00-
 -----------------------------------------------------------------------------------------------------------------------------------------------------
5010  OW      Driver Sales                                                                              13,000.00                            13,000.00
                Class Total . . . . . .  50                                                             13,000.00                            13,000.00
 -----------------------------------------------------------------------------------------------------------------------------------------------------
                Class Total . . . . . .  5                                                              13,000.00                            13,000.00
 -----------------------------------------------------------------------------------------------------------------------------------------------------
```

## Processing Options for Trial Balance by Object (P7409C3)

```
REPORTING PERIOD:
1. Enter the accounting period and the
   fiscal year. Leave blank to use the
   period and fiscal year of the
   Financial Reporting Date.
                            Period:          _____
                            Year:            _____

LEDGER TYPE SELECTION:
2. Enter the requested Ledger Type.
   The default is 'AA'. For multiple                       _____
   Ledger Types, enter the User Defined
   Codes table in which they are
   listed.              System Code:         _____
                        Record Type:         _____

MODEL BUSINESS UNIT:
3. Enter the model Business Unit to be                     _____
   used for retrieving the account
   descriptions. By default, the
   transaction decriptions will be used.

ZERO BALANCE:
4. Enter '1' to print the accounts with                    _____
   a zero balance in the requested
   period.  By default, these accounts
   will not be printed.

TOTALING LEVEL:
5. Enter the totaling level for the                        _____
   account (1 to 4 characters).
   The default level is 2.
   Example: totaling level 2   =
            class total        (1)
            sub-class total    (10)

PROOF OR FINAL MODE:
6. Enter '1' to run the report in final                    _____
   mode.  CAUTION:  The report can be
   run in final mode ONLY ONCE for the
   selected period and fiscal year. The
   transactions printed will not appear
   again on subsequent executions.
```

# Trial Balance Report by Category Code

```
7409C4                                             JDEdwards and Company                              Page -           1
                                                Trial Balance by Category Code 21                     Date -      7.08.97
                                                                                                      Time -     13:44:22
Company. . . . .    74 Italian Company
Fiscal Year. . . 98
G/L Period No. . 12
                              Balance Forward   . . . . . . . . . .Period Transactions . . . . . . . . . . . . . . . . . . . . . . . .Cumulative YTD. . . . . . . . . . . .
    Account       Description        Previous          Debit           Credit            Total           Debit          Credit           Total
------------   -------------------- -----------------  -----------------  -----------------  -----------------  -----------------  -----------------  -----------------
10          Capital Jouranl                                                                              120,000.00                        120,000.00
                     Class Total . . . . . .   10                                                        120,000.00                        120,000.00
            --------------------------------------------------------------------------------------------------------------------------------------------------
                     Class Total . . . . . .    1                                                        120,000.00                        120,000.00
            --------------------------------------------------------------------------------------------------------------------------------------------------
            Balance Sheet Accounts. . . . . . . . . . . .                                                120,000.00                        120,000.00
            --------------------------------------------------------------------------------------------------------------------------------------------------
60602       Achats de services, travau                                                                                   120,000.00       120,000.00-
                     Class Total . . . . . .   60                                                                        120,000.00       120,000.00-
            --------------------------------------------------------------------------------------------------------------------------------------------------
                     Class Total . . . . . .    6                                                                        120,000.00       120,000.00-
            --------------------------------------------------------------------------------------------------------------------------------------------------
            Profit and Loss Accounts. . . . . . . . . . .                                                                120,000.00       120,000.00-
            --------------------------------------------------------------------------------------------------------------------------------------------------
            Company. . . . . . . .00074      Italian Company                                            120,000.00      120,000.00
            --------------------------------------------------------------------------------------------------------------------------------------------------
            General Total . . . . . . . . . . . . .                                                     120,000.00      120,000.00
```

## Processing Options for Trial Balance by Category Code (P7409C4)

```
REPORTING PERIOD:
1. Enter the accounting period and the
   fiscal year. Leave blank to use the
   period and fiscal year of the
   Financial Reporting Date.
                              Period:        _____
                              Year:          _____

LEDGER TYPE SELECTION:
2. Enter the requested Ledger Type.
   The default 'AA'. For multiple          _____
   Ledger Types, enter the User Defined
   Codes table in which they are
   listed.               System Code:       _____
                         Record Type:       _____

ALTERNATE CHART OF ACCOUNTS:
3. Enter the first P&L account for the
   alternate chart of accounts.             _____

4. Enter the category code used for the
   alternate chart of accounts.             _____
   (R021, R022 or R023)

ZERO BALANCES:
5. Enter '1' to print the accounts with     _____
   a zero balance in the requested
   period.  By default, these accounts
   will not be printed.

TOTALING LEVEL:
6. Enter the totaling level for the         _____
   account (1 to 4 characters).
   The default level is 2.
   Example : totaling level 2   =
            class total        (1)
            sub-class total    (10)

PROOF OR FINAL MODE:
7. Enter '1' to run the report in final     _____
   mode.  CAUTION:  The report can be
   run in final mode ONLY ONCE for the
   selected period and fiscal year. The
   transactions printed will not appear
   again on subsequent executions.
```

# Print the G/L Registration Report

## Printing the G/L Registration Report

From EMEA Localization (G74), choose Italian Reports

From Italian Reports (G093152), choose G/L Registration Report/Update

Businesses in Italy are required to print a journal report *(Giornale Bollato)* that lists all of the general ledger transactions for each month in chronological and sequential order. To do this, you can print a G/L Registration report.

You can print the G/L Registration report in proof or final mode. When you select final mode, the system assigns each general ledger transaction in the Account Ledger (F0911) a chronological and sequential registration number. The system stores the registration number for each transaction in a dedicated field (REG#). You can use a processing option to control whether the system assigns registration numbers to journal entries or to each individual journal entry line.

To ensure that the registration number for each transaction is sequential by date, run the G/L Registration Report/Update program in final mode only after:

- You enter all of the transactions for the month
- You review the G/L Registration report generated in proof mode

### Registration Numbers for Adjusting Journal Entries

After the year end, you might need to enter general ledger transactions to record adjustments for the previous fiscal year. You can enter these adjusting journal entries with a special document type (&&) and the general ledger date for the end of the fiscal year, such as 31/12/98.

Italian law requires that the date on which you actually enter the adjustment is also included in the journal entry record. To satisfy this requirement, the system records both the general ledger date that you specify for the end of the fiscal year and the actual date that you enter the adjusting entry. You can use a processing option to control the actual date of the adjustment entry that prints on the G/L Registration report. In addition, adjusting entries must include a chronological and sequential registration number, as any other general ledger transaction.

Print the G/L Registration report to assign registration numbers to adjusting journal entries for the previous fiscal year. You can specify registration numbers for adjusting journal entries based on the following numbering patterns:

- Start with the next available number for the previous fiscal year

- Start with the next available number for the current fiscal year

When you print the G/L Registration report for the adjusting entries in final mode, the system:

- Updates the Adjustments Registration Date with the date that you specify in the processing option for adjusting entries

- Assigns chronological and sequential registration numbers to each transaction

The following graphic illustrates how you maintain and print G/L Registration information.
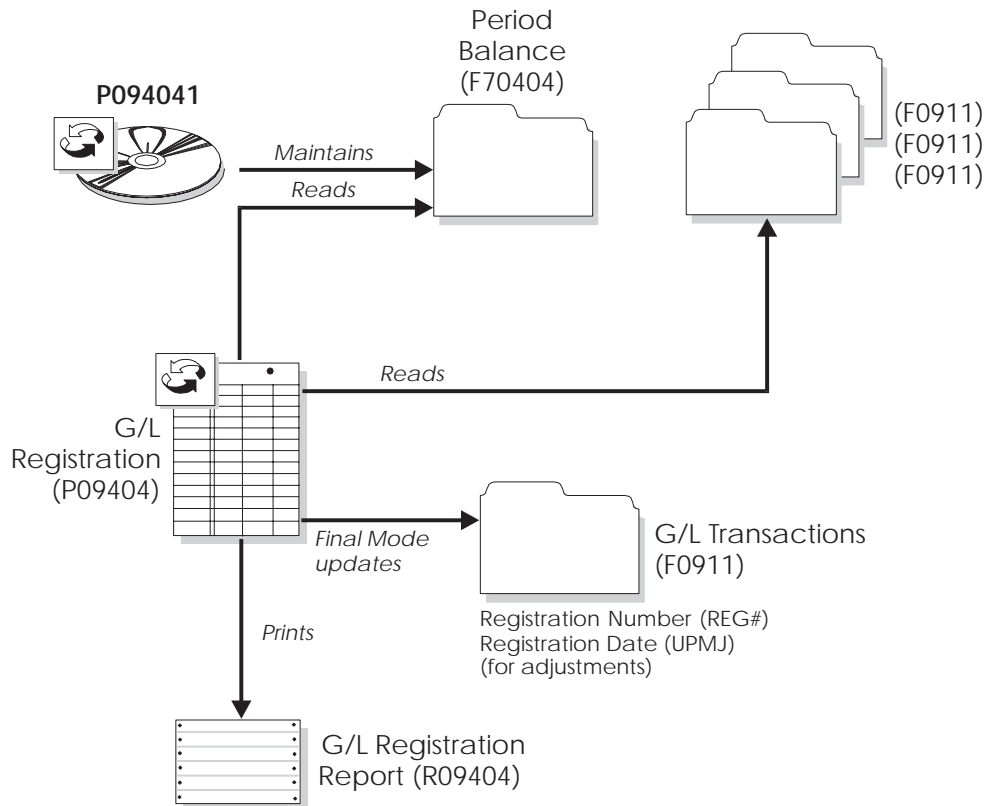
## What You Should Know About

| | |
|---|---|
| **Multicompany environments** | You can print the G/L Registration report for mutlicompany environments, in which general ledger transactions are entered for different document companies that belong to the same legal entity.<br><br>To do this, set the processing options so that you can enter the legal company that you want to print on the header of the report. Then, use data selection to identify the document companies that belong to the legal company. |
| **Revisions** | If your company implements J.D. Edwards software in the middle of a fiscal year, you will need to indicate the continuing registration number from your previous numbering system (manual or automated). To do this, access the Revise G/L Registration File form. |
| **Reprinting the report** | You can reprint the G/L Registration Report to review transactions for which registration numbers are already assigned. You can reprint the G/L Registration report in proof mode only. |

## See Also

- *Working with Registration Numbers* for information about how to set up the system to edit vouchers and invoices for appropriate dates and to assign sequential numbering
- *Working with the Annual Close* for more information about printing the G/L Registration report as part of the annual close procedure

## Processing Options for G/L Registration Report – Italy (P09404)

```
PROCESSING MODE:
1. Enter a '1' for Final Mode.          _____
   Enter a '2' for Final Mode
   with Headings and Titles.
   Leave blank for Proof mode.
   Default Proof Mode.

PROCESS DATES:
2. Enter the From Date.                  _____

3. Enter the Thru Date.                  _____

COMPANY NUMBER:
4. Enter Company Number.                 _____

PRINT OPTIONS:
5. Enter the Account Number Category     _____
   Code to print on the report.  Valid
   values are only 21, 22 and 23.
   Leave blank to print the account
   number.

LEGAL NUMBER ASSIGNMENT:
6. Enter a '1' to assign legal numbers   _____
   for each individual JE line.  Leave
   blank to assign legal numbers for
   each document.  Default is blank.

ADJUSTMENTS LEGAL NUMBER REGISTER REPORT
7. Enter the legal number date to print  _____
   for the adjustments instead of the
   G/L Date printed for the regular
   transactions.

ADJUSTMENTS LEGAL NUMBER REGISTER
8. Enter '1' to number the adjustments   _____
   starting with the next available
   number for the fical year of the
   adjustment G/L Date.  The default of
   blank will use the next available
   legal number for the current fiscal
   fiscal year.

LEGAL COMPANY
9. Enter the Legal Company to print      _____
   when using multiple companies.
```

# Work with the Annual Close

## Working with the Annual Close

You can use J.D. Edwards base software to complete the annual close for the fiscal year. When you close the fiscal year, you must:

- Close and calculate retained earnings
- Make adjustments
- Close profit and loss accounts
- Record the profit and loss for the fiscal year
- Close balance sheet accounts
- Print the G/L Registration Report with adjustments and closing entries
- Re-open balance sheet accounts
- Print the G/L Registration report with re-opening journal entries
- Print the General Ledger report

During the beginning months of the new fiscal year, you can make adjustments to the transactions of the previous year. To identify journal entries for adjustments in the system, the adjustment entries must include the following information:

- The G/L date must equal the end of the previous fiscal year
- The document type must be &&, to indicate that the entry is an adjustment

The system prevents you from recording journal entries in the previous year unless the entries have a document type of &&. In addition, when you update the beginning balance in the Account Balances table (F0902), the system includes journal entries with the document type of &&.

In Italy, businesses complete the following phases at the close of the fiscal year to prepare the year-end balance sheet:

- Adjustment and integration of journal entries
- Close profit and loss accounts for revenues and expenses that were recorded during the year without carrying over the balance
- Calculate retained earnings

- Close balance sheet accounts on a summary account "ending balance sheet" and reopen the same balance sheet accounts for the following fiscal year

During the close of the fiscal year and the preparation of the balance sheet, Italian businesses complete the following control reports:

- Trial Balance
- General Ledger

All the journal entries that the system generates for the close of the fiscal year are recorded on the G/L Registration report.

## See Also

- *Closing a Fiscal Year* in the *General Accounting I Guide*
- *Working with Registration Numbers* for information about assigning sequential registration numbers to closing and adjusting entries
- *Appendix D - Preparation for Annual Close*

# Tax Requirements

## About Tax Requirements

As part of the European Union (EU), Italy observes the Single European Act of 1987. The Single European Act is an agreement that opens markets to an area without internal 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 Italy are the same as those for businesses in countries that are not part of the EU, businesses in Italy 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
- Intrastat Report

J.D. Edwards solutions for tax requirements in Italy include the following tasks:

❑ Entering journal entries with tax

❑ Printing the EU Sales Listing

❑ Working with Intrastat requirements

❑ Printing monthly IVA reports

❑ Working with annual IVA reports

❑ Printing IVA by tax area code

❑ Working with summary IVA

❑ Working with withholding tax

❑ Working with suspended IVA

# About Value Added Tax (VAT or IVA)

Value added tax (VAT), or *Imposta sul valore aggiunto* (IVA), is a noncumulative tax that Italian tax authorities impose at each stage of the production and distribution cycle.

If you work with value added tax, 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. If the purchasers are subject to Output VAT, they can offset the Input VAT they owe against any Output VAT that they owe.

The purchaser can recover Input VAT 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 for:

- 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 on a special form and filed with the local tax office between the 15th and 24th day of the following month.

You must pay any excess Output VAT over Input VAT at the time of filing.

**VAT Exemptions**

To be exempt from VAT, your business must work within the following guidelines:

- Goods must be physically moved to another EU-member country
- Customers must have VAT identification codes
- Invoices must show applicable VAT numbers
- Goods cannot be of a special category, such as vehicles

# 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 Tax

When you enter a journal entry with tax, you might know the gross amount or you might know 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

### Before You Begin

❑ Set up the applicable tax rates, areas, and authorities. See *Setup Activities* in the *Tax Reference Guide*.

### Example: Journal Entry with Tax

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

| 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:

| 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.

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

On Journal Entry With 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 | A number that identifies the actual amount. Type debits with no sign or a plus sign (+). Type credits with a minus sign (-) either before or after the amount. You can use decimals, dollar signs, and commas. The system ignores non-significant symbols. |
| | . . . . . . . . . . . . . *Form-specific information* . . . . . . . . . . . . . |
| | If you enter the gross amount in this field, the system calculates the tax and taxable amount for you. |
| 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 Explanation Code | A user defined code (00/EX) that controls how a tax is assessed and distributed to the general ledger revenue and expense accounts. |
| | . . . . . . . . . . . . . *Form-specific information* . . . . . . . . . . . . . |
| | Enter V, VT, or a user defined code beginning with V. V+ is not a valid code. |

| Field | Explanation |
|---|---|
| Tax Rate/Area | A code that identifies a tax or geographic 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. To be valid, a code must be set up in the Tax Rate/Area table (F4008). |
| | Typically, U.S. sales and use taxes require multiple tax authorities per tax rate/area, whereas VAT requires only one simple rate. |
| | The system uses this code to properly calculate the tax amount. |
| | . . . . . . . . . . . . . *Form-specific information* . . . . . . . . . . . . . . |
| | You can post only to a single tax authority. The system allocates all VATs to the tax authority associated with the first tax area listed. If the tax areas you enter are associated with more than one tax authority, the system does not allocate the VAT correctly. |

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

On Journal Entry With Tax
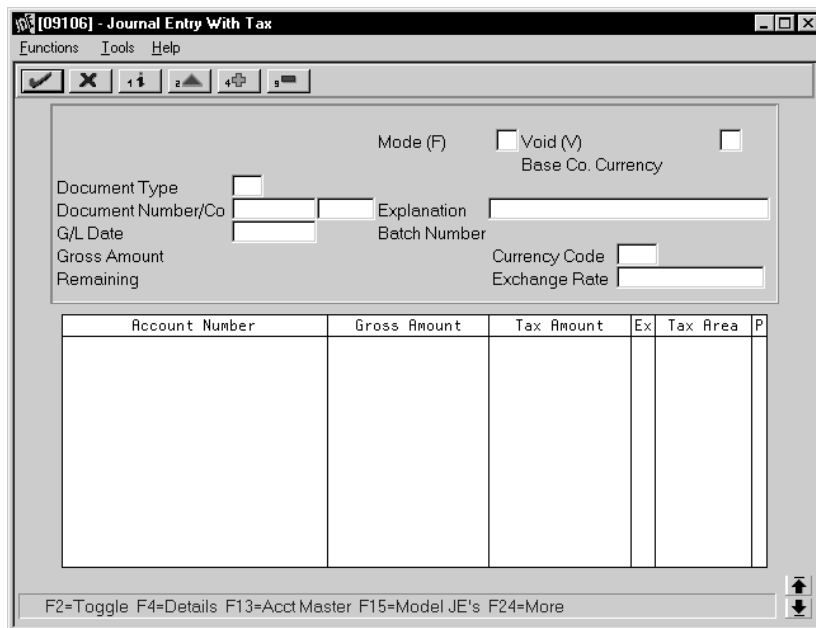


1. Access the taxable amount format by pressing F2 if needed.

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 Amount | A geographic area with common tax rules for rate and distribution. A tax area must include a tax authority such as a state, county, city, and so on. This field is used for sales tax accounting. |

## 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.<br><br>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

- *Entering 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
```

