

Definition:

USER: a person operating the xAI system by login. Identified by userID.

BIZENTITY: an entity who is the owner of the book. Identified by businessID.

Relationship between USER and BIZENTITY is n-n.

CUSTOMER: individual

CLIENT: : entity

## AP / AR – Setting AP/AR settings will be linked to BIZENTITY

20031106 Kevin

To design an AP (Accounts Payable) and AR (Accounts Receivable) module, the settings need to provide flexibility and customization for various user requirements. Here's a breakdown of the key settings you'll need to include for each module:

### 1. General Settings (for both AP and AR) Linked with BIZENTITY

- **Currency Settings:** Allow the user to set the default currency and manage multi-currency transactions. Just set base currency. Other currency will be stored in fx table with instant rate.
- **Fiscal Year/Period:** Define fiscal year start and end dates, along with the option to lock periods for editing once they are closed.
- **Tax Settings:** Set tax rates and tax jurisdictions for managing VAT, GST, or sales tax.
- **Default Terms:** Define default payment terms for both payables (e.g., net 30) and receivables.
- **Integration Settings:** Options to connect with external accounting systems (e.g., QuickBooks, Xero) or payment gateways.

### 2. AP Module Settings (Accounts Payable)

- **Vendor Management** Mainly linked with BIZENTITY
  - Vendor types and categories.
  - Default payment terms per vendor.
  - Option to set credit limits and alert thresholds.
- **Expense Categories:** Define categories for different types of expenses (e.g., utilities, office supplies). in COA
- **Approval Workflow:** Configure settings for multiple approval levels before payments are processed. pending
- **Payment Methods:** Set up default payment methods (e.g., bank transfer, credit card, check). linked to business??
- **Recurring Payments:** Enable settings for recurring expenses or vendor payments (e.g., rent, subscriptions). pending
- **Late Payment Fees:** Option to configure late fee rules if applicable. pending

Customer --> Client, in BizEntity Setup

### 3. AR Module Settings (Accounts Receivable)

- **Customer Management** Our customer is small business, self-employee corporation, and accounting firm. Customer in the context of AR actually means Client.
  - Customer types and categories.
  - Default credit limits per customer.
  - Aging report settings to track overdue invoices. Pending for reporting module

- **Income Categories:** Define income categories for tracking different revenue streams.   
same with COA sub-account
- **Invoice Templates:** Customize invoice templates with company logo, payment terms, and currency options.
- **Recurring Invoices:** Enable settings for automated invoicing on a scheduled basis for repeat customers. pending
- **Payment Methods:** Set up payment methods for customers (e.g., credit card, PayPal, bank transfer).
- **Credit Terms:** Configure settings for offering credit, including default credit terms and interest on overdue payments.

#### 4. Notifications & Alerts pending for Reporting

We do the system in 2 steps:

1st step: transfer all the data into DB.

2nd step: manipulate the data

in DB, including: reporting, notification, reminding, and so on.

The first step is back-end

work (which we are doing)

The second step, need front end and back end working together since they are heavily relied on representation logic.

- **Due Date Reminders:** Configure automated email or SMS reminders for upcoming AP or AR payments and invoices.
- **Threshold Alerts:** Set up alerts for approaching credit limits (both vendor credit for AP and customer credit for AR).
- **Past Due Reminders:** Enable follow-up notifications for past due amounts (both for paying vendors and collecting from customers).

#### 5. Reporting & Analytics pending

- **Aging Reports:** Settings to customize the aging reports (e.g., group by 30, 60, 90 days).
- **Vendor & Customer Statements:** Configure settings to automatically generate and send periodic statements.
- **Custom Report Settings:** Allow users to customize their AP/AR reports, like filtering by date range, vendor/customer, or categories.

#### 6. Audit Trail and User Permissions

- **User Roles & Permissions:** Set permissions for different users based on their roles (e.g., admin, finance, or accountant). Ensure segregation of duties for data entry, approval, and payment/reconciliation. @Michael, can Michael provide a document of this part?
- **Audit Trail:** Enable settings to track all changes made within the system, including by whom and when.

#### 7. Integration with Bank Accounts and Payment Gateways pending

- **Bank Reconciliation Settings:** Set up automated reconciliation processes, enabling matching between bank statements and payments/receipts.
- **Payment Gateway Integration:** Allow integration with payment gateways (e.g., Stripe, PayPal) for automated AR processing and auto-reconciliation.

These settings will give flexibility and control to users in managing both AP and AR processes while allowing them to customize the system according to their business needs.