SunSystems Financials Administration Guide

Release 6.4.x

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Chapter 1: Financials administration guide overview

The topics included in this administration guide describe setting up the Financials environment.

Chapter 2: Setting up the Financials environment

Use the administration functions to set up your SunSystems Financials environment.

This involves these tasks:

- Setting up the Financials ledger.
- Defining ledger number sequencing.
- Setting up automatic tax calculation.
- Defining Allocation Codes.
- Configuring the authorization control facility.

Setting up a Financials ledger

Setting up the Financials ledger includes defining the accounting periods, specifying how a Financials ledger operates within a business unit and initializing optional files.

Accounting periods

When you enter a journal to SunSystems Financials you post to a particular accounting period. This period is entered on the journal transaction and is not derived from the transaction date.

The number of accounting periods in your financial year is defined in Financial Calendars (FCS) and Business Unit Setup. Entering 4 gives you quarterly accounting periods, 52 provides weekly periods, 12 (or 13) monthly periods and 365 means one day is one period. The setting in this field applies throughout the system, i.e. in all SunSystems modules for this business unit.

An accounting period is always entered in the format ppp/yyyy, where ppp is the period number and yyyy the financial year. The year number is, by convention, the year in which your accounting year ends. If you operate a monthly accounting calendar, a period must coincide with the period number in the financial year. For example, if your accounting year starts in April, then April is period one and January will be period 10. Thus April 2021, in a financial year April 2021 through to March 2022, is identified as 001/2022.

You can change the current accounting period either by entering the new period in Ledger Setup (LES), by using Change Period (CPD) or by updating the Financial Calendar Record in Financial Calendars (FCS).

You can set a separate currency period setting for each of the SunSystems modules: Financials, Sales Order Processing, Purchase Order Processing and Inventory Control. Alternatively you can use Financial Calendars for accounting periods to be managed centrally for each module and for each group of business units.

Note: If you change the current period while you, or any other users, have any sessions open in SunSystems, those sessions will continue to use the previous current period. As each new session starts, the new accounting period will be used. You may get unexpected results, and are advised to only change the period when no users are logged into that module.

Maintaining the Ledger Setup

Use Ledger Setup (LES) to specify how a Financials ledger operates within a business unit.

For example, you can specify the accounting periods that are open for posting, whether the automatic payments facility is available, and determine any automatic sequence numbering requirements.

The Ledger Setup form

To open the Ledger Setup form, select **LES** from the SunSystems navigator menu.

The Ledger Setup form contains these tabs:

- General
- Transaction Rules
- Sequence Dimensions
- Options
- Currency
- 4th Currency
- Supplementary Financials
- Agency/Broker
- Voucher Numbering
- Journal Classes.

Ledger Setup (LES)

1. Open Ledger Setup (LES) from the main SunSystems menu.

   The Business unit code and description is displayed. To switch to a different business unit, use Change Business Unit (CBU).
2. Specify the information on each tab in the **Ledger Setup** dialog.
3. Save your changes.

General

1. Click the **General** tab in the **Ledger Setup (LES)** dialog.

2 Specify this information in the Ledger Validity section:

Current Period
The current accounting period for the business unit. The current period is often used as the default period in SunSystems. You set the current period here initially. Thereafter, at the end of each period use **Change Period (CPD)** to update this period number.

Open Periods /To
An operator can post journals to any periods in this range. If you leave both fields blank, there are no posting restrictions. You can use relative period numbers, for example **+nnnn** or **–nnnn**, where **nnnn** is the number of periods after or before the current period. You can also enter **c**, for Current, to allow postings to the current period only, this means to the period specified in the **Current Period** field.

Open Dates /To
This controls the only date, or a range of transaction dates, for which operators can post journals. If you leave both fields blank, there are no posting restrictions. You can use relative dates, in the form **+nnn** and **–nnn**, where **nnn** is the number of days after or before the current date. You can enter **T**, for Today's date, to allow postings to the current system date only. Gregorian calendar users can also enter absolute dates.
Note: If you use Financial Calendars you cannot amend **Current Period**, **Open Periods /To**, **Open Dates /To** In **Ledger Setup (LES)**. You must make any required amendments in **Financial Calendars (FCS)**.

3 Specify this information in the Provisional Posting section:

Provisional Posting
Determine whether or not provisional postings can be made. Provisional postings can be viewed, reported on, and amended before they become permanent ledger postings. Select one option from:

- **Mandatory**

  transactions are posted as provisional and subsequently they must be posted as permanent

- **Optional**

  option to post journals as either provisional or permanent

- **Prohibited**

  transactions are posted as permanent and are prevented from being posted as provisional - this is the default option.

Note: You should not amend this setting from **Mandatory** or **Optional** to **Prohibited** until all provisional transactions have been posted as permanent transactions.

4 Specify this information in the Assets section:

Timing Rule Code
The depreciation timing rule to be used for assets in this ledger.

Exclude Final Value From Depn
Exclude the final value of an asset from the depreciation calculations. This can be overridden on particular assets. This option is selected by default.

Assets in 2nd Base/Rpting Curr
Hold asset values in both base currency and second base or reporting currency. This can be overridden on particular assets.

Use Asset Quantity
Record asset quantities when making fixed asset postings to the ledger.

Lock Calculated Depreciation
If there is a change to the value, depreciation rate or final value of an asset, then the depreciation calculations prior to the change are left intact. No compensation is made in the following periods, which might otherwise have been the case. This option applies to all assets in this business unit.
Note: In order to use **Lock Calculated Depreciation**, fixed assets must be set up with the **Depreciation Method** `Straight Line`.

Full Year Depreciatn in 1st Yr
If this check box is selected, a full year's depreciation value is calculated in the fiscal year its depreciation starts, even if it starts part way through the year. In this case, the amount calculated for the year is distributed across the remaining eligible periods that year. (Eligible periods are those specified in the depreciation timing rule identified in the **Timing Rule Code** field).
You might require this option if you are using any of the enhanced depreciation methods, where depreciation is normally calculated for entire years. However, it is not strictly necessary to set this option in order to use the enhanced depreciation methods.
Leave this check box clear to calculate the depreciation for every asset from the period in which it is purchased. In this case, assets purchased part way through the year have less than a full year's depreciation posted in their first year.

Apply Advanced Depreciation
Advanced depreciation is the multiplication of the ordinary depreciation amount during selected years of the asset's life, and is managed as a different type of transaction to ordinary depreciation. Select this check box to allow assets to be included in the advanced depreciation calculation.

5 Specify this information in the Allocations section:

Next Allocation Reference
The next numeric reference for sets of transactions allocated together. This is automatically incremented when a transaction is allocated or paid.

Withholding Tax Allocation Mkr
The numerical allocation marker to be updated on the Withholding Tax transaction source account.

6 Save your changes.

Transaction Rules

1 Click the **Transaction Rules** tab in the **Ledger Setup (LES)** dialog.

2 Specify this information in the Force Journal Listing section:

Force Journal Listing
Determines if a journal listing is produced automatically after a journal is successfully posted. Select one from:

- `After All Postings`

  produce a listing after any journal is posted (provisional or permanent)

- `After Ledger Postings`

produce a listing after permanent ledger journals are posted only

- **`After Provisional Postings Only`**
  produce a listing after provisional journals are posted only
- **`Unused`**
  the default setting.

Report Format Code
This is the document format code to be used for the journal listing, if it is to be produced automatically. The document format must have been defined in Document Format (DFS).

3 Specify this information in the Import/Entry Preferences section:

Balance By
This option allows you to impose an additional level of balancing control when a journal is entered using Ledger Entry (LEN) and Ledger Import (LIM). You can select any of the following journal details as the basis for journal balancing: transaction reference, transaction date, or any one of the ten transaction analysis dimensions.
If you select one of these options, all journal lines that reference the same value for that field must balance. For example, if you choose Ledger Analysis 1, this means all of the transaction lines that have the same code for Ledger Analysis 1 within a journal must balance. If you select one of the analysis dimensions, you must ensure that the dimension is selected on the **Analysis** tab in the **Journal Types (JNT)** form for all relevant journal types.
If the currency values 1, 3 or 4 have their respective **Currency Amount Balancing** option specified as **`Automatic`** in **Business Unit Setup**, then SunSystems generates any necessary balancing lines in the journal if it is found not to balance by the balancing criterion.
Note: You can generate two levels of balancing lines: by transaction reference and by the field you select for **Balance By**. To do this, use this option in conjunction with the **Trans Ref balancing for Entry** option, or the **Trans Ref balancing for Import** option, or both.

Enforce for Import
Use to determine whether balancing options specified in Ledger Setup are enforced, or amendable, during Ledger Import (LIM).

Balance By Override
Select this option to allow a user to override the **Balance By** journal balancing check. A warning is displayed if a journal does not balance according to the **Balance By** option selected. The user is able to override this and accept the journal, providing the other balancing options are met.
Note: This override does not affect the **Trans Ref Balancing for Entry** or **Trans Ref Balancing for Import** options described below.

Left Justify References
Use this option to determine whether the reference on all transactions posted from Ledger Import (LIM) should be aligned on the left which will remove all leading spaces and leading zeros.

Retain Original Order in Ledger Import
If this option is set, **Ledger Import** will order the transactions as per the import file. If this option is not set, the transactions will be ordered by Transaction Reference.

Trans Ref Balancing for Entry
If this option is set, transactions entered in Ledger Entry (LEN) are balanced by transaction reference, in addition to any **Balance By** option selected. If the currency values 1, 3 or 4 have their respective **Currency Amount Balancing** option specified as `Automatic` in **Business Unit Setup**, then any necessary balancing lines are automatically generated in the journal if it is found not to balance by the transaction reference.

Check On Txn Ref Change
This option is only relevant if the **Trans Ref Balancing for Entry** check box, is selected. If you are balancing by transaction reference, set this option to check that the journal balances by transaction reference every time the reference is changed during **Ledger Entry (LEN)**, that is, when the person entering the journal clicks **New Reference**, as well as when it is posted. Otherwise, if you want to check the journal balances by each transaction reference only when it is posted, leave this check box clear.

Trans Ref Balancing for Import
If this option is selected, transactions imported in Ledger Import (LIM) are balanced by transaction reference, in addition to any **Balance By** option selected. If the currency values 1, 3 or 4 have their respective **Currency Amount Balancing** option specified as `Automatic` in **Business Unit Setup**, then any necessary balancing lines are automatically generated in the journal if it is found not to balance by the transaction reference.

4 Specify this information in the Force Journal Source section:

Force Journal Source
This identifies the person or batch process responsible for creating a journal. Journal Source is also referred to as Operator Id. This setting determines how the journal source is entered on ledger entries, held journals and transaction allocations. Select one from:

- `Prompt Operator at Ledger Entry Stage`

  Enable the operator to manually enter the journal source when the journal is entered. The operator can choose to leave the journal source blank.

- `Id of Operator Posting Journal`

  Specify the journal source as the operator Id of the person who posts the journal.

- `Id of Operator Creating Journal`

  Specify the journal source as the operator Id of the person who initially enters the journal.

Track ID of Opr Holding Jrnl
This option determines how the Journal Source is treated on a held journal after it is retrieved by a second, different operator Id, and then held again. If this check box is selected and the second operator retrieves and modifies the journal, and puts it on hold again, then the Journal Source registered on the journal is changed to the second operator Id regardless of which Force Journal Source option is selected. In other words, if a held journal is retrieved and modified several times by different operators before final posting, then this option allows you to always register the Id of last operator to modify the held journal, rather than the operator who created the journal. On final posting, if the Force Journal Source option is specified as the `Id of Operator Creating Journal` or `Prompt Operator at Ledger Entry Stage`, then the Journal Source used is the Id of the last operator who modified and held the journal, and not the original operator who created the journal.
If this check box is left clear, then the original operator Id is retained on the journal until it is posted, when the Force Journal Source option is used.

5 Specify this information in the Options section:

Ledger Archiving
If this option is selected, old transactions are archived during Ledger Cleardown (LCL). If not, the transactions are deleted. Only actual transactions are archived. Budget transactions are deleted by the archiving process.

Report Corrections
If this option is selected, transactions with the allocation marker of Correction are included in financial reports.

Show Void Payments Message
This option determines whether or not the payment voiding message is displayed.

Report from Balance File
This determines whether reports can be produced from balances on the Balances file, even when these are not fully up-to-date. If this is not selected, reports are produced either direct from the ledger transactions data, or from balances that have been updated to reflect the latest transactions. If you always report from the ledger balances, the reports are produced faster but may not reflect the latest transactions.

Preserve Original Line Values
Account Allocations (ACA) allows you to split a transaction into one or more transactions, in order to match part of original transaction value. Also, Ledger Entry (LEN) and Ledger Import (LIM) can split customer and supplier transactions into several instalments if you are using Scheduled Payments. If this check box is selected, the split functions retain the original transaction and post a corresponding offset transaction to reverse the original transaction, in addition to creating the new split transactions. The original and offset transactions are both assigned an allocation marker of C (Correction).
If this check box is left unchecked, the split facility amends the original transaction value and generates one or more additional transactions for the split amounts. The original transaction value is no longer available.

Non-Match of System Payments
Select this option to allow the user to optionally set the allocation marker on the transactions involved in a system generated payment to T (Paid Unmatched) rather than the default setting of P (Paid). Normally when transactions are paid by Payment Run (PYR) or Payment Collection Run (PYC), the allocation marker is set to Paid. Transactions with this marker are considered paid and fully allocated and cannot be selected for matching by any of the matching functions, for example Account Allocations (ACA) or Online Allocation.
Setting the allocation marker to Paid Unmatched marks the transactions as paid but not allocated. These transactions can be selected in **Account Allocations (ACA)** or Online Allocation for manual matching but cannot be re-selected for payment.

Ignore Debit Balances
If this option is selected, Payment Run (PYR) ignores an account if the transactions selected for payment on the account have an overall debit balance. The account transactions are not updated or reported in any way, and no payment documents or payments are produced.
If this option is not set, Payment Run (PYR) marks each of the transactions making up the debit balance as Balance Forward transactions by setting the Allocation Marker to B. If payment documents are produced it generates a voided cheque and produces a remittance advice that lists the transactions and shows the debit balance.

Over Expenditure Check
If this option is selected, and you have activated budget checking in **Budget Check Setup (BCS)**, the tolerance settings below are used during the budget checking. If both the amount and a percent tolerance is set the lower amount is used for the check.

%Tolerance
If over-expenditure checking is required, this is the percentage by which the budget can be overspent before any over expenditure messages appear. The percentage variance between the budget available and the expenditure being checked, for the appropriate time period, must be within this percentage.

Tolerance Amount
If over-expenditure checking is required, this is the amount by which the budget can be overspent before any over expenditure messages appear. The difference between the budget available and the expenditure being checked, for the appropriate time period, must be within this amount.

6 Save your changes.

Sequence Dimensions

The Sequence Dimension details are required if you want to generate and assign sequence numbers to transactions automatically.

You can assign a different ledger sequence code to each system function, for example, **Payment Run (PYR)**, **Depreciation Calculation (FDC)**, and so on. If sequence numbering is set up for this ledger, but you do not need it for a particular function, specify '-' hyphen in the relevant function's field on this tab.

1 Click the **Sequence Dimensions** tab in the **Ledger Setup (LES)** dialog.

2 Specify this information in the Transactions section:

Dimension
If transaction sequence numbers are required for ledger transactions, select the analysis dimension that is used to store the sequence numbers generated.
You must have defined the analysis dimension using **Analysis Dimensions (AND)** and assigned it to the Ledger analyzable entity using **Analysis Structure (ANS)**. A number of other steps are required to set up the sequence numbering.
Note: The analysis dimension used must be set to a sufficient length to include the code you define, with leading zeros, and the name of the ledger sequence being applied.

Payment Run
This is the sequence number code, defined in **Ledger Sequences (LEQ)**, of the number sequence you want to apply to system journals generated by **Payment Run (PYR)**. If you do not want to apply a sequence number to these system generated journals, but sequence numbering is set up for the ledger, enter '-' hyphen. Two full stops (periods) '..' indicates that you want to copy the sequence number from the original source transaction.

Payment Collection Run
This is the sequence number code, defined in **Ledger Sequences (LEQ)**, of the number sequence you want to apply to system journals generated by **Payment Collection Run (PYC)**. If you do not want to apply a sequence number to these system generated journals, but sequence numbering is set up for the

ledger, enter '-' hyphen. Two full stops (periods) '..' indicates that you want to copy the sequence number from the original source transaction.

Transaction Matching
This is the sequence number code, defined in **Ledger Sequences (LEQ)**, of the number sequence you want to apply to system journals generated by **Transaction Matching (TRM)**. If you do not want to apply a sequence number to these system generated journals, but sequence numbering is set up for the ledger, enter '-' hyphen. Two full stops (periods) '..' indicates that you want to copy the sequence number from the original source transaction.

Payment Voiding
This is the sequence number code, defined in **Ledger Sequences (LEQ)**, of the number sequence you want to apply to system journals generated by **Payment Voiding (PYV)**. If you do not want to apply a sequence number to these system generated journals, but sequence numbering is set up for the ledger, enter '-' hyphen. Two full stops (periods) '..' indicates that you want to copy the sequence number from the original source transaction.

Ledger Revaluation
This is the sequence number code, defined in **Ledger Sequences (LEQ)**, of the number sequence you want to apply to system journals generated by **Ledger Revaluation (LER)**. If you do not want to apply a sequence number to these system generated journals, but sequence numbering is set up for the ledger, enter '-' hyphen. Two full stops (periods) '..' indicates that you want to copy the sequence number from the original source transaction.

Post Withheld Taxes
This is the sequence number code, defined in **Ledger Sequences (LEQ)**, of the number sequence you want to apply to system journals generated by **Post Withheld Taxes (PWT)**. If you do not want to apply a sequence number to these system generated journals, but sequence numbering is set up for the ledger, enter '-' hyphen. Two full stops (periods) '..' indicates that you want to copy the sequence number from the original source transaction.

Depreciation Calculation
This is the sequence number code, defined in **Ledger Sequences (LEQ)**, of the number sequence you want to apply to system journals generated by **Depreciation Calculation (FDC)**. If you do not want to apply a sequence number to these system generated journals, but sequence numbering is set up for the ledger, enter '-' hyphen. Two full stops (periods) '..' indicates that you want to copy the sequence number from the original source transaction.

Asset Disposal
This is the sequence number code, defined in **Ledger Sequences (LEQ)**, of the number sequence you want to apply to system journals generated by **Asset Disposal (FAD)**. If you do not want to apply a sequence number to these system generated journals, but sequence numbering is set up for the ledger, enter '-' hyphen. Two full stops (periods) '..' indicates that you want to copy the sequence number from the original source transaction.

3 Specify this information in the Daybook section:

Dimension
If automatic daybook sequence numbers are to be assigned to transactions when they appear on a definitive **Daybook Listing (DYL)**, this is the transaction analysis dimension that is used to maintain the sequence numbers.

You must have defined the analysis dimension using **Analysis Dimensions (AND)** and assigned it to the Ledger analyzable entity using **Analysis Structure (ANS)**.

4 Specify this information in the Tax section:

Dimension
The transaction analysis dimension used to store the tax codes that can be entered on transactions for tax reporting and calculation purposes.
You must have defined the analysis dimension using **Analysis Dimensions (AND)** and assigned it to the Ledger analyzable entity using **Analysis Structure (ANS)**.

Tax on Settlement Discount
If you have specified a tax analysis dimension, you can adjust the tax amounts when settlement discount is generated. If this option is set, the tax amounts are adjusted when settlement discount is generated. If this option is blank, the tax amounts remain unchanged.

Settlement Discount on VAT
If this option is selected, the tax amounts are adjusted when settlement discount is generated.

5 Specify this information in the Apply Sequence Numbers section:

Hard Posting Only
If this option is set, transaction sequence numbers are only generated for permanent postings. They are not generated for provisional postings.

6 Save your changes.

Options

1 Click the **Options** tab in the **Ledger Setup (LES)** dialog.
2 Specify this information in the Automated Bank Payments section:

Automated Bank Payments
This option controls the transactions included in the bank transfer file, depending on whether or not the bank details have been defined for the supplier, customer or client. Select one option from:

- `Unused`

  this is set if a bank transfer file is not required

- `Post All`

  this option includes all payment transactions on the file regardless of whether or not the bank details have been defined

- `Post All and Report if Bank Record Not Present`

  this option includes all payment transactions on the file and produces a warning message identifying the suppliers/customers/clients for whom bank details have not been defined

- `Post Only if Bank Record Present`

  this option excludes payment transactions from the file if the bank details have not been defined for the supplier, customer or client.

3 Specify this information in the Exchange Gain/Loss Post Rule section:

Exchange Gain/Loss Post Rule
In a multi-currency processing environment, this determines how revaluation losses and gains are posted. Select one option from:

- **`Net Gains and Losses`**
  this option posts a net gain or loss to a single account
- **`Gains Only`**
  this posts gains only
- **`Losses Only`**
  this posts losses only
- **`Gains and Losses Separately`**
  this posts both gains and losses to separate accounts.

4 Specify this information in the Statement/Remittance section:

Show Split Creditor Trans
This determines whether creditor/payables account transactions should be shown in detail or summarized on payment documents, for example remittance advices. If the summarized option is chosen, transactions with the same account code, accounting period, transaction reference, journal number, transaction date, allocation marker, debit/credit indicator and currency code are combined into a single line.

Show Split Debtor Trans
This determines whether debtor/receivables account transactions should be shown in detail or summarized on account documents, for example statements. If the summarized option is chosen, transactions with the same account code, accounting period, transaction reference, journal number, transaction date, allocation marker, debit/credit indicator and currency code are combined into a single line.

5 Specify this information in the Trial Balance Subtotal section:

Position of Character
This produces a subtotal break on the trial balance when the specified character in the chart of accounts code changes. For example, if you want subtotals for account codes beginning 10, 11, 12, 13, 20, 21, and so on., you should enter 2; if you want subtotals for account codes beginning 1, 2, 3, 4 and so on., you should enter 1. Leave this field blank if you do not want subtotaling on trial balance reports.

6 Specify this information:

Retain Import Entry Date
This determines the Entry Date to be recorded within SunSystems.
If set to **`Yes`** and an entry date is present on the import file, the entry date on the import file is recorded as the entry date.
If set to **`Yes`** but there is no entry date in the import file, or if set to **`No`**, and a Registration Date is present on the Ledger Sequence Code, the Registration Date is recorded as the entry date.
In all other cases, the **Retain Import Entry Date** is recorded as today's date.

Use Journal Number Gaps
Every journal posted to the Financials ledger is assigned a unique journal number. The posting function allocates the next available journal number to a journal prior to it being posted. Under certain

circumstances, the journal may not be posted, and the journal number is skipped. The next journal to be posted leaves a gap in the journal numbering.
If set to `Yes`, this option enables SunSystems to assign the unused number (which has left a gap in the journal numbering) to the next journal to be posted.
If set to `No`, SunSystems will not use the missing number, and it will remain as a gap in the journal numbering.