### 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 first 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 EU VAT Processing

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

Businesses in the European Union that exceed the local limit of intra-union trade must submit the EU Sales Listing to their 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 processing

- 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.*

## EU Sales Listing Report

```
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 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 European Union (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 allows national specificities to be taken into account. If you do business in a country that belongs to the European Union, and you use J.D. Edwards Sales Order Processing and Purchase Order Processing 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
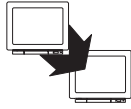
The following graphic illustrates the Intrastat reporting process.
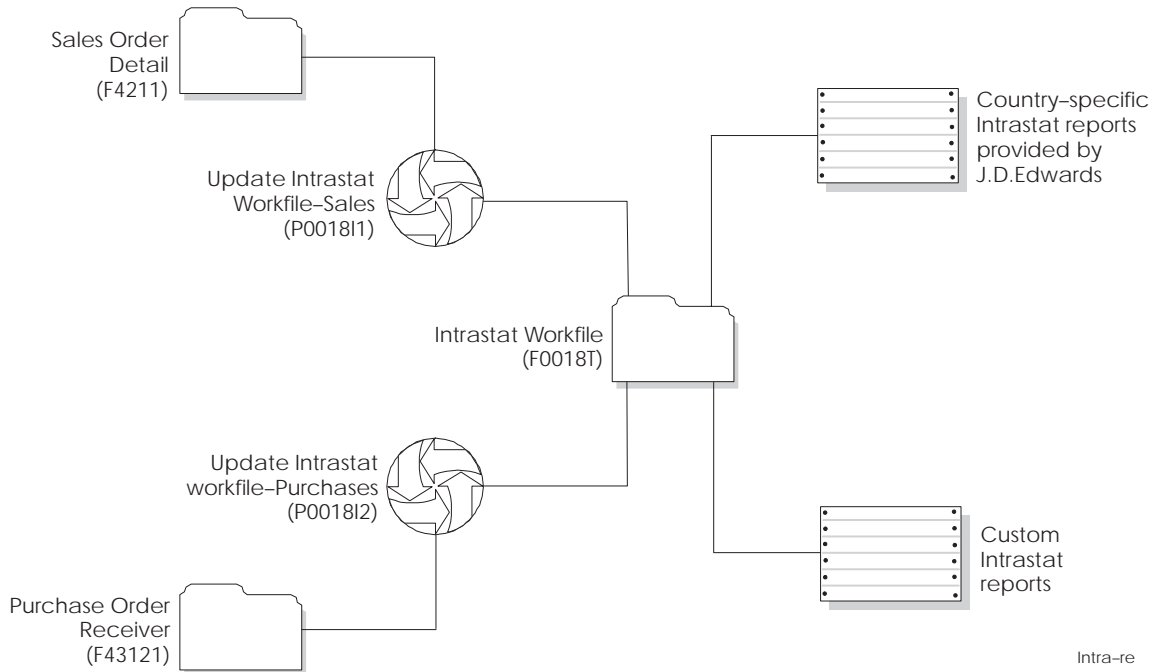


## Before You Begin

❑ 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 of 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 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 might 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 have assigned all of your inventory items the appropriate commodity code information and all of your 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 how you set 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** | You must specify a country code for both the branch/plant and the supplier. For countries that require regional information, use the State field of the address in the Address Book record to specify the region. The system searches for the address number based on the Branch/Plant Constants table (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 Order and Purchase Order systems, the amount of time it takes to run the update programs can vary. To minimize the impact that update programs can have on system performance, you can do the following: |

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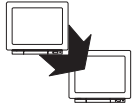
From General Systems (G00), choose Tax Processing and Reporting

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

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

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

▶  **To enter information in the Intrastat Workfile**

On Direct Extra Tax File Adjust

```
[0018T] - Direct Extra Tax File Adjust.
Functions  Tools  Help

Order Number
Order Suffix
Line Number
Payment Number

Country of Origin
Original Country of
Region of Origin or
Mode of Trn
Conditions of Transp
Nature of Transactio

Business Unit          Invoice Date
Commodity Code                        /
Net Mass in KG         Port of Entry or Exi
Suppl U/M Units        Nature of VAT Regime
Taxable Amount         Nature Code
Stat. Value Amount     Process Indicator
                       Transport Extension

F24=More Keys
```

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

You print Intrastat reports based on the information in the Intrastat Workfile (F0018T). Although the information on the Intrastat report is common for most all European Union members, report formats vary from country to country.

To print an Intrastat report for Italy you must create a custom World Writer report or use a specialized software package.

# Print Monthly IVA Reports

## Printing Monthly IVA Reports
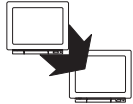
From General Systems (G00), choose Tax Processing and Reporting

From Tax Processing and Reporting (G0021), choose Italian IVA Processing

From Italian IVA Processing (G00213), choose Monthly IVA Report

In Italy, businesses are required to print monthly reports to document Accounts Payable and Accounts Receivable IVA (or VAT) taxes. The report must be printed on a special legal form that is prenumbered and approved by the Tax Authorities.

# Monthly IVA Report for A/R

```
 004051                                        JDEdwards and Company                                    Page - . . .
                                                                                                              1
                                              MONTHLY A/R IVA REPORT
                                                  *** PROOF ***
 G/L      Document   Invoice                                          Amount    Cur  Gross          Taxable                     Tax        Tax
 Date     Ty Number  Date     Description        Alpha Name           Currency  Cod  Amount         Amount        Tax %         Amount     Code/ Description
 -------- ---------- -------  ---------------------  --------------------------- ----------------  ---  ---------------- ----------------  ----- ----------------  -------------------------
 06.06.98 RI    370 03.03.98                     void customer                        8,000.00       6,722.69       19          1,277.31   IT19  Italy 19% VAT Rate
 06.06.98 RI    405 05.05.98                     Mark Store                           7,000.00       5,882.35       19          1,117.65   IT19  Italy 19% VAT Rate
                                                                                  ---------------- ----------------                ----------------
                                                 Total. . .                          15,000.00      12,605.04                     2,394.96
```

```
 004051                                        JDEdwards and Company                                    Page - . . .
                                                                                                              2
                                              MONTHLY A/R IVA REPORT
                                                  *** PROOF ***
 Tax Area                            Tax %   Taxable Amount   Tax Amount    Credit taxable    Credit tax     Non-recov.     Non-Rec. tax
 ---------------------------------------- --------- --------------- -------------- --------------- --------------- --------------- ---------------
 IT19       Italy 19% VAT Rate      19.000    12,605.04        2,394.96
                                            --------------- --------------- --------------- --------------- --------------- ---------------
                                    Total. . .   12,605.04    2,394.96
                                    Credit
                                            ---------------
                                            --------------- ---------------
                                                             ---------------
                                    A/R Net Tax  12,605.04    2,394.96
                                            ===============   ======
                                                             ===============
```

# Monthly IVA Report for A/P

```
004051
Voucher Do GL       Invoice    Invoice                                                     Amount     Cur  Gross            Taxable                    Tax             Tax
Number  Ty Date     Number     Date       Description       Alpha Name                     Currency   Cod  Amount           Amount         Tax %       Amount          Code/ Description
------- ---------- ---------- ---------- ------------------ ------------------------ ------------------ --- ---------------- ---------------- ----- ---------------- ------------------------
       44 PV 06.06.98                                       N W. GO AWAY 123                            COP     11,900.00        10,000.00     19        1,900.00  IT19  Italy 19% VAT Rate
      105 PV 30.06.98 ITL001   15.06.98 Voucher             Bertolli – Test Register/                            1,000.00           840.34     19          159.66  IT19  Italy 19% VAT Rate
      106 PV 30.06.98 FRF001   15.06.98 Voucher             Bertolli – Test Register/     210,084 FRF               8.73             7.33     19            1.40  IT19  Italy 19% VAT Rate
      108 PV 30.06.98 USD001   15.06.98 Voucher             Bertolli – Test Register/      58,824 USD          10,216.16         8,585.08     19        1,631.08  IT19  Italy 19% VAT Rate
      305 PV 06.06.98 1212121555 06.06.98 Voucher           J.D. Edwards & Company                              100.00            84.03     19           15.97  IT19  Italy 19% VAT Rate
      409 PV 06.06.98 987      01.01.98 Voucher             Supplier Test                                       8,000.00         6,722.69     19        1,277.31  IT19  Italy 19% VAT Rate
      410 PV 06.06.98 883      06.06.98 Voucher             Supplier Test                                       9,000.00         7,563.03     19        1,436.97  IT19  Italy 19% VAT Rate
      421 PV 06.06.98 5481     06.06.98 Voucher             Supplier Test                            DEM         5,000.00         4,201.68     19          798.32  IT19  Italy 19% VAT Rate
      490 PV 06.06.98 ELENAPROVA 06.06.98 Voucher           Bhaviks_Test_Supplier_Mai                          11,900.00        10,000.00     19        1,900.00  IT19  Italy 19% VAT Rate
      501 PV 06.06.98 5648     06.06.98 Voucher             Bollini SpA                                            10.00             8.40     19            1.60  IT19  Italy 19% VAT Rate
      580 PV 06.06.98 5214     06.06.98 Voucher             W/T Supplier for Comp 74                              80.00            67.23     19           12.77  IT19  Italy 19% VAT Rate
      585 PV 06.06.98 587      06.06.98 Voucher             W/T Supplier for Comp 74                              80.00            67.23     19           12.77  IT19  Italy 19% VAT Rate
      586 PV 06.06.98 67455    06.06.98 Voucher             W/T Supplier for Comp 74                              80.00            67.23     19           12.77  IT19  Italy 19% VAT Rate
      587 PV 06.06.98 58777    06.06.98 Voucher             W/T Supplier for Comp 74                              90.00            75.63     19           14.37  IT19  Italy 19% VAT Rate
      588 PV 06.06.98 54544    06.06.98 Voucher             W/T Supplier for Comp 74                              90.00            75.63     19           14.37  IT19  Italy 19% VAT Rate
      589 PV 06.06.98 5487     06.06.98 Voucher             W/T Supplier for Comp 74                              90.00            75.63     19           14.37  IT19  Italy 19% VAT Rate
      590 PV 06.06.98 854      06.06.98 Voucher             W/T Supplier for Comp 74                              80.00            67.23     19           12.77  IT19  Italy 19% VAT Rate
      591 PV 06.06.98 54545454 06.06.98 Voucher             W/T Supplier for Comp 74                              90.00            75.63     19           14.37  IT19  Italy 19% VAT Rate
      593 PV 06.06.98 87554    06.06.98 Voucher             W/T Supplier for Comp 74                              80.00            67.23     19           12.77  IT19  Italy 19% VAT Rate
      614 PV 06.06.98 TEST111  06.06.98 Voucher             elena                                              10,000.00         8,403.36     19        1,596.64  IT19  Italy 19% VAT Rate
      615 PV 06.06.98 TEST22   06.06.98 Voucher             elena                                               3,000.00         2,521.01     19          478.99  IT19  Italy 19% VAT Rate
      659 PV 06.06.98 654444   06.06.98 Voucher             Acme Drilling                            USD         8,500.00         7,142.86     19        1,357.14  IT19  Italy 19% VAT Rate
      838 PV 06.06.98                                       N W. GO AWAY 123                         USD     1,190,000.00     1,000,000.00     19      190,000.00  IT19  Italy 19% VAT Rate
      839 PV 06.06.98                                       N W. GO AWAY 123                         USD     1,190,000.00     1,000,000.00     19      190,000.00  IT19  Italy 19% VAT Rate
      847 PV 06.06.98                                       N W. GO AWAY 123                         USD         1,190.00         1,000.00     19          190.00  IT19  Italy 19% VAT Rate
      848 PV 06.06.98                                       N W. GO AWAY 123                         USD         1,190.00         1,000.00     19          190.00  IT19  Italy 19% VAT Rate
     1065 PV 06.06.98 ELENAPROVA 06.06.98 Voucher           Bhaviks_Test_Supplier_Mai                       1,190,000.00     1,000,000.00     19      190,000.00  IT19  Italy 19% VAT Rate
     1094 PV 06.06.98 54521    05.05.98 Voucher             Supplier Test                            USD         1,190.00         1,000.00     19          190.00  IT19  Italy 19% VAT Rate
     1707 PV 06.06.98 3654657  06.06.98 Voucher             Andrew Rowson                                      11,900.00        10,000.00     19        1,900.00  IT19  Italy 19% VAT Rate
     1739 PV 06.06.98 6546547  06.06.98 Voucher             ROWSON                                            119,000.00       100,000.00     19       19,000.00  IT19  Italy 19% VAT Rate
     1740 PV 06.06.98 12345    06.06.98 Voucher             ROWSON                                              8,000.00         6,722.69     19        1,277.31  IT19  Italy 19% VAT Rate
     1741 PV 06.06.98 123      06.06.98 Voucher             ROWSON                                             11,900.00        10,000.00     19        1,900.00  IT19  Italy 19% VAT Rate
     1743 PV 06.06.98 1234     06.06.98 Voucher             ROWSON                                            238,000.00       200,000.00     19       38,000.00  IT19  Italy 19% VAT Rate
     1744 PV 06.06.98          06.06.98 Voucher             ROWSON                                            238,000.00       200,000.00     19       38,000.00  IT19  Italy 19% VAT Rate
```

```
004051
Voucher Do GL       Invoice    Invoice                                                     Amount     Cur  Gross            Taxable                    Tax             Tax
Number  Ty Date     Number     Date       Description       Alpha Name                     Currency   Cod  Amount           Amount         Tax %       Amount          Code/ Description
------- ---------- ---------- ---------- ------------------ ------------------------ ------------------ --- ---------------- ---------------- ----- ---------------- ------------------------
     1823 PV 06.06.98 65464    06.06.98 Voucher             Acme Drilling                            THB         6,000.00         5,042.02     19          957.98  IT19  Italy 19% VAT Rate
     1825 PV 06.06.98 554654   06.06.98 Voucher             Acme Drilling                                        5,000.00         4,201.68     19          798.32  IT19  Italy 19% VAT Rate
     1987 PV 06.06.98 FAT001   06.06.98 Voucher             J.D. Edwards & Company                   USD         1,190.00         1,000.00     19          190.00  IT19  Italy 19% VAT Rate
     2231 PV 30.06.98 TEST789  30.06.98 Voucher             J.D. Edwards & Company                   USD         1,000.00           840.34     19          159.66  IT19  Italy 19% VAT Rate
     2232 PV 30.06.98 TEST465  30.06.98 Voucher             J.D. Edwards & Company                   USD         1,000.00           840.34     19          159.66  IT19  Italy 19% VAT Rate
     2233 PV 30.06.98 TEST1234 30.06.98 Voucher             J.D. Edwards & Company                   USD         1,000.00           840.34     19          159.66  IT19  Italy 19% VAT Rate
                                                                                                                ---------------- ----------------       ----------------
                                                            Total. . .                                       4,294,954.89     3,609,205.89              685,749.00
```

## Monthly IVA Report for A/P (continued)

```
 004051
Tax Area                            Tax %  Taxable Amount  Tax Amount   Credit taxable   Credit tax     Non-recov.     Non-Rec. tax
-----------------------------------  ------ --------------- ------------ ---------------- --------------- -------------- ---------------
IT19     Italy 19% VAT Rate          19.000   3,610,046.23   685,908.66           840.34          159.66
                                            --------------- ------------ ---------------- --------------- -------------- ---------------
                          Total. . .           3,610,046.23   685,908.66           840.34          159.66
                          Credit                     840.34-      159.66-
                                            --------------- ------------
                                            --------------- ------------
                                                                          ---------------
                          A/P Net Tax          3,609,205.89   685,749.00
                                            =============== ============
                                                              ===============
```

## Processing Options for A/R and A/P IVA Tax Report – Italy (P004051)

```
PROCESSING MODE:
1) Enter a '1' to run the report in                    _____
   Final Mode.  Leave Blank to run the
   report in Proof Mode.

G/L DATE:
2) Enter the From and Through G/L Dates
   below. Blank will use the system
   date as the through date.
                        From G/L Date          _____
                        Through G/L Date        _____

PRINT OPTIONS:
3) Enter a '1' to have the report skip                 _____
   2 lines when document numbers are not
   sequential or when G/L dates are not
   sequential.

4) Enter a '1' to suppress report                      _____
   headings and page numbers.  Default
   of blank will print headings and
   page numbers.

5) Enter a '1' to reverse the sign of                  _____
   the transaction.  Select whether to
   reverse the sign for A/R or A/P in
   Processing Option 6.

PRINT A/P IVA REPORT:
6) Enter a '1' for A/P IVA Report.                     _____
   Default of blank will print A/R IVA
   Report.  NOTE:  DREAM Writer
   selection for Batch Type should be
   different for A/R and A/P reports.

7) Enter a '1' to print document type
   description from user defined codes
   instead of invoice remark.                          _____
```

# Work with Annual IVA Reports

## Working with Annual IVA Reports

Businesses in Italy are required to complete annual IVA reports. The report can be submitted to the tax authorities on paper or electronically, but it must conform to the legally required format.

Annual IVA reports include summarized IVA information from customer invoice and supplier voucher records. The information must be summarized by the supplier or customer tax identification number. The system creates a cumulative record for customers or suppliers that have the same tax identification number, as in the case of a parent businesses with subsidiaries.

The system stores summarized IVA information by supplier and customer in the Annual IVA Ledger table (F00900). The Annual IVA Ledger table is based on the Sales/Use/VAT Tax table (F0018), which includes all of the IVA information for invoices and vouchers in detail.

You can distinguish supplier vouchers and customer invoices in the Sales/Use/VAT Tax table by the Batch Type. You distinguish supplier vouchers and customer invoices in the Annual IVA Ledger table by Information Type.

The system uses the user defined codes table 00/IV (VAT codes) to determine whether amounts are considered taxable, nontaxable, or excluded. Records that include VAT codes that are not defined on the table are considered non-IVA. The system does not include these records in the Annual IVA Ledger table.

The Annual IVA Ledger table includes the following information for each customer and supplier:

- Total number of invoices or vouchers
- Total taxable amount
- Total tax amount
- Total nontaxable amount
- Total nontaxable "8 comma 2" (suppliers only)

You can update the summarized IVA information in the table by using a batch program or by manually entering each record. You can also revise summarized IVA information.

Working with annual IVA reports consists of the following tasks:

❑ Creating the Annual IVA Ledger table

❑ Printing the Annual IVA Control Report

❑ Revising the Annual IVA Ledger table

❑ Creating the Annual IVA tape

❑ Printing annual IVA reports for customers and suppliers

# Creating the Annual IVA Ledger Table
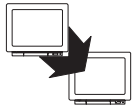
From General Systems (G00), choose Tax Processing and Reporting

From Tax Processing and Reporting (G0021), choose Italian IVA Processing

From Italian IVA Processing (G00213), choose Annual IVA File Build

To create the Annual IVA Ledger table, run the Annual IVA File Build program (P00911). The system summarizes the information in the Sales/Use/VAT Tax table (F0018) by invoice or voucher, based on the current year that you define in the processing options. You can run this program once a year or as many times as you need to update the records in the Annual IVA Ledger table.
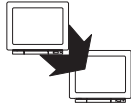
### Processing Options for Annual IVA File Build – Italy (P00911)

```
1.  Enter a '1' to specify Customers
    Enter a '2' to specify Suppliers
    and Custom Authorities.                        _____

2.  Enter a '1' to clear the Annual
    IVA File (F00900).  If left blank
    this file will be updated.                     _____

Caution:  This processing option should
be set to clear the file only once per
year.
```

## Printing the Annual IVA Control Report

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

From Tax Processing and Reporting (G0021), choose Italian IVA Processing

From Italian IVA Processing (G00213), choose Annual IVA Control Reports

To review a paper copy of the information in the Annual IVA Ledger table (F00900) before you transfer the Annual IVA Report to tape or print the Annual IVA Report on special forms, print the Annual IVA Control Report.

You can use the control report to simulate figures as they will be printed on the special form or on a tape. You can also use the report to verify that the amounts in the Annual IVA Ledger table correspond to the amounts in the Sales/Use/VAT Tax table (F0018).

## Annual IVA Control Report for Customers

```
00910                                    JDEdwards and Company                                                              Page No. . .        2
                                         Control Report - Customers                                                         Date - . . .    5.08.97
Co  I Address     Address                       Company    Inv Inv No.       Taxable              Tax           Non-Taxable      Non-Taxable      Excl    Excluded
      Number      Line 1                        Tax ID     Da   D  Docs      Amount                             Amount           Amt (8 Comma 2)  Docs    Amount
----- - -------   ------------------------      -----------  --- --- -----   ------------------   ------------------  ------------------  ------------------  -------  ------------------
 74 1    46025 Ingallati, Vera                              19  98                                                                                          122      1,678,359.50
 74 1    24969 Customer Test III                00012548523 19  98                                                                                            1          7,000.00
 74 1    19297 Comtech Plc                      00021577751 19  98                                                                                            6          9,230.00
 74 1    38130 void customer                    00213652359 19  98                                                                                            3         15,000.00
 74 1    13629 Frank Doberman Ltd               00258987456 19  98                                                                                            5        139,601.08
 74 1    24900 Customer Test                    00265328975 19  98                                                                                            1          2,000.00
 74 1  1919877 sequential customer              02124587451 19  98                                                                                            2            400.00
                                                                            ------- ------------------  ------------------  ------------------  ------------------  -------  ------------------
                        Italian Company                                                                                                                     140      1,851,590.58
                                                                            ------- ------------------  ------------------  ------------------  ------------------  -------  ------------------
                                                                                                                                                           140      1,851,590.58
```

## Annual IVA Control Report for Suppliers

```
00910                                    JDEdwards and Company                                                              Page No. . .        2
                                         Control Report - Suppliers                                                         Date - . . .    5.08.97
Co  I Address     Address                       Company    Inv Inv No.       Taxable              Tax           Non-Taxable      Non-Taxable      Excl    Excluded
      Number      Line 1                        Tax ID     Da   D  Docs      Amount                             Amount           Amt (8 Comma 2)  Docs    Amount
----- - -------   ------------------------      -----------  --- --- -----   ------------------   ------------------  ------------------  ------------------  -------  ------------------
 74 2  5724260 Prakash                                      19  98                                                                                           83      6,905,678.00
 74 2    40280 Martini & Rossi                  IT04886070151 19 98                                                                                           1         11,900.00
 74 2     2222 Bhaviks_Test_Supplier_Mailing_Name 00025487441 19 98                                                                                          2      1,201,900.00
 74 2    15624 Harry Cross                      00214774102 19  98                                                                                            3         55,420.00
 74 2    34606 Bollini SpA                      00215412854 19  98                                                                                            2             20.00
 74 2    12028 Supplier 3                       00235532333 19  98                                                                                            4          6,220.00
 74 2    11957 Not W/T Supplier                 00258778987 19  98                                                                                            2         10,000.00
 74 2     6767 supplier that has a name over 40 charcs. 00321005982 19 98                                                                                     2         13,000.00
 74 2    20466 Bertolli - Test Register/multi-curr 02154823513 19 98                                                                                         3         11,224.89
 74 2    20124 test supplier                    02586354125 19  98                                                                                            1             60.00
 74 2    11287 Invicta SpA                      12111458021 19  98                                                                                           10      5,010,162.00
 74 2    14550 Supplier Ledger Vendor           12455447023 19  98                                                                                            5      3,103,000.00
 74 2  1919876 elena                            13132161321 19  98                                                                                           11        120,100.00
 74 2    14859 Tom Store                        22560124785 19  98                                                                                            1             50.00
 74 2    11914 Peter Deely                      33021998567 19  98                                                                                            1          6,000.00
                                                                            ------- ------------------  ------------------  ------------------  ------------------  -------  ------------------
                        Italian Company                                                                                                                     131     16,454,734.89
                                                                            ------- ------------------  ------------------  ------------------  ------------------  -------  ------------------
                                                                                                                                                           131     16,454,734.89
```

## Processing Options for Annual IVA Control Report (P00910)

```
1.  Enter a '1' if you want to use
    the scaling factor of 1000.  Default
    of blank will not use a scaling
    factor.
```

# Revising the Annual IVA Ledger Table
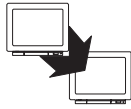
From General Systems (G00), choose Tax Processing and Reporting

From Tax Processing and Reporting (G0021), choose Italian IVA Processing

From Italian IVA Processing (G00213), choose Annual IVA File Revisions

In exceptional cases, you might need to revise existing records or create new records in the Annual IVA Ledger table.

▶  **To revise the Annual IVA Ledger table**

On Annual IVA File Revision

1. To locate an existing record or add a new record, complete the following fields:

   - Company
   - Information Type
   - Address Number
   - Invoice Date - CTRY
   - Invoice Date Year

2. To revise or complete the record, complete any of the following fields:

   - Number of Documents
   - Taxable Amount
   - Tax
   - Non-Taxable Amount
   - Amount (8 Comma 2)
   - Excluded Number Documents
   - Excluded Amount

| Field | Explanation |
|---|---|
| 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.<br><br>NOTE: You can use company 00000 for default values, such as dates and automatic accounting instructions (AAIs). You cannot use it for transaction entries. |
| Information Type | Indicates whether the information for the year-end report refers to:<br>1    Customer<br>2    Supplier or<br>3    Customs Authority |
| Address Number | A number that identifies an entry in the Address Book system. Use this number to identify employees, applicants, participants, customers, suppliers, tenants, and any other Address Book members. |
| Date – Invoice – CTRY | The century on the invoice date. This may be either the date on the supplier's invoice to you or the date on your invoice to a customer. |
| Date – Invoice – YR | This is the year of the invoice date. This may be either the date of the supplier's invoice to you or the date of your invoice to a customer. |

| Field | Explanation |
|---|---|
| Number of Documents | Number of customer invoices or supplier vouchers. This number is accumulated throughout the year. |
| Amount – Taxable | The amount on which taxes are assessed. |
| Amount – Tax | This is the amount assessed and payable to tax authorities. It is the total of the VAT, use, and sales taxes (PST). |
| Amount – Non–Taxable | This identifies the amount upon which taxes are not assessed. This is the portion of the transaction not subject to sales, use, or VAT taxes because the products are tax-exempt or zero-rated. |
| Non–Taxable Amount (8 Comma 2) | Total amount of non-taxable vouchers for special code 8 comma 2. |
| Excluded Number of Documents | Number of customer invoices, or supplier vouchers which have been excluded in VAT year-end reports. Used only to balance on the Control Report. |
| Excluded Amount | Total amount of documents excluded from VAT year-end reports. |

## Creating the Annual IVA Tape
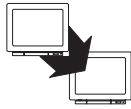
From General Systems (G00), choose Tax Processing and Reporting

From Tax Processing and Reporting (G0021), choose Italian IVA Processing

From Italian IVA Processing (G00213), choose an option under the IVA Tape Creation heading

Run the Year-End IVA Tape Creation program to transfer the information from the Annual IVA Ledger table to tape in the format required by the tax authorities in Italy.

If you decide to transfer the information to tape, you do not have to print the special form reports for suppliers and customers.

## Processing Options for Annual IVA Tape Creation (P00918)

```
1.  Enter the year to process.  This
    will determine the selection of
    records based on Invoice Date.
        Century                              _____
        Year                                 _____

2.  Enter the address book line to be
    used for continuation of the name.       _____

3.  Enter the address book line to be
    used for street information.             _____

4.  Enter the code to be used for
    Person/Corporation Tax code              _____

5.  Enter the appropriate number to
    designate the tape density.              _____
    '1' –  800 bpi
    '2' – 1600 bpi
    '3' – 6250 bpi
```

# Printing Annual IVA Reports for Customers and Suppliers
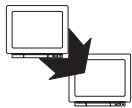
From General Systems (G00), choose Tax Processing and Reporting

From Tax Processing and Reporting (G0021), choose Italian IVA Processing

From Italian IVA Processing (G00213), choose an option under the Annual IVA Special Forms Print heading

You can submit paper copies of the annual IVA reports for customers and suppliers. You do not have to print paper copies of the annual IVA reports if you submit the reports on tape.

To print paper copies of the annual IVA reports, run the Supplier IVA Form and the Customer IVA Form programs.

The annual IVA reports for suppliers and customers include the following information:

- Supplier or customer name
- Street
- Postal Code
- City
- Province
- Tax Identification Number
- Total taxable amount of vouchers or invoices for the current year
- Total taxable amount of vouchers or invoices for the previous year

- Total tax amount of voucher or invoices for the current year
- Total tax amount of voucher or invoices for the previous year
- Total nontaxable amount of vouchers or invoices for the current year
- Total nontaxable amount of vouchers or invoices for the previous year

## Processing Options for A/P Annual IVA Report (P00917)

```
1.  Enter the year to process. This
    will determine the selection of
    records based on Invoice Date
        Century                              _____
        Year                                 _____

2.  Enter the address book line to be
    used for continuation of the name.       _____

3.  Enter the address book line to be
    used for street information.             _____

4.  Enter the information to be printed
    on the top of the form
    Personal/Corp. Code   ( 2 digits)        _____
    Company business      ( 5 digits)        _____
    Business description  (25 digits)        _____
```

## Processing Options for A/R Annual IVA Report (P00916)

```
1.  Enter the year to process. This
    will determine the selection of
    records based on invoice.
        Century                              _____
        Year                                 _____

2.  Enter the address book line to be
    used for continuation of the name.       _____

3.  Enter the address book line to be
    used for street information.             _____

4.  Enter the information to be printed
    on the top of the form
    Personal/Corp. code   ( 2 digits)        _____
    Company business      ( 5 digits)        _____
    Business description  (25 digits)        _____
```

# Print IVA by Tax Area Code

## Printing IVA by Tax Area Code
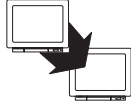
From General Systems (G00), choose Tax Processing and Reporting

From Tax Processing and Reporting (G0021), choose Italian IVA Processing

From Italian IVA Processing (G00213), choose By Tax Area Code

In Italy, businesses are required to print a report of IVA by Tax Area Code. The report must print the IVA for Accounts Payable and Accounts Receivable in two separate columns. In addition, the report must be printed on a special legal form that is prenumbered and approved by the Tax Authorities.

```
00400                                    JDEdwards and Company                    Page - . . .          2
                                       IVA Report by Tax Area Code                Date - . . .    5.08.97
                                                Italy
------------------------------------------------------------------------------------------------------------
   Tax     %  IVA        Description              C l i e n t                    V e n d o r
   Area                                      Taxable Amount   Tax Amount    Taxable Amount    Tax Amount
------------------------------------------------------------------------------------------------------------
IT00      0.000    Italian 0% VAT Rate              0.00         0.00          6,530.00           0.00
*
IT05      5.000    Italy 05% VAT Rate              0.00         0.00        781,833.33       39,091.67
*
IT19     19.000    Italy 19% VAT Rate      39,580,282.77   7,520,253.81   19,874,543.04    3,956,666.14
                                          --------------  --------------  --------------   --------------
                   Total                   39,580,282.77   7,520,253.81   20,662,906.37    3,995,757.81
```

## Processing Options for IVA by Tax Area Code – Italy (P00400)

```
G/L DATE:
1. Enter the From and Through G/L Dates:

                              From G/L Date          _____
                           Through G/L Date          _____

PRINT OPTIONS:
2. Enter a '1' to suppess report                     _____
   headings and page numbers. Default
   of blank will print headings and page
   numbers.