Revalue Future Closed Trans
This determines whether or not **Ledger Revaluation (LER)** is to include transactions that have been allocated in a period subsequent to the period of the revaluation. For example, you post some invoices in period 04/2006, and pay and allocate them in 05/2006. You then perform a **Ledger Revaluation** at the end of 04/2006, so in other words, the period in which the invoices are closed is subsequent to the revaluation period. By setting this option, your Ledger Revaluation at the end of period 04/2006 can post the unrealized exchange differences on these invoices because, in addition to their allocation markers, the system takes into account their period of allocation (in this case 05/2006).
Without this option, Ledger Revaluation only looks at the Allocation Marker and simply treats the invoices as allocated, or closed, and therefore as irrelevant for revaluation purposes.

Transaction Date Substitution
This limits the automatic substitution of Transaction Dates by Ledger Import when it is outside of the open date range specified in **Ledger Setup (LES)** and miscellaneous permissions in **User Manager** or **Security Console**. Select one option from:

- `Allow on All`

  any invalid transaction dates are substituted - this is the default option

- `Allow on Order Fulfilment Only`

  any invalid transaction dates in journals from Order Fulfilment, including Business Line Import, are substituted, and all other invalid transaction dates are rejected.

- `Disallow`

  any invalid transaction dates are rejected rather than substituted.

Note: If **Validate Transaction Dates** in **Financial Calendars (FCS)** is selected for the current year, the last calendar day of the accounting period is substituted. If it is not set, the current run date is substituted.

Days Rec Mnger Tables Retained
When transactions are extracted in **Reconciliation Manager (RCM)**, the data is written to a temporary table for each user. Each user's previously extracted data is cleared down the next time the user extracts transactions in**Reconciliation Manager**. This option allows you to specify between 2 and 7 days for retaining the data; the default is 7 days.

7 Save your changes.

Currency

1 Click the **Currency** tab in the **Ledger Setup (LES)** dialog.
2 Specify this information:

Currency for Payments
In a multi-currency environment, this determines whether you can settle by currencies other than the base currency in **Payment Run (PYR)** and **Payment Collection Run (PYC)**. In addition to base currency, you can select to settle in transaction currency, or fourth currency.
Note: In **Payment Profiles (PYP)**, you can set the associated **Currency for Payments** option differently for specific payment or collection types, taking precedence over the setting of this option here on the **Ledger Setup (LES)**.

Currency Rate for Consolidation
This rate is used when you want to consolidate data from other business units using the Financial report writers, in a single currency environment. It is used as the consolidation rate. The amounts in the subsidiary business unit are divided by this rate as part of the consolidation process.
If the subsidiary business units to be consolidated all have the same base currency, leave this blank or enter a rate of 1.

Rate Tolerance Override
If this option is set, a warning message is displayed when rate tolerances are exceeded, but it is possible to override them.

Cheque Payment Limit
This is the largest amount that should be paid by cheque. For example, for security reasons you may wish to pay large amounts by bank transfer. This value is always entered in the base currency and is converted into the payment currency, if it is different. If a cheque payment is requested for a larger amount a warning is displayed.

Pay at Current Rates
In a multi-currency environment, this option determines the basis for which exchange rates are derived during **Payment Run (PYR)** and **Payment Collection Run (PYC)**. Set this option to `Yes` in order to calculate the different currency values during payments and collections using the current exchange rates, as defined in **Currency Period Rates (CNP)** or **Currency Daily Rates (CND)**.
Set this option to `No` in order to use the original exchange rates (sometimes referred to as 'historic rates') that were posted on the source transactions being paid or collected.
Note: If you set this option to `Yes`, to use current rates for payments and collections, in **Payment Profiles (PYP)** you can set the associated **Pay at Current Rates** option to `No` for specific payment or collection types, taking precedence over the setting of this option here on the **Ledger Setup (LES)**.

Rates Override
If you have set the **Pay at Current Rates** option above to `Yes`, the **Rates Override** option determines whether the derived currency exchange rates can be overridden during **Payment Run (PYR)** and **Payment Collection Run (PYC)**. Set this option to `Yes` in order to display the **Currency Rates Override** form during payments and collections, allowing amendment of the currency exchange rates.
Note: If you set this option to `Yes`, to allow rates to be overridden in payments and collections, in **Payment Profiles (PYP)** you can set the associated **Rates Override** option to `No` for specific payment or collection types, taking precedence over the setting of this option here on the **Ledger Setup (LES)**.

Value 1/2/3/4/5 Rate Tolerance Check
This option defines the default currency rate tolerance check, for each of the five currency rates available on a transaction. This only applies to rates entered manually or calculated for a journal type with an **Override Value Rate Tolerances** option set. The individual rate tolerances are set on **Currency Daily Rates (CND)** or **Currency Period Rates (CNP)**.

If this is left blank and override tolerance checking is required for the journal type, any rate entered or calculated for this value is accepted without any tolerance checking.
If this option is set for a currency value and override tolerance checking is required for the journal type, a tolerance check is performed on any manually entered or calculated rates using the global override tolerance percentage identified below.

Value 1/2/3/4/5 Rate Tolerance Level %
If override tolerance checking is required for a currency value, this is maximum global tolerance percentage used to check the rate. This percentage is used to check all currencies, and overrides the percentage entered for an individual currency on a period or daily rate.
The percentage variance between the rate entered or calculated, and the period or daily rate held in the system for the time period must be within this percentage.

Value 2 - Retain default currency code
If this option is set, the default currency code cannot be changed on **Chart of Accounts (COA)**, **Customers (CUS)**, or **Supplier (SUS)**, once that currency is present on a transaction posted to the account.

3 Save your changes.

4th Currency

1 Click the **4th Currency** tab in the **Ledger Setup (LES)** dialog.

2 Specify this information:

Rate Type equal to Value 2
This option is only relevant when the fourth character of the currency code is used to signify a rate type. If this option is set, a change in rate type for value 4 is copied to value 2.

Calculate from Fourth Amount
If this option is set, neither base currency nor transaction currency amounts in **Ledger Import (LIM)** and **Ledger Entry (LEN)** can be present without a fourth currency amount also being present, and fourth currency is used as the basis for calculations of amounts and rates.

Clear when Fourth changed
If this option is set, all non-fourth currency amounts and rates in **Ledger Entry (LEN)** are deleted if the fourth currency code or amount are amended.

Consistent within Trans Ref
If this option is set, the same fourth currency code is used in **Ledger Import (LIM)** and **Ledger Entry (LEN)** for all transaction with the same Transaction Reference.

Default totals to Fourth
If this option is set, the totals displayed in **Ledger Entry (LEN)** default to fourth currency totals.

Absent rate returns to Fourth
If this option is set, the cursor returns to the **Fourth Currency Code** field in **Ledger Entry (LEN)** if a required rate is not entered.

Balance Fourth first
If this option is set, priority is given to fourth currency when balancing in **Ledger Entry (LEN)** for:

- presets and line validation, if period, transaction, or journal balancing is specified.
- posting.

Restrict recalc. of Fourth
If this option is set, the fourth currency amount is not recalculated if conversion code, account, period, date or amounts are changed in **Ledger Entry (LEN)**.

Clear if Trans/Fourth changed
This option determines how **Ledger Entry** deals with Value 4 when you modify an entered journal line if you change the Value 2 amount, and vice versa. If this check box is checked, and you change a Value 2 amount, then the Value 4 amount is blanked out; similarly, if you change a Value 4 amount, then the Value 2 amount is blanked out.
Leave this check box unchecked to recalculate Value 4 on an entered line if Value 2 is modified, and to recalculate Value 2 if Value 4 is modified.
Note: If either of the check boxes **Calculate From Fourth Amount** or **Clear When Fourth Changed** are checked, then the **Clear if Trans/Fourth Changed** is not activated in Ledger Entry (LEN).

3 Save your changes.

Supplementary Financials

1 Click the **Supplementary Financials** tab in the **Ledger Setup (LES)** dialog.
2 Specify this information:

Manual Payment Override
Select this option to allow an authorised user to adjust the amount to be paid to a supplier. It allows the user to enter and post an adjustment amount via a control desk using the Manual Payment Override process, prior to running the Payments process from the same control desk.

Manual payment perm or temp
If the Manual Payment Override option is set, you can choose to post manual payment override transactions generated as permanent or temporary transactions. Two options are available:

- `Permanent` - select this option if the manual payment override transactions should remain visible on the supplier account after they have been paid and matched.
- `Temporary` - set this option to mark the payment override transactions as Correction transactions once they have been paid and matched.

Automatic Payment Stamp
Set this option if payment stamps are required to group together all of the transactions associated with a payment.

Authorization Required
This determines whether or not transactions require authorization before they can be processed. Select `Yes` if authorization checking is required. Authorization checking is performed for each authorization set as a whole, for example, if an individual transaction line cannot be authorized, then the entire set must be rejected. Alternatively, select `No` if authorization checking is not required.
Note: When transactions are authorized, the consequential ledger postings are permanent, even if the **Provisional Postings** option on the **General** tab (described above) is set to `Mandatory`.

3 Save your changes.

Agency/Broker

1 Click the **Agency/Broker** tab in the **Ledger Setup (LES)** dialog.

2 Specify this information:

Instalment checking required flag
The Instalment Checking feature is available if you are using SunSystems Financials as a Broker Ledger in a Pay As Paid environment.
This flag is used to specify if instalment checking is required and if so by which criteria. Three options are available:

- `No Instalment Checking`
- `Instalment Checking by Date`
- `Instalment Checking by Instalment Number`.

Note: Instalment Checking has no relation to Scheduled Payments where transactions in Supplier or Customer accounts can be split into instalments with a schedule of due dates in order to stage payments or collections.

This is the number of characters at the beginning of the Transaction Reference number that the system uses to identify a transaction for instalment checking. This may be set to any number from 1 to 30.
Instalment Check Length

Instalment Check Length Revalue until true rated
This determines if transactions are to be excluded from **Ledger Revaluation (LER)** when a fixed exchange rate exists between the transaction currency and fourth currency. This is indicated on a ledger transactions by the true rated flag. If the **Revalue Until True Rated** flag is set, transactions with a true rated flag are ignored in **Ledger Revaluation**, if the source is transaction currency and the target fourth currency. This setting has no relevance to other revaluation scenarios.

Cash Defined by Journal Type
Check this box if you use Journal Types that have a **Posting Journal Type** set to `Pay as Paid Cash Posting`. When matching transactions in Allocations, if this setting is activated, the system will check to see whether Cash-type transactions exist before it carries out balancing checks. If, instead, this setting is blank, the system will bypass the check for Cash-type transactions.
The following options are relevant if you import Pay as Paid transactions using **Ledger Import**, and need to validate the imported transactions. If the options are set, the corresponding validation criteria must be met in order for the transactions to be successfully imported. Leave the check boxes unchecked if you are not using this functionality.

Unique Transaction/Posting Reference
Validates the reference is unique on each pay as paid transaction imported.

Posting Reference Required
Validates that there is a posting reference on each pay as paid transaction imported.

Intra-transaction Link Reference
Validates that there is an intra-transaction link reference on each pay as paid transaction imported.

Update Allocation Code/Marker
Set this to allow the pay as paid transactions to have their Allocation Code/Marker updated during the import.

3 Save your changes.

Voucher Numbering

1 Click the **Voucher Numbering** tab in the **Ledger Setup (LES)** dialog.
2 Specify this information:

Voucher Numbering
This option determines whether voucher numbering is to be used in this business unit. Select one of the following:

- `Optional` - A voucher number is available to post with journal transactions, but not a mandatory field.
- `Mandatory` - Journals must be posted with voucher numbering.
- `Prohibited` - No voucher numbering in this business unit. Journals cannot be posted with voucher numbers.

By default, this option is set to `Prohibited`, that is, voucher numbering is switched off.

Sequence Restart
Determines the conditions under which the voucher numbering sequence is automatically restarted, that is, reset to 1. This option is deactivated if **Voucher Numbering** is set to `Prohibited`. The following options are available:

- `By Period` - restart the voucher numbering sequence when the current period is changed.
- `Yearly` - restart the voucher numbering sequence when the current year is changed in the period.
- `Daily` - restart the voucher numbering sequence for each new date on ledger transactions.
- `Transaction Reference` - this option is reserved for future use.
- `Never` - The voucher numbering sequence is not restarted under any circumstances.

For the options where the sequence is restarted (Period, Year, and Daily), separate sequences are simultaneously maintained for each new period, year, or date. So, for example, if Period is selected, and the period is changed from 01/07 to 02/07, a new sequence is started for period 02/07, however any transactions still being posted to period 01/07 continue to employ the numbering sequence of period 01/07.
Note: Set this **Sequence Restart** interval to correspond to the Value you set for date or period in the **Transaction References (TRS)**.
You can set a different **Sequence Restart** interval for each different voucher number stream using **Voucher Number Stream Setup (VNS)**, which takes precedence over **Ledger Setup**. In other words, the **Sequence Restart** interval you set here is only used for voucher number streams that have been defined with their **Restart** option set to `Use Ledger Setup Default`.

Posting Stage
Determines at what point a voucher number is assigned during journal creation. This option is only applied to **Ledger Entry (LEN)**. For the other journal generation processes and **Ledger Import (LIM)**, voucher numbering is always assigned when the generated journals are either being held, or posted to the ledger (as a provisional or a definitive posting). As the period is one of the components of the voucher number, a number cannot be assigned before the period is entered. Possible options are:

- `Off` - you are not using voucher numbering in this business unit.
- `On Entry of Line` - a voucher number is assigned when all of the details of the journal line are complete.
- `On entry of Period` - a voucher number is assigned when you enter a period on the journal line.
- `On Posting` - a voucher number is not assigned until the entire journal is either held, or posted to the ledger (as a provisional or a definitive posting).

This option is deactivated if **Voucher Numbering** is set to `Prohibited`.

Voucher Number Displayed in
Determines how the voucher number is displayed in journal transactions, for example, during Ledger Entry (LEN), and in any other journal process, query or report. Possible options are:

- `Transaction Reference` - The voucher number is stored and displayed in the **Transaction Reference** field.
- Second Reference - The voucher number is stored and displayed in the **Second Reference** field.
- `Not Applicable` - The voucher number is not displayed if you are not using voucher numbering in this business unit.

This option is deactivated if **Voucher Numbering** is set to `Prohibited`.

Re-used Voucher numbering
Determines how a gap in the journal numbering is treated. A gap can occur, for example, if a voucher number is used for a provisional transaction, and the transaction is subsequently deleted.

- `Not Used` - you are not using voucher numbering in this business unit.
- `Yes` - gaps in the numbering are reused when assigning voucher numbers to journal transactions. For example, if this option is set and voucher numbers 1,2,4,5 have been used, then the next voucher number to be assigned is 3, after which the sequence continues at 6.
- `No` - gaps in the voucher numbering are ignored. The sequence is always incremented.

This option is deactivated if **Voucher Numbering** is set to `Prohibited`.

3 Save your changes.

Journal Classes

1 Click the **Journal Classes** tab in the **Ledger Setup (LES)** dialog.

2 Specify this information:

Process-specific Class Codes
This set of options allows you to categorize the different Financials processes, so that separate voucher numbering sequences are used appropriately for each type of business transaction. Assign an appropriate journal class to each Financials process. The journal classes must already be defined using **Journal Class Setup (JNC)**.
If **Voucher Numbering** is set to `Optional` and you do not use a particular process, you can leave the class code blank for that process.
These options are deactivated if **Voucher Numbering** is set to `Prohibited`.

Default Class Code
The journal class to use for any Financials process if a class code has not been assigned to that specific process using the above options. This journal class is also used as the default for journal types that do not have a class set on them in **Journal Types (JNT)**.

If **Voucher Numbering** is set to `Optional`, and you decide to leave any of the above options blank, you are recommended to select a default class code for this option.
This option is deactivated if **Voucher Numbering** is set to `Prohibited`.

3 Save your changes.

Printing Ledger Setup details

The Ledger Setup report prints all of the ledger setup details. This report does not require any specific report parameters. It can be run directly from SunSystems, or by selecting the **Report** action within **Ledger Setup**.

Creating Optional Ledger Tables

The database for a Financials business unit comprises a number of files. When you define a new business unit, the mandatory database files are initialized.

Optional Ledger Tables (OLT) is used to initialize the following optional files that may be required to hold additional financial information for a business unit:

- Ledger balance files
- Journals hold files
- Budget ledger files

Optional Ledger Tables (OLT)

1 Open Optional Ledger Tables (OLT) from the main SunSystems menu.
2 Specify this information:

Business Unit Code
The code identifying an existing business unit for which you want to create new files.

Ledger Balance

This is used to create a balance file for a selected ledger, for the business unit. Choose A to create a balance file for the actuals ledger. Choose B to K to create a balance file for the associated budget ledger.

You cannot create a balance file for a ledger that doesn't exist. For example, you cannot create a balance file for a budget ledger if you have not first created the budget ledger itself.

The balance file remains empty until you create the balances and update the file using Ledger Balances Update (LBU) or Ledger Balances Rebuild (LBR).

Note: You can clear an existing ledger balance file by recreating it in Optional Ledger Tables (OLT).

Journal Hold
Select `Yes` to create a journal hold file for the business unit. This is used to store unposted journals.

Budget
A budget file must be created to contain the budget ledger values. You must select the budget ledger you want to create which is identified by the ledger code B to K. A description should be created in **Budget Labels (BLB)**.

3 Click **OK** and then click **Create** when the button is available.

4 Click **Exit**.

Balance Table Analysis Code Consolidation

If you choose to create a balance file for an existing database, with analysis dimensions and codes defined, the **Balance Table Analysis Code Consolidation** form appears. This lists each of the analysis dimensions defined for the ledger and allows you to specify the ledger analysis dimension consolidation you require.

Click the **Consolidate** box alongside the dimensions you want to be consolidated, if any. Consolidated codes are not held on the balance file so cannot be used for reporting using balances.

Financial Calendars

Financial Calendars provides enhanced visibility of calendar information as well as easier management of calendar data and financial years, especially where it is to be replicated across multiple business units and multiple modules.

SunSystems provides users with the ability to define transaction dates and accounting periods independently of one another which allows considerable flexibility and ease of setup. The Financial Calendars (FCS) function enables you to define and display the financial year across business units or multiple business units.

The Financial Calendar record defines the pattern of the accounting year, the financial year end and the accounting periods within the financial year. Within the boundaries set by the Financial Calendar record it is possible to create individual Financial Years records both manually and automatically. It also provides an audit trail of the calendar management using the History functionality.

Financial calendar and financial year information is defined and stored for sets of business units which can be in different business unit groups, and the SunSystems modules as required. This enables financial calendar and financial year information to be managed centrally for each group of business units, for example for change of accounting year, change of accounting period, management of open periods as well as the management of financial year closure, but with the facility for it to be overridden, where necessary, at the business unit level or module level. It also allows different variations of the same financial calendar in different business units and/or modules, but all must share a common year end.

Financial calendars enables multilingual descriptions of calendars, years and periods to be used on reports and inquiries.

Financial calendars also allows optional cross-validation of transaction dates and accounting period information which meets the specific requirements of countries using Sequence Numbering, Prima Nota accounting and variations thereof.

The new calendar information also supports the publication to ION using the necessary BOD definitions to enable complete integration with other ION-participating systems.

Setting up Financial Calendars

In order to use Financial Calendars you must first create a Financial Calendar record using Financial Calendars (FCS).

Financial Calendars (FCS)

1. Open Financial Calendars (FCS) from the main SunSystems menu.
2. Specify this information:

   Calendar Code
   A mandatory calendar code used to identify the financial calendar record. A maximum of 15 characters is allowed.

   Status
   The status of the financial calendar record, which automatically defaults to Draft.

   Default Language
   The default language of the financial calendar record.

   Name
   A mandatory name for this record.

   Lookup
   A lookup code can be used to find a record, as an alternative to the record code. It is often set to a shortened version of the description. It is particularly useful if a record is often referred to using different codes. For example, the Chart of Accounts code for Fuel Expenses is `75201` and the Lookup Code is set to `FUELEXP`.

   Description
   A mandatory description for this record.

3. Save your changes.

Localize

This option allows you to setup the financial calendar record using different languages for which you are currently serialized. Selecting this option displays the **Language Code**, **Name**, **Description** and **Lookup** in the localization grid for languages already defined, including the default language.

In the first unpopulated line of the grid select a language code from the query list of serialized **Language Codes** and specify a **Name**, **Lookup** and **Description** for the Financial Calendar. You can create as many language specific records as required.

Once created you cannot amend the language code. The language record must be deleted and a new one re-created using the correct language code. You can amend all other fields.

To delete a language record, highlight the required line and remove the text from each field. The following message is displayed `Are you sure that you want to delete this language record?` Select **Yes** to delete the language record.

Financial Calendar status

When a financial calendar is created the status automatically defaults to draft. This means that even though the record has been created it is not currently ready for use. To use the new financial calendar record, select the **Open** option from the **Action** menu.

Financial Years

After creating the financial calendar you then need to create the Financial Years to define the Financial Years belonging to this Financial Calendar.

Configuring Financial Calendars

Financial Calendars provides enhanced visibility of calendar information as well as easier management of calendar data and financial years, especially where it is to be replicated across multiple business units and multiple modules.

SunSystems provides users with the ability to define transaction dates and accounting periods independently of one another which allows considerable flexibility and ease of setup. The Financial Calendars function enables you to define and display the financial year across business units or multiple business units.

Before attempting to configure financial calendars, you should plan your accounting period and financial year requirements carefully.

The basic configuration:

1. In **Financial Calendars (FCS)** create the financial calendar header record with the relevant languages if required.
2. Select the **Year** option to open the **Financial Calendar Years** form.
3. Enter the **Financial Year** to be created and complete the remaining fields as required.
4. Ensure the status of the Financial Calendar and Financial Year are set to **open** and select the **Assign** option to assign the relevant business units
5. Once activated you are automatically taken to **Managing Periods (FCP)**
6. Complete the period requirements for each business unit and module for which you are serialized and activate the changes in order for the financial calendar code to be useable
7. Once the year end processing has been completed for your financial year, select **Close Financial Year (FCY)**

Setting the financial year

From within Financial Calendars (FCS) select the **Years** option from the **Action** menu.

The relevant **Financial Calendar Code**, **Name** and **Description** of the Financial Calendar are displayed. Details of the **Default Language** defined on the Financial Calendar are also displayed. Enter the **Financial Year** in the format YYYY and click **OK**.

If the previous financial year exists then the message `'Create Financial Year based on last Financial Year?'` is displayed. Select **Yes** to generate this year with the same settings as the previous year, which will also be automatically assigned to the same business units as the previous year.

1 Specify this information in the Financial Calendar Years:

Assigned Business Units
The business units assigned to the financial calendar. These are displayed after the financial year has been assign to them.

Start of the Financial Year
The start date of the financial year. This must be the first calendar day after the year end of the preceding year, if one exists.