3. Enter a '1' to have report insert a               _____
   blank line when Tax Area Codes are
   skipped.

4. Enter a '1' to reverse the sign on                _____
   A/R transactions.
```

# Work with Summary IVA

## Working with Summary IVA

In Italy, the government requires businesses to report IVA taxes on accounts receivable and accounts payable transactions. You can meet this reporting requirement by assigning each transaction a register type and class.

You specify different register types for sales and purchases. Register classes are subsets of register types. For example, the register classes for a sales register type might include:

- Sales within Italy
- Sales within the European Union
- Sales outside the European Union

You must set up register types and classes to track and report IVA tax in a summarized format. Then, create a link between the register types and classes and the appropriate type of transaction (document type).

The following graphic illustrates how you use J.D. Edwards software to process Summary IVA.

**Setup**

Establish Register Types and Classes

Link Doc Types, Tax Rates, and Registers

Establish Initial IVA Balance

**Invoice Creation**

**Voucher Creation**

Post Invoices and Vouchers

Tax File

**IVA Summary Reports**
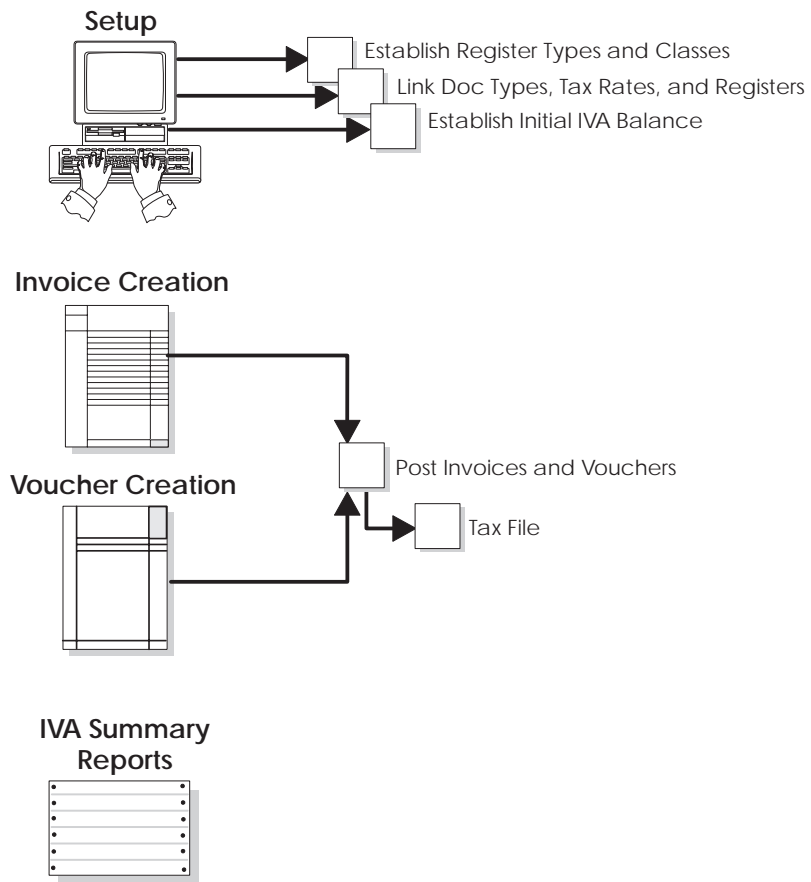
Working with summary IVA includes the following tasks:

❑ Linking register types and classes to document types

❑ Revising IVA balances

❑ Printing the Summary IVA report

# Linking Register Types and Classes to Document Types
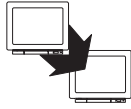
From EMEA Localization (G74), choose Summary IVA Reports

From Additional Italian Tax Processing (G002131), choose Register Type and Class Setup

When you link register types and classes to document types, you establish and maintain the relationships between document types, IVA rates, register types and classes. You can use these relationships to create summarized IVA reports.

## Before You Begin

- Set up user defined codes for register classes (system 74, type 01) and register types (system 74, type 02). See *Setting Up User Defined Codes for Italy*.

▶ **To link register types and classes to document types**

On Register Type & Class Setup

```
┌─────────────────────────────────────────────────────────────────────────────┐
│ ▓▓ [74091] - Register Type & Class Setup                          _ □ ×  │
│ Functions   Tools   Help                                                     │
├─────────────────────────────────────────────────────────────────────────────┤
│  ✔  ✖  ┃ ₁i ┃ ₂▲  ₄✚  ₉▬                                                    │
├─────────────────────────────────────────────────────────────────────────────┤
│                                                                              │
│   ┌────┬────────────────────┬──────────┬────────────────────────┬────┬────┐ │
│   │Do  │    Description     │ Tax Rate │      Description        │Rg  │Rg  │ │
│   │Ty  │                    │          │                         │LT  │Cl  │ │
│   │IT  │Inventory Transfers │ITES      │Italy Exemption VAT Rate │A3  │IN  │ │
│   │PD  │Debit Memo          │IT19      │Italy 19% VAT Rate       │A4  │IN  │ │
│   │PV  │Voucher             │ITES      │Italy Exemption VAT Rate │A1  │AC  │ │
│   │PV  │Voucher             │IT05      │Italy 05% VAT Rate       │A3  │IN  │ │
│   │PV  │Voucher             │IT19      │Italy 19% VAT Rate       │V1  │VE  │ │
│   │RI  │Invoice             │ITES      │Italy Exemption VAT Rate │V1  │AC  │ │
│   │RI  │Invoice             │IT19      │Italy 19% VAT Rate       │V1  │PP  │ │
│   │RM  │Credit Memo         │IT19      │Italy 19% VAT Rate       │A2  │CO  │ │
│   │R9  │Suspended VAT doc type│SO19    │Italian Suspended VAT Rate│V4 │VE  │ │
│   │    │                    │          │                         │    │    │ │
│   └────┴────────────────────┴──────────┴────────────────────────┴────┴────┘ │
│                                                                          ▲   │
│      F24=More Keys                                                        ▼   │
└─────────────────────────────────────────────────────────────────────────────┘
```

Complete the following fields:

- Document Type
- Tax Rate
- Register Type
- Register Class

| Field | Explanation |
|-------|-------------|
| Document Type | A user defined code (system 00/type DT) that identifies the origin and purpose of the transaction. |
| | J.D. Edwards reserves several prefixes for document types, such as vouchers, invoices, receipts, and timesheets. |
| | The reserved document type prefixes for codes are:<br>P      Accounts payable documents<br>R      Accounts receivable documents<br>T      Payroll documents<br>I      Inventory documents<br>O      Order processing documents<br>J      General ledger/joint interest billing documents |
| | The system creates offsetting entries as appropriate for these document types when you post batches. |
| Tax Rate/Area | A code that identifies a tax or geographic 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. To be valid, a code must be set up in the Tax Rate/Area table (F4008). |
| | Typically, U.S. sales and use taxes require multiple tax authorities per tax rate/area, whereas VAT requires only one simple rate. |
| | The system uses this code to properly calculate the tax amount. |

| Field | Explanation |
|---|---|
| VAT Register Class | You define the valid codes for VAT register classes on user defined codes table 74/01. For example, you might set up a register class for purchases and one for sales. |
| | You link document types, tax rates, register types and register classes on the Register Type and Class Setup form to meet your reporting requirements. Then, you can run the Summary VAT Report (P74093) to print your VAT information, based the register classes and types you link to various document types. |
| | You can group and classify transactions for reporting purposes by defining register classes and types in conjunction. For example, you might set up register types and classes as follows:<br>• Register Class: Sales<br>• Register Type A: VAT on Sales, Italy rate 19 percent<br>• Register Type B: VAT on Sales, out of EU, not subject to VAT (art. 8/A) |
| VAT Register Type | You define the valid codes for VAT register types on user defined codes table 74/02. For example, you might set up a register type for transactions that are eligible for VAT and another for transactions that are not eligible for VAT. |
| | You link document types, tax rates, register types and register classes on the Register Type and Class Setup form to meet your reporting requirements. Then, you can run the Summary VAT Report (P74093) to print your VAT information, based the register classes and types you link to various document types. |
| | You can group and classify transactions for reporting purposes by defining register classes and types in conjunction. For example, you might set up register types and classes as follows:<br>• Register Class: Sales<br>• Register Type A: VAT on Sales, Italy rate 19 percent<br>• Register Type B: VAT on Sales, out of EU, not subject to VAT (art. 8/A) |

# Revising IVA Balances

From EMEA Localization (G74), choose Summary IVA Reports

From Additional Italian Tax Processing (G002131), choose IVA Balances Revisions

You can review and revise the IVA balances that print on your summarized IVA report.

▶ **To revise IVA balances**

On IVA Balances Revisions



1. To locate a specific IVA balance record, complete the following fields:
   - Balance Date
   - Company
2. To revise the IVA balance, complete the following fields:
   - Credit IVA Balance
   - Debit IVA Balance
   - Description
   - Second Description

| Field | Explanation |
|-------|-------------|
| Balance Date | Balance date. This date is associated with a VAT balance for the Summary VAT Process. It can be revised in the VAT Balances Revisions screen (P74092). The print program P74093 searches the VAT balance file by this date. |
| Credit IVA Balance | VAT Credit Balance. This VAT credit balance is maintained in the IVA Balances Revisions screen (P74092) and is used in the IVA Summary Report program (P74093). |
| Debit IVA Balance | VAT Debit Balance. This VAT debit balance is maintained in the IVA Balances Revisions screen (P74092) and is used in the IVA Summary Report program (P74093). |

## Printing the Summary IVA Report

From EMEA Localization (G74), choose Summary IVA Reports

From Additional Italian Tax Processing (G002131), choose Print IVA Summary Reports

To review the total amount of IVA that is due to the Italian government, print the Summary IVA report. The report prints IVA totals by:

- Register type
- Register class
- Previous balance

When you print the Summary IVA Report, the system:

- Creates a temporary workfile (F74093), based on the links you establish for document type, register class, and register and the information in the Sales/Use/VAT Tax table (F0018)
- Prints an error report that lists records form the Sales/Use/VAT Tax table that do not include register type or register class information
- Prints the Summary IVA Report

## What You Should Know About

**Rounding logic**    Rounded lira amounts are reported in thousand lira increments. The rounding logic for the Summary IVA Report program is hard-coded as follows:

- If the last three digits of the total amount are greater than or equal to 500, then the rounding amount is the result of the subtraction of this value from the upper 1000 liras. For example, if the total is 1.154.750, the rounding amount is 250 and the total IVA to pay is 1.155.000.
- If the last three digits of the total amount are lower than or equal to 500, then the rounding amount is the difference between this value and the lower 1000 liras. For example, if the total is 1.154.350, the rounding amount is 350– and the total IVA to pay is 1.154.000.

## Processing Options for IVA Summary Report (P74093)

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

PROOF OR FINAL:
2. Enter a '1' to run in final mode.            _____
   If left blank, the report will be run
   in proof mode.

PRINT OPTIONS:
3. Enter '1' to use the thru date as            _____
   the report header.  If left blank,
   the standard JDE report header will
   be used.
4. Enter a '1' if you would like to             _____
   suppress the printing of the negative
   sign.  If left blank, the sign will
   be printed.
```

# Work with Withholding Tax

## Working with Withholding Tax

In Italy, businesses must withhold taxes from payments to certain types of suppliers, such as self-employed and contract suppliers. These withholding taxes are remitted directly to the government. In addition to the withholding tax, businesses must report specific information about these suppliers and different withholding categories to the government on a periodic basis.

In some cases, businesses can defer the recognition of IVA payable on vouchers for suppliers that are subject to withholding tax until the voucher is paid. In Italy, this tax scheme is referred to as *Notula*.

In all cases, businesses must report the amount of tax that is withheld due to self-employment and commissions.

## INPS Withholding Tax

In addition to standard withholding taxes, payment to certain types of contractors is subject to a social security withholding tax of ten percent. This ten percent is to be paid directly to the Italian social security office, *Istituto Nazionale Previdenza Sociale (INPS)*.

Contractors that are subject to the additional *INPS* withholding may or may not have a company fiscal identification number (*Partita IVA*).

**Contractor with company fiscal ID**  If the contractor has a company fiscal identification number, the contractor is liable for the entire *INPS* withholding. In this case, the supplier bills an additional four percent (*diritto di rivalsa*) to the company. The company records this additional fee as part of the standard voucher, using an additional pay item.

**Contractor without company fiscal ID**  If the contractor does not have a company fiscal identification number, the company is liable for two-thirds of the *INPS* withholding. The contractor is liable for the remaining one-third.

The following graphic illustrates the withholding tax process for Italy.

**Voucher Entry**

| Type Document Number | Date | Amount | Taxable | W/H Tax | W/H Code | IVA |
|---|---|---|---|---|---|---|
| PV 1230 | 30/06/98 | 119 | 100 | 10 | AB | 19 |
| Status Code = 0 | | | | | | |
| AP Trade | | 119– | | | | |
| Expense | | 100 | | | | |
| IVA | | 19– | | | | |

**Voucher Payment**

| Type Document Number | Date | Amount | Taxable | W/H Tax | W/H Code | IVA |
|---|---|---|---|---|---|---|
| PV 1230 | 30/06/98 | 119 | 100 | 10 | AB | 19 |
| Payment Date = 01/10/98 | | | | | | |
| Status Code = 1 | | | | | | |
| AP Trade | | 119 | | | | |
| Cash | | 109– | | | | |
| W/H Payable | | 10– | | | | |

**Payment to Fiscal Authorities**

| Type Document Number | Date | Amount | Taxable | W/H Tax | W/H Code | IVA |
|---|---|---|---|---|---|---|
| PV 1230 | 30/06/98 | 119 | 100 | 10 | AB | 19 |
| Withholding Paid 15/10/98 | | | | Payment Number 1031 | | |
| Status Code = 2 | | | | | | |
| Cash | | 10– | | | | |
| W/H Payable | | 10 | | | | |

**Fiscal Reports**

Annual Declaration of Withholding Tax Information by Supplier
File generated to interface to Official 770 Form

Date of Birth
Place of Birth
Sex
Tax Code

Working with withholding tax consists of the following tasks:

❑ Entering vouchers with withholding tax

❑ Processing withholding tax

❑ Reviewing withholding tax details

❑ Revising withholding tax details

❑ Printing withholding tax reports

## Before You Begin

❏ Verify that your system is set up for processing withholding tax. See *Setting Up for Withholding Tax Processing*.

❏ Set up withholding tax codes. See *Setting Up Withholding Tax Codes*.

❏ Set up your user defined code tables for withholding tax. See *Setting Up User Defined Codes for Italy*.

# Entering Vouchers with Withholding Tax
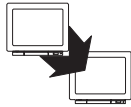
From Accounts Payable (G04), choose Supplier and Voucher Entry

From Supplier and Voucher Entry (G0411), choose Standard Voucher Entry

You enter vouchers for suppliers that are subject to withholding tax just as you would enter any other voucher. After you complete the account distribution for the voucher on the A/R and A/P Journal Entries form, the system displays the Withholding Tax Entry window (P740411W) so that you can enter the withholding tax information for the voucher.

The system stores withholding tax information in the Withholding Tax Detail table (F74411).

## Before You Begin

❏ Set up your user preferences with a country preference code of IT (Italy). See *Setting Up User Display Preferences*.

❏ Verify that the processing options of the Voucher Entry program (P04105), the A/P Functional Server (XT0411Z1) and the Italian country servers (XT0411ZCIT, XT0411ZDIT) are all the same

❏ Verify that you have set up withholding tax information for the supplier for whom you are entering vouchers. *See Setting Up Withholding Tax Information for Suppliers*.

## See Also

• *Work with Standard Vouchers* in the *Accounts Payable Guide*

# Processing Withholding Tax

To process withholding tax, the system:

- Records withholding tax when you enter a voucher for a supplier that is subject to withholding tax. The system stores withholding tax information in a table that is accessed when you make payments.

- Calculates the withholding tax amount and deducts it from the payment to the supplier when you run the manual or automatic payment process

After the system processes withholding taxes, you can calculate and print withholding tax payments for the government.

## Manual Payments

When you record a payment, the system determines whether the supplier is subject to withholding tax based on the information you set up for the supplier. If the supplier is subject to the tax, the system displays the voucher information and updates the Discount Taken field with the withholding tax amount.

The Discount Taken field should be blank at the time you record the payment. If the Discount Available field contains an amount, the system replaces this amount with the withholding tax amount calculated at payment entry time.

When you post the transaction for the payment, the system uses the PKD automatic accounting instruction (AAI) that you set up to define the withholding tax account to associate the accounting entry to the withholding tax payable account.

## Automatic Payments

The system processes withholding tax at specific stages of the automatic payment process as follows:

| | |
|---|---|
| **Create payment control groups** | When you create a payment control group that includes vouchers that are subject to withholding tax, the system updates the Discount Taken field in the Payment Header (F04572) and Payment Detail (F04573) tables with the withholding tax amount from the Withholding Tax Detail table (F74411). The system calculates the payment amount by subtracting the withholding tax (discount) from the gross. |

| | |
|---|---|
| **Work with payment control groups** | When you reset or remove individual vouchers from the payment control group, the system removes the withholding tax amount from the Discount Taken field in the Payment Header (F04572) and Payment Detail (F04573) tables. At this point in the process, the system does not update the Accounts Payable Detail table (F0411) and there is no impact on the voucher records. |
| **Update payment group** | When you update the payment group, the system changes the payment status of the withholding tax to 1 (payment made to supplier) in the Withholding Tax Detail table. The system also updates Accounts Payable Detail table (F0411) with the amount in the Discount Taken field for the withholding tax amount. |

## Notula

*Notula* is the practice whereby a business does not recognize value added tax (IVA) until the payment of a voucher. *Notula* is common for suppliers that are subject to withholding tax. You should use the prepayment process in the base software to process *Notula*.

The system processes *Notula* for specific stages in the prepayment process as follows:

| | |
|---|---|
| **Enter prepayment voucher** | When you enter prepayment vouchers for Notula, you: |
| | • Use a version of the Voucher Entry program for prepayments |
| | • Use a special document type |
| | • Enter a tax explanation code of E for exempt |
| | • Enter a tax rate/area with a 0 percent tax rate |
| **Record payment** | To record the voucher as paid, you use manual payment with voucher match for the voucher without IVA. |
| **Enter standard voucher** | Enter a standard voucher with a normal tax explanation code and tax rate/area. When the system determines that the supplier for the voucher is subject to withholding, the system displays the withholding window. |
| | Use the form to select the matching *Notula* document for the voucher. The system retrieves the IVA amount along with the withholding tax amount. |
| | Distribute as normal. When you post the voucher, the system updates the tax table. |

**Close the amounts**   Enter a second payment to close the amounts in the Accounts Payable Detail table.

The default document type for Notula is PF. You can set up a special document type for Notula in the XT0411ZAIT country server.

### See Also

- *Entering Prepaid Vouchers* in the *Accounts Payable Guide*

## What You Should Know About

**Entering and revising withholding tax**

You enter withholding tax information after you have entered journal entries for a voucher. You can also revise withholding tax information when you change or delete a voucher.

**Accessing withholding tax information**

You can access withholding tax information from the Withholding Tax Inquiry form (P7404200) or the Withholding Tax Revisions form (P740411).

CAUTION: If you change withholding tax information on the Withholding Tax Revisions form, you directly adjust the Withholding Tax Detail table (F74411).

See *Revising Withholding Tax Details* for more information.

**Prompt payment discounts**

You cannot use prompt payment discounts with withholding tax. The withholding tax amounts are stored in the prompt payment discount fields.

In Italy, A/P prompt payment discounts are not used.

**Speed release**

You cannot split vouchers for suppliers that are subject to withholding tax.

**Split payment control groups**

You cannot split a payment control group to exclude part of a voucher, because this creates a new pay item on the voucher.

# Reviewing Withholding Tax Details

From EMEA Localizations (G74), choose Withholding Tax Processing

From Additional Italian Tax Processing (G002131), choose Withholding Tax Inquiry

You can review the information about suppliers that are subject to withholding tax and the status of the tax that you have withheld from those suppliers. Review this information by company, supplier, and date range.

▶  **To review withholding tax details**

On Withholding Tax Inquiry

```
[7404200] - Withholding Tax Inquiry                                    _ □ ✕
Functions   Options   Tools   Help
✔  ✕

                                              From Date      *
                                              To Date        *
    Company           00074      Italian Company
    Address Number    *
    W/T Code          *
    W/T Status Flag   *
    Exclude status    9

  O       Address Number      WT Invoice No  Invoice     W/T Amount    S
      21611 Supplier Test      01 897845     05/05/98      1,520.00    0
   1919876 Elena               01 NOTULA 1   01/15/98      1,520.00    1
      21611 Supplier Test      02 98         01/01/99          1.52    3
      21611 Supplier Test      02 444        01/01/99         10.22    0
      21611 Supplier Test      02 451        01/01/99         10.22    0
      34606 Bollini SpA        01 2          01/01/98          4.20    1
      34614 Notula 2           01 33         01/01/98          4.20    1
      21611 Supplier Test      01 21         03/03/98          7.56    0
      37145 New Notula Supplier (2 01 1      03/03/98          4.20    1
      37153 Not Supp           01 2          03/03/98          4.20    1
      34606 Bollini SpA        01 5245       05/05/98           .84    1
      34606 Bollini SpA        01 2158       05/05/98           .84    0

Opt: 1=Revisions    F4=Detail    F24=More
```

1. To review vouchers by supplier, complete the following fields:

    - Company
    - Address Number
    - W/T Code
    - W/T Status Flag
    - Exclude Status
    - Voucher Number
    - Voucher Type
    - Pay Item

2.  Choose the Revisions option for a supplier record to review the detailed withholding tax information for the voucher.

| Field | Explanation |
| --- | --- |
| W/T Code | Withholding tax internal code. |
| W/T Status Flag | Progress status of the withholding tax. This value is kept in the withholding tax detail file (F740411). Valid values are:<br>0    Withholding tax added during voucher entry<br>1    Voucher paid to supplier (debt towards fiscal authority)<br>2    Withholding tax paid to fiscal authority<br>9    Withholding tax cancelled<br><br>The Italian fiscal authority which collects the withholding tax is the Esattoria Civile. |
| Exclude status | Progress status of the withholding tax. This value is kept in the withholding tax detail file (F740411). Valid values are:<br>0    Withholding tax added during voucher entry<br>1    Voucher paid to supplier (debt towards fiscal authority)<br>2    Withholding tax paid to fiscal authority<br>9    Withholding tax cancelled<br><br>The Italian fiscal authority which collects the withholding tax is the Esattoria Civile. |

## See Also

* *Revising Withholding Tax Details*

# Revising Withholding Tax Details

From EMEA Localizations (G74), choose Withholding Tax Processing

From Additional Italian Tax Processing (G002131), choose Withholding Tax Revisions

You can can revise the withholding tax information that the system stores in the Withholding Tax Detail table (F74411) using the Withholding Tax Revisions program. You can also use the Withholding Tax Revisions form to review all of the withholding tax information for a specific voucher.

The information you revise using the Withholding Tax Revisions form immediately updates the Withholding Tax Detail table. The system does not recalculate taxes and related amounts. You should revise withholding tax information only in exceptional cases, such as when you must adjust the withholding tax information manually.

If you are implementing J.D. Edwards Accounts Payable system for the first time, you can use the Withholding Tax Revisions form to load open withholding tax information from your previous system.

# Printing Withholding Tax Reports

You can print reports to review withholding tax information that the system stores in the Withholding Tax Detail table (F74411) and the Additional Address Book Information table (F0091).

Printing reports for withholding tax includes any of the following tasks:

- Printing the Proposal of Payment Report
- Printing a list of withholding tax payments due
- Printing the Withholding Tax Certifications Report
- Printing the Model 770 Report
- Printing transactions by supplier
- Printing the Supplier Ledger Report with withholding tax details

## Printing the Proposal of Payment Report

From EMEA Localizations (G74), choose Withholding Tax Processing

From Additional Italian Tax Processing (G002131), choose Print W/T Payment Proposal

You can print a cash requirement report that includes details about withholding tax amounts, and Italian bank identification codes and descriptions. You can use this report to verify payment information before you write the actual payments for your suppliers. To do this, run the Print Withholding Tax Payment Proposal report.

The report includes the following information:

- Payment due dates, from, and through
- Supplier number
- Legal name of supplier
- Document type and number
- Pay item
- Supplier invoice number and invoice date
- Net due date
- Open amount
- Withholding tax amount
- Payment status
- Payment instrument
- Bank identification number and description

- Currency code

- Foreign amount

## Processing Options for Proposal of Payment (P7404430)

```
DATE RANGE:
1. Enter the beginning date from which          _____
   payments should be selected.

2. Enter the ending date until which            _____
   payments should be selected.

PAYEE:
3. Enter '1' to print the address of            _____
   the payee linked to the original
   supplier.

4. Enter the line number of the address         _____
   to print on the report.
```

## Printing a List of Withholding Tax Payments Due
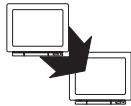
From EMEA Localizations (G74), choose Withholding Tax Processing

From Additional Italian Tax Processing (G002131), choose Generate Withholding Tax Pmts

You can print a list of the withholding tax amounts that you owe the Italian Inland Revenue Tax office (*Esattoria Civile*). To do this, print the Generate Withholding Tax Payments report. The report lists all of the vouchers that were paid to the suppliers that are subject to withholding tax. You can send the report to the Italian tax office as proof of amounts withheld from payments to suppliers.

You can run the report in proof or final mode. When you specify final mode and indicate the "paid" withholding tax status in the processing options, the system marks the withholding tax records as paid to the government. The system also updates the government payment reference and the government payment date for each record in the Withholding Tax Detail table.

The Generate Withholding Tax Payment report includes the following information:

- Withholding tax code

- Address Book number of the supplier

- Legal name of the supplier

- Supplier invoice number and payment date

- Withholding tax taxable amount

- Withholding tax amount

- Withholding tax progress status (specified in the report processing options)

- Government payment date (specified in the report processing options)

- Government Payment reference (specified in the report processing options)

### What You Should Know About

**Printing withholding tax certifications**

You can run a version of the Generate Withholding Tax Payments report to change the status of withholding tax records after you print Withholding Tax Certifications for your suppliers.

To do this, create a version of the report in final mode and indicate your user defined withholding tax status for "certified" in the processing options. Do not specify a payment date.

### See Also

- *Setting Up for Withholding Tax Processing* for more information about the data dictionary values that indicate withholding tax status

## Processing Options for Withholding Tax Payments (P7404500)

```
PROOF/FINAL MODE PROCESSING:
1.  Enter '1' to run the report in Final
    Mode. If left blank, the report will
    run in Proof Mode.                          _____
    Note that a Withholding Tax status
    need to entered in processing option
    3 for the update to be performed.

FINAL MODE OPTIONS:
 2. Specify the date of payment to the         _____
    tax office. If left blank, the with-
    holding tax paid status will not be
    updated.

 3. Enter the value to be used for the         _____
    new W/T paid status.
    If left blank, no update will be
    performed on the W/T detail file
    even if the processing option for
    Final mode is set to 1.

 4. Enter the number of the payment            _____
    document.
```

## Printing the Withholding Tax Certifications Report
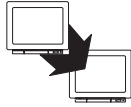
From EMEA Localizations (G74), choose Withholding Tax Processing

From Additional Italian Tax Processing (G002131), choose Print W/T Certifications

You can print a certification of withholding tax paid. You are required to give these withholding tax certificates to your suppliers. To do this, print the Withholding Tax Certifications report.

You can print the Withholding Tax Certifications report on A4 paper. The report looks like a certification letter and includes the following information:

- Date

- Supplier name and address

- REGISTERED (to indicate that the letter is sent through registered mail)

- Default report titles, which you can revise

- Certification number (specified in the processing options for the report)

You can run the report in proof or final mode.

## Processing Options for Withholding Tax Certifications (P7404027)

```
DATES:
1. Enter the date to be printed on the                 _____
   certifications.

2. Enter the beginnin date to process.                 _____

3. Enter the ending date to process.                   _____

INITIAL NUMBER:
4. Enter the number to be printed on the               _____
   first certificate. If no number is
   entered, certificates will be
   printed without a number.
PROOF or FINAL:
5. Enter '1' to run the certifications                 _____
   print in final mode.  If left blank
   the report will be run in proof mode.

STATUS FOR FINAL UPDATE:
6. Enter the value which will update the               _____
   W/T file  with the progress status
   "CERTIFIED". If left blank, even if
   the process is run in final mode,
   NO updates will be done on the W/T
   file.
```

## Printing the Model 770 Report
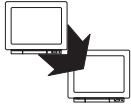
From EMEA Localizations (G74), choose Withholding Tax Processing

From Additional Italian Tax Processing (G002131), choose Model 770 W/T Commissions

In Italy, businesses are required to submit information relative to income generated by self-employment or commissions for the suppliers they employ. They report this information on the official mandatory 770 form (sections DD and DE) for revenue declaration.

To print or download the information, you can run the Model 770 report. When you run the Model 770 report, the system prints two reports and generates two tables.

**Reports**

The Model 770 report generates the following reports:

- DD and DE section of the 770 form (R74094)
- Error report (R74095)

**Tables**

The Model 770 report generates the following tables, which you can download to a specialized software package:

- DD section (F74094)
- DE section (F74095)

The R74094 report includes the following information:

- Section (DD or DE)
- Address Book number
- Supplier name
- Withholding tax code
- Remark or description
- Total gross amount (DD/24 - DE/20)
- Amount not subject to withholding tax (DD/25 - DE/21)
- Net amount (DD/26 - DE/23)
- Withholding tax percentage
- DD/28 - DE/25
- DD/29 - DD/26

The error report prints the following error messages:

- Record does not exist in file F74405

- Record does not exist in file F0101

- Record does not exist in file F0091

- Record does not exist in file F0005

- Wrong date of birth

- At least one negative amount

## Processing Options for Withholding Tax Report – 770 Form (P74094)

```
DEFAULT VALUES:
1. Enter the fiscal ID of the                    _____
   withholding tax agent.

2. Enter the activity code of the                _____
   withholding tax agent.
```

## Printing Transactions by Supplier
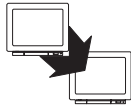
From EMEA Localizations (G74), choose Withholding Tax Processing

From Additional Italian Tax Processing (G002131), choose Print Transaction by Supplier

You can print a list of transactions by supplier that includes detailed information about withholding tax amounts. To do this, run the Print Transactions by Supplier report.

The report includes the following information:

- Supplier that is subject to withholding tax

- Withholding tax code and description

- Supplier invoice number and payment date

- Payment reference

- Taxable amount subject to withholding tax

- Amount not subject to withholding tax

- Withholding tax taxable amount

- Withholding tax amount

## Printing the Supplier Ledger Report with Withholding Tax Details
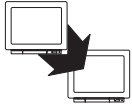
From EMEA Localizations (G74), choose Withholding Tax Processing

From Additional Italian Tax Processing (G002131), choose Print Supplier W/T Ledger

You can print a list of all the transactions for a supplier that is subject to withholding tax. To do this, run the Print Supplier Withholding Tax Ledger report.

The report includes the following information about the supplier and the transactions, including withholding tax details.

**Supplier**
- Address Book number
- First and last name
- Address (street and city)
- Province
- Fiscal ID
- Date of birth
- Place of birth
- Province of birth
- Gender

**Transaction and withholding tax detail**
- Supplier invoice date and invoice number
- Abbreviated description of the withholding tax
- Base of calculation for the withholding tax
- Amount not subject to withholding tax
- VAT amount
- Total amount paid
- Taxable amount subject to withholding tax
- Internal withholding tax code
- Fiscal withholding tax code
- Withholding tax percentage
- Withholding tax amount paid
- Net paid amount
- Supplier payment date
- Government payment date
- Payment reference

# Work with Suspended IVA

## Working with Suspended IVA

Italian law requires that businesses that sell goods to certain government-owned or controlled institutions, such as hospitals and schools, defer the booking of IVA payable until receipt of complete or partial payment for the invoice. This means that instead of booking IVA to an active IVA payable account at the time of the sale, the business must hold the IVA in suspense until payment is received. Typically, invoices that are subject to suspended IVA are for large amounts that are paid in installments over a long period of time.

In Italy, businesses report and remit taxes to the government on a periodic basis. The amount that a business owes is calculated as the difference between the IVA payable (generated in the Accounts Receivable system) and the IVA recoverable (generated in the Accounts Payable system) amounts. Because businesses that hold IVA in suspense do not recognize the tax payable until payment is received, the amount that they owe to the government more accurately reflects the tax liability.

You can use J.D. Edwards localized software for suspended IVA to:

- Identify which transactions are subject to suspended IVA
- Calculate and print IVA payable at the time of invoicing
- Hold the IVA payable in a suspense account until payment is received
- Generate the appropriate accounting transactions when payment is received
- Report on both IVA payable and suspended IVA

The following graphic illustrates the suspended IVA process.

**Setup**

User Defined Codes
    Document Type association, i.e. R9=R8
    Tax Rate/Area association, i.e. SO19=IT19

Customer Set–up with Special Tax/Rate Area, e.g. SO19
linked to Suspense VAT G/L Offset (AAIs)

**Invoice Entry**

| Cust | DT | Number | Date | Tax Area | Tax Amt | Inv Amt |
|------|-----|--------|----------|----------|---------|---------|
| 7001 | R9 | 1234 | 03/04/96 | SO19 | 1900 | 10000 |

**Receipts of Payment**

| Cust | DT | Number | Date | Tax Area | Tax Amt | Inv Amt | Rcpt Amt |
|------|-----|--------|----------|----------|---------|---------|----------|
| 7001 | R9 | 1234 | 03/04/96 | SO19 | 1900 | 10000 | |
| **7001** | **RC** | **5011** | **04/10/96** | | | | **5000** |

**Batch Process**

*Identify paid R9 documents*
*Create tax file records for paid R9 documents*
*Create accounting transactions for taxes payable on those documents*

Working with suspended IVA consists of the following tasks:

❑ Generating suspended IVA amounts

❑ Printing the Invoice List Control report

❑ Printing the Monthly Suspended IVA report

## Before You Begin

❑ Define user defined codes for suspended VAT document types (system 00, type DT, system 00, type DI, and system 74, type DT) and suspended VAT rates (system 74, type SP). See *Setting Up User Defined Codes for Italy*.

❑ Set up automatic accounting instruction RTSOSP.

❑ Link your customers to the Suspense VAT G/L Offset temporary account by assigning them a special tax/rate area, such as SO19. See *Entering Customers (P01053)* in the *Accounts Receivable Guide*.