End of the Financial Year
The end date of the financial year. This defaults to the end date for the financial calendar year, typically the end of the 12th month after the start date. You can amend this date to extend or reduce the financial year.
Note: Start and end dates of the Financial Year always take precedence over total number of periods where the **Default Period Method** is **`Monthly`**, because accounting periods are actual months.

Number of Adjustments
These adjustment periods are added to the end of the financial year.

Year End Adjustment
Set the flag to determine whether a Year End Adjustment Period is required. This is in addition to the adjustment periods specified by Number of Adjustments and is the last period of the financial year.

Total Number of Periods
The total number of periods in the financial year. This must include the number of adjustments and the Year End Adjustment if specified.
Note: The **Total Number of Periods** is also reflected in **Maximum Number of Periods** in **Business Unit Setup**.

Validate Transaction Dates
Select this option if transaction dates will be validated against accounting periods.

Default Period Method
Select a period method from the list of options:

- **`Monthly`**
- **`Custom`**.

Default Period Descriptn Type
Select the period description type from the list:

- **`Month #`**

- **`Month Name`**
- **`Month Name & Year`**
- **`Custom`**

If the default period is **`Monthly`** the following **Default Period Description Types** are available:

- **`Month #`** - where '#' represents the number of the month
- **`Month Name`**
- **`Month Name and Year`**

Note: The **Default Period Description** cannot be amended if the **Default Period Method** is **`Monthly`**.

If the **Default Period Method** is **`Custom`** you can enter your own text in the **Default Period Description** field. For example Period or Accounting Period combined with '#' before or after the text to represent the Period Number in the output.

2 Click **OK** to complete.

If you have selected monthly default periods, Financial Years checks whether the **Total Number of Accounting Periods** is valid by adding together the number of calendar months (whether part or whole) between the **Start Date** and the **End Date**, the number of **Adjustment Periods** and the **Year End Adjustment Period**.

If the **Total Number of Accounting Periods** does not match the definition of the Financial Year, taking into account the **Start Date** and **End Date** (from which it derives actual months both part and whole), the number of **Adjustment Periods** and the **Year End Adjustment Period** a warning message is displayed, `'The Total Number of Accounting Periods does not match the Financial Year'`.. Click **OK** to continue and amend the **Total Number of Accounting Periods** accordingly.

3 Save your changes.

Once complete the following accounting periods are generated:

Default Period Method Monthly - Financial Years generates all the accounting periods for the financial year taking into account the following:

- Number of Actual Accounting periods (derived) = Total number of Accounting Periods - Number of Adjustment Periods - Year End Adjustment Period.
- Accounting Periods are bound by start and end dates of the calendar months taking into account part months, where they exist, for the start and end of the Financial Year. Additionally all adjustment periods acquire the **Year End Date** for the Financial Year as their **Start Date** and **End Date**.

Default Period Method Custom - financial years generates all the accounting periods for the Financial Year taking into account the following:

- Number of Actual Accounting periods (derived) = Total number of Accounting Periods - Number of Adjustment Periods - Year End Adjustment Period.
- Accounting Periods are bound by start and end dates, except the **Start Date** of the first accounting period (=Year Start Date) and the **End Date** of the last accounting period (=Year End Date). Additionally all adjustment periods acquire the **Year End Date** for the Financial Year as their **Start Date** and **End Date**.

Period labels based on the selection supplied for **Period Description Type** are also generated. All the accounting periods, accounting period labels in the default language and their start and end dates are displayed. Adjustment periods and the **Year End Adjustment Period** are displayed with start and end dates which equate to the **Year End Date**, with their labels defaulted to 'Adjustment Period #' (where # represents the number) and 'Year End Adjustment Period' respectively. If the dates of the actual accounting periods overlap the following message is displayed: 'Overlapping date ranges are not permitted', or if there are gaps

between the Actual Accounting Periods, the following message is displayed, `'Gaps between date ranges are not permitted.'`

Opening a Financial Year

Once the financial year has been completed and it is ready for use, amend the status to open by selecting the option from the action menu. This does not open the accounting periods. These are opened separately in **Manage Periods (FCP)**.

1 Specify this information:

Change Year
To create multiple financial years to one financial calendar, select this option to create another financial year. You can also use this option to view existing financial years.

Assign/Unassign
The open status allows the financial year to be assigned to a business unit. To open **Financial Calendar Assign Business Units**, click **Assign**. To unassign business units click **Unassign**.

Amend Year
Select **Amend Year**from the **Action** menu to change any of the following details for the Financial Year:

- Start Date
- End Date
- Default Period Method
- End Adjustment
- Number of Adjustment Periods
- Total Number of Periods
- Validate Transaction Dates
- Default Period Description Type
- Default Period Description

If business units assigned to this Financial Year have accounting periods in their transactional data which could be impacted by any of these changes, the following message is displayed, `Transactional data could be impacted by the change to the Financial Year. OK Yes/No?'`. If you select **Yes** to this message transactional data could be impacted by the change to the Financial Year.

Amend Periods
Select this option from the **Action** menu to make manual amendments to start and end dates and the accounting period descriptions.

History
Select this option from the **Action** menu to view the history of the Financial Year.

Amend Language
Select this option from the **Action** menu to change the language code for the Financial Year.

Activate Calendar
Select this option from the **Action** menu to activate the calendar for the Financial Year.

2 Save your changes.

Extending or Reducing the Financial Year

There will be circumstances where the length of the financial year needs to be extended or reduced, for example if company A is taken over by company B and company A's year end needs to be adjusted to match that of company B.

If a financial year is assigned to a business unit, the number of periods and the range of dates cannot be changed. However financial calendars can contain years of different lengths, and different calendars can be assigned to a single business unit for different years.

One of the following methods can be used to extend or reduce a financial year:

If all the business units assigned to the calendar year need to be extended/reduced:

1. Unassign all business units from the financial year affected
2. Amend the financial year with the revised start date, end date and number of periods
3. Assign all the business units to the revised calendar year.

If only some of the business units assigned to the calendar year need to be extended/reduced:

1. Unassign the required business units from the financial year affected
2. Create a new calendar and year with the revised start date, end date and number of periods
3. Set the status of the new calendar and year to open
4. Assign the required business units to the new calendar and year.

Note: If the affected business units already have postings made to periods in the calendar year then the amended/created year must include those periods (even if they are only adjustment periods) or assignment is prohibited.

Financial years and business units

Financial Calendars enables you to define and display the financial year across one or more business units.

Financial Calendar Years displays the business units and modules for which the financial year is to be applied, taking account of the modules which you are serialized for.

Assigning business units to financial years

In Financial Calendar Years select the year to be assigned. The Financial Calendar and the Financial Calendar Years must have a status of open before any business units can be assigned.

Note: Business units which are off line, within a store group or archived are not displayed in the grid.
Note: If the Financial Year is created based on the previous Financial Year which already has business units assigned then those business units are already assigned to this Financial Year and are not displayed in the grid.

1. Select **Years** in **Financial Calendars** for the relevant calendar code.
2. Select **Action > Assign** to display the **Financial Calendar Assign Business Units** form.

   The form displays the Financial Calendar code and financial year information which have been set up. The form also displays a grid populated with the business units belonging to the domain and which are

as yet unassigned to any financial year, detailing the Business Unit code, group, and name and the **Assign** column.

3 Select the **Assign** checkbox for each business unit to be assigned to the financial year displayed.

4 Click **OK**.

These checks are completed to ensure that the financial years are aligned:

- If the business units were previously assigned to an earlier financial calendar, the financial year must have ended the day before the start date of the year now being applied.
- If subsequent financial years exist for any of the business units being assigned, the start date must be the first calendar day after the end of the financial year to which the business units are now being assigned.
- If transaction data exists for the business units, the transaction dates cannot be after the last period for this financial year.

5 Once completed the following message is displayed `'Do you wish to activate the Financial Calendar?'` Select **Yes** to activate the Financial Calendar and Financial Calendar Year.

The **Financial Calendar Manage Periods** form is opened which displays the Manage Periods grid with the **Active Status** flag set to Inactive.

Unassigning Business Units from financial years

To unassign business units from a financial calendar year, select **Year** in **Financial Calendars (FCS)** for the relevant calendar code.

Unassigning Business Units from Financial Calendar Years

To unassign business units from a financial calendar year, select **Year** in **Financial Calendars (FCS)** for the relevant calendar code.

In **Financial Calendar Years** select the year to be unassigned.

Select **Action > Unassign** to display the **Financial Calendar Assign Business Units** form.

The form displays the **Financial Calendar Code** and Financial Year information which have been set up as per the preceding form. The form also displays a grid populated with the business units belonging to the domain and which are currently assigned to the Financial Year, detailing the **Business Unit Code**, **Business Unit Group**, **Business Unit Name** and a column entitled **Assign**.

Note: Business units which are off line, within a store group or archived are not displayed in the grid.

Select the **Assign** checkbox to uncheck each business unit to be unassigned to the Financial Calendar Financial Year displayed.

Managing accounting periods

Manage Periods (FCP) allows you to amend the current period, and open period range for selected business units and selected SunSystems modules which share the same financial calendar definition.

Note: The current period for a business unit can also be changed using Change Period (CPD).

You can filter the business units and modules to be considered for amendment and either individually amend the period values or multi-select and invoke one of the bulk update options.

Manage Periods (FCP)

1 Open Manage Periods (FCP) from the main SunSystems menu.

   Alternatively the Manage Periods (FCP) function is called via Financial Calendars (FCS) after business units have been assigned. If the option is invoked from Financial Calendars, then the calendar defaults to the calendar that is open in Financial Calendars, otherwise it is blank.

2 Select the required calendar code.

   Note:

3 Select **OK** to enable the following Filter Selection fields for entry:
   - **Business Unit /To**
   - **Current Period From/To**
   - **First Open Period From/To**
   - **Last Open period From/To**

   The four modules is presented as a set of check-boxes. Modules that are not serialized are displayed as unchecked and disabled and are not included in the results. The rest are defaulted to checked.

4 Select at least one of the following modules:
   - **Financials**
   - **Sales**
   - **Purchasing**
   - **Inventory**.

5 Click **OK** to display the **Business Unit** and **Module** details that meet the filter criteria.

   The following details are displayed in the grid for each module:
   - **Current Period**
   - **First Open Period** - This is the start period of the Open Period range
   - **Last Open Period** is the end period of Open Period range
   - **Active** - This check-box is selected when Active, unselected when Inactive. A module is Inactive when the Period Status is draft or the Current period is blank
   - **First Open Date** - This is the Period Start Date of the First Open Period
   - **Last Open Date**
   - **Validation Message** - This is the Period - Initially blank, this will show the result of actions applied to the line. - This is the Period End Date of the Last Open Period

6 Specify this information:

   Amend
   Use this action to manually change the details for a module. The following fields can be changed:
   - **Current Period** - a valid period for the Financial Years assigned to the Business Unit. It must be within the open period range
   - **First Open Period** - a valid period for the Financial Years assigned to the Business Unit
   - **Last Open Period** - a valid period for the Financial Years assigned to the Business Unit. It must be greater than the First Open Period

- **Active** - select this to activate the Financial Year for the module.

Alternatively these details can be changed by selecting one or more rows in the grid and using one of the following bulk update actions then selecting **Apply**. Any errors or successful completion of the action are displayed in the validation message column.

Advance Current Period

You can increase the current period setting by highlighting one or more rows, then selecting the **Advance Current Period** option from the **Action** menu. Where the next period is an adjustment or year end period, the period is moved to the first period of the next financial year. The period can also be moved to a year which is in a different calendar if required.

When this option is selected the following message is displayed, `'The Current Period for the selected module(s) will be moved forward a period. Do you wish to continue?'` Select **Yes** to continue.

Revert Current Period

You can also decrease the current period setting by highlighting one or more rows then selecting the **Revert Current Period** option from the **Action** menu. Where the prior period is an adjustment or year end period, the period is moved to the last normal period of the prior year.

When this option is selected the following message is displayed, `'The Current Period for the selected module(s) will be moved back a period. Do you wish to continue?'` Select **Yes** to continue.

Close First Period

To close the first period, highlight one or more rows and select the **Close First Period** option from the **Action** menu. Where the next period is an adjustment or year end period the period is moved to the next adjustment period if the Module is Financials, otherwise it is moved to the first period of the next financial year.

When this option is selected the following message is displayed, `'The First Open Period for the selected module(s) will be closed. Do you wish to continue?'` Select **Yes** to continue.

Re-open Prior Period

To re-open the prior period, highlight one or more rows and select the **Re-open Prior Period** option from the **Action** menu. Where the prior period is in a prior year, the period is moved to the last adjustment or year end period of the prior year if the Module is Financials, otherwise it is moved to the last normal period of the prior year.

When this option is selected the following message is displayed, `'The previous period for the selected module(s) will be opened. Do you wish to continue?'` Select **Yes** to continue.

Open Next Period

To advance the last open period, highlight one or more rows and select the **Open Next Period** option from the **Action** menu. Where the next period is an adjustment or year end period, the period is opened as normal if the Module is Financials, otherwise it is moved to the first period of the next financial year.

When this option is selected the following message is displayed, `'The Next Period for the selected module(s) will be opened. Do you wish to continue?'` Select **Yes** to continue.

Close Last Period

To move the last open period back a period, highlight one or more rows and select the **Close Last Period** option from the **Action** menu. Where the previous period is an adjustment or year end period, the period

is opened as normal if the Module is Financials, otherwise it is moved to the last normal period of the prior year.

When this option is selected the following message is displayed, `'The Last Open Period for the selected module(s) will be closed. Do you wish to continue?'` Select **Yes** to continue.

Activate

Select one or more rows to activate the changes made in Manage Periods (FCP). The row must be marked as activated in order to enable the **Apply** button and save any changes.

Note: Amending the **Total Number of Periods** will also update the **Maximum Number of Periods** in **Business Unit Setup**.

Apply

Select this option to save the changes that have been made.

Note: If you change the period to a new calendar year that has a different number of periods to the current year, you must ensure all important posting processes have been run first. For example Payment Run, Ledger Import, or any provisionally posted journals.

7 Save your changes.

Validation of transaction dates and accounting periods

SunSystems allows you to apply cross validation of the transaction date against the accounting period and vice versa, if defined for the Financial Year in Ledger Entry and Ledger Import. This is particularly useful to ensure that transaction dates fall within the relevant accounting period.

Ledger Entry

Once an accounting period and transaction date has been entered into the **Ledger Entry** form, SunSystems checks whether a financial year belonging to a Financial Calendar is in use for the accounting period entered.

If it is determined that a Financial Year applies for the year of the accounting period entered and the **Validate Transaction Dates** option has been selected in Financial Years, the transaction date entered must then fall within the date boundaries of the accounting period entered.

If the transaction date entered is not within the required range, the following message is displayed, `'Transaction date is out of the range defined for this Accounting Period.'`

If you are using a Journal Type with **Reverse Next Period** selected, the Transaction Date on the reversed portion of the journal is substituted in the next period with the first calendar day of the accounting period of that reversed journal. If the next period is an adjustment period then the period is advanced to the first period of the next year. If the period for the reversing journal is closed or not setup then the journal is rejected.

Ledger Import

Ledger Import allows the accounting period to be derived from the transaction date where only a transaction date is provided.

If the Transaction Date and Accounting Period both exist on the incoming data, Ledger Import checks whether a Financial Calendar is in use for the business unit into which data is being imported.

For each line of the import data Ledger Import checks whether:

- a Financial Year belonging to a Financial Calendar is in use for the accounting period entered
- a Financial Year, as determined by the Financial Calendar, applies for the year of the accounting period
- the Validate Transaction Dates flag has been ticked for the required Financial Year.

If the **Validate Transaction Dates** flag has been set for the Financial Year, SunSystems checks whether the:

- Ledger Setup Transaction Date Substitution is set to 'Disallow', and if so, bypasses the Transaction Date Substitution logic.
- Ledger Setup Transaction Date Substitution is set to Allow - this setting applies the existing logic of Transaction Date Substitution (when the date may or may not be substituted), and continues to apply the Calendars logic in the next step (which might result in a date substitution).
- Transaction date falls within the date boundaries of the accounting period in question.

If the transaction date is beyond the date boundaries of the accounting period, the following message is written on output to the Ledger Import Report, `'Transaction date is out of the range defined for this Accounting Period.'`

If the posting option **`Post`** has been selected and the transaction date does not fall within the Transaction Date boundaries of the Accounting Period, the system treats the transaction line as ineligible for posting. Therefore the line is posted to the Suspense Account, with the last calendar day of the accounting period as the Transaction Date.

If the **Reverse Next Period** option is selected on the journal type the transaction date is substituted on the reversed portion of the journal in the next period with the first calendar day of the accounting period of that reversed journal. If the next period is an adjustment period then the period is advanced to the first period of the next year. If the period for the reversing journal is closed or not setup and if **`Post`** has been selected, the journal is rejected. If **`Post if No errors`** is selected the period on the reversing journal is set back to that of the original journal.

The same rules apply for:

- Journal Reversal and Copy
- Payment Run - where the Payment date is taken as the transaction date
- Payment Collection Run - where the Collection date is taken as the transaction date
- Reconciliation Manager
- Order Fulfilment and Business Line Import postings.

If only the Transaction Date exists and no Accounting Period, Ledger Import checks whether a Financial Calendar is in use for the business unit into which data is being imported.

For each line of the import data Ledger Import checks whether:

- a Financial Year, as determined by the Financial Calendar, applies for the transaction date
- the Validate Transaction Dates flag has been ticked for the Financial Year in question.

If the **Validate Transaction Dates** flag has been set for the Financial Year, Ledger Import references the Financial Years in use for this business unit and determines from the Financial Year record the accounting period which maps to the transaction date on the transaction line. If there is more than one adjustment period that matches, the first eligible period is selected. This period is used as the period for the journal line.

These rules also apply to:

- Corporate Allocation
- Ledger Revaluation
- Transaction Matching

For these functions the system applies the last day of the accounting period for each transaction line in place of Today's Date, however, Entry Date is still set to Today's Date.

Order Fulfilment

In Order Fulfilment processes, adjustment periods, including year end adjustments, cannot be used. Any period calculations also ignore adjustment periods.

Closing the Financial Year

After completing the year end procedures and finalizing the financial statements, the financial year needs to be closed. This is to comply with legal and auditing requirements which is over and above the maintenance of open periods and requires its own dedicated action, the effect of which is almost irrevocable.

Financial Years must always be closed sequentially in ascending order.

The normal process is that all the periods for the year are first closed from within the Manage Periods (FCP) option. This function lists the business units that are using calendars and displays the earliest open year for each.

Years are closed in ascending sequence and there can be no gaps. For example, if the years 2010-2014 are open then 2010 must be closed before 2011, then 2012 can be closed and so on.

You can also select a business unit and re-open the previous year. This option works backwards in time from the earliest open year and is only the first stage in making the year available for posting. To complete the process you must select **Action > Re-Open Prior Period**.

Closing the Financial Year

To close the financial year, from SunSystems select **Close Financial Year (FCY)** and select the **Calendar Code**.

Note: Only open calendars are available for selection.

Enter the business unit from and to and the earliest open year from and to. Click **OK**.

The business units are listed in **Business Unit Code** order, displaying the earliest year that is open for each business unit irrespective of the calendar.

The following columns are displayed:

- Business Unit Code
- Description
- Earliest Open Year
- Calendar
- Periods Open
- End of the Financial Year

You cannot close multiple years at once. Each year needs to be closed individually. Once you have selected the required year select **Action > Close Year**. A confirmation message is displayed, `'Year YYYY in Business Unit will be closed. Do you wish to continue?'` Select **Yes** to close the financial year.

If there are any open periods in the year then the following message is displayed, `'The Year cannot be closed when there are open periods'`.

Re-opening the Financial Year

If a financial year has been closed and subsequently needs to be re-opened you can opt to use the **Re-open Previous Year** option from the **Action** menu within **Close Financial Year (FCY)**.

SunSystems first validates that the previous year to the selected earliest open year exists. If it does, the following message is displayed, `'YYYY in Business Unit will be opened. Do you wish to continue?'` Select **Yes** to re-open the financial year.

If the previous year to the selected earliest open year does not exist then the following message is displayed, `~The previous year does not exist'` and the financial year will not be re-opened.

Viewing the financial calendars for each business unit

Financial Calendars by Business Unit (FCB) enables you to view the financial calendars for each business unit by listing all business units by years as well as the financial calendars assigned to each year.

To display the required information, select **Financial Calendars by Business Unit (FCB)**.

1. Specify this information in Filter Selection:

   Business Unit Code From/To
   The range of business unit for which you require to view the financial calendars for. Leave blank to accept the default of all.

   Financial Years From/To
   The range of financial years for which you require to view the financial calendars for. Leave blank to accept the default of all.

   Calendar Code From/To
   The range of financial calendar codes for which you require to view the financial calendars for. Leave blank to accept the default of all.

2. Click **OK** to display the business unit and calendar information.
3.

Financial Calendar Inquiry

Financial Calendars Inquiry (FCQ) allows you to display selected financial calendar data for specific financial calendar years for the current business unit.

The display of the Financial Calendar data is tailored according to:

- Business Unit
- Module
- Operator Group - open period and date limits defined in User Manager
- User Language
- Financial Year

Performing a Financial Calendar Inquiry

1. Select the Financial Calendars Inquiry (FCQ) option from the main SunSystems menu.
2. Enter the **Financial Year** to review.
3. Click **OK** to display the financial calendar details.

The **Financial Calendar Inquiry** form displays information related to the calendar for the business unit and year as well as the language and the serialized modules.

These details are displayed in the grid:

- Financial Period
- Period Description
- Adjustment
- Period Status
- Current
- Available for Posting
- Period Start Date
- Period End Date

Viewing Financial Calendar History

Financial Calendar History provides details of any creations, amendments and deletions from financial calendar records. It provides an audit trail of the opening and closing of financial years and periods.

To view financial calendar history select **History** from the **Action** menu in Financial Calendars (FCS).

Specify this information:

Business Unit Code From/To
The range of business unit for which you require to view the history for. This is for live business units only.

Action Date From/To
The dates from and to for which to display the history actions.

Financial Year From/To
The range of financial years for which the history is extracted for.

Financial Period From/To
The range of accounting periods for which the history is extracted for.

Calendar Code From/To
The range of calendar codes for which the history is extracted for. The calendar selected in the Financial Calendars (FCS) is set as default.

End Date From/To
The range of end dates for which the history is extracted for.

Module

The module for which the history is extracted for. The following options are available:

- All
- Financials
- Sales
- Purchase
- Not Applicable

Action Code
The list of action codes available for which to view the history. These are all of the actions processes that can be applied to financial calendars, years and periods.

Period Type

Whether you require the adjustment periods to be included in the history extraction or not. The following options are available:

- No - no adjustment periods are extracted
- Adjustment - the adjustment periods are extracted
- Year End Adjustment - only the year end adjustment period is extracted.

Select **Refresh** to populate the data in the grid form.

Note: Store business unit rows are not listed.