# Generating Suspended IVA Amounts
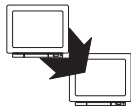
From EMEA Localizations (G74), choose Suspended IVA

From Additional Italian Tax Processing (G002131), choose Suspended IVA Generation

You must identify and account for customer payments that are subject to suspended IVA. To do this, run the Suspense IVA Document Generation program. When you run this program, the system:

- Selects only the records in the the Accounts Receivable Ledger (F0311) that are subject to suspended IVA and do not have matching records in the Suspended VAT Detail table (F74800). Records in the Accounts Receivable Ledger that are subject to suspense IVA have a specific user defined Document Type.

- Creates an internal document in the Sales/Use/VAT Tax table (F0018) and the Suspended VAT Detail table (F74800). This document uses the normal tax code, based on the tax rates and areas you set up for your system. The program uses the values in user defined codes table 74/SP to determine the correspondence between the suspense IVA code and the normal tax code.

- Creates journal entries in the Account Ledger (F0911). The journal entries credit the IVA suspense account and debit the IVA payable account.

The system also prints an internal control document that you can use as an audit trail of the new, system-generated entries in the VAT Tax table (F0018). The control document includes the following information:

- Invoice header with supplier address
- Identifier of the internal document (type, number, and G/L date)
- Suspense invoice reference (type, number, and G/L date)
- Totals by IVA rate, taxable amount, and tax
- Internal document totals

## Processing Options for Generate Suspended VAT Amounts (P74076)

```
DOCUMENT GENERATION:
1. Enter a '1' to run the document          _____
   generation. If left blank, only the
   controls will be performed with the
   relative error messages and warnings
   produced on a report.

AS OF DATE:
2. Enter the As Of G/L date.                _____
   The receipts/rebates on vouchers with
   suspense VAT before this date will be
   included in the generation of new
   documents. If left blank, the current
   system date will be used.

G/L DATE:
3. Enter the G/L date to use.  If left      _____
   blank, the receipt/rebate G/L date
   will be used.

NEW DOCUMENT NUMBER:
4. Enter '1' if a new document number is    _____
   to be assigned, based on document
   type. If left blank, then the old
   document number will be maintained.

DW VERSION FOR DOCUMENT GENERATION:
5. Enter the DREAM Writer version           _____
   number of the Document Generation
   Program (P74077). If left blank, the
   ZJDE0001 version will be used.

AUTOMATIC POSTING:
6. Enter a '1' to post the newly            _____
   generated documents automatically. If
   left blank, the newly generated
   documents will not be posted.

7. Enter the DREAM Writer version           _____
   number of the Posting program
   (P09800) for the newly generated
   documents. If left blank, ZJDE0001
   will be used.
```
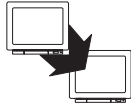
# Printing the Invoice List Control Report

From EMEA Localizations (G74), choose Suspended IVA

From Additional Italian Tax Processing (G002131), choose Invoice List Control Report

You can print a list of suspended IVA invoices that still need to be paid. To do this, print the Invoice List Control report. When you print the report, the system verifies that the invoice has not been paid on the As Of Date you specify for the report, and calculates the open amount.

For each invoice, the report lists the following information:

- Identifying data (date, number, and pay item)
- IVA rate
- Original credit amounts (taxable, tax, and total)
- Advance receipts amounts and credit notes to be debited (taxable, tax, and total)

## Processing Options for Suspended IVA – Invoice Control List (P74079)

```
AS OF DATE:
1. Enter the As Of Date to age the open          _____
   balances. If left blank, the current
   system date will be used.
```

# Printing the Monthly Suspended IVA Report
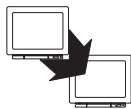
From EMEA Localizations (G74), choose Suspended IVA

From Additional Italian Tax Processing (G002131), choose Monthly Suspended IVA Report

You can run three different versions of the Monthly IVA report when using Suspended IVA:

- Sales IVA Register, for documents that are not subject to suspense IVA
- Sales IVA Register, for documents that are subject to suspense IVA
- Sales IVA Register, including new documents that were generated after receipt

The report includes an additional line to reference the internal system-generated document number.

## Processing Options for A/R and A/P IVA Tax Report – Italy (P004051)

```
PROCESSING MODE:
1) Enter a '1' to run the report in          _____
   Final Mode.  Leave Blank to run the
   report in Proof Mode.

G/L DATE:
2) Enter the From and Through G/L Dates
   below. Blank will use the system
   date as the through date.
                     From G/L Date          _____
                     Through G/L Date       _____

PRINT OPTIONS:
3) Enter a '1' to have the report skip       _____
   2 lines when document numbers are not
   sequential or when G/L dates are not
   sequential.

4) Enter a '1' to suppress report            _____
   headings and page numbers.  Default
   of blank will print headings and
   page numbers.

5) Enter a '1' to reverse the sign of        _____
   the transaction.  Select whether to
   reverse the sign for A/R or A/P in
   Processing Option 6.

PRINT A/P IVA REPORT:
6) Enter a '1' for A/P IVA Report.           _____
   Default of blank will print A/R IVA
   Report.  NOTE:  DREAM Writer
   selection for Batch Type should be
   different for A/R and A/P reports.

7) Enter a '1' to print document type
   description from user defined codes
   instead of invoice remark.               _____
```

# Banking Requirements

## About Banking Requirements

Businesses in Italy frequently use accounts receivable drafts (RiBa).

To process accounts receivable drafts in Italy, you should use Italian-specific payment instruments and file formats. You can also set up your system to validate bank identification information to avoid additional processing fees.

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

❑ Working with bank account information

❑ Working with advanced payment terms

❑ Working with automatic payments

❑ Processing accounts receivable drafts (RiBa)

❑ Processing non-sufficient funds for Riba

# Work with Bank Account Information

## Working with Bank Account Information

Italian banks assess a service charge when invalid account or bank identification numbers are included in the customer information that businesses remit for processing accounts receivable drafts (RiBa) and automatic payments.

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

**Draft generation (P03571)**  When you generate drafts, the system does not create drafts for customers with missing or invalid bank information. Instead, the system prints an error report that lists these customers. You can review the list to correct or update the bank information before you generate the drafts.

**Draft remittance (P03577)**  When you remit drafts, the system validates bank information again, and includes the drafts for all of the specified customers in the electronic bank file. The system prints an error report that lists the customers with missing or invalid bank information. If you choose, you can remit the bank file with incomplete bank information.

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

### See Also

- *Setting Up for Bank Information Validation*

# 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. Although Italian banks might accept accounts receivable draft records with missing bank account information, they charge an additional fee to process records that are incomplete.

To avoid paying bank charges for incomplete draft records, set up bank account information for your company. You can update this information on an as-needed basis.

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

On Bank Account Information



1. To enter the bank information for your company, 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

Enter the Italian bank identification code (ABI) and the bank branch identification code (CAB) in the Bank Transit field.

| Field | Explanation |
| --- | --- |
| G/L Bank Account No | A field that identifies an account in the general ledger. You can use one of the following formats for account numbers: <br>• Standard account number (business unit.object.subsidiary or flexible format) <br>• Third G/L number (maximum of 25 digits) <br>• 8-digit short account ID number <br>• Speed code <br><br>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. <br><br>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: <br>blank Use the Pre-Note code assigned to the supplier. <br>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. |

| Field | Explanation |
| --- | --- |
| 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.<br><br>Valid values:<br>  blank  checking account<br>  0      checking account<br>  1      savings account<br><br>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
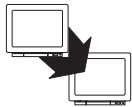
From Accounts Receivable (G03), enter 29

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. Although Italian banks might accept accounts receivable draft records with missing bank account information, they charge an additional fee to process records that are incomplete.

To avoid paying bank charges for incomplete draft records, you should set up bank account information for your customers and suppliers. 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 Advanced Payment Terms

## Working with Advanced Payment Terms

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 advanced, 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 advanced 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 advanced payment terms consists of the following tasks:

❑ Setting up due date rules

❑ Setting up work day calendars (optional)

❑ Setting up advanced 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
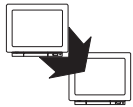
From Accounts Receivable (G03), enter 29

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 not on a 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:

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

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

  Because 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

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

    - Fixed 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.
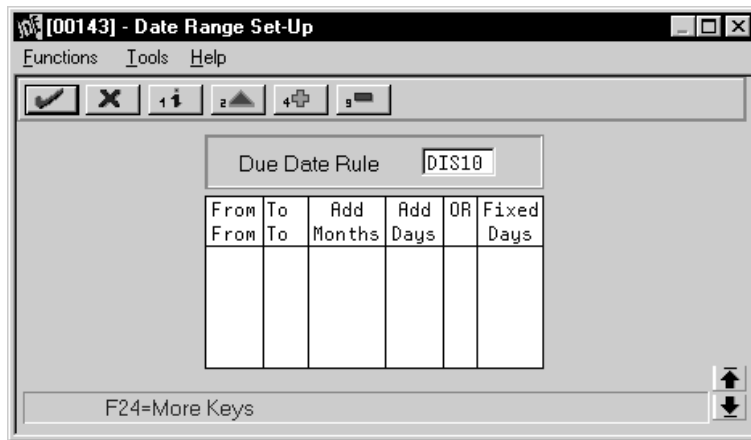


5. On Date Range Setup, complete the following fields:

    - 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. |
| | Use this field to describe the customer or class of customers who will use the execution list. |
| Based on Date | The initial date from which the net due date and discount due date is calculated. |
| | NOTE: The based on date attached to the net due date rule and the discount due date rule is applicable for the first installment only for installment payment terms. Each subsequent installment will use the previously calculated net due date as the basis for calculating the next due date. |
| Months to 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 to Add | This field indicates the number of days to add to the based on date to determine the discount or net due date. |
| Fixed 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). |
| Work Day Rule | 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. |

## 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 Work Day 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 work day 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 workday calendars**

On Work Day Calendar



1. Complete the following fields:

   - Branch

   - Calendar Year

   - Calendar Month

   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 workdays and non-workdays.

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 Work Day Calendar program (P00071)**
The Work Day Calendar program is a Manufacturing program. On the Work Day Calendar form, the Branch field refers to a Branch/Plant (business unit). You can only set up a work day calendar for a valid business unit. After you add a work day 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 work day rules

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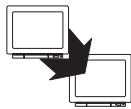
From Accounts Receivable (G03), enter 29

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 determine 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:

- 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 nonblank code for the same payment terms in case you need to change a supplier's payment terms later.

For example, suppose 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 nonblank 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



| O P | Payment Term | Description | Net Due Date Rule | Disc. Due Date Rule | Disc Perc | Inst Present |
|---|---|---|---|---|---|---|
| | DBM | 5 15 net 30 terms | NET30 | 15DAY | .05000 | N |
| | DML | Testx advanced terms | F10M1 | F10M1 | | Y |
| | D01 | test advanced terms | F09M1 | F10M1 | .05500 | N |
| | D10 | discount 10 n30 | F09M1 | F10M1 | .05500 | N |
| | GER | English | F10M1 | F10M1 | .99000 | Y |
| | MON | Monica's Test payment term | F20TX | F20TX | .20000 | N |
| | MT | multi-tiered | TEST | MT | .10000 | N |
| | RLY | test advanced payment terms | TEST | F20TX | .20000 | N |
| | RS1 | test tier | RSS2 | RSS1 | .50000 | N |
| | SAB | Common | F10M1 | F10M1 | .90000 | N |
| | TIR | test tier | NTIER | TIER | .90000 | N |
| | TSA | test tsa | F10M1 | F10M1 | | N |
| | TSB | test tsb | F10M1 | F10M1 | .75000 | N |
| | TSC | test tsc | F10M1 | F10M1 | | N |
| | TSD | test tcd | F10M1 | TIER | .90000 | N |

Opt:1=Installments 9=Dlt F5=Updt w/Redsply F15=Due Date Rules F24=More Keys

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:<br>blank Net 15<br>1     1/10 net 30<br>2     2/10 net 30<br>N    Net 30<br>P    Fixed day of 25th<br>Z    Net 90<br><br>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 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.<br><br>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.<br><br>Note: This field is only available for use when first generating new equal installments for a payment term. |
| Net Due Date Rule | The default value for the Net Due Date rule when generating equal installments.<br><br>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 30 percent discount on their invoice if they remit payment within 10 days, a 20 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 it 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
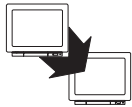
From Accounts Receivable (G03), enter 29

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.
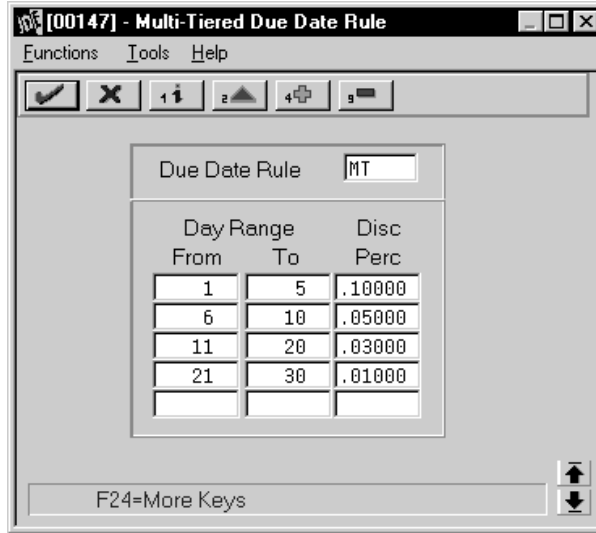
5. Complete the following fields:

- Day Range From

- Day Range To

- Discount Percent

| Field | Explanation |
|---|---|
| From Day | Enter the from day value for the first tier. This must be equal to 1 as it is the first tier. |
| To Day | Enter the day value for the end day of the first tier. This must be greater than the from day value for this tier. There must be no overlaps and no gaps. |
| Discount % – Payment Terms | The percent of the total invoice that will be discounted if the invoice is paid within the discount period specified by the first tier. This is entered 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
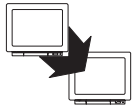
From Accounts Receivable (G03), enter 29

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.

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.**
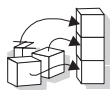
Assign format programs to payment instruments.

**Step 2.**
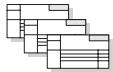
Create payment groups.

**Step 3.**

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

**Step 4.**
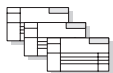
Work with payment groups.

### See Also

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

## Assigning Formats to Payment Instruments

From Accounts Payable (G04), enter 29

From Accounts Payable Setup (G0441), choose Automatic Payment Setup

From Automatic Payment Setup (G04411), choose Payment Instrument Defaults

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, magnetic tapes, and drafts.

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.
- 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.

Assign the following programs to payment instruments for Italy:

**Payment formats**   Specify the following Write Programs to generate payment
formats for Italy:
- P04572I1 for electronic fund transfer format (diskette)
- P04572I2 for check format

**Registers**   Specify Register Program P04576I to generate the payment
register for electronic fund transfer and check formats in
Italy.

## Before You Begin

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

▶   **To assign formats to payment instruments**

On Payment Instrument Defaults

```
┌─────────────────────────────────────────────────────────────────────┐
│ IBM [0417] - Payment Instrument Defaults                    _ □ ✕     │
│ Functions  Options  Tools  Help                                       │
│ ┌───┐┌───┐┌──────┐┌──────┐┌──────┐┌──────┐                            │
│ │ ✔ ││ ✕ ││ 1 i  ││ 2 ▲  ││ 4 ✚  ││ 9 ▬  │                            │
│ └───┘└───┘└──────┘└──────┘└──────┘└──────┘                            │
│                                                                       │
│           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.

## See Also

- *Setting Up Payment Instruments (P0417)* in the *Accounts Payable Guide*

## Processing Options for A/P Payments – EFT for Italy (P04572I1)

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

2. Enter the line number from address        _____
   book for supplier name continuation.

3. Enter the line number from address        _____
   book for supplier street address.

4. Enter a '1' to print value date.          _____
   Default = blank will print due date

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

## Processing Options for A/P Payments - Checks for Italy (P04572I2)

```
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.         _____
   If left blank, the address number's
   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 A/P Payments – Register for Italy (P04576I)

```
FOR SUBCONTRACT PAYMENTS:
1. Enter one of the following values:        _____
      '1' = Print contract information
      '2' = Print job number information
```

# 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

## What You Should Know About

| | |
|---|---|
| **Italian EFT format** | The electronic funds transfer format for Italy accepts a maximum of five payment details. This is because the Write Program P04572I1 writes a detail record in each record 60, of which there can be a maximum of five. You must manually control the number of payments that you include in the payment control group. |

## 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
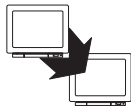
From Accounts Payable (G04), choose Automatic Payment Processing

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:

- 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.

# Process Accounts Receivable Drafts (RiBa)

## Processing Accounts Receivable Drafts (RiBa)

Drafts are payment instruments that involve direct communication between the bank of the payor and the bank of the payee. A draft must be classified, tracked, and reported separately from other types of obligations such as checks and transfers. Clients might require both manual and automatic draft processing. These processes consist of three to five steps, depending on the country or client requirements.