The following columns are available in the grid:

- Action Date
- Action Time
- Business Unit Code
- Calendar Code
- Financial Year
- Financial Period
- Adjustment
- Start Date
- End Date
- Module
- Action Code
- User Id Last Updated

Ledger sequence numbering

You can choose to automatically generate and assign a unique sequence number to ledger transactions when they are processed by a particular function.

This enables you to produce sequenced listings of transactions and groups of transactions, such as the IVA reports required by Italian tax authorities.

Three different types of sequence number can be generated and maintained:

- Transaction sequence number - this is assigned to a transaction when it is posted by a particular posting function, for example, by Ledger Entry (LEN), Ledger Import (LIM), or a system posting function like Payment Run (PYR).
- Daybook sequence number - this is assigned to a transaction when it is printed on the Daybook Listing (DYL), when this report is run with the **Definitive Request** option set to `Yes`.
- Voucher number - this is assigned to a transaction either when entering the journal details, or when posting to the ledger. If you are using voucher numbering, several different voucher numbering sequences are all simultaneously maintained and incremented for each different journal class.

When one of these sequence numbers is assigned to a transaction, it is stored on the transaction itself, as follows:

- The Transaction and Daybook sequence numbers are stored in analysis dimensions on the transaction. The analysis dimensions used are identified in Ledger Setup (LES). Transaction sequence numbers are maintained in the **Dimension** in the Transaction section, and daybook sequence numbers are maintained in the **Dimension** in the Daybook section in Ledger Setup (LES).
- The Voucher number is stored in either the transaction reference field, or the second ledger reference field, as defined in Ledger Setup (LES).

There are several steps required to implement these ledger sequence numbering options.

Note: These transaction sequence numbers are assigned to ledger transactions. They should not be confused with the transaction references that can be generated and assigned to selected documents, for example, payment documents or sales orders. For example, transaction references are used to assign cheque numbers to payment documents.

Understanding Transaction Sequence Numbers

Transaction sequence numbers can be defined and assigned automatically to transactions when they are posted to Financials. A registration date can also be assigned automatically to the transactions at the same time as a transaction sequence, if required.

Note: Different types of sequence number can also be assigned automatically to transactions as follows:

- daybook sequence number, when it is printed on a definitive daybook listing

- voucher number, either when entering the journal details or when posting the journal.

The transaction sequence number that is assigned to each transaction is stored in the analysis dimension identified as the **Transactions Dimension** on **Ledger Setup (LES)**.

Understanding the Sequence Numbers

A transaction sequence number consists of two parts: a sequence number code followed by a sequential number.

For example, the following transaction sequence numbers might be assigned to consecutive cash receipt transactions: CRJ1, CRJ2, and CRJ3. In this case CRJ is the sequence number code and the numbers 1, 2, 3 are the sequence numbers.

Sequence number codes and their numbering requirements are defined using Ledger Sequences (LEQ).

Sequence Number Codes

A sequence number code identifies a set of transaction sequence numbers. Separate sets of transaction sequence numbers can be generated and assigned to different types of transactions. For example, you might want to assign one set of numbers to cash receipt transactions and another set to ledger revaluation transactions.

A sequence number code can include up to five characters.

Sequence Numbers

The sequential number portion of the overall transaction sequence assigned to a transaction is determined by the **Update Sequence** option in **Ledger Sequences (LEQ)**. The following options are available:

- **`Manual`** - this forces the user to assign the number manually to each new transaction.
- **`Automatic`** - this updates and assigns the next sequential number automatically to each new transaction (the previous number used is held in the Transaction Dimension).
- **`Entry`** - this updates and assigns the next sequential number automatically but also displays the number during Ledger Entry. This allows you to copy the number to the source document for cross referencing purposes.
- **`Date Control`** - this assigns a registration date in addition to a sequence number.

Note: If you select **`Entry`**, any transactions that are deleted between entry and posting lose their associated sequence numbers. SunSystems does not reuse any numbers that are excluded from the sequence in this way. You can make manual corrections in Ledger Entry (LEN) or Account Allocations (ACA).

The number can include a maximum of seven digits. However, the number of digits available depends on both:

- the length of the analysis dimension being used to store the sequence numbers - this is the dimension identified in the **Transaction Dimensions** field in **Ledger Setup (LES)**
- the number of characters in the **Sequence Number Code** in **Ledger Sequence (LEQ)**.

For example, if the length of the analysis code has been defined as 7 and you define a sequence code of CRJ, then the sequence numbers are four digits long.

Setting up transaction sequence numbering

The following steps are required to define and apply transaction sequence numbers:

1. Create an analysis dimension to maintain the transaction sequence numbers. Analysis dimensions are created using Analysis Dimensions (AND).
   a. Assign this analysis dimension to one of ten analysis dimensions used to analyze the Ledger entity (901) in Analysis Structure (ANS).

   b Identify this analysis dimension in the **Transactions Dimension** field on the Sequence Dimensions tab in Ledger Setup (LES).

2. Define a sequence number code for each group of sequence numbers you want to assign to transactions. Sequence number codes are defined using Ledger Sequences (LEQ).
3. Assign the transaction sequence codes to the type of transactions to be sequenced:
   - If transaction sequence numbers are required for transactions posted automatically by other posting functions, for example, Payment Run (PYR), assign the transaction sequence code to the relevant **System Codes** field on the Sequence Dimensions tab in Ledger Setup (LES).
   - If automatic sequence numbers are required for Ledger Entry (LEN) or Ledger Import (LIM) journals, assign a transaction sequence code for the each journal type in the **Sequence Number Code** field on the General tab in Journal Types (JNT).

Assigning transaction sequence numbers to transaction types

Once you have defined a transaction sequence code using Ledger Sequences (LEQ), you can assign the number series to the type of ledger transactions you want to be sequenced. There are two ways of doing this, depending on the type of transaction.

For user generated journals, you assign the sequence number code to a type of journal using Journal Types (JNT).

Note: When the journal is posted using Ledger Entry (LEN), the transaction sequence number is displayed on the message line at the bottom of the form alongside the journal number if it is generated using the `Entry` option in Ledger Sequences (LEQ). If a registration date is assigned this is also displayed.

For system generated journals, you assign the sequence number code to the relevant **System Codes** field on the Sequence Dimensions tab in Ledger Setup (LES) for these functions:

- Payment Run
- Payment Collection Run
- Transaction Matching
- Payment Voiding
- Ledger Revaluation
- Post Withheld Taxes
- Depreciation Calculation
- Asset Disposal

If you are required to produce an ESL for European tax reporting, or a 1099 for US tax requirements, you can also use these transaction sequence number codes to identify the various types of transaction.

Assigning sequence numbers to provisional postings

If provisional postings are optional or mandatory, then transaction sequence numbers can be applied either when transactions are posted as provisional postings, or when they are posted as permanent postings. This is determined by the **Hard Posting Only** option in Ledger Setup (LES).

Note: If sequence numbers are being assigned to permanent postings only, Tax Reporting assigns the numbers when a Final run of a tax report is produced. This is because the Final run posts the provisional postings as permanent postings. Similarly, if a definitive Daybook Listing is used to make the provisional postings permanent, the transaction sequence number is assigned at this stage.

Defining Ledger Sequence Codes

You use Ledger Sequences (LEQ) to define sequence number codes. A sequence number code can be assigned to a type of journal transaction and then, when a journal transaction of this type is posted, a transaction sequence number is assigned to the transaction. This enables you to produce sequenced listings of transactions and groups of transactions, such as the IVA reports required by Italian tax authorities.

The sequence number that is assigned to a transaction is maintained in the analysis dimension identified as the **Transactions Dimension** in Ledger Setup (LES).

Ledger Sequence (LEQ)

1. Open **Ledger Sequence (LEQ)** from the main SunSystems menu.
2. Specify this information:

   Sequence Number Code
   An alphanumeric code to identify the series of sequence numbers to be generated. You might use a code to identify the type of transactions the sequence numbers will be applied to, such as sales invoices, cash receipts and so on.

   Ledger Code
   The code identifying the ledger to which you want this sequence number applied.

   Name
   A description of this series of sequence numbers.

   Lookup Code
   A lookup code can be used to find a record, as an alternative to the record code. It is often set to a shortened version of the description. It is particularly useful if a record is often referred to using different codes. For example, the Chart of Accounts code for Fuel Expenses is `75201` and the Lookup Code is set to `FUELEXP`.

   Update Sequence

   The method by which the sequence number is to be updated. The following options are available:

   `Manual`
   Select this if you want to enter a sequence number manually into the chosen analysis dimension on each new transaction. You cannot use this option and assign the sequence code to system generated journals.

`Date Control`
Select this if registration date control is required without a sequence number. In this case, the sequence number code, identified previously, is written to the transaction sequence dimension identified in Ledger Setup (LES) but a sequence number is not applied.

`Automatic`
Select this if you want the sequence number to be updated and assigned automatically to each new transaction. This option must be selected for daybook sequence numbers.

`Entry`
Select this if you want the sequence number to be updated automatically and want to see the number assigned to the journal. The sequence number is displayed on the bottom line of the **Ledger Entry (LEN)** form when the journal is posted.

Next Sequence Number

If this sequence number is set to **`Automatic`** or **`Entry`**, this is the next sequence number to be used.

Registration Date

This is the date that is used as the entry date for this sequence number code. This date appears on all transactions created in:

- Ledger Entry (LEN) with journal types using this sequence number code
- Ledger Import (LIM) with journal types using this sequence number code
- Transaction Allocation.

To assign both a registration date and a sequence number to a transaction you must enter the **Registration Date** here and select either the **`Automatic`** or **`Manual`** option in the **Update Sequence** field.

The automatic tax calculation facility

The SunSystems automatic tax calculation facility is available if a tax analysis dimension is identified in Ledger Setup (LES).

This facility can automatically perform tax calculations, post tax amounts to specified tax accounts, and append tax information to your transactions.

The **Tax Dimension** field on the **Sequence Dimensions** tab in Ledger Setup (LES) allows you to nominate the analysis dimension to be used to record a tax code on a transaction. The dimension you choose must have been defined using Analysis Dimensions (AND) and assigned to the Ledger transactions entity using Analysis Structure (ANS).

You can set up any number of different tax codes for this dimension using Analysis Codes (ANC).

Once you have created the tax codes you can enter the additional tax details required by the automatic tax facility using Tax Details (TXD). For example, you can define the tax rate, and input and output tax accounts.

The tax calculations are only performed for journal types with the **Automatic Tax Calculation** option set to **`Yes`** in Journal Types (JNT).

The tax rate is applied to transactions in Ledger Entry (LEN) and Ledger Import (LIM) by entering the appropriate tax code in the transaction tax analysis dimension. The rate associated with the tax code is used to calculate the tax value for the transaction.

The rate can also be applied to settlement discount calculations. The tax portion of a settlement discount amount is identified and written to the appropriate tax accounts.

Calculating the Tax on Settlement Discount

The tax on settlement discount can be calculated and posted automatically by the following SunSystems functions:

- Ledger Entry (LEN) online allocation
- Account Allocations (ACA)
- Payment Collection Run (PYC)
- Payment Run (PYR)
- Transaction Matching (TRM)

Note: You can also post withheld taxes automatically.

Choosing Account Codes for Tax Amounts

When the automatic tax calculation facility is used and a tax code is entered on a transaction in Ledger Entry (LEN), the tax portion of the transaction amount is calculated automatically using the tax details defined for the tax code in Tax Details (TXD).

You can identify the ledger accounts to which the tax portion of the transaction is to be posted using Tax Details (TXD). Two types of account can be identified: input tax accounts and output tax accounts.

The use of the input/output account is determined by the setting in the **Tax Type** field in **Journal Types (JNT)**. If this field is set to Input, then the input tax accounts are used for that journal type. If this field is set to **`Output`**, then the output tax accounts are used for that journal type.

The tax portion of a generated settlement discount amount on creditor/payables accounts, and on purchase (credit) transactions on client accounts, is also written to the Input Tax Account Code 1. If the tax is to be spread over two accounts, the tax portion is also written to the Input Tax Account Code 2.

The tax portion of a generated settlement discount amount on debtor/receivables accounts, and on sales (debit) transactions on client accounts, is written to the Output Tax Account Code 1. If the tax is to be spread over two accounts, the tax portion is also written to the Output Tax Account Code 2.

The tax values and corresponding gross and net values can be reported using Tax Reporting (TXR).

Posting Tax to the Same Account as the Line that Generates the Tax Calculation

If you want the automatically calculated tax to be posted to the same account as that on the journal line that generates the tax for a certain tax code, this can be configured as follows:

1. On the **Automatic Tax** tab of **Journal Types (JNT)**, set the **Automatic Tax Calculation** to **`Yes`**. On the same tab, set the appropriate options for **Calculate Tax From**. For example, if you want to use this journal type to automatically generate tax on an expense account line, set the **Profit and Loss** option to **`Net`**.

2 In **Analysis Codes (ANC)** create the code in your `Tax` or `VAT` **Analysis Dimension** as appropriate.
3 In **Tax Details (TXD)**, create the same tax code as in Step 2. In the Tax tab, specify `**********` (ten asterisks) in **Account Code 1**, and leave the percentage as 0.00%.

When you enter the ten asterisks instead of a specific account code, you are configuring the tax code to use whatever account is entered on the journal line generating the tax calculation. For example, use this configuration to post the tax calculated on an expense line to the same expense account. This works both for input tax and output tax.

How is Semi Deductable Tax Treated?

Tax Details (TXD) allows you to spread the generated tax amount over two accounts. This is a requirement in a number of countries, where only a portion of the tax is deductible and is therefore accounted for separately.

You can use the Input and Output Tax Account Code % fields to split the tax portion of a transaction entered in Ledger Entry (LEN) between two accounts. These fields allow you to identify the percentage of the tax amount to be posted to the account identified in the Input or Output Tax **Account Code 1** and **Account Code 2** fields.

Note: This option is currently only available in Ledger Entry (LEN). It does not apply to tax transactions generated in Payment Run (PYR), Payment Collection Run (PYC), Transaction Matching (TRM), Account Allocations (ACA) or Online Allocation in Ledger Entry (LEN).

How is Stoppage or Withholding Tax Treated?

Tax Details (TXD) can calculate stoppage or withholding tax, so that a portion, or indeed all, of the tax amount can be identified and transferred to a separate account.

You can identify a percentage of tax, royalties or other deductions which is written to the input or output stoppage account. Two additional transaction lines are generated; one which posts the amount to the input or output stoppage account, and an offset of this amount which is posted to the account on which the tax is generated, i.e. the account associated with the transaction line where the tax analysis code is entered.

You can also identify the account to which the stoppage amount is posted. The use of the input/output account is determined by the **Tax Type** setting in **Journal Types (JNT)**. If this field is set to `Input`, then the input accounts are used for that journal type. If this field is set to `Output`, then the output accounts are used for that journal type.

It is required for countries where withholding tax applies. For example, tax can be applied to a purchase invoice, but is withheld and paid directly to the Government by the company paying the invoice.

Offset Postings for Stoppages

If you are calculating stoppages and similar taxes, you can specify which accounts you want to use for the associated offset postings.

This facility is required for automatic posting of European VAT, or where tax is charged at cost amount, usually in the public sector.

Setting up the tax details

Tax Details (TXD) is used to enter the additional tax details that are required by the automatic tax calculation facility, for each tax code.

The tax codes available are the analysis codes that have been set up for the **Tax Analysis Dimension**, identified in Ledger Setup (LES).

The tax code that applies to a transaction is entered in this analysis dimension field in Ledger Entry (LEN) and is used to trigger the tax calculations.

Tax Details (TXD)

1 Open **Tax Details (TXD)** from the main SunSystems menu.

2 Specify this information in the Tax Details form:

Analysis Code

The analysis code associated with the tax details. The description associated with the code is displayed. The codes available are those defined using **Analysis Codes (ANC)**, for the **Tax Dimension** identified in **Ledger Setup (LES)**.

Note: You can create new analysis codes using this form, if required.

3 Save your changes.

General

1 Click the **General** tab in the **Tax Details (TXD)** dialog.

2 Specify this information:

Description Line 1-4
Up to four lines of description relating to this tax rate.

3 Save your changes.

Tax

1 Click the **Tax** tab in the **Tax Details (TXD)** dialog.

2 Specify this information:

Rate

The percentage tax rate to be used to generate the tax amount in Ledger Entry (LEN), and in calculating the tax portion of any settlement discount value. You can enter a percentage tax rate in the range `0` to `99.99999`.

You should enter the true percentage, because in Journal Types (JNT), you determine whether the tax calculation is based on the gross or net of tax amount.

Rounding Method

This option allows you to define how the calculated tax amount is rounded for this tax type. If your tax accounting often results in differences due to rounding over many transactions, you may want to consider the implications of changing this option. For example, this enables an appropriate rounding of 'Consumption Tax' in Japan, where the tax rounding rules can be defined differently for each company.

- `Round To Nearest` - the default rounding method. The tax is rounded to the nearest currency subunit (for which the number of decimal places is defined in Currency Codes (CNC), using the Decimals Allowed option). Any partial amount half way between these subunits is rounded up to the next subunit. Any partial amount less than half way between subunits is rounded down. For example, if Decimals Allowed is set to zero for the currency, 6.6 is rounded up to 7; 6.5 is also rounded up to 7; but 6.4 is rounded down to 6.
- `Round Up` - the tax is rounded up to the next whole subunit for the currency. For example, if Decimals Allowed is set to two for the currency, 6.003 is rounded to 6.01, but 6.000 remains as 6.00.
- `Truncate To Defined Unit` - the tax is rounded down to the nearest rounding unit (such as hundred, ten, unit, one decimal place, and so on) that must be defined in the **Rounding Unit** option below. This option ignores the Decimals Allowed for the currency.

Rounding Unit

This option is only available if you specify `Truncate To Defined Unit` for the **Rounding Method** option, above. This is the defined unit to which you want tax to be rounded down. For example, if you specify `Hundred`, and the calculated tax is 490, the tax amount after truncation is 400.

Input Account Code 1

An account code to which the tax portion of a transaction created in Ledger Entry (LEN) should be posted, for input tax. The tax portion of a generated settlement discount amount on Creditor accounts, and credit balance Client accounts, are written to this account. Enter `**********` ten asterisks to post back to the base account referenced on the transaction in Ledger Entry (LEN).

Input Account Code 1 %

The percentage of the total tax amount calculated that is to be posted to Input Tax **Account Code 1**.

Note: This field is only relevant when you want to split the tax portion of a transaction, as required by some countries.

Input Account Code 2

The account code to which the remaining input tax should be posted, if the percentage is not zero. Enter `**********` ten asterisks to post back to the base account referenced on the transaction in Ledger Entry (LEN).

Output Account Code 1

An account code to which the tax portion of a transaction created in Ledger Entry (LEN) should be posted, for output tax. The tax portion of a generated settlement discount amount on Debtor accounts, and debit balance Client accounts, are written to this account. Enter `**********` ten asterisks to post back to the base account.

Output Account Code 1 %

The percentage of the tax amount calculated that is to be posted to Tax **Account Code 1**.

Note: This field is only relevant when you wish to split the tax portion of a transaction as required by some countries.

Output Account Code 2

The account code to which the remaining tax should be posted, if the percentage is not zero. Enter `**********` ten asterisks to post back to the base account.

3 Save your changes.

Stoppages

A portion, or indeed all, of the tax amount can be calculated as stoppage or withholding tax, and transferred to a separate account.

1 Click the **Stoppages** tab in the **Tax Details (TXD)** dialog.

2 Specify this information:

Rate

The percentage of tax, royalties or other deductions in the range `0` to `99.99999` which is written to the input or output stoppage account.

Input Account Code

The account code to which the stoppage amount is posted. The use of the input/output account is determined by whether the setting in the **Tax Type** field in **Journal Types (JNT)**, is set to `Input` or `Output`.

Offset Account Code

The offset account code to which input stoppage tax offset should be posted. If offsets should be posted to the transaction baseline account, enter `**********` ten asterisks.

Output Account Code

The account to which the stoppage amount is posted. The use of input/output account is determined by whether the setting in the **Journal Types (JNT)** field, **Tax Type**, is set to `Input` or `Output`.

Offset Account

The account code to which output stoppage tax contras should be posted. If contras should be posted to the transaction baseline account, enter `**********` ten asterisks.

Printing the tax details

The Tax Details Report lists the tax detail definitions.

Allocation codes

Allocation Codes are used to indicate the status of a transaction.

They serve a similar function to Allocation Markers, but allow you to define the allocation codes, whereas the allocation markers are fixed, single character codes.

A transaction can contain both an allocation marker and an allocation code to identify its status. In addition, different characters in the five character allocation code may indicate different states.

Allocation codes can be automatically set, or updated, for individual transactions by using an associated allocation action as a trigger. The allocation actions are predefined within selected Financials functions. For example, defining an allocation action in Document Format (DFS) will cause a new allocation code to be set, or an existing allocation code to be updated, in part or in full, for all transactions included in a given report.

The Allocation Actions

The following allocation action codes are predefined and are triggered when the corresponding Financials function takes place:

Allocation Action	Financials Function
Import	Ledger Import (LIM), Ledger Entry (LEN)
Releasing Collectible	Ledger Import (LIM), Ledger Entry (LEN)
Releasing Payable	Account Allocations (ACA), Online Allocations, Transaction Matching (TRM)
Allocation	Account Allocations (ACA), Online Allocations, Transaction Matching (TRM)
Payment	Payment Run (PYR)
Funding	Payment Run (PYR)
Suspend	
Payment Voiding	Payment Voiding (PYV)
Unallocate	Account Allocations (ACA), Online Allocations, Transaction Matching (TRM)
Correction	Account Allocations (ACA), Online Allocations, Transaction Matching (TRM)

Allocation Action	Financials Function
Authorization Requested	Account Allocations (ACA), Online Allocations, Transaction Matching (TRM), Payment Run (PYR), Ledger Import (LIM), Ledger Entry (LEN)
Authorization Granted	Authorization In Tray
Authorization Denied	Authorization In Tray
Cash	

In addition, ten user defined allocation action codes can be defined using **User Defined Action 0** to **User Defined Action 9**. These allocation action codes can be amended if you do not want to use the predefined allocation action codes, which cannot be amended.

Allocation codes and associated allocation actions are created and maintained using Allocation Codes Setup (ALC).

Setting up allocation codes

An Allocation code can be assigned to a transaction to identify its status. Allocation codes and associated allocation actions are created and maintained using Allocation Codes Setup (ALC).

Note: Once setup, allocation codes cannot be deleted.

Allocation Codes (ALC)

1. Open Allocation Codes (ALC) from the main SunSystems menu.
2. Specify this information:

   Allocation Action Code

   The allocation action that triggers this allocation code. When this allocation action occurs for a transaction, the associated allocation code is updated onto the transaction. These allocation actions are predefined and occur within particular Financials functions.

   Allocation Code

   The code that will be applied to a transaction to identify its status when the associated allocation action occurs.