In Italy, accounts receivable drafts are referred to as RiBa. RiBa can be remitted to the bank on paper or electronically.

The Accounts Receivable system provides an effective way to process accounts receivable drafts (RiBa). The following information pertains only to accounts receivable draft processing.

Create Invoices → Originate Draft → Accept Draft → Collect Draft → Remit Draft
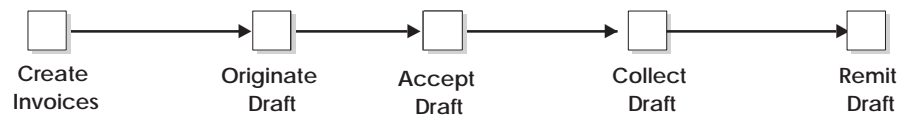
### Creating Invoices

The process begins when a customer purchases goods or services from you for which you must create an invoice. Use the Standard or Speed Invoice Entry form to create and then post an invoice. When you post the invoice, the system debits accounts receivable and credits sales.

At this point in the process, the invoice is open. No draft exists.

| Customer Number 7001 | | | | |
|---|---|---|---|---|
| Doc Type | Invoice Number | Invoice Amount | Payment Instrument | Pay Status |
| RI | 1234 | 10,000 | D | A |

The account postings and the balances in the general ledger for the journals are as follows:

| A/R Trade | | Sales Account | |
|---|---|---|---|
| 10,000 | | | 10,000 |

## Printing the Draft (Optional)

Either you or your customer can originate the draft. The draft shows the amount to be paid, the due date, banking information, and, possibly, information about the invoices.

If you originate the draft, you can include invoices or statements. Some customers expect one draft per invoice. Other customers expect one draft for a statement of invoices. You can send either invoices or statements with drafts attached. Printing the draft has no effect on the general ledger.

| Customer Number 7001 | | | | |
|---|---|---|---|---|
| Doc Type | Invoice Number | Invoice Amount | Statement Number | Print Y/N |
| RI | 1234 | 10,000 | 10005 | Y |

## Accepting the Draft

The draft cannot be legally enforced until your customer accepts it. After your customer accepts the draft, you enter and post the draft, whether it is manual or automatic.

Your customer can accept a manual draft by:

- Signing the draft that you originated and returning it to you

- Changing the draft that you originated (date, amount, bank, and so on), and then signing and returning it to you

- Originating, printing, signing, and sending the draft to you

For automatic (preauthorized) drafts, the draft is considered accepted by prior agreement without a response from your customer.

At this point in the process, the system closes the invoice. The draft has been created and accepted.

The system creates a journal entry to debit drafts receivable and credit an A/R trade account. You post the journal entry.

| Customer Number 7001 | | | | | | | |
|---|---|---|---|---|---|---|---|
| Doc Type | Invoice Number | Invoice Amount | Print Y/N | Pay Status | Pay Instr | Match-ing Doc | Match-ing Number |
| RI | 1234 | 10,000 | | P | 2 | R1 | 10005 |
| R1 | 10005 | 10,000 | Y | D | 2 | 2 | 2 |

The account postings and the balances in the general ledger for the journals are as follows:

|  A/R Trade  |  Drafts Receivable  |
|---|---|
| 10,000 | 10,000 |

## Remitting the Draft

You remit (deposit) the draft to your bank so that it can collect the funds from your customer's bank. You can remit the draft on either magnetic tape or by printing a register. When you remit the draft, the system creates a journal entry to credit drafts receivable and debit drafts remitted. You post the journal entry.

You arrange to collect funds from the draft in one the following ways:

- Wait until the funds are available on the due date of the draft

- Request an advance from your bank before the due date of the draft (discounting). Typically, banks charge interest when they advance funds for a draft before its due date.

| Customer Number 7001 | | | | | |
|---|---|---|---|---|---|
| Doc Type | Invoice Number | Invoice Amount | Print Y/N | Pay Status | Pay Instr |
| R1 | 10005 | 10,000 | Y | G | 2 |

The account postings and the balances in the general ledger for the journals are as follows:

|  Drafts Receivable  |  Drafts Remitted  |
|---|---|
| 10,000 | 10,000 |

When you remit the draft, the system automatically prints the Stamp Tax Report. The Stamp Tax Report is no longer required in Italy.

## Collecting the Draft

Your bank collects the funds for the draft from the customer's bank on the due date. Your bank informs you if it cannot collect the funds. On or after the due date, both the supplier and the customer recognize the transfer of cash.

You run the Draft Collection program (P03576) to update the status of the draft to indicate that it was collected. When you run the program, the system creates a journal entry to credit the drafts remitted and debit a cash account. You post the journal entry.

| Customer Number 7001 | | | | |
|---|---|---|---|---|
| Doc Type | Invoice Number | Invoice Amount | Pay Status | Pay Instr |
| R1 | 10005 | 10,000 | P | 2 |

The account postings and the balances in the general ledger for the journals are as follows:

| Drafts Remitted | Cash Account |
|---|---|
| 10,000 | 10,000 |

In Italy, companies typically do not consider a draft paid until the bank sends verification of the actual payment. In this case, the preferred practice for collecting a draft is to set the processing options for the Draft Collection program so that the program does not automatically create journal entries. Instead, it updates the payment instrument for the draft to an intermediate status. The intermediate status indicates that payment for the draft has been requested from the bank, but not actually received. When the bank verifies the payment of the draft, you can create and post a manual journal entry for the payment. Then, you run the Draft Collection program for the draft again to update the payment instrument for the draft to a "paid" status.

## Processing Unpaid Drafts

There are times, after the draft has already been accounted for as collected, that the bank rejects the draft (usually because the client's account is overdrawn).

You can account for unpaid drafts by choosing Automatic Reversing Entries or Automatic NSF Entries on the draft entry form.

When you account for unpaid drafts, the system creates a matching document type to close the original document. The original invoice is reopened. When you post the batch, the system creates the following journal entry:

- Cash Bank Account (CR)
- A/R Trade (DR)

You can also account for unpaid drafts at the remittance phase by choosing Automatic Reversing Entries or Automatic NSF Entries on the receipts entry form. In this case, the system creates the following journal entry when you post the batch:

- Drafts Remitted (CR)
- A/R Trade (DR)

## What You Should Know About

**Maximum amounts**  You can use a processing option to specify a maximum amount for accounts receivable draft (RiBa) processing. When you use the processing option, the system excludes customer invoices with amounts exceeding the maximum. You can review a report of the invoices that were not included in the RiBa generation based on the maximum amount that you specify.

## See Also

- *Accounts Receivable Guide* for more information about the tasks involved in accounts receivable draft processing
- *Processing Non-Sufficient Funds for RiBa*
- *Appendix F - Alternate Solution for NSF RiBa* to review the custom module provided by J.D. Edwards Italy

# Process Non-Sufficient Funds for RiBa

## Processing Non-Sufficient Funds for RiBa

RiBa, or accounts receivable drafts, are a common payment instrument in Italy. Italian businesses usually process (generate and remit to the bank) large volumes of RiBa on a daily basis. It is common for the bank to return a certain number of RiBa for non-sufficient funds (NSF).

When the bank returns RiBa because of non-sufficient funds in the customer's bank account, you must void the RiBa on the system. You do this by creating a matching document that closes the original draft and reopens the invoice. To avoid selecting the same invoice when you regenerate RiBa, you can use the Receipt Entry country server (P031031IT) to automatically change the payment instrument for invoices that you reopen due to non-sufficient funds.

To process non-sufficient funds for RiBa, process RiBa through the standard draft process:

- Enter the drafts manually (P03103) or automatically (P03571)
- Remit the drafts using the Italian RiBa format (P03577)
- Collect the drafts (P03576)

Then, for RiBa that the bank returns due to non-sufficient funds, access the Receipts Entry form and choose one of the following:

- Automatic NSF Entries (matching document RO)
- Automatic Reversing Entries (matching document RV)

The system automatically:

- Creates a matching document (Document Types RO or RV) that closes the original draft (RiBa) record (Document Type R1)
- Reopens the original invoice record (Document Type RI)
- Creates an offsetting accounting entry, if necessary

The country server automatically changes the payment instrument of the original invoice record to the default payment instrument. You can use a processing option for the country server to specify the default payment instrument.

The following graphic illustrates how you use J.D. Edwards software to process non-sufficient funds for RiBa.
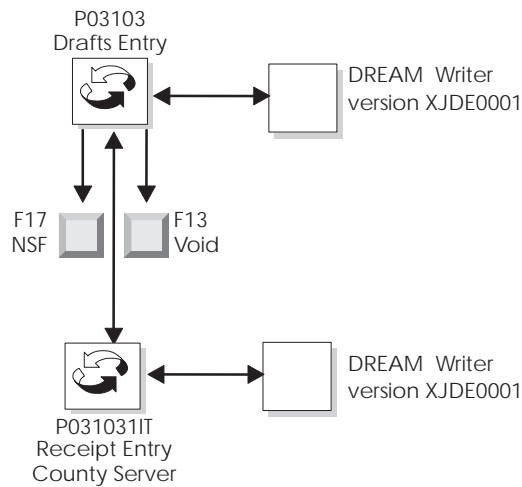


## What You Should Know About

**Alternate solutions**   You can also use the custom module provided by J.D. Edwards Italy to process non-sufficient funds for RiBa.

## See Also

- *Processing Accounts Receivable Drafts (RiBa)* for more information about the standard draft process

- *Appendix F - Alternate Solution for NSF RiBa* to review the custom module provided by J.D. Edwards Italy

## Processing Options for Receipt Entry – Country Server for Italy (P031031IT)

```
PAY INSTRUMENTS PROCESSING:
1. Enter the Pay Instruments.                        _____
   The Default Pay Instruments is "C".
```

# Additional Business Practices

## About Additional Business Practices

J.D. Edwards solutions for additional business practices in Italy consist of the following tasks:

❑ Working with additional data entry requirements

❑ Printing ledger reports

❑ Printing open amount reports

❑ Processing multiple currencies

# Work with Additional Data Entry Requirements

## Working with Additional Data Entry Requirements

J.D. Edwards solutions for additional data entry requirements in Italy include:

- ❏ Accounting for petrol cards

- ❏ Entering VAT-only vouchers for A/P (*Bolla Doganale*)

- ❏ Working with invoices for free goods

- ❏ Working with invoices for the European Union

## Accounting for Petrol Cards

In Italy, companies that provide company cars for their employees are required to keep a petrol (gas) card for each vehicle. The petrol card is used to record the expense of petrol used on the company account to be charged as a company expense. In this way the company can verify that the petrol consumed on the company account corresponds to the petrol recorded on the petrol card.

There are many possible methods for accounting for petrol cards. See the following examples.

| | |
|---|---|
| **Enter the employee expense report** | DR – Transit account |
| | CR – Payable to Employee account |
| **Post the petrol card in Accounts Payable** | DR – Purchases (Petrol) account |
| | CR – Petrol Card (dummy supplier) account |

**Close petrol debt**  To close the debt to the dummy supplier (Petrol Card account), use the manual payment process and replace the Bank account with the Transit account that you used when entering the employee expense report.

DR – Petrol Card (dummy supplier) account

CR – Transit account

## Entering VAT-Only Vouchers for A/P (Bolla Doganale)

In Italy, when a company imports goods from a European country, the VAT rate for the goods is zero, per intra-union regulations. Still, the Italian Customs Authority claims the payment of the VAT at the Italian domestic rate (which is usually about 19 percent). To pay the required VAT, set up the Customs Authority as an address book record with a person/corporation code of 5 (customs authority).

Normally in Italy, different document types are used for *Bolla Doganale* and standard vouchers. The same next numbers are used for both types of vouchers and both are printed sequentially on the Monthly VAT report (P004051). Alternately, you can print Bolla Doganale separately on the Monthly VAT Report and with a separate numbering scheme. To do this, set up next numbers by document type and print the Monthly VAT Report by document type.

You can also set up a special version of the Voucher Entry program (P04105) to default a specific document type from the A/P Functional Server (XT0411Z1) processing option for Bolla Doganale.

You do not have to set up a special version of the Voucher Entry program if your company decides to use the same next number (Same As) for *Bolla Dognale* vouchers and standard vouchers.

When you enter *Bolla Doganale* vouchers for A/P, use the tax explanation code of VT. You can enter the tax amount with the gross amount equal to the tax amount for vouchers with a tax explanation code of VT.

You enter two types of *Bolla Doganale*:

- Vouchers with VAT payment by Carrier/Customs Agency (*Corriere/Transportatore*)

- Vouchers with VAT payment directly to the Customs Authority (*Dogana*)

For *Bolla Doganale* with VAT payment by carrier or customs agency, the entries are posted as follows:

| | |
|---|---|
| **Bolla Doganale** | DR – VAT Recoverable account |
| | CR – Payable to *Bolla Doganale* account |
| **Customs agency voucher** | DR – VAT Transit account |
| | DR – VAT Recoverable account |
| | CR – Debt to Customs Agency account |
| | DR – Customs Expenses account |
| **Close the VAT only voucher** | DR – Payable to *Bolla Doganale* account |
| | CR – VAT Transit account |
| | NOTE: You create the entries to close the VAT only voucher through the manual or automatic payment process. To do this, replace the bank account with the VAT Transit account previously debited when the Customs Agency voucher was posted. |

For *Bolla Doganale* with VAT payment directly to the Customs Authority, the entries are posted as follows:

| | |
|---|---|
| **Bolla Doganale** | DR – VAT Recoverable account |
| | CR – Payable to *Bolla Doganale* account |
| **Payment to the Dogana** | DR – Payable to *Bolla Doganale* account |
| | CR – Bank account |
| **Close the VAT only voucher** | DR – Payable to *Bolla Doganale* account |
| | CR – VAT Transit account |

# Working with Invoices for Free Goods

Invoices for free goods are invoices that have a zero value. In Italy, invoices for free goods must be entered into the system for fiscal and VAT reporting purposes.

When you enter invoices for free goods into the system, the first pay item represents the taxable amount with the relevant tax rate. You enter this pay item with a tax explanation code of V (VAT). The second pay item represents the gross amount (negative). To calculate the gross amount, add the first pay item taxable amount and the VAT amount. Enter the second pay item with a tax explanation code of E (exempt) with a tax rate of zero.

| Pay Item | Gross Amount | Taxable Amount | Tax Amount | Tax Rate Code | Tax Explanation Code |
|---|---|---|---|---|---|
| 001 | | 1000 | 190 | IT19 | V |
| 002 | −1190 | | | IT00 | E |

The total invoice value is zero and the invoice can be posted to update the tax table.

The G/L distribution should debit the Cost of Goods Sold account and credit a specific expense account for free goods.

To close the invoice, record a cash receipt through the Receipts Entry program (P03103).

# Working with Invoices for the European Union

When a company within the European Union imports goods from other European countries, the VAT payable should be compensated with the VAT receivable. J.D. Edwards Accounts Payable system compensates for the VAT amount when you enter the voucher for the supplier.

To do this, you must set up various tax rates for the different types of sales and purchase transactions. For example:

**Purchase transactions** A purchase tax rate code might be CEEA16 or CEEA19. The codes are defined as follows:

- CEE = European Union
- A = Purchases
- 19 or 16 = tax rate percentage

**Sales transactions**   A sales tax rate code might be CEEV16 or CEEV19. The codes are defined as follows:

- CEE = European Union
- V  = Sales
- 19 or 16 = tax rate percentage

For each type of tax rate code, you can set up specific G/L class codes. The system uses the G/L class codes to post your journal entries to different VAT accounts in your chart of accounts. For example, you might have a Domestic VAT account and EU VAT account.

When you enter invoices for the European Union, use a document type that is specific to the type of transaction and the appropriate currency code. The first pay item for the invoice represents the invoice amount with a tax explanation code of exempt (E). The subsequent pay items are used to compensate the VAT, as shown in the following example:

| Pay Item | Gross Amount | Taxable Amount | Tax Amount | Tax Rate Code | Tax Explanation Code |
|----------|--------------|----------------|------------|---------------|----------------------|
| 001 | 1000 | | | | E |
| 002 | 1190 | 1000 | 190 | CEEA19* | V |
| 003 | −1190 | −1000 | −190 | CEEV19* | V |

You must print the information for sales and purchases that are applicable to VAT on separate Monthly VAT Reports (P004051). To do this, make the following data selections:

**EU VAT Recoverable**   Batch Type V and W

Tax Rate Code CEEA16 and CEEA19

**EU VAT Payable**   Batch type V and W

Tax Rate Codes CEEV16 and CEEV19
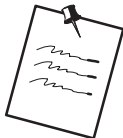
You should also set up your Summary IVA reports (P74093) using the same data selection.

# 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 customer and supplier ledger reports for Italy, the system prints the transactions in the accounting format that is generally used by Italian 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
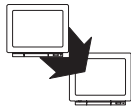
From EMEA Localization (G74), choose Italian Reports

From Italian Reports (G093152), choose Customer Ledger Report

The customer ledger report for Italy 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 (*RiBa*) that are generated for a batch of invoices is printed in the credit 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 customer ledger report:

- A/R draft (*RiBa*) 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
```

# 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

From EMEA Localization (G74), choose Italian Reports

From Italian Reports (G093152), choose Supplier Ledger Report

The supplier ledger report for Italy 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       Do Document Description               Invoice  Invoice     Debit           Credit          Amount         P Cur   Currency          Exchange
     Date      Ty Number  Operation                  Number   Date        Amount          Amount          Balance        C Cod   Amount            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           6,000.00          0.2500000
     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

From EMEA Localization (G74), choose Italian Reports

From Italian Reports (G093152), choose an option under the Open Amount Reports heading

In Italy, businesses 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 Italian 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
```

# 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 having to follow different reporting and accounting requirements. To process and report on transactions in multiple currencies, a company that operates internationally must:

- 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

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

You can consolidate balances 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

This feature allows you to 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 features eliminates the exchange rate fluctuation for financial analysis.

# 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 - Multiple Ledger Types

International businesses can use multiple ledgers to fulfill the reporting requirements of both the corporate entity and the local legal authorities.

## Using Multiple Ledger Types

At year end, your company reports the yearly results during the first few days of January, while in France, for example, the law specifies that the company has until March to report fiscal activity to the authorities. The year is closed from the standpoint of the company, but is not yet closed from a local legal standpoint. The time difference means that the French company must make adjustments for three months that the corporate company does not have to see. These adjustments are typically recorded in an alternate ledger type.

### Example: Currency Ledgers

A company can impose a fixed yearly exchange rate by management choice. In some countries, such as France, it is not acceptable from a legal point of view to ignore gains and losses in foreign currency. You can use the actual amounts (AA) ledger for the company, in which foreign transactions do not have any currency gains and losses, and an alternate ledger type in which you can book the currency gains and losses. In either case, the additional ledger is required to enter transactions that adjust either the local or the company's accounting system.

### Example: Depreciation Ledgers

Three ledger types are not uncommon if fixed assets depreciation is involved. In this case, one ledger is used to record the depreciation that is calculated with the corporate depreciation method in the corporate ledger. An alternate ledger is used to record the depreciation that is calculated based on the depreciation method that is required by the local authorities. The difference between the two depreciation methods is recorded in a third ledger. For local legal reports, you sum the three ledger types to show the actual activity in the depreciation account.

## User Defined Ledgers

To accommodate the need for multiple ledgers, J.D. Edwards software provides a user defined code table in which you can define all the ledgers you use as the ledger types on which you must report.

The actual amounts (AA) ledger is kept as the company's standard ledger, while alternate ledgers keep the adjusting transactions that justify the differences between the company books and the local legal books. You can specify ledger types in the report processing options. An inquiry or a report on the account shows the sum of the two ledger types and displays the actual activity in that account.

# 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*

# Appendix D - Preparation for Annual Close

To prepare for the annual close, set up the following elements:

- Automatic accounting instructions (AAIs)
- User defined codes
- Ledger types
- Document types
- Chart of accounts

## Automatic Accounting Instructions

The following table lists the AAIs that you must set up in preparation for the annual close.

| | |
|---|---|
| **GLG2** | Identifies the first assets account. |
| **GLG3** | Identifies the first liabilities account. |
| **GLG4** | Identifies the account in which the financial year result is stored. You must set up this AAI for each company. |
| **GLG5** | Identifies the last balance sheet account. The last balance sheet account is a nonposting account. |
| **GLG6** | Identifies the first profit and loss account. |
| **GLG12** | Identifies the last profit and loss account. |

## User Defined Codes

The following table lists the user defined codes that you must set up in preparation for the annual close.

| **Ledger types for post balancing (09/LP)** | Set up codes to define ledger types that are different from the AA ledger and for which you want to calculate the profit and loss for the financial year. |
|---|---|

For example, you might define a specific ledger type to record the financial year result for your Italian operation, including the entries required by local law and tax authorities. All of the adjustments related to the law and tax criteria would be recorded in that specific ledger.

| **Ledger types (09/LT)** | Set up codes to define ledger types that you use for the opening and closing entries for accounts. You might even use separate ledger types for the closing and re-opening entries. |
|---|---|

| **Annual close/spread ledger types (00/LT)** | Set up codes to define ledger types that the account closing program uses to update amounts for subsequent periods according to the rules defined for each ledger. The first character that you enter in the Description 2 field determines the rules the closing program uses for the ledger. |
|---|---|

# Ledger Types

The following table lists the ledger types that you must set up in preparation for the annual close.

All user defined ledger types should be identified by a U followed by a digit or a letter.

| **UX** | Set up the UX ledger type for closing assets and liabilities and profit and loss account entries. Although you can choose any client-reserved two-character code for the ledger type, set up the ledger type on the Ledger Types user defined codes table (09/LT). |
|---|---|

| **UY** | Set up the UY ledger type for reopening assets and liabilities account entries. Although you can choose any client-reserved two-character code for the ledger type, set up the ledger type on the Ledger Types user defined codes table (09/LT). |
|---|---|

## Document Types

The following table lists the document types that you must set up in preparation for the annual close.

All user defined ledger types should be identified by a U followed by a digit or a letter.

| | |
|---|---|
| **## (A7.3)** | Document type ## is system-defined. You can use the ## document type to post journal entries for adjustments in the previous fiscal year. |
| | Journal entries with the document type ## automatically update the account balance for the previous year. |
| **&& (A8.1)** | Document type && is system-defined. You can use the && document type to post journal entries for adjustments in the previous fiscal year. |
| | Journal entries with the document type && automatically update the account balance for the previous year. |
| **UX** | Document type UX is used for the reopening of the assets and liabilities accounts. |
| | Although you can choose any client-reserved two-character code for this document type, you must set up the document type on the Document Type user defined codes table (00/DT). |

## Chart of Accounts

The following table lists the accounts that you must define in your chart of accounts in preparation for the annual close.

| | |
|---|---|
| **Final balance sheet account** | Define the final balance sheet account for all of the closing entries related to assets and liabilities. |
| **Beginning balance sheet account** | Define the beginning balance sheet account for all of the opening entries related to assets and liabilities. |
| **Profit and loss** | Define the profit and loss account for the sum of all of the closing entries related to assets and liabilities and the year's profit and loss entry. |

A8.1   (3/98)

# Appendix E - Periodic Activities

## Account Balancing

The following table lists the standard procedures that should be used by companies before month-end reporting is completed. The table represents a series of control reports and balance verification programs with a brief description of each and the frequency with which J.D. Edwards recommends the procedures be executed.

| *Procedure* | *Program* | *Description* | *Frequency* |
|---|---|---|---|
| Verify that document numbers are in sequence | P74099 (World) R74099A–D (OneWorld) | The Sequential Number report highlights any interruption in the document number sequence and general accounting registration date sequence. | Daily |
| Print a listing of all unposted accounting batches | P007011 (World) R007011 (OneWorld) | The Uposted Batches Integrity Test highlights any unposted batches. The posting of all accounting batches is a prerequisite for the subsequent balance verifications. | Weekly |
| Verify that batch detail and batch header information match | P007021 (World) R007021 (OneWorld) | The Transactions to Batch Headers Integrity Test highlights any mismatch between batch headers and the individual transactions within the batch. Mismatches might include transactions for which there is no batch header, or posted transactions that belong to unposted batches. | Weekly |

| *Procedure* | *Program* | *Description* | *Frequency* |
|---|---|---|---|
| Balance A/R against G/L | P03701 (World)<br><br>R03B701 (OneWorld) | Run the A/R to G/L by Batch Integrity Test to check the balance between the A/R Ledger (F0311) and the General Ledger (F0911) by batch number.<br><br>The program also highlights anomalous situations regarding the payment status, such as payment status P against open amounts.<br><br>If the A/R and General Ledgers are out of balance, the Customer Total by G/L Class Report (P09450) can be used an additional verification tool. | Weekly |
| Balance A/R against G/L by accounting class | P037001 (World)<br><br>R03B7001A (OneWorld) | Run the A/R to G/L by Accounting Class Integrity Test to match the A/R ledger (F0311) to the Account Balances table (F0902) by accounting class. | Weekly |

E–3

| *Procedure* | *Program* | *Description* | *Frequency* |
|---|---|---|---|
| Balance A/P against G/L | P04701 (World)<br><br>R04701 (OneWorld) | Run the A/P Original Documents to G/L by Batch Integrity Test to check the balance between the A/P Ledger (F0411) and the General Ledger (F0911) by batch number.<br><br>The program also highlights anomalous situations regarding the payment status, such as payment status P against open amounts.<br><br>If the A/P and General Ledgers are out of balance, the Suppliers Total by G/L Class report (P09450) can be used as an additional verification tool.<br><br>NOTE: If the Bolla Doganale are entered as prepaid documents, the ledger and the Customs debit account might be out of balance. | Weekly |
| Balance A/P against G/L by accounting class | P047001 (World)<br><br>R047001A (OneWorld) | Run the A/P Originals to G/L by Batch Integrity Test to match the A/P Ledger (F0411) to the Account Balances table (F0902) by offset account. | Weekly |

| Procedure | Program | Description | Frequency |
|---|---|---|---|
| Print Trial Balance reports | P7409C3 (World)<br><br>R7409C3 (OneWorld)<br>P7409C4 (World)<br><br>R70472 (OneWorld) | By object.subsidiary<br><br><br>By category code 21, 22, 23 | Monthly |
| Print Monthly IVA reports | P004051 (World)<br><br>R004051 (OneWorld) | Run a version of the Italian A/R – A/P IVA Tax Report for EU IVA purchases to list the currency amounts of your invoices. Run other verions of the report to print the rest of your IVA ledgers. | Per tax regulations |

## Other Periodic Activities

The following table lists other periodic activities that J.D. Edwards recommends for daily operations. The table represents a series of control reports and verification programs with a brief description of each and the frequency with which J.D. Edwards recommends the procedures be executed.

| *Procedure* | *Program* | *Description* | *Frequency* |
|---|---|---|---|
| Clean control headers | P007031 (World) R007031 (OneWorld) | Run the Batch to Detail/Out of Balance Integrity Report to delete batch headers from the Batch Control Records table (F0011) with no transactions.<br><br>NOTE: If you do not want to erase the headers of certain types of batches even though no transaction details exist for the batch, enter X in the Description–2 field of the user defined codes table 98/IT against the batch type that should not be deleted.<br><br>The program also updates any batch header to D (posted) if the individual transactions in the batch have already been posted, and indicates any out-of-balance batches. | Every night |
| Update Supplier Master Table | P04802 (World) R04802 (OneWorld) | Run the Global Update A/P Records with A/B Information program to udpate the Accounts Payable Ledger based on the information in the Supplier Master table (F0401).<br><br>The program updates the following data:<br>• First ten category codes of the master table<br>• Parent company<br>• Alpha name | Every night |

| Procedure | Program | Description | Frequency |
|---|---|---|---|
| Update the A/R Master table | P03802 (World) | Run the Update A/R from Address Book program to update the Accounts Receivable Ledger (F0311) based on the information in the A/R Master table.<br><br>The program updates the following data:<br>• First ten category codes of the master table<br>• Parent company<br>• Alpha name | Every night |
| Update of Master Table word search table | P01820 (World) | Run the Refresh Query Search Word Files program to update the word search table of the Master Table. | Every night |
| Update the chart of accounts word search table | P09BDWRD (World) | Run the Build Word Search File program to update the Chart of Accounts Word Search table. | Monthly, and any time the chart of accounts is changed |
| Update the menu search table | J980090 (World) | Run the Build Menu Search File program to update the Menu Word Search table. | Before going live, and any time existing menus are changed or new menus are added |

# Appendix F - Alternate Solution for NSF RiBa

RiBa, or accounts receivable drafts, are a common payment instrument in Italy. Italian businesses usually process (generate and remit to the bank) large volumes of RiBa on a daily basis. It is common for the bank to return a certain number of RiBa for non-sufficient funds (NSF).

You can process non-sufficient funds for RiBa using a country server and J.D. Edwards base software, or you can use an alternate custom solution that is provided by J.D. Edwards Italy.

The alternate custom solution consists of the following steps:

1. Copying the bank file to a temporary AS/400 sequential file.

2. Processing the sequential file.

   When you process the sequential file, the system:

   - Records the transactions for the non-sufficient funds (NSF) drafts. The system stores the transactions in the Customer Ledger (F0311) and Account Ledger (F0911).

   - Creates a control report. The report lists the following information:
     - Invalid records in the file, with an explanation of the type of error
     - NSF drafts that have been successfully reopened
     - Total number and amount of the records processed

3. Verifing the data that is in the system. This includes recording the drafts that were returned for non-sufficient funds and the associated bank charges.

4. Posting the transactions.

5. Erasing the temporary sequential file.

## Process Flow

```
┌─────────────────────┐
│                     │
│   Load bank file    │
│                     │
└─────────────────────┘
          │
          ▼
   ╭───────────────────╮                 ┌─────────────────────┐        Errors
  (  Sequence file (AS/400)  ) ────────▶ │  Process NSF drafts │        NSF drafts – Details
   ╰───────────────────╯                 └─────────────────────┘        NSF drafts – Totals
                                                   │
                                                   ▼
        ┌──────────────────────────────────────────┐
        │  F0311              F0911                  │
        │  Customer          General                │
        │  Ledger            Ledger                 │
        │                    Transactions           │
        └──────────────────────────────────────────┘
                          │
                          ▼
              ┌─────────────────────┐          F0902
              │                     │          General
              │   Post NSF drafts   │ ───────▶ Ledger
              │                     │          Balances
              └─────────────────────┘
```
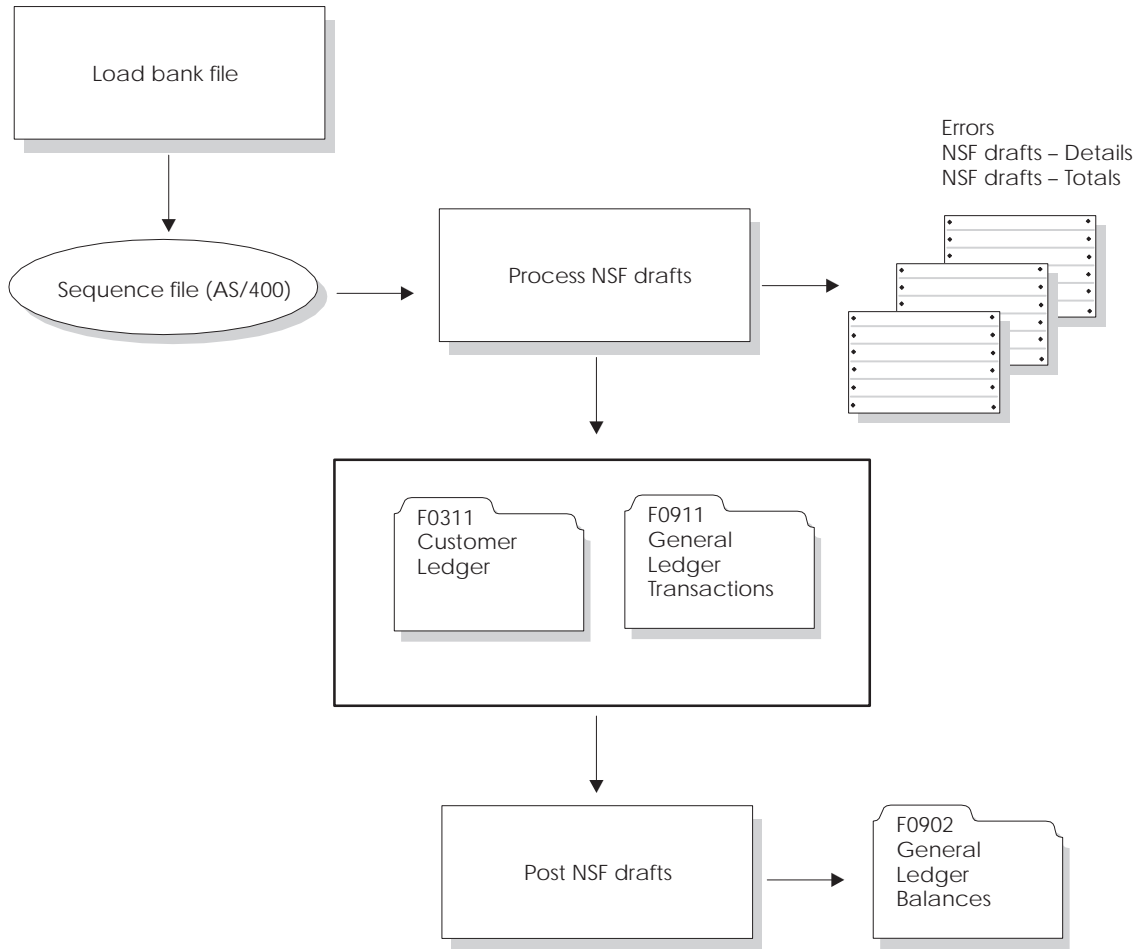
# Glossary

# 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.

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