   The allocation code can contain up to 5 characters and each character can be updated separately on a transaction, without altering the other characters. This is useful if more than one status applies to the transaction. If you only want to update some of the characters in the allocation code, you must use '-' hyphens in this field to indicate the characters which are not to be updated. For example, if you entered **--F** in this field, the third character of the allocation code field on each transaction would be changed to an F and the first two characters would not be altered.

Lookup Code
A lookup code can be used to find a record, as an alternative to the record code. It is often set to a shortened version of the description. It is particularly useful if a record is often referred to using different codes. For example, the Chart of Accounts code for Fuel Expenses is **75201** and the Lookup Code is set to **FUELEXP**.

Name
A descriptive name to identify the allocation code.

Description
A mandatory description to identify the allocation code.

Data Access Group Code
The Data Access Group is used to restrict operator access to the data, for example, to an account or customer record. Leave this blank to allow any user to access the record. Data Access Groups are maintained using Security Console.

Allocation Action
Used to set or update the allocation action for individual transactions, as per the Allocation Action field above.

Overview of the Authorization facility

SunSystems Financials includes an optional authorization control facility. It ensures that selected transactions are authorized for particular types of processing. For example, authorization may be required to:

- Post a journal to certain sensitive accounts.
- Produce a payment over a predefined limit.

Authorization can apply to selected transactions in any of following Financials processing:

- Ledger Entry/Import
- Matching/Allocations
- Payments

Authorization is only permitted in the A Ledger. Only certain transactions require authorization. These depend on the transaction details and the process. They also depend on the filters you configure and assign to the authorization stages.

An example authorization scenario is provided to demonstrate one possible use and configuration of authorizations.

Note:
- You should not confuse Financials Authorization with the Approval facilities in Order Fulfillment.
- Authorization is not designed to perform work-flow functionality, nor is it intended to be used as an audit trail to track authorized or rejected transactions.

Setting up authorization controls

Financial Authorization in SunSystems is the process of allowing or rejecting the posting of transactions for various functions.

Only specially configured operator Ids in User Teams can authorize transactions. This help topic describes how to configure SunSystems to perform authorizations.

Configuring authorization

Financial Authorization in SunSystems is the process of allowing or rejecting the posting of transactions for various functions. Only specially configured operator Ids in User Teams can authorize transactions.

Note: Authorization is not designed to perform work-flow functionality, nor is it intended to be used as an audit trail to track authorized or rejected transactions.

Before attempting to configure authorizations, you should plan the authorization requirements carefully.

1. Open Ledger Setup (LES) from the main SunSystems menu.
2. Set the **Authorization Required** field on the Supplementary Financials tab to `Yes`.
3. In SunSystems Security Console, click the **Edit User** button on the User Detail toolbar.
4. On the **Authentication** tab:
   a. Select the **Enable user for authorization** checkbox and create a password.
   b. Leave the **Invalid Authorization Count** set to zero.
5. In User Team Setup (UTS), create the required authorization user teams. For each team, create a suitable team name and click **Authorizer Operators** to assign operators to the user team.
6. In Financial Rejection Code Setup (FJC), create the required rejection codes. For each code specify a description that must be shown against any transactions rejected with this code. Specify which authorization stage type this financial rejection code is intended for.

   The stage types are:
   - Payments
   - Matching/Allocation
   - Ledger Entry/Import
7. Optionally, in Filter Designer (FLD), create filters for the different authorization stages and stage types.

   Filter Designer is available in the SunSystems Windows client.
   a. For the **Filter Type** select `Authorization Inquiry SAAUTH`, and give the filter a suitable name and description. From the Data Item List section drag the required filter conditions into the Filter Edit Area section. The first condition must be `Authorization Set Reference`. In the **Edit Condition** dialog, ensure that the operator is set to `=`, select the **Runtime Entry** check box, and leave the **Blanks** check box unselected.
   b. Select any other data items that you require as filter conditions for a particular authorization stage. For example, you might want to create a filter that only invokes an authorization stage if the transaction uses a particular account code. Apart from the `Authorization Set Reference`, these data items must not have **Runtime Entry** checked in the **Edit Condition** dialog.
   c. Select **File > Select Results Destination** from the **Filter Designer** menu. Click **Form**, and select Authorization Detail as the output form for the filter. Save the filter.

Note:

- The filter you use for authorization must have its results destination set to a form; not a program.
- Authorization stages can be bypassed by a transaction if the conditions defined in the stage's filter are not met by that transaction.

8 In Authorization Stage Setup (AUS):

a Create all of the necessary stages that you require in each authorization process. For example, you might want to create a two stage authorization process for Ledger Entry (LEN), in which the first stage requires the authorization of all journals, and the second stage only requires the authorization of those journals with a credit total greater than 1000.

b For each stage, specify the appropriate filter that you defined in Filter Designer. Specify the **User Team Code** required to authorize this stage of the process, and specify the **Authorizer**, that is, the operator ID of a user within that team to whom transactions are to be sent, by default, for authorization.

c In **Stage Type**, specify which authorization process this stage is part of.

The stage types are:

- Payments
- Matching/Allocation
- Ledger Entry/Import

Note: When numbering the authorization stages, you may want to group together stages within each authorization process. For example, Stage Numbers 1 to 100 may be reserved for payment authorization stages and 200 to 300 for ledger entry / import authorization stages. Leave gaps between stage numbers, so that any subsequently required additional stages can be easily inserted without having to rearrange the stage numbering.

9 In Journal Types (JNT), specify whether each journal type requires authorization. For those that do, amend the journal type and check the**Authorization Required** check box in the **Supplementary Financials** tab.

By default, this check box is unchecked, so if authorization is required for all journal types, this configuration step must be performed journal type by journal type.

Authorization example

This example scenario describes the configuration involved in Ledger Entry (LEN) / Ledger Import (LIM). The other authorization processes (Payments, Matching/Allocation, and Statements) can be configured following similar principles.

Authorizations could be used to impose financial authority limits for Ledger Entry (LEN) within in a company, say, authority up to 1000, and authority of greater than 1000. This is configured using a two-stage authorization process where each stage is appropriate to an authority limit. In the first stage, one User Team must authorize all manual payment journals entered against the bank account. In the second stage, a different User Team must authorize only those transactions to the bank account with credits greater than 1000. For this example, we will say that the second team will only authorize transactions if the first team have already seen them (perhaps akin to a document or contract requiring signatures from more than one signatory within a company).

In summary:

- The first Authorization Stage, the first User Team, and the first Authorization Filter all relate to bank transactions regardless of the amount.
- The second Authorization Stage, second User Team and second Authorization Filter all relate to bank transactions of credit amount greater than 1000.
- Although there are two authorization stages, certain transactions will only require authorization at the first stage. If the amount is 1000 or less, then SunSystems will automatically post the transaction directly following authorization of the first stage, as it will bypass the filter used in the second authorization stage.

In this example, the account code is 52100. The first User Team has code BANK0-1000, and the second User Team has code BANK>1000. The person with operator code N1K has an authority limit of 1000, and operator CEO has authority for any amount. CEO is only required to authorize a transaction if it is greater than 1000, as it is above the limit for N1K. CEO will only authorize transactions if N1K has already seen them and marked them as authorized for the first authorization stage.

You can configure this example in the PK1 demonstration database:

1. Set the **Authorization Required** field to `Yes` in the **Supplementary Financials** tab in **Ledger Setup (LES)**.
2. In Security Console, create operators N1K and CEO; check the **Enable user for authorization** checkbox for both, and give them authorization passwords.
3. In User Team Setup (UTS), create team `BANK0-1000` with team name `Bank Authority limit 1000`, and assign operator code `N1K`, and check the **Principal Team** box. Create team `BANK>1000` with team name `Bank Authority Limit >1000`, assign operator code `CEO`, and check the **Principal Team** box.
4. In Financial Rejection Code Setup (FJC), create code `BANK1` with the description `Transaction not authorized. Rejected by User Team 1`. Create code `BANK2` with the description `Transaction not authorized. Rejected by CEO`.
5. In Filter Designer (FLD), create two filters with filter type `Authorization Inquiry SAAUTH`.
   a. Give the first filter the name `BANK_CR` with description `Credits to Account 52100`. In BANK_CR, select `Authorization Set Reference` and move it to the filter edit area. In the **Edit Condition** dialog, set the **Runtime Entry** check box and leave all other fields as they are. In the Data Item Descriptions section, select `Account Code` and move it to the filter edit area. In the **Edit Condition** dialog, under **Equals**, type `52100`. Click on **File > Save** . For the **Results Destination**, select the form `AUTHDTL`.
   b. Create the second filter with name `BANK_CR_G1000`, and description `Credits Greater than 1000 to Account 52100`. Follow all the steps of (i) BANK_CR above, up to creating `Authorization Set Reference` and `Account Code` as conditions. Now select `Other Credit Total` from the data items, and move it to the filter edit area. In the **Edit Condition** dialog, select operator `Greater Than` and below this type `1000`. Click **OK**. Select **File > Save**. For the **Results Destination**, select the form `AUTHDTL`.
6. In Authorization Stage Setup (AUS), create two stages numbered `200` and `210`.
   a. Give stage `200` the description `Authorize Bank Credits for Ledger Entry`. In Filter Id, click on the button, and select the filter `BANK_CR`. For **Stage Type** select `Ledger Entry/Import`. In **User Team Code** select `BANK0-1000`. In **Authorizer** enter `N1K`.
   b. Give stage `210` the description `Authorize Bank Credits >1000 for Ledger Entry`. In **Filter Id**, click on the button, and select the filter `BANK_CR_G1000`. For **Stage Type** select `Ledger Entry/Import`. In **User Team Code** select `BANK>1000`. In **Authorizer** enter `CEO`.
7. In Journal Types (JNT), modify the journal type `FGJ` and check the **Authorization Required** check box in the **Supplementary Financials** tab.

Using the example configuration for Ledger Entry

The Originator
To use the authorizations, log in to SunSystems with user Id **PK1**, and enter a journal for journal type **FGJ** to account **52100** with a credit of **2000**. Use **999** as the offset account for the debit. When you post the journal, it is not entered into the ledger, instead you must enter an **Authorization Batch Comment**, and click **OK**. On the **Select Authorizer** form, select **N1K** as the **Operator Code** of the authorizer. The message `Authorization Batch Created Successfully` is displayed on the status bar.
Note: Each successive authorization stage must be authorized by a different operator, and these must be different from the originator.

The First User Team
Log out of SunSystems, and log in again as user Id N1K. Select **Authorization In Tray (AUT)** from SunSystems. On the Selection - AUTHORIZER INTRAY form, enter the User Team Code BANK0-1000, and Assigned Authorizer N1K. The new authorization set is displayed with status Awaiting Authorization. Select the set, and click**Review**. Select **Authorize Selected Set**, click on the program name dropdown list, select **Authorize Selected Set** and click **OK**. Enter a comment and the authorization password for N1K.

The Second User Team
Log out of SunSystems, and log in again as user Id **CEO**. Select **Authorization In Tray (AUT)** from SunSystems. On the **Selection - AUTHORIZER INTRAY** form, enter the **User Team Code** **BANK>1000**, and **Assigned Authorizer** **CEO**. The new authorization set is displayed with status **Awaiting Authorization**. Select the set, and click **Review**. Select **Authorize Selected Set**, click on the program name dropdown list, select **Authorize Selected Set** and click **OK**. The message `Posting Batch` is displayed in the status bar.

Back to the Originator
Log back in as **PK1**, the originator of the transaction. From SunSystems select **Authorization Originators In Tray (AOT)**. On the **Selection - ORIGINATOR INTRAY**form, enter **PK1** as the current originator. The Authorization Set has been cleared, but can be viewed in **Authorization Audit Trail (AAT)**.
Note: The Originator Intray can be invoked during any of the authorization stages in order to view the status.

Defining Authorization Stages

Authorization Stage Setup (AUS) is used to define the separate levels of authorization a set of transactions may require to be fully authorized for processing. Several different authorization stages can be configured for a particular process, although not all of these may apply to a particular set of transactions. This is one of the Steps Required to Configure Authorization.

An authorization stage can be suspended by selecting the **Suspend** action, and re-opened by selecting the **Re-Open** action.

Authorization Stage Setup (AUS)

Stage Number
The number that uniquely identifies an authorization stage. Authorization can be required for several different Financials processes, as identified in the . The form contains the following fields: **Stage Type** field below. An authorization stage is linked to a stage type. The stage number determines the order in which these authorization stages are requested, if more than one authorization stage is required for a set of transactions.

Note: When numbering the authorization stages, you may want to group together stages within each authorization process. For example, Stage Numbers 1 to 100 may be reserved for payment authorization stages and 200 to 300 for ledger entry / import authorization stages. Leave gaps between stage numbers, so that any subsequently required additional stages can be easily inserted without having to rearrange the stage numbering.

Status
The status.

Lookup Code
The lookup code.

Description
The description.

Short Heading
The short heading.

Comment
Any additional text describing this stage in the authorization process.

Filter Definition Control Id
The filter to be used to identify the transactions requiring this stage of authorization. For example, this stage of authorization may only be required if the transactions reference a particular account code. The filter must have been defined using **Filter Designer (FLD)**.
Note: When creating Authorization filters, the Filter Type must be Authorization Inquiry SAAUTH. The filter condition Authorization Set Reference must be included as a Runtime Entry at least once and the Blanks check box should normally not be checked. These check boxes are displayed on the Edit Condition dialog. No other data items must be defined as Runtime Entries.

User Team Code
The group of operators able to authorize the transactions at this authorization stage. User teams are defined using **User Team Setup (UTS)**.

Authorizer
The default operator, within the user team, who is asked to authorize the transactions.

Stage Type
This is the type of Financials processing for the authorization stage. The authorization stages are carried out in stage number order, within this stage type. For example, this might be the first authorization stage for payment processing. The following types are available:

- Payments
- Matching/Allocations
- Ledger Entry/Import.

Authorization Stage Setup (AUS)

To set up an authorization stage, select **Authorization Stage Setup (AUS)** from SunSystems.

1. Open **Authorization Stage Setup (AUS)** from the main SunSystems menu.

2 Specify this information:

Stage Number
The number that uniquely identifies an authorization stage. Authorization can be required for several different Financials processes, as identified in the **Stage Type** field below. An authorization stage is linked to a stage type. The stage number determines the order in which these authorization stages are requested, if more than one authorization stage is required for a set of transactions.
When numbering the authorization stages, you may want to group together stages within each authorization process. For example, Stage Numbers 1 to 100 may be reserved for payment authorization stages and 200 to 300 for ledger entry / import authorization stages. Leave gaps between stage numbers, so that any subsequently required additional stages can be easily inserted without having to rearrange the stage numbering.

Lookup Code
A lookup code can be used to find a record, as an alternative to the record code. It is often set to a shortened version of the description. It is particularly useful if a record is often referred to using different codes. For example, the Chart of Accounts code for Fuel Expenses is `75201` and the Lookup Code is set to `FUELEXP`.

Description
The full name or description of the data item or record. This is used to identify it on reports and inquiries.

Short Heading
The short heading, which is used where space is limited. If this is blank it defaults to the first characters of the description.

Comment
Any additional text describing this stage in the authorization process.

Filter Definition Control Id
If required, this is the filter to be used to identify the transactions requiring this stage of authorization. For example, this stage of authorization may only be required if the transactions reference a particular account code. The filter must have been defined using **Filter Designer (FLD)**.
Note: When creating Authorization filters, the **Filter Type** must be `Authorization Inquiry SAAUTH`. The filter condition `Authorization Set Reference` must be included as a runtime entry at least once, the operator must be set to = and the **Blanks** check box should normally not be selected. These check boxes are displayed on the **Edit Condition** dialog. No other data items must be defined as runtime entries.

User Team Code
The group of operators able to authorize the transactions at this authorization stage. User teams are defined using **User Team Setup (UTS)**.

Authorizer
The default operator, within the user team, who is asked to authorize the transactions.

Stage Type
This is the type of Financials processing for the authorization stage. The authorization stages are carried out in stage number order, within this stage type. For example, this might be the first authorization stage for payment processing. The following types are available:

- Payments
- Matching/Allocations

- Ledger Entry/Import.

3 Save your changes.

Setting Up User Teams

User teams are used for authorization proccessing and saved set processing. Operators in a user team all have the right to authorize transactions for an authorization stage. An authorization stage is assigned to the user team. When a set of transactions requires this level of authorization, the set is passed to a default operator in this team although any member of the team can authorize or reject the set of transactions.

All Operators in a user team can process transactions within a saved set created by other members of the same group.

A user, or operator, can be a member of several different user teams.

User teams are defined using **User Team Setup (UTS)**. To add operators to a user team, click **Authorizer Operators** and select the required Operator Ids.

User Team Setup (UTS)

1 Open **User Team Setup (UTS)** from the main SunSystems menu.

2 Specify this information:

User Team Code

The code that uniquely identifies the team of authorizer operators. This code should not contain blanks.

Lookup Code

A lookup code can be used to find a record, as an alternative to the record code. It is often set to a shortened version of the description. It is particularly useful if a record is often referred to using different codes. For example, the Chart of Accounts code for Fuel Expenses is **75201** and the Lookup Code is set to **FUELEXP**.

Description

The full name or description of the data item or record. This is used to identify it on reports and inquiries.

Short Heading

The short heading, which is used where space is limited. If this is blank it defaults to the first characters of the description.

Team Name

A more descriptive name for the team of users.

3 Save your changes.

Assigning Operators to a Users Team

Each user team contains one or more operators. Operators must have been defined using **Security Console** or **User Manager** before they can be added to a team.

This form can only be accessed from **User Team Setup (UTS)** by clicking **Authorizer Operators**.

Click **Insert** to add an operator to the user team. Enter the following information for the operator:

1 Specify this information:

Operator Code

As defined in Security Console or User Manager.

Principal Team

Select this option if this operator is a principal member of the team.

Start Date

The date from which the user is a member of the team. If this is blank, the user is immediately a member.

End Date

The last date the operator is a member of the user team. If this is blank the user is permanently a member. You might enter a date here if a person is moving to a different role after a particular date.

Status

2 Save your changes.

Setting Up Financial Rejection Codes

A financial rejection code must be assigned to an authorization set, or individual line, if it is rejected. It identifies the reason why the transactions could not be authorized. Different rejection codes need to be defined for each of the Financials processes, or Stage Types, that may require authorization.

Financial Rejection Code Setup (FJC)

1 Open **Financial Rejection Code Setup (FJC)** from the main SunSystems menu.

2 Specify this information:

Rejection Code
A unique code that identifies the reason why an authorization set, or transaction, is rejected. You can select an existing rejection code or create a new one.

Status
This field is filled automatically.

Lookup Code
Specify a short, alphanumeric code, for example, **ABC1**. This field is mandatory.

Description
Enter a description for the **Rejection Code**.

Short Heading
Specify a short, alphanumeric code, for example, `ABC1`. If required, you can use the same code that was entered for the **Lookup Code**. This field is mandatory.

Stage Type
This is the type of Financials authorization stage that the rejection code applies to. You can select from:

- `Payments`
- `Matching/Allocation`
- `Ledger Entry/Import`.

3 Save your changes.

Authorization stages and user teams

Different stages, or levels, of authorization can be defined for the Financials processes identified above, and more than one level of authorization can apply to some transactions.

A team of valid authorizers, called a user team, is assigned to each authorization stage. Any member of the authorization team is able to approve the transactions, providing the total is within their authorization limit.

The **Authorization In Tray** lists all of the sets awaiting authorization by the particular authorizer. When a member of a user team selects an authorization set from their in tray, the set is 'checked out' for authorization. This prevents any other member of the team from trying to authorize the same set at the same time.

Note: Authorizers are not alerted to the fact that new transactions are awaiting their authorization, hence they must check their authorization in-tray frequently.

The authorization status

Each batch of transactions that requires authorization is placed in an allocation set and given an authorization status.

The authorization status identifies the point the batch has reached in the authorization process. It is set and maintained automatically by the system.

An authorization set has one of the following authorization status codes:

- Awaiting Authorization
- Complete
- Rejected.

The **Authorization Originators In-Tray** lists all of the authorization sets that were created by a particular operator. This way, users can see the status of all the transactions they generated requiring authorization. When an authorization set is displayed as rejected, it can be deleted, or recalled for modification in **Ledger Entry**, or resubmitted for authorization. Authorization sets that have been authorized and posted are also

displayed, with an authorization status of Complete. These can optionally be deleted, however, the transactions are not deleted from the ledger; only the authorization sets are removed from the originator in tray.

Note: Originators are not alerted when their transactions are authorized or rejected, hence they must check their originator in-tray frequently.

Authorization sets

A set of transactions requiring authorization always moves through the authorization process as an authorization set.

It is always authorized or rejected as a whole. So, even if only one of the transactions in a set cannot be authorized, the entire authorization set must be rejected. This makes it impossible for different transactions in an authorization set to be at different stages in the authorization process.

Processing authorized transactions

When the set of transactions is authorized for the last authorization stage in the chain, the status of all of the transactions is set to Authorization Granted. The status on the authorization set is set to Complete.

The next processing that takes place depends on the function triggering the authorization requirement. This is the Stage Type defined on the authorization stages. In general, processing is completed and the transactions are posted or updated. For example:

- If the transactions are for payment, when they are fully authorized the payment run is completed automatically.
- If the transactions are journals held by Ledger Entry or Ledger Import, when they are fully authorized they are posted automatically (providing they still balance).
- If the transactions are for authorization by a matching process such as account allocations, when they are fully authorized the matching processing is performed automatically and the allocation of the transactions is completed.

You can manually run Payment Documents (PYD) for a Payment Run that has been authorized and posted. Any discounts applied are included on the payment documents.

Clearing Financials Locks

SunSystems prevents users from simultaneously running certain key functions which, if allowed, could result in data errors or inconsistencies. For example, if one user is currently running **Payment Run (PYR)**, and a second user attempts to run **Ledger Revaluation (LER)**, the second user is prohibited, so that the two processes cannot simultaneously affect the same data. In order to do this, SunSystems records each user's current activity. If a user runs one of the key Financials functions, a lock is placed on all other key functions in the same business unit, until that user has completed the process.

In the event of a system crash, or users being unable to exit their functions in the usual manner, Financials might be left in a state where its record of the current system activity is no longer correct. If this happens, the current activity record indicates that users are currently running functions when in reality they are not. This is especially important if any of them are indicated as running one of the key functions.

Clear Financials Locks (ZZL)

To display the current status of the functions that are currently running, open **Clear Financials Locks (ZZL)** from the main SunSystems menu. You can clear individual activity sessions by tagging one or more lines and using the **Clear Lines** action, or if necessary you can clear all displayed activity sessions using the **Clear All** action. If you do not want to clear any sessions, or are not sure, you can exit from the form without affecting any of the displayed sessions.

Note: Use this function with extreme caution. Before clearing any activity sessions, you must first ensure that those sessions are genuinely not running anywhere on your system.

Chapter 3: Setting up the Chart of Accounts

SunSystems Financials provides powerful account coding and analysis facilities that enable you to meet all of your financial and management information and reporting requirements.

It is important that you understand how SunSystems Financials uses the chart of accounts and analysis codes to analyze your financial data.

Overview of the Chart of Accounts and analysis facilities

Every transaction that enters SunSystems Financials must be posted to a ledger account which is identified by an account code.

Chart of accounts codes

The chart of accounts codes are the foundation for your financial reporting. A ledger account will exist for each type of expense, revenue, asset and liability you need to account for and report on. Each ledger account is identified by a 15 character code.

Financials operates as a single integrated ledger, this means that separate ledger accounts are also held for each supplier and customer. You do not need to maintain and reconcile debtor/receivables or creditor/payables control accounts.

Analysis dimensions and codes

The SunSystems Financials and Order Fulfilment modules include a powerful, global analysis capability that allows you to assign analysis codes to a number of different types of data. You can analyze both static data and transactions.

The types of data you can analyze are referred to as analyzable entities. For example, you can analyze ledger accounts, ledger transactions, customers, suppliers, sales orders, purchase orders and inventory movements (and many more data entities), in many different ways.

You can enter up to 10 different kinds of analysis code on each analyzable entity. For example, you can assign Branch and Product codes to the postings to revenue and expense accounts in Financials, and on sales and purchase orders in Order Fulfilment.

The analysis codes are used to extract and report on data to meet your unique reporting requirements. In Financials they can be used in conjunction with the chart of accounts codes to provide detailed management

reporting. For example, you might extract and sort data based on the Branch analysis codes to produce Branch profit and loss reports.

Each different kind of analysis you require is referred to as an analysis dimension and within each dimension you can define an unlimited number of valid analysis codes. For example, if you require branch analysis define an analysis dimension called Branch, and create analysis codes for each of your branches.

An analysis dimension can reference codes that already exist elsewhere in SunSystems. For example you can analyze transactions by employee code and, providing these codes have been defined in Order Fulfilment, you can use these existing codes for the analysis dimension.

The analysis capabilities of an analysis dimension can be extended using analysis hierarchies. An analysis hierarchy can be used to group the analysis codes, within an analysis dimension, for reporting purposes.

What is the Chart of Accounts?

The chart of accounts is a list of all of the accounts in the ledger. This includes all of the different types of expense and revenue in your profit and loss account, all of the assets and liabilities in your balance sheet including all of your debtors/receivables, and creditors/payables accounts (for your customers and suppliers).

Every accounting transaction must be posted to a ledger account and the double-entry balancing controls ensure the ledger is always in balance. So, before you can enter transactions you must define your ledger accounts.

SunSystems allows you to create as many accounts as you require. You can add new accounts at any time and, within strict audit controls, you can delete accounts that are no longer required.

Account Codes

Each account in the chart of accounts is identified by an account code that can contain up to 15 characters. This is the code you reference when you want to post transactions to an account.

The system allows you to use any coding structure you require, within the 15 characters available. This account coding structure is extremely important and a significant part of the implementation process is usually spent designing this coding structure to ensure it supports your primary reporting requirements.

Many SunSystems functions, such as **Payment Run**, allow you to enter a range of codes to select the accounts you require. It is therefore important that similar accounts are grouped together within a logical range of codes.

Each account also has a separate, 15 character, lookup code which can be used to find the account if you don't know the code. For example, the lookup code might contain a shortened version of the account description.

Account coding conventions

Each new account must be assigned an account code. It is important that you assign a code within the logical range of codes for the appropriate type of account, according to your chart of accounts coding structure. This

is because the account code determines the sequence the accounts appear, by default, on reports and inquiries.

Numbers are sequenced from 0 to 9 and are placed before letters. For example, 81AS01, which will show before AS8101, and so on.

Ideally in your chart of accounts structure you should allocate a block of numbers to each group of accounts. For example, sales accounts might be in the range 100-199. Cost of sales in the range 200-299, and so on. If you set up a report which includes all the cost of sales accounts, SunSystems will print out all the accounts in the specified range. When you add more accounts within this range you do not need to alter your report definition.

The account code, and all other key, lookup and shortcode fields which are forced to upper case characters, can contain alphabetical characters, numeric characters or sybols, for example, - : . /)

Note: You must avoid using letters with accents, or other diacritical marks or ligatures that have no support for majuscule form, such as the German Eszett character, ß. Such letters can give unexpected sequences.

What are the Account Types?

Each SunSystems account is assigned an account type which determines how the account is treated for processing and reporting. These are six account types available:

- Profit & Loss accounts - these record details of income and expenditure, which are reported on your profit and loss statement.
- Balance Sheet accounts - these record details of assets and liabilities, which are reported on your balance sheet statement.
- Debtor (Receivable) / Customer accounts - these hold details of customers who purchase goods/services from your company. Each debtor/receivables account should be linked to a customer that contains a large amount of additional information including address and communication details, currency options, payment terms, and tax details.
- Creditor (Payable) / Supplier accounts - these hold details of suppliers from whom you purchase goods/services. Each creditor/payables account should be linked to a supplier that contains a large amount of additional information including address and communication details, currency options, payment terms, and tax details.
- Client accounts - these hold details of organizations from whom you purchase goods/service and to whom you also supply goods/services. They do not fit into the category of either debtor or creditor. One month, if the account balance is credit, you might need to raise a payment and print a remittance or cheque. The next month, if the account balance is debit, you might need a statement to be printed for the same account. These are typically used for inter-company accounts where netting off is used.

Note: Throughout SunSystems documentation, reference to a debtor/receivables account indicates a debtor account or a client account with a debit balance, while reference to a creditor/payables account indicates a creditor account or a client account with a credit balance.

- Memo accounts - these hold non-financial data that should not be included in the trial balance.

What are Memo Accounts?

Memo accounts are used to record non-financial data that should not be included in the trial balance. For example, they might be used to:

- keep a diary of repayments due on loans.
- record Personnel information for inclusion in reports.
- present alternative valuations of assets and liabilities in reports.
- record ratios or percentages for use with the **Corporate Allocation** functions.

Once you have posted transactions to a memo account, you cannot subsequently amend the account type, and vice versa.

Generally, SunSystems treats memo accounts like balance sheet accounts, carrying forward balances from one year to the next. They do not have customer or supplier details. It is a good idea to give all your memo accounts codes which are quite separate from other account types, so they can be easily identified.

You can post to them using either double or single sided entries, but they cannot be used as a balancing entry for a posting to another account type. This ensures that the postings of all other account types remain in balance. When SunSystems is checking that a journal is in balance, it ignores postings to memo accounts.

These posting rules apply to all of the posting functions, including:

- **Corporate Allocations Run (CAL)**
- **Asset Disposal (Fixed Asset Register)**
- **Depreciation Calculation (Fixed Asset Register)**
- **Ledger Entry (LEN)**
- **Ledger Import (LIM)**
- **Ledger Revaluation (LER)**
- **Payment Collection Run (PYC)**
- **Payment Run (PYR)**
- **Account Allocations (ACA)**
- **Transaction Matching (TRM)**

Memo accounts are included in all reporting functions except **Trial Balance**. They can be shown on transaction listings but the values are not included in the journal totals.

What are the Balance Types?

An account can be classified as being balance forward or open item. The distinction between the two is relevant during **Ledger Cleardown (LCL)**.

Balance forward accounts are summarized during **Ledger Cleardown**, regardless of the allocation markers on individual transactions. The detailed transactions are summarized into a single balance transaction per accounting period. The transactions are archived and are no longer available in certain reports or in inquiries. Profit and Loss and Balance Sheet accounts are normally classified as balance forward to minimize the number of historical transactions retained. An exception to this might be the bank account.

On open item accounts, only allocated transactions are summarized during **Ledger Cleardown**. Normally debtor, creditor and client accounts are open item. The bank account may also be nominated as an open item account, for reconciliation purposes.

How are Accounts Analyzed?

You can analyze your ledger accounts at two different levels:

- Account level - to group the accounts in different ways.
- Transaction level - to group the transactions in different ways.

Account Level Analysis

You can analyze each ledger account in up to 10 different ways, in addition to the account code itself. Using the Global Analysis facilities you can assign up to 10 different analysis dimension codes to a ledger account. You can then use these codes to extract, inquire and report on your accounts in different ways.

For example, you might create an analysis dimension for sales territory codes and assign a sales territory code to each debtor/receivables account. You could then quickly identify and report on all of your debtors within a sales territory.

In order to analyze an account, you must first create the analysis dimensions and codes in **Analysis Dimensions (AND)** and **Analysis Codes (ANC)**. You must also use **Analysis Structure (ANS)** to identify the analysis dimensions that are to be used to analyze accounts.

When you add a new account, you will be prompted to enter up to ten analysis codes, one for each of the analysis dimensions that have been assigned to the ledger account entity. You do not need to enter an analysis code for every analysis dimension that has been assigned, some may only be relevant to particular types of account.

Transaction Level Analysis

You can enter up to 10 different analysis codes on the individual transactions that are posted to ledger accounts. This provides extremely powerful additional analysis facilities. For example, you might enter an employee code on all of the transactions posted to employee related expense accounts. You could then produce an expenses analysis by account, broken down by employee. You could also produce an employee expenses report by extracting all of the expense transactions relating to a particular employee.

In order for this transaction analysis to be accurate, you must ensure the appropriate analysis codes are always entered on all of the relevant transactions.

The analysis dimensions that can be used to analyze ledger transactions are assigned using **Analysis Structure (ANS)**. However, not all of these dimensions may apply to every type of ledger posting or account. So, when you create an account you can specify which of the ten available transaction analysis dimensions are to be mandatory, optional or disallowed on postings to the account.

Note: The Journal Type definition provides additional controls on the transaction analysis codes that are required on particular types of transaction.

If a transaction analysis dimension is set to mandatory for an account, it is prompted for during **Ledger Entry (LEN)**, regardless of the selections made in **Journal Types (JNT)**. This also applies to the validation during **Ledger Import (LIM)** and when you are amending analysis codes in **Account Allocations (ACA)**.

Similarly, if a transaction analysis dimension is not allowed, it is not allowed during **Ledger Entry (LEN)**.

If you leave the analysis dimension as optional, you can use the analysis code selections made for the journal type.

Multi-currency account considerations

SunSystems Financials allows you to enter the following four different currency values on a posting transaction:

- Base currency (Value 1)
- Transaction currency (Value 2)
- Second base or Reporting currency (Value 3)
- Fourth currency (Value 4)

Additionally a fifth currency code and rate can be recorded on a transaction through Ledger Import and Ledger Entry. The value itself is not stored, but is available for calculation in reporting.

The overall multi-currency settings

The overall multi-currency processing rules for your organization are defined in Business Unit Setup and Ledger Setup (LES). The business unit definition determines whether or not the currency value is used, and whether it is mandatory or optional. For each currency value in use it identifies:

- The posting rule - for example, is a value optional or mandatory, is the value calculated if it is not entered, or is it always calculated.
- The amount balancing rule - for example, do the currency values need to balance, or are the values automatically forced to balance.

The business unit also determines how each of the currency values is calculated from the other information available. Currency values 1, 2 and 3 use the pivot currency as the basis for the currency conversions. The pivot currency is also identified on the business unit. Currency value 4 can be calculated from the any of the other currency values on the transaction as identified in the **4th Currency Calculated From** field on the business unit.

Overriding these Settings for an Account

You can override some of the business unit currency processing rules for particular accounts on Chart of Accounts (COA), if required. For example, the business unit rule may allow transaction currency values (value 2) to be entered but you may wish to prevent this for a specific account.

Note: You can also override the posting rules for each currency for a particular type of transaction using Journal Types (JNT).

Overriding the transaction currency cettings (value 2)

When you set up an account, you can use the Conversion Code Control option to determine the transaction currency (value 2) rules that apply to postings made to the account. There are three options available:

- Mandatory - this forces a transaction currency value to be entered (value 2), regardless of the business unit rule, (unless the transaction currency is not being used for the business unit).
- Prohibited - this prevents a foreign transaction currency value (value 2) being entered, regardless of the business unit rule.
- Ledger Default - this uses the business unit rule established for the transaction currency.

If a transaction currency value is to be entered, you can also identify a default currency code to apply to postings to this account. The default currency code appears on the Ledger Entry (LEN) for postings to the account. For example, on the debtor/receivables account for an American customer, you could enter US dollars as the default currency code.

You can also suppress the currency revaluation processing for the account, if appropriate.

Overriding the reporting currency settings (value 3)

The third financial value on a ledger posting can contain a reporting currency value or a second base currency, depending on how the business unit rules are established. If this value is used to hold a reporting currency, you can use the conversion control to allow reporting currency amounts to be entered for an account, rather than calculated.

Note: If Value 3 is being used as a second base currency, this option is not available.

Setting 4th and 5th currency default codes

If the fourth or fifth currency values have been defined as variable currency values for each transaction, you can set a default currency code on an account. When transactions are posted to the account, this default currency code and the appropriate exchange rate are applied accordingly.

In addition, you can identify any currencies that are not valid 4th or 5th currencies for a particular account. Transactions are rejected from the account if they contain one of these invalid currencies as their 4th or 5th currency code.

Managing Balance Sheet accounts

Within the SunSystems single ledger, all accounts are created and maintained in a similar way. However, there are some important considerations in relation to your balance sheet accounts.

Structuring Balance Sheet accounts

There are two things to remember when setting up balance sheet accounts:

- The account must be a Balance Sheet account type. This account type has an account balance carried forward from one year to the next.
- You normally set the balance type on the account to Balance Forward. This indicates that you do not wish to match/allocate transactions on the account. When you run a Ledger Cleardown, balance forward accounts are summarized according to specification, so that detailed transactions are removed. One

exception may be the bank account. Where you are using the bank reconciliation facility, you should set the bank account as Open Item.

Debtors, creditors and client accounts in the Balance Sheet

In the SunSystems single ledger environment you do not need to create control accounts for debtors/receivables, creditors/payables and client accounts. Balance sheet reports can show the total balance for the entire range of each of these account types.

Accounts that alternate between asset and liability

The debit/credit balance on a number of balance sheet accounts may vary from one month to the next. This dictates where the account is shown on balance sheet reports. Examples include inter-company client accounts. One month the net balance might dictate that you show the figure as a current asset, while the next month it might belong under the current liability heading.

Financial Tables and Financial Statements both allow you to suppress a line on a report depending on whether amounts are debits or credits. In Financial Statement Rows, you can choose to suppress accounts with a debit or credit balance. This can be used to prevent netting off asset and liability accounts.

In Financial Table Columns or Financial Table Rows, you can split debits and credits at transaction level. For example, you can specify two columns one for debit transactions and one for credit transactions. You can create two lines, one under the current asset heading and another under the current liabilities heading. They both include the same account range but have opposing settings in the **Suppress Line/Account** field. Consequently, the balance on the account range is shown under the heading that is correct for the chosen period.

Managing your fixed assets

The SunSystems Fixed Assets module maintains full historic descriptive details of assets, acquisitions and disposals. It also allows automatic or manual depreciation calculations. You can inquire or report on assets.

Fixed Assets is a fully integrated part of the Financials single ledger, so that the same posting updates asset values in your asset register, and posts to the relevant accounts in Financials.

If you do not use the SunSystems Fixed Assets module, you must maintain the relevant asset accounts and enter all asset movement and depreciation transactions manually.

Memo accounts attached to the Balance Sheet

Memo accounts are generally used to record non financial information. A memo account can be used as a backup to a balance sheet account. The balance sheet account can show summary information, whilst the memo account can store detailed backup information. For example, staff loans might show as one figure on the balance sheet account, while a backup memo account provides detailed information of individual loans.

Accruals and prepayments

SunSystems caters for accrual and prepayment transactions in two ways:

- You can set up a journal in Journal Types (JNT) which automatically reverses in the period subsequent to entry.

- A standard journal type can be used. During Ledger Entry (LEN), a minimum of four lines are posted, two to the current accounting period, and two to the subsequent period. You can use Journal Presets (JNP) to automate this procedure.

Showing profit/loss in the Balance Sheet

The profit/loss figure in balance sheet reports is taken as the net balance of all income and expenditure accounts. The balance of accounts, which have been identified as account type Profit & Loss, is not carried over to a new accounting year. This has implications for your balance sheet reports, because you are required to show retained profit.

As part of your year end procedure, you must post the profit/loss for the year to a balance sheet account, which you can name appropriately.

Bank Reconciliation

SunSystems provides two methods of reconciling your bank statement details to the transactions posted to your bank account.

You can reconcile them manually using Account Allocations (ACA). Transactions that have cleared are identified using the allocation marker Reconciled. You can extract the transactions for the bank account and sequence them by date or reference, so that transactions are in the order you require. This makes it easier to find transactions. You can then amend the allocation marker beside the appropriate transactions to Reconcile.

Items that have not been accounted for, such as bank charges, can be entered manually in Account Allocations using the **Generate** option, or entered using a journal type that allows online allocation on entry.

You can report uncleared transactions using the **Report** menu option in Account Allocations. You should select only unallocated transactions to be included. Alternatively, you can design your own bank reconciliation reports using the financial report writers.

Alternatively, the SunSystems Reconciliation Manager facility can automate some of the bank reconciliation tasks. You can load the bank statement transactions into the ledger and match them automatically to the transactions on your bank account using selected match criteria.

You can also perform bank reconciliation by posting from your bank statements. Some countries require you to do this. Transactions generated in Payment Collection Run are posted to a clearing account. Other transactions are posted from the bank statement. The bank statement will contain offset entries for those debits and payments you have generated. Use Account Allocations to reconcile your remaining transactions, generating adjustments as necessary. When you complete this process, any unallocated transactions represent your cash in transit.

Managing Work in Progress

Project oriented organizations, such as consulting engineers and management consultants, record expenditure and income by project, campaign or event. Usually, long term projects are treated as work in progress until they are complete. Only when all the revenues and costs have been recognized and realized can the profit and loss be ascertained and transferred to the profit and loss account. You can alternatively transfer work that has been billed, with a proportion of the associated costs, to the profit and loss account periodically.

You can record profit or loss to date for a project, particularly if the project out-turn is known with a degree of certainty. SunSystems can handle both of these scenarios.

Choosing an Account Type for Projects

When setting up accounts to handle your project work you can decide which account type they should be. Balance Sheet type accounts reflect work in progress as an asset. Profit and Loss type accounts recognize revenue and expenditure directly as a profit/loss-to-date figure in your ledger.

If you treat work in progress as an asset, when you transfer the project's results to the profit and loss accounts, you can use **Transfer Desk** to export transactions from the balance sheet project accounts. You can then reimport them with the signs reversed to offset the project entries for the completed project.

Maintaining the Chart of Accounts codes

You can create a new chart of accounts code at any time.

You use the Chart of Accounts (COA) function to define all six types of account: Balance Sheet, P&L, Debtors/Receivables, Creditors/Payables, Client or Memo accounts.

Setting up Chart of Accounts

You can create a new chart of accounts code at any time. You use the Chart of Accounts (COA) function to define all six types of account - Balance Sheet, P&L, Debtors/Receivables, Creditors/Payables, Client, or Memo accounts.

Customer, supplier and client accounts

If you are adding a debtor/receivables, creditor/payables or client account you should use Customers (CUS) or Supplier (SUS) to create the chart of accounts code and define all of the other customer/supplier related details required e.g. payment terms, tax requirements, order entry details and so on. Using Customers or Supplier ensures that the debtor/receivables, creditor/payables and client chart of account codes are linked to a customer or supplier.

If you do choose to create a debtor/receivables, creditor/payables or client account using Chart of Accounts, you must reference the account code on the appropriate customer or supplier details using Customers or Supplier as a separate step.

Note: If a debtor/receivables, creditor/payables or client account is not linked to a customer or supplier, the payment and discount terms will not be available to the Transaction Matching function which may result in matching discrepancies.

The **Chart of Accounts** form contains these tabs:

- General
- Account Analysis

- Transaction Analysis
- Currency
- Withholding Tax
- Audit Data
- Agency/Broker

Chart of Accounts (COA)

1. Open Chart of Accounts (COA) from the main SunSystems menu.
2. Specify this information:

   Account Code
   The account code uniquely identifies the ledger account. To create a new account, enter a code within the logical range of codes for the appropriate type of account, according to your chart of accounts coding structure.

   Lookup Code
   A lookup code can be used to find a record, as an alternative to the record code. It is often set to a shortened version of the description. It is particularly useful if a record is often referred to using different codes. For example, the Chart of Accounts code for Fuel Expenses is `75201` and the Lookup Code is set to `FUELEXP`.

   Description
   This is the name or description for this account. It is used to identify the account on reports and inquiries.

   Short Heading
   The Short Heading is a shortened version of the account description to be used instead of the full name where space is limited. If you leave this blank it defaults to the first characters of the account description.

3. Specify the information on each tab in the **Chart of Accounts** dialog.
4. Save your changes.

General

1. Click the **General** tab in the **Chart of Accounts (COA)** dialog.
2. Specify this information:

   Account Type

   Select the type of account you want to create: Debtor, Creditor, Client, P&L, Balance Sheet or Memo. A Client account is used when a customer is also a supplier, or vice versa, and therefore the balance at any time might be debit or credit. A Memo account contains non-financial data of any time.

   Note: A client account should always be linked to a supplier, not to a customer.

   Status

   Set the status to `Open`, `Suspended` or `Closed`.

Balance Type

This indicates whether this account is a Balance Forward or an Open Item account.

Account Sub-Type ID

If you are integrating, enter the Account Sub-Type ID or use the **Query** button to select an Account Sub-Type ID from the list.

Data Access Group

Debit or Credit

If you are integrating, select either Debit or Credit.

Note: The **Account Sub-Type ID** and Debit or Credit options are only available on the CA_INT Chart of Accounts integration form.

Link Account Code

If you are using linked accounts in **Journal Presets**, enter the code of the account you want to link to this account. Otherwise, leave this blank. In **Journal Presets**, you can specify that the account code for a journal line is set to the link account of the account entered on another line.

Accounting Links Allowed

This indicates whether you are using the **Accounting Link** function to create and maintain accounting links to support the Pay As Paid requirements when Financials is being used as a Broker ledger.

Note: The **Account Links Allowed** option is only available on the CA_DEM Chart of Account form.

User Area

The User Area can hold any static information relating to the account that is specific, and perhaps unusual, to your organization and cannot be recorded elsewhere. This is normally kept hidden and is for use by third party programs.

Long Description

Enter any description or comment about this account.

Addresses Setup

Click this button to access the addresses setup record for the current account code.

Bank Details Setup

Click this button to access the bank details setup record for the current account code.

Credit Limit

Enter the amount in base currency of credit available on this account. Leave this blank if the account has no credit limit.

Overdue Invoice Limit

Enter the amount of overdue invoices allowed for this account.

Allocation in Progress

This display-only field displays Yes if transactions on the account are being allocated using one of the allocation or payment functions.

3 Save your changes.

Account Analysis

1 Click the **Account Analysis** tab in the **Chart of Accounts (COA)** dialog.
2 Specify this information:

Analysis Code

Up to ten analysis dimensions can be assigned to an account, therefore ten Analysis Code input fields appear.

Where a particular analysis dimension has been assigned to one of these ten fields using **Analysis Structure (ANS)**, a **Query** button appears alongside the field. You can use **Query** to select a code defined in **Analysis Codes (ANC)** within this dimension if you want to analyze this account.

3 Save your changes.

Transaction Analysis

1 Click the **Transaction Analysis** tab in the **Chart of Accounts (COA)** dialog.
2 Specify this information:

Enter Analysis 1-10

Up to ten analysis dimension codes can be entered on a transaction. You can determine the transaction input rules for each dimension, for this account. Three options are available for each transaction analysis dimension:

- **`Optional`**

  Uses the transaction analysis input rules defined for the Journal Type when transactions are being entered for this account.

- **`Mandatory`**

  Forces a valid analysis code for the dimension to be entered on transactions for this account. The analysis code is requested during Ledger Entry (LEN), regardless of the rules set in Journal Types (JNT). This also applies to validation during Ledger Import (LIM) and when amending analysis codes on Account Allocations (ACA).

- **`Prohibited`**

  Prevents an analysis code being entered for the dimension on a transaction for this account. This also overrides any rules set in Journal Types (JNT).

3 Save your changes.

Currency

1 Click the **Currency** tab in the **Chart of Accounts (COA)** dialog.

2 Specify this information:

Conversion Code Control

Select a currency posting control to be used as a default for this account in **Ledger Entry (LEN)** and **Ledger Import (LIM)**. This overrides the corresponding business unit option except that you cannot force entry if the value itself is undefined. Three choices are available:

- **`Mandatory`**

  This forces a transaction currency value to be entered on transactions for this account, regardless of the business unit rules.

- **`Prohibited`**

  This prevents a transaction currency value being entered on transactions for this account, regardless of the business unit rules.

- **`Ledger Default`**

  This uses the business unit rule established for the transaction currency (Value 2).

Default Currency Code

If a transaction currency value is required, you can select the default currency code for the postings to the account. This is used as the default transaction currency code on Ledger Entry (LEN) and is useful if the majority of foreign currency postings are made in a particular currency. The currency code must have been defined using Currency Codes (CNC) before you can enter it.

Report Conversion Control

Determines whether reporting currency or second base (Value 3) amounts are calculated when transactions are entered through Ledger Entry (LEN).

The value set here overrides the corresponding business unit option.

Default values are 'No' when the reporting post rule is undefined on the **Business Unit Setup**, or 'Yes' when it is defined.

Suppress Revaluation

This determines whether this account should be excluded from **Ledger Revaluation**, even if it falls within a range of accounts for which ledger revaluation is being run. This is typically used on fixed asset accounts or on monetary assets in a high inflation country.

Default 4th Currency Code

Where the fourth currency is defined as variable on **Business Unit Setup**, this option allows you to set the default currency code for the fourth currency in the same way as for the transaction currency (in the **Default Currency Code** field above). This currency must be acceptable as a Banking Currency as defined on **Currency Codes (CNC)**.

Default 5th Currency Code

Where the fifth currency is defined as variable on **Business Unit Setup**, this option allows you to set the default currency code for the fifth currency.

This currency can be used as an alternative banking currency, replacing a disallowed 4th currency code on a transaction. The currency must therefore be acceptable as a Banking Currency as defined on **Currency Codes (CNC)**. By default all currencies are acceptable as banking currencies unless they are defined as otherwise in **Currency Codes (CNC)**.

Currency Disallowed for Values 4 and 5

Use this command to identify any currencies that are not acceptable for values 4 and 5 on a given account. If a transaction is received for the account that references one of these invalid currencies as a fourth or fifth currency code, it is rejected.

3 Save your changes.

Withholding Tax

1 Click the **Withholding Tax** tab in the **Chart of Accounts (COA)** dialog.

2 Specify this information:

Withholding Tax Calculation
Select `Yes` if withholding tax is used on this account.

Withholding Tax A/C Class
Select whether the withholding tax is to be calculated on the gross, net or tax portion of the transaction.

Withholding Tax Normal Sign
Select either credit or debit to determine the type of transactions posted to this account. This enables withholding tax to determine whether the transaction posted to this account is an invoice or a credit note.

Audit Data

1 Click the **Audit Data** tab in the **Chart of Accounts (COA)** dialog.

2 Specify this information:

Date/Time Last Updated

Displays when this account record was most recently updated (or created if there have been no subsequent updates).

User Id Last Updated

Displays the Id of the operator who most recently updated this account record (or created it if there have been no subsequent updates).

Note: Any changes in the Allocation in Progress status of this account are not considered as updates to the account record.

3 Save your changes.

Agency/Broker

1 Click the **Agency/Broker** tab in the **Chart of Accounts (COA)** dialog.

2 Specify this information:

Agency/Broker Account Type

If the business unit is being used as a Broker Ledger operating within a Pay As Paid environment, the system must be able to distinguish between the parties involved in a business transaction. The following options are available:

- **`Client`**

  Set this type on the customer accounts, for example, to identify the insured party

- **`Carrier`**

  Set this type on the underwriter accounts, for example, to identify the insurer

- **`Other`**

  Set this type on other parties in the transaction who need to be updated when payment is received, for example, to identify third party brokers

- **`Nominal`**

  Set this type on all other accounts, for example, commission income to the business, or bank charges.

When a transaction is matched, this flag is used by the matching facilities to determine which, if any, linked transactions are released for further processing.

3 Save your changes.

Printing the Chart of Accounts

The Chart of Accounts Report lists all of the ledger chart of accounts details. It lists the selected account codes, in code order, and displays all of the static information you can define for each account. It also identifies whether or not transactions have been posted to each account, and if so, the date the last transaction was posted.

This report can be run by selecting **Action > Report** or clicking the **Print** button on the form.

Maintaining account details

You can change many of the static details entered for a chart of accounts code at any time using Chart of Accounts (COA). However, some details should be altered with caution.

If you change the transaction analysis options these will not apply retrospectively. This means that the analysis codes entered on any transactions that have already been posted to the account may not conform to the new rules set. If this is a problem you can change the analysis codes on the existing transactions using Account Allocations (ACA), providing you have the authority to do so and the **Amend in Account Allocation** option has been set for the analysis dimension in Analysis Dimensions (AND).

Note: If you are updating a debtor/receivables, creditor/payables or client account you may also need to alter the information that is maintained for the corresponding customer or supplier.

The only method of updating the financial balances for an account is by posting journal transactions to the account.

Suspending Closing and Deleting Accounts

The status of an account can be set to Suspend to add a level of control to the postings made to the account. If a suspended account is selected for ledger entry, corporate allocations, or for order or invoice lines in Order Fulfilment, a warning is displayed indicating that the account has been suspended. The operator can, however, override this warning and post to the account anyway.

Setting an account status to Closed is stronger than Suspend in that it prohibits any further posting. If you are unable to delete an account because transactions have been posted to it, you should set the status to Closed to prevent further postings.

Suspended or closed accounts cannot be nominated as posting accounts in procedures where an account code is required, such as **Payment Run**, **Depreciation Calculation**, **Ledger Revaluation**, and so on.

To Change the Account Status:

1. Use SunSystems to access **Chart of Accounts (COA)**.
2. Enter or **Query** the required account.
3. The Status changes accordingly.
4. Click **OK**.

Deleting Accounts

A ledger account cannot be removed if:

- financial transactions exist in the actuals ledger.
- current order fulfilment transactions which have not been completed, reference it.
- budget transactions have been entered for it.
- transactions exist on the archive tables for it.

In order to achieve this, ensure that the account balance is zero, and then run a **Ledger Cleardown** for that account.

You can delete an individual account using the **Delete** button, or delete a range of accounts using the **Range Delete** option on the **Action** menu.

Chapter 4: Setting up and controlling Ledger Entry

Ledger Entry (LEN) is the core online facility used to enter and post transactions to the Financials ledger. It is a powerful and flexible facility that enables you to enter the simplest, or most complex transactions, in the most appropriate format.

Journals and transactions

A journal is used to post a number of ledger transactions to the accounts in Financials. In its simplest form, a single ledger transaction posts either a debit or credit amount to a selected account, in an accounting period.

A journal is used to post different types of transaction: sales invoices, purchase invoices, cash receipts, cash payments, expenses, asset or liability movements, depreciation, etc.

Each ledger transaction contains a large number of predefined fields of information. In addition, it can contain several user defined description and date fields.

Double entry journals

This means that a journal must contain at least two ledger transactions.

In a multi-currency environment, up to four currency values can be entered on each journal transaction: base currency, transaction currency, second base/reporting currency, and fourth currency. The transaction can also contain a memo value. Financials ensures that your ledger remains in balance at all times. It does this by ensuring that every journal balances. For a journal to balance, the total of the debit transaction amounts for an accounting period must equal the total of the credit transaction amounts for the same period.

The base currency values must always balance before a journal can be posted. The posting rules set for the business unit determine which of the other currency values must also balance. SunSystems can force a journal to balance by automatically posting a balancing amount to a selected account.

Note: Transactions posted to memo accounts do not have to balance.

Assigning additional fields

Each ledger transaction may contain up to 25 additional description fields (of 30 characters each), and 5 additional date fields. These additional ledger fields can be used for recording supplementary references and other details, which do not need to be validated against a pre-defined list.

Additional fields in ledger transactions can be populated in Ledger Import (LIM), and in Ledger Entry (LEN) providing the **Ledger Entry** form has been designed to include these fields. The fields can also be set to specific values using Business Rules. Like analysis codes they can be defined to be amendable in Account Allocations (ACA), again, providing the **Account Allocations** form has been designed to include these fields. They are also available as selection criteria in Transaction Matching (TRM).

The additional fields can be included on forms, filters and reports, in which the description entered in Additional Fields Setup (AFS) is displayed.

Note: Use Form Designer (FRD) to include the additional fields in the forms for Ledger Entry and Account Allocations. Form Designer is available in the SunSystems Windows Client.

Additional Fields Setup (AFS)

Use Additional Fields Setup to define specific purposes for any of the additional fields by assigning them a heading and a description.

1. Open Additional Fields Setup (AFS) from the main SunSystems menu.
2. Specify this information:

   Column Type

   The type of field required - either General Description or General Date.

   Column Number

   The number of the additional field. 1 to 25 for general description fields and 1 to 5 for general date fields.

   Short Heading

   The Short Heading is a shortened version of the description, and can be used instead of the full name where space is limited.

   Description

   The name or description for this field. It is used to identify the additional field on reports, inquiries, and forms.

   Amendable in Allocations

   Specifies if the data within this field should be amendable within Account Allocations (ACA).

3. Save your changes.

Journal input methods

Journals are used to record ledger and asset transactions. Journals can enter the system in the following ways:

- Manually entered online
- Imported from an external system
- Generated automatically by another SunSystems function

Manual journals

A journal can be entered manually into SunSystems. The main transaction entry form is Ledger Entry (LEN). It provides powerful and sophisticated features that enable you to enter journals quickly and easily. The type of journal you want to enter is determined by a user-definable journal type.

The journal type is used to tailor the Ledger Entry form appearance and validation rules, to the particular journal's requirements. You can create any number of journal types to meet different needs.

You can, for example, use one journal type for local currency receipts, and another for cash received in other currencies where additional currency details are required.

Journal presets can be used to predefine some, or all, of the journal transaction details for a manually entered journal. This can speed up the journal input process, and ensure the correct information is entered on each journal transaction.

Imported journals

Journals can be created outside of SunSystems, for example by another software package, and then imported into SunSystems Financials. Ledger Import (LIM) is used to load, validate and post these journals. The source of these transactions can vary. They may be generated by another SunSystems Financials business unit, or SunSystems Order Fulfilment, another software package, or an in-house application.

Transactions are validated before they are accepted into the ledger. Unvalidated transactions are rejected and not imported.

Automatically generated journals

There are a number of SunSystems Financials functions that automatically generate and post journals. They are:

- Corporate Allocation Run (CAL), part of the Corporate Allocations facility, which generates postings to reallocate costs and revenue according to predefined rules. These journals are posted by Ledger Import.
- Payment Run (PYR) which calculates and clears the due balance for selected accounts. This function generates postings to the creditor/payables accounts and to the bank account. It also generates transactions to post any settlement discount allowed.
- Payment Collection Run (PYC) which operates in a similar way to Payment Run. It clears the due balance for selected debtor/receivables accounts. It generates postings to the debtor/receivables accounts and to the bank account.
- Payment Voiding (PYV) which reverses the payment journals for selected, void payments.
- Ledger Revaluation (LER) which generates transactions to account for unrealized gains and losses. This process reports and/or posts the difference it generates to your currency gains/losses accounts.

- Account Allocations (ACA) and online allocation in Ledger Entry, both of which are used to manually match selected debit and credit transactions. Settlement discount and exchange gains/losses which arise during this process are posted to the identified accounts.
- Transaction Matching (TRM) and Reconciliation Manager (RCM) which matches selected debit and credit transactions. Settlement discount and exchange gains/losses which arise during this process are posted to the identified accounts.
- Asset Disposal (FAD) which disposes of assets and posts disposal journals.
- Depreciation Calculation (FDC) which calculates and posts depreciation journals for selected assets.

Held journals

Held journals are journals which cannot be posted for some reason, usually because the journal is incomplete or out of balance. Held journals are stored in a Held Journal File for each business unit.

A journal can be placed on the held journal file as part of the Ledger Entry process. You are given the choice of saving a journal onto this file if you:

- Try to post the journal and it does not balance.
- Try to exit the Ledger Entry function without posting a journal.

The journals interfaced from SunSystems Order Fulfilment may be placed on the Held Journal File by default, depending on how the interface is defined using Ledger Interface Setup (LIS).

Note: The Held Journals file is created for a business unit using Optional Ledger Tables (OLT). It must be created before you store held journals.

You can list the held journals and recall a selected journal using Ledger Entry Held Journals (LEH), or by selecting the View Held Journals action in Ledger Entry (LEN).

Held journals are not included in general Financials reports.

Speeding up ledger entry

SunSystems Financials includes a large number of facilities and options that speed up and control the entry of ledger transactions. These facilities include:

- Journal types tailor the Ledger Entry forms to particular input requirements, for example to identify the analysis requirements or define a reversal journal.
- Journal presets predefine the journal fields and journal lines for a journal providing either fixed field values or defaults. They allow you to:
- Automatically balance a journal by posting a balancing amount to a selected account
- Control the information on a journal line e.g. restricting the type of account that is entered
- Automatically invoke the online allocation facility to allow transactions to be matched quickly and easily
- Analysis dimensions and structures enable you to determine the types of additional analysis that is required, by transaction type and account.
- Corporate allocations automate the process of reassigning expenses and other transactions.

Ledger entry validation controls

All ledger transactions are fully validated before they are posted to the ledger. SunSystems applies extensive validation controls which can be divided into three types:

- Data and ledger integrity checks
- User-defined accounting control checks
- Complex data validation and business rule checks

Data and ledger integrity checks

These are the generic validation controls that apply to all ledger entries and are always performed:

- Standard data controls - all fields are checked for 'sensible' values, wherever possible. Date and value fields are checked for correct formats (which are defined as part of the business unit setup).
- Posting rules - up to four values can be entered on each transaction and posting rules are used to determine which values are mandatory, optional, can or cannot be calculated and so on. The default rules are set for a business unit and can be overridden by a journal type.
- Balancing controls - every journal must balance in the base currency, and by period. You can optionally choose to balance journals by other currencies e.g. transaction currency, and by another selected field e.g. transaction reference.
- Period and date controls - all journals must reference valid accounting periods and dates and you can control the open periods.
- Currency controls - you can determine which currency values are mandatory or optional, which types of conversion rates should be used, apply tolerance checks to rate changes and so on.

User-defined accounting and analysis control checks

In addition to the standard controls, you can assign other more sophisticated validation rules using standard Financials functions:

- Account controls - using journal presets you can control the type of account that is referenced on a journal, for example to ensure an invoice is only posted to debtor/receivables, creditor/payables or client accounts.
- Analysis controls - you can determine which analysis dimensions and codes can be assigned to particular accounts and/or journal types.
- Budgetary controls - flexible budget and commitment checks can be defined to monitor or control expenses.

Complex business rule checks

SunSystems Process Manager can be used to apply additional, more complex validation to your ledger entries. For example, decision tables can be used to define relationships between data items and valid values based on a combination of factors. For example, a number of factors may determine when an analysis code is required for an account.

Ledger entry security

Use the Security Console or User Manager to control access to Ledger Entry (LEN) and the actions available within it.

Each journal entered in SunSystems is assigned a unique identifying journal number, which provides an audit trail. The next available journal number is assigned to a journal when the journal is posted, including any transactions generated automatically by SunSystems.

The Operator Id of the person who posted a journal can be recorded as part of the journal information. Three **Force Journal Source** options are available in Ledger Setup (LES) to determine the entry of the operator id, which is also referred to as the journal source:

- The operator id can be entered manually each time a journal is created.
- The operator id of the person who keyed in the journal can be recorded automatically.
- The operator id of the person who posted the journal can be recorded automatically.

Supervisor validation of transactions

Until a journal is posted, you can amend or delete the transaction details. If you want to add a separate procedure to validate journals that have been entered, you can use the journal hold file to save transactions until they are validated.

You can retrieve held journals and, once approved, the journals can be posted. Held transactions are treated as unposted and are therefore not included in general reports.

Restricting postings to periods

When you enter a journal transaction to SunSystems Financials you post to a particular accounting period. This period is entered on the journal transaction and is not derived from the transaction date.

The number of accounting periods in your financial year is defined in Financial Calendars (FCS) and Business Unit Administration (BUA). For example, you might operate four quarterly accounting periods, 52 weekly periods, or 12 monthly periods. An accounting period is defined as the period number, and financial year e.g. 004/2021.

You can post a journal to any open accounting period, not just the current period.

The range of open periods is defined in Financial Calendars (FCS) and controls the periods to which journals can be posted in Ledger Entry, Ledger Import, and so on. To preserve the integrity of your finalised financial reports, you may want to restrict the number of prior periods that are open for posting.

You can restrict entries to one period by identifying a single period only in the **Open Periods From** field. You can also choose to allow postings to the current period only, that is, to the period specified in the **Current Period** field.

If the range is left blank, there are no posting restrictions and you can post to any accounting period.

You can enter relative period numbers, for example +nnn or -nnn, where nnn is the number of periods before or after the current period. If the current period is 006/2021 and your open period fields are set to -003 and +003, journals can be posted for the periods 003/2021 through to 009/2021.

The range of open periods can be restricted for a group of users using the Security Console or User Manager. In the **Groups** tab, edit the appropriate group and select **Miscellaneous Permissions**.

Controlling date entry

The range of open dates defined in Ledger Setup (LES) and Financial Calendars (FCS) controls the range of dates in which journals can be posted. The transaction date used in a journal must be within this range. You are warned if the dates do not conform.

You can leave the dates unrestricted if you want. Otherwise, you can enter a specific date, or range of dates. You can use relative dates, in the form +nnn and -nnn. You can also restrict transaction dates to the current system date.

Intercompany Postings

You can treat your intercompany transactions in a variety of ways. You can choose to treat each posting in the way that best fits your business and reporting requirements.

InterCompany Transactions

You can set up intercompany accounts in your chart of accounts to record your intercompany transactions. These can be debtor, creditor, or client account types. If you trade with subsidiaries or other companies within your group, you can use **Payment Run (PYR)** and **Payment Collection Run (PYC)** to raise payments and receipts.

You can set up an intercompany journal type and business line import ledger interface to post intercompany journals. Transactions are posted to the source business unit. Using **Ledger Inquiry (LAQ)** you can run an Intercompany Awaiting Posting Inquiry to display a range of intercompany journal transactions that are currently awaiting posting.

Select **Review** to review the journals before posting to the target business unit. When you are ready to post, use the **Intercompany Posting** option in the **Report Process** field. The journals are then posted to the target business unit.

Intercompany Balances

You can charge interest on intercompany balances due to you. You can use a memo account to add interest to your outstanding balances and then post them to the relevant business unit.

Head Office Recharging

Your head office may want to levy a management charge on its subsidiaries each period. You can use Corporate Allocations to calculate and distribute charges across business units or ledgers. This is likely to form part of your standard period end accounting procedures.

Recharging Expenses

A company unit may buy goods or services that are used throughout the company. SunSystems enables you to treat these transactions in a number of ways:

- split the amount on ledger entry and post amounts to your intercompany accounts using journal presets.
- post the amount in total to your purchase account and redistribute it using the functions available in Corporate Allocations once the goods/services are distributed. You can post the allocated amount to intercompany accounts or directly to the expense accounts across business units.
- post the amount to a single purchase and expense account using global analysis to record how it is used by company units. This would be a way of treating each company within the group as a cost centre within a single ledger. This may be appropriate if you have a centralized accounting function.
- you can choose to keep a central purchasing function and to export data across business units on the basis of analysis to give each unit access to full reporting and inquiry facilities on their data.

How Journal Numbers are Assigned and Monitored

A unique journal number is assigned by SunSystems to every journal posted to the Financials ledger. The SunSystems posting function allocates the next available journal number to a journal prior to it being posted. This journal number is held on each of the journal transactions in the journal.

Identifying the Journal Numbers

The **Journal Posting Audit Report (REPJNA)** lists the journal numbers assigned regardless of whether or not the journal was successfully posted. The Journal Listing reports allow you to print journals in journal number order, and the Journal Inquiry allows you to view journals by journal number.

How is the Next Available Journal Number Assigned?

When a SunSystems function starts the posting process, it retrieves the next available journal number and pre-assigns this number to the journal. Every journal number assigned is recorded and monitored on the Journal Audit Posting table.

When the posting function assigns a journal number it adds details of the journal posting procedure to this table. This includes:

- journal type
- journal description
- the date and time the journal number was assigned
- the operator id responsible for the journal
- the provisional posting indicator
- the current status.

When the journal is posted successfully, the posting function updates the status against the journal number to Posted.

If the journal is not posted, the posting function sets an appropriate posting failure status against the journal number. For example, if it failed the final validation or a hardware or software error occurred. When this

happens, the number remains allocated to the invalid journal even though the journal transactions have not been posted to the ledger, thus leaving a gap in the journal numbering. This means that the journals posted to the ledger do not always contain consecutive journal numbers. The missing journal numbers can be identified and verified on the Journal Posting Audit table.

Note: If you do not want to leave gaps in the journal numbering, you can configure SunSystems to use those missing numbers in subsequently posted journals. To do this, select `Yes` to **Use Journal Number Gaps** from the **Options** tab in **Ledger Setup (LES)**..

The Journal Audit Table Status Codes

The following status codes can be assigned to a journal number on this table to indicate the status of the journal:

Status	Status Value	Meaning/Example
0	Incomplete Journal	The journal is in the process of being posted.
1	Journal Posted OK	The journal has been posted successfully.
2	Failed on Budget	The journal was not posted because it failed the budget expenditure/commitment checks.
3	Failed on Data Error	The journal was not posted because it failed with invalid data. For example, an account code was missing.
4	Failed on Database Error	The journal was not posted because of a database or file error.
5	Forced Post - All Rejected	The journal was not posted by Ledger Import because all of the journal transactions were rejected.
9	Failed (other)	The journal was not posted because of another error.

Ledger entry security

Use the Security Console or User Manager to control access to Ledger Entry (LEN) and the actions available within it.

Each journal entered in SunSystems is assigned a unique identifying journal number, which provides an audit trail. The next available journal number is assigned to a journal when the journal is posted, including any transactions generated automatically by SunSystems.

The Operator Id of the person who entered or posted a journal can be recorded as part of the journal information. Three **Force Journal Source** options are available in Ledger Setup (LES) to determine the entry of the operator id which is referred to as the journal source:

- The operator id can be entered manually each time a journal is created.
- The operator id of the person who keyed in the journal can be recorded automatically.
- The operator id of the person who posted the journal can be recorded automatically.

Supervisor Validation of Transactions

Until a journal is posted, you can amend or delete the transaction details. If you want to add a separate procedure to validate journals that have been entered, you can use the journal hold file to save transactions until they are validated.

You can retrieve held journals and, once approved, the journals can be posted. Held transactions are treated as unposted and are therefore not included in general reports.

Journal Types

All of the accounting entries made to ledger accounts enter SunSystems Financials as part of a journal. A journal normally contains at least two self balancing ledger transactions, although it can contain a single transaction posting to a memo account.

Many different types of journal are used to post different types of business transaction to the ledger. For example, journals are used to post sales invoices, purchase invoices, cash receipts, cash payments, expenses, acquisitions, depreciation, and revaluation adjustments. You can create as many journal types as you require.

Journal Types (JNT) is used in Financials to define each type of journal and identify the input and validation rules required for that type of entry. You can determine a large number of rules and characteristics for a journal type including:

- The design of the input form that appears in Ledger Entry (LEN).
- The analysis dimensions available to analyze the transaction, for example different codes may be required on a cash receipt journal to a depreciation journal.
- Whether the journal is a prepayment or accrual and should therefore be reversed automatically into the following period.
- When journal line descriptions are required.
- Who can enter transactions using the journal type.
- Whether discount and currency rate tolerances can be overridden.
- Whether tax is to be calculated automatically on the amounts entered, and if so, the accounts to be updated.
- Whether the journal type can be used for online journal input, or journal imports, or both.
- Whether a specific allocation marker is required for a journal type. For example to set an allocation marker of Force Payment on journals that require immediate payment.

Presetting Ledger Entries

You can pre-define the field values and journal lines for a journal type using Journal Presets (JNP). This is used to automate the entry of journal lines and spreads. You might, for example, preset the tax account on a journal line.

A more sophisticated preset could automatically post balancing journals, or spread a journal amount evenly across a number of periods.

Setting up Journal Types

Every group of ledger transactions (journal) you enter into Financials must belong to a journal type. The journal type determines the input and validation rules that apply to the transactions in that journal.

Journal types are defined using Journal Types (JNT).

Note: If you have reached this topic from the Journal Types Posting Override form in SunSystems and are already familiar with the Journal Types form, use this link to navigate to the Overriding the Posting Rules for a Journal Type topic.

The Journal Types form contains the following:

- Header Information
- General
- Analysis
- Automatic Tax
- Online Allocation
- Security
- Supplementary Financials
- Agency/Broker
- Unique References
- Intercompany Type.

Note: You are recommended to exercise caution when changing the settings on your journal types once they are in use. This may cause transactions posted with the same journal type to exhibit different behaviour.

Journal Types (JNT)

1. Open Journal Types (JNT) from the main SunSystems menu.
2. Specify this information:

   Journal Type

   This code uniquely identifies the journal type and should, ideally, be meaningful. For example, CR for cash receipts, PI for purchases invoices. It is entered during Ledger Entry (LEN) to identify the type of transactions to be entered.

   Name

   This is the description of the journal, for example Purchase Invoices. This is displayed alongside the code in Ledger Entry (LEN) to describe the type of journal. This may also appear automatically in the transaction description field during ledger entry.

3. Specify the information on each tab in the **Journal Types** dialog.
4. Save your changes.

General

1 Click the **General** tab in the **Journal Types (JNT)** dialog.

2 Specify this information:

Journal Preset Code
If a journal preset code is entered then it provides a link to default journal line details for this journal type. Click **Journal Presets** to review the journal preset details, or to define a new journal preset using **Journal Presets (JNP).**

Form Name
If a journal preset code is entered then it provides a link to **Form Name**. Select a ledger entry form to be used to enter this journal type. This form must have been defined using **Forms Designer (FRD)**.
When this journal type is selected in **Ledger Entry (LEN)**, the form definition determines the appearance of the input screen. You must be sure to select a form definition that supports the type of journal you are defining. For example, if you are defining a journal type that requires payment details then you must select a form that includes these fields. You are recommended to create a separate form for each Journal Type.
Note: If you do not select a form, then the user is prompted to select the appropriate form at runtime.

Description Per Line

This controls the entry of the description on each line of the journal. Three options are available:

- `Default Description` - Override per Reference: this means you are prompted to enter a new description each time the Transaction Reference changes.
- `No Default Description`: this means you are forced to enter a new description on every line of the journal.
- `Default Description` - Override per Line: this means you have the option to enter a different description on each line. If you do not enter a different description the Journal Name is used as the default.

Sequence Number Code

This code is defined in **Ledger Sequences (LEQ)** and identifies the numbering sequence that will be used to sequence the transactions. You can enter a sequence number code if you want the journal type to add a sequence number to each transaction automatically in Ledger Entry. For imported transactions, if a sequence number code is defined on the journal type and the sequence number analysis option on the account code is mandatory or optional, the sequence number must be specified in the import file. The number is entered via an analysis dimension specified on **Ledger Setup (LES)** as the **Transaction Sequence Dimension**.

You may also want to refer to the Tax Reporting section.

Data Access Group

A Data Access Group code can be used to restrict access on this journal type, either to or from a particular operator group. If you do not specifically restrict or give access permissions, this journal type is available to all operator groups.

Allocation Marker

This option is used to automatically set an allocation marker on ledger transactions when they are posted with this journal type. Leave this option blank, or choose `No Allocation`, to leave the allocation marker blank if predefined allocations are not required. The following allocation options are available:

- `Allocation Markers 0 to 9` - select one of these to automatically set it as the allocation marker on each journal line posted to a creditor, debtor or client account. Any lines in the journal that are entered to other account types, such as profit and loss accounts, are posted with no allocation marker. This is because allocation markers 0 to 9 are used as part of creditor or debtor management, and are not required in other account types.
- `Force` - if this option is set to Force, each transaction line of this journal type posted to a creditor, debtor, or client account is assigned this allocation marker to identify it as requiring a forced payment or collection. Any lines in the journal that are entered to other account types, such as profit and loss accounts, are posted with no allocation marker. This is because the Force allocation marker is only used as part of the payment or collection process in creditors, debtors and clients.
- `Withhold` - if this option is set to Withhold, each transaction line of this journal type posted to any account type is assigned this allocation marker to identify it as being withheld from the **Payment Run (PYR)** and **Payment Collection Run (PYC)**.
- `Reconciled` - select this option to automatically set the allocation marker to Reconciled on all transaction lines when the journal is posted.

Payment Profile Code

If the transactions entered for this journal type are to be paid and allocated immediately after the journal is posted, select the payment profile code that identifies the type of payment run to be used. When the journal is posted, **Payment Run (PYR)** is initiated automatically and this payment profile code is selected.

Asset Depreciation Type

If this journal type is to be used for manually posting depreciation amounts for fixed assets, then use this option to select whether the journal type is for standard depreciation, advanced depreciation or reduction depreciation. Otherwise leave the option set to Standard.

Asset Sale

Check this check box if the journal type is to be used to register sales of fixed assets. If this option is set, journals of this journal type get posted with journal source `FSALE`.

Note: Do not remove the asset static data if sales proceeds are to be posted after disposal. The asset sale proceeds posting does not need to contain an Asset Marker.

Journal Class Code

If you are using voucher numbering, journal transactions are posted with a voucher number that comprises several fields, including the journal class. Each journal class used establishes a different sequence of voucher numbering.

Select a journal class code so that when a journal is posted with this journal type, the class is implicit. The journal class is then used to increment the appropriate voucher number sequence and assign the correct voucher number to the journal transaction.

To use this option, Journal classes must already be defined using **Journal Class Setup (JNC)**. **Voucher Numbering** must be set to either `Optional` or `Mandatory` in **Ledger Setup (LES)**. If it is set to `Mandatory`, you cannot leave this option blank.

Currency Rate Type

Currency Rate Types can be used for specific journal types so that when a journal is entered or imported using this journal type the selected currency rate is automatically used.

Select a Currency Rate Type from the list. If it is not specified the Default rate type is used.

Report Format Code
This is the document format code to be used for the journal listing, if it is to be produced automatically. The document format must have been defined in Document Format (DFS).

Create Without Pause

When this option is set, **Ledger Entry** automatically prompts you to enter the next journal line, once you have completed a line. This means you do not need to use the **New Line** option.

If journal presets are in use this procedure stops once the final preset line has been entered.

Reverse Next Period

This option is set on accrual and prepayment journals. Each transaction line is posted twice. It is posted in the period selected in **Ledger Entry (LEN)** and then reversed out of the following period.

Override Ageing/Discount

This option is set for journal types, such as cash payments or cash receipts, which are 'due' immediately, rather than after the number of days credit specified in the payment terms. If this option is set, the due date is automatically set to the transaction date and the discount dates are ignored.

This affects the **Payment Run (PYR)** and **Payment Collection Run (PYC)** and where such payments are shown in Aged Analysis reports. It also prevents settlement discount being calculated in **Payment Run** or **Payment Collection Run** on transactions being posted using this journal.

Exclude from Revaluation

This option excludes postings for this journal type from the **Ledger Revaluation (LER)** processing. If you wish to only exclude from the ledger revaluation balancing run, do not select this option but ensure **Suspend Post Rules** is selected in the **Journal Types - Posting Overrides (JTX)** form.

Note: The Exclude from Revaluation option works by marking transactions that are posted with this option set to be excluded from **Ledger Revaluation**. Changing this option does not affect transactions retrospectively.

Override Value Rate Tolerances

Currency rate tolerances can be set for each currency rate to check that realistic conversion rates are entered or calculated. If the override option is selected here, any rate tolerance settings for the currency rate entered on the journal, are overridden by the global rate tolerance settings in **Ledger Setup (LES)**.

Allow Scheduled Payments

The Scheduled Payments function allows transaction lines to be automatically split according to a schedule of percentages and date information that you can configure and assign to a customer or supplier. Set this option to enable transactions with this journal type to be split using scheduled payments.

Include Into Withholding Tax

The Include Into Withholding Tax option is available for the required tax regulations in Argentina. Journal types can be selected so that the related credit note can be picked up, yet exclude other transactions, when adding up the invoices and credit notes for the previous 12 months.

3 Save your changes.

Analysis

Each journal transaction can include up to ten different analysis codes, one for each of the 10 analysis dimensions assigned to ledger transactions using **Analysis Structure (ANS)**. Not all of these analysis dimensions may be relevant to every type of journal. Therefore, you can use these fields to identify the analysis dimensions that are required on this journal type.

1 Click the **Analysis** tab in the **Journal Types (JNT)** dialog.

2 Specify this information:

Include Transaction Dimensions

The analysis dimensions that can be used to analyze ledger transactions are identified alongside each option.

Select the analysis dimensions that are required to analyze this journal type. When a journal is entered using **Ledger Entry (LEN)** for this journal type, you are prompted to enter codes for only these dimensions.

Note: These selections can be overridden for an individual account by the transaction analysis codes entered in **Chart of Accounts (COA)**, **Customers (CUS)** or **Supplier (SUS)**.

3 Save your changes.

Automatic Tax

These details are used by the automatic tax calculation feature which is explained in more detail in Understanding the Automatic Tax Details on Journal Types.

1 Click the **Automatic Tax** tab in the **Journal Types (JNT)** dialog.

2 Specify this information:

Enable Automatic Tax

This option determines whether the automatic tax calculations are required for this journal type. It defaults to No.

Tax Type

This determines whether the input or output tax account codes should be to be used for the tax postings. These accounts are identified for the tax code in **Tax Details (TXD)**.

Calculate Tax From - Debtor

Select the type of tax calculation to be performed on debtor accounts; gross, net or unused.

If tax is calculated based on the gross value, the tax amount calculated acquires the opposite debit/credit indicator to the original transaction. On the contrary, if the tax is based on the net value, the tax generated acquires the same indicator as the original transaction.

If you select **Unused** in this field, tax is not calculated on a journal line on which this account type is used.

Calculate Tax From - Creditor

Select the type of tax calculation to be performed on creditor accounts; gross, net or unused. See the additional information provided in the **Calculate Tax From - Debtor** field.

Calculate Tax From - Client

Select the type of tax calculation to be performed on client accounts; gross, net or unused. See the additional information provided in the **Calculate Tax From - Debtor** field.

Calculate Tax From - Balance Sheet

Select the type of tax calculation to be performed on balance sheet accounts; gross, net or unused. See the additional information provided in the **Calculate Tax From - Debtor** field.

Calculate Tax From - Profit and Loss

Select the type of tax calculation to be performed on profit and loss accounts; gross, net or unused. See the additional information provided in the **Calculate Tax From - Debtor** field.

Calculate Tax From - Memorandum

Select the type of tax calculation to be performed on memorandum accounts; gross, net or unused. See the additional information provided in the **Calculate Tax From - Debtor** field.

Calculate Stoppages From - Debtor

Select the type of stoppage calculation to be performed on debtor accounts; gross, net or unused. The stoppage tax calculated acquires the same debit/credit indicator as the original transaction. For example, if the gross transaction is debit, then the stoppage tax transaction is also debit. The second transaction generated for stoppage, which is posted to the account from which the tax originates, is reversed.

Calculate Stoppages From - Creditor

Select the type of stoppage calculation to be performed on creditor accounts; gross, net or unused. See the additional information provided in the **Calculate Stoppages From - Debtor** field.

Calculate Stoppages From - Client

Select the type of stoppage calculation to be performed on client accounts; gross, net or unused. See the additional information provided in the **Calculate Stoppages From - Debtor** field.

Calculate Stoppages From - Balance Sheet

Select the type of stoppage calculation to be performed on balance sheet accounts; gross, net or unused. See the additional information provided in the **Calculate Stoppages From - Debtor** field.

Calculate Stoppages From - Profit and Loss

Select the type of stoppage calculation to be performed on profit and loss accounts; gross, net or unused. See the additional information provided in the **Calculate Stoppages From - Debtor** field.

Calculate Stoppages From - Memorandum

Select the type of stoppage calculation to be performed on memorandum accounts; gross, net or unused. See the additional information provided in the **Calculate Stoppages From - Debtor** field.

3 Save your changes.

Online Allocation

The online allocation properties apply to transactions entered using this journal type that are allocated as part of the ledger entry process. They tailor the use of the allocation processing.

1 Click the **Online Allocation** tab in the **Journal Types (JNT)** dialog.

2 Specify this information:

Transaction Sequence

This is the default order in which the transactions are displayed on **Account Allocations (ACA)** and during online allocation. The order these unallocated transactions are presented in is significant and can help to reduce the time taken to select matching transactions. The following sequences are available:

- Accounting Period
- Transaction Date
- Due Date
- Transaction Reference
- Base Amount - to sequence by base amount regardless of debit/credit marker
- Transaction Amount - to sequence by transaction amount regardless of debit/credit marker.

Input Discount Account

This account is used for discounts generated on creditor accounts and for discounts generated on debit transactions on client accounts. You cannot select a closed account, or a memo account.

Output Discount Account

This account is used for discounts generated on debtor accounts and for discounts generated on credit transactions on client accounts. You cannot select a closed account, or a memo account.

Tolerance

The tolerance percentage to be used when calculating discounts. If this is not specified no tolerance is allowed. This tolerance percentage determines the acceptable difference between the allowed discount percentage and the percentage discount that has been taken. If the difference falls within this tolerance percent, it is written off as additional settlement discount.

The agreed percentage discount for an account is determined by the payment terms for invoicing the supplier or customer.

Tolerance Amount

This is the acceptable difference between the allowed discount amount and the amount of discount that has been taken. If the difference is below this tolerance amount, it is written off as additional settlement discount.

Note: If both the tolerance percent and tolerance amount are entered, then both criteria must be satisfied for the tolerance to be considered. This means that a discount which is within the percentage tolerance allowed but which exceeds this amount is disallowed.

Discount Tolerance Days

The number of days tolerance allowed when applying discount. If the payment terms dictate that a discount is allowed if payment is received within 15 days of invoice date, the number of tolerance days you enter here will be added to the Discount Due Date to extend this period. For example, if you enter 2 days here, the discount will be allowed if the invoice is paid within 17 days of the invoice date.

3 Save your changes.

Security

You can use the security options to permit or to prohibit the usage of the journal type in specific circumstances.

1 Click the **Security** tab in the **Journal Types (JNT)** dialog.
2 Specify this information:

Prohibit Use in Ledger Entry

If this option is selected, you cannot enter journals for this journal type using **Ledger Entry (LEN)**.

Prohibit Use in Ledger Import

If this option is selected, journals for this journal type cannot be entered using **Ledger Import (LIM)**.

Posting Rules

There is an additional set of options that allow you to override the posting rules for each of the transaction values in use within the business unit. The default posting rules are established in **Business Unit Setup**. These additional options are only available in **Journal Types Posting Override** form.

Note: Because the posting override options on a journal type are so powerful, they are not available in the basic **Journal Types (JNT)** form; they are available in a special version of the form called Journal Types Posting Override. In order to use the special version of the form, you must first enable access to it. You can use the security facilities in **Security Console** or **User Manager** and in **Form Permissions Editor (FPE)** to ensure that only authorized users can update the posting overrides using the special version of the form.

3 Save your changes.

Supplementary Financials

1 Click the **Supplementary Financials** tab in the **Journal Types (JNT)** dialog.
2 Specify this information:

Authorization Required

Set this option if this type of journal requires authorization before it can be posted. The authorization processing is only carried out if an Authorization Required option is set in **Ledger Setup (LES)**.

3 Save your changes.

Agency/Broker

1 Click the **Agency/Broker** tab in the **Journal Types (JNT)** dialog.
2 Specify this information:

Posting Journal Type

The posting journal type.

Note: This option must be set to the default of `Non-Cash Posting`, even for cash receipts and cash payments, unless you are using SunSystems as a broker ledger with pay as paid capability.

When using SunSystems as a broker ledger with pay as paid capability, this flag indicates whether the journal is posting cash or non-cash related transactions. There are special implications for transactions entered with a posting journal type of `Cash Posting`:

- A Value Date needs to be supplied to identify the date from which the cash transaction becomes available for matching.
- When Write-on/Write-off Balancing is enabled and cash is being matched in the fourth currency, any matching imbalance is converted into the currency values using the exchange rates on the cash transaction.
- When a transaction is posted with a posting journal type of Cash, the system sets the true rated flag for that transaction.

Note: It is recommended this setting remains unchanged once the journal type has been used for a transaction.

Enter Value Date

This is used in conjunction with the **Posting Journal Type** when it identifies a Cash Posting. If this option is set, a Value Date must be entered on the journal. For a journal which is defined as cash, the Value Date is the date from which the cash transaction will be available for matching in **Account Allocations (ACA)**, **On-line Allocation**, and **Transaction Matching**. For example, you may not want cash to be allocated until it has cleared through the bank which often occurs a few days after the cash is received and banked.

Instalment Date Required

If Instalment Checking is being used for the ledger, you must indicate whether or not the Instalment Date is required. Three options are available:

- `Optional` - select this if the Instalment Date can be entered but is not mandatory.
- `Mandatory` - select this if the Instalment Date must be entered
- `Prohibited` - select this if an Instalment Date cannot be entered.

True Rated

This option identifies the true rated flag that is set on transactions for this journal type. The flag determines how the transactions are treated by particular Financials processes including matching and **Ledger Revaluation (LER)**. This flag is used by **Ledger Revaluation** if the **Revalue until true rated** option is set in **Ledger Setup**.

Three options are available:

- `Normally Rated` - the transactions reference currency rates which can be revalued using Ledger Revaluation (LER)
- `Advance Rated` - the transactions reference fixed future exchange rates. Transactions with this true-rated flag are withheld.
- `True Rated` - transactions reference fixed exchanged ranges are not revalued by Ledger Revaluation (LER).

3 Save your changes.

Unique References

1 Click the **Unique References** tab in the **Journal Types (JNT)** dialog.

2 Specify this information:

Unique References

Use this option to determine how transaction references are validated for this journal type, as follows:

- `Unique Ref Not Required` - Duplicate transaction references are allowed in any account for transactions posted with this journal type.
- `Unique Ref Is Required` - Every transaction line for this journal type should have a reference that has not been used on any other transactions posted to the same account (depending on its account type); however, you are able to override and enter duplicate references. The validation is performed for each account type you select below on this tab.
- `Unique Ref Is Mandatory` - Every transaction line for this journal type must have a reference that has not been used on any other transactions posted to the same account (depending on its account type). The validation is performed for each account type you select below on this tab.

If the **Unique References** option is set to `Unique Ref Is Required` or `Unique Ref Is Mandatory`, you must select one or more account types for which the transaction references are validated to ensure they are unique for each account. You can select any combination of the following options:

Unique Reference Balance Sheet

Set this option to validate that the transaction reference is unique for each Balance Sheet account when this journal type is used.

Unique Reference Client

Set this option to validate that the transaction reference is unique for each Client account when this journal type is used.

Unique Reference Creditor

Set this option to validate that the transaction reference is unique for each Creditor account when this journal type is used.

Unique Reference Debtor

Set this option to validate that the transaction reference is unique for each Debtor account when this journal type is used.

Unique Reference Memo

Set this option to validate that the transaction reference is unique for each Memo account when this journal type is used.

Unique Reference P and L

Set this option to validate that the transaction reference is unique for each Profit and Loss account when this journal type is used.

3 Save your changes.

Intercompany Type

Intercompany Type allows you to post intercompany journals for specific journal types across business units and business unit groups. You can assign related target business units and a target ledger interface in the source business unit journal type.

1 Click the **Intercompany Type** tab in the **Journal Types (JNT)** dialog.
2 Specify this information:

   Intercompany Type
   Check this option if you want to enable intercompany posting for this journal type.

   Target Business Unit Code
   Select or enter the target business unit code that the intercompany journals are to be posted to. This can include business units across business unit groups.

   Target Ldg Interface Defn Code
   Select or enter the target ledger interface definition code where the Ledger Interface Module is Intercompany within the selected target business unit. This is the target ledger interface that is used to post journals to the target business unit.

   Intercompany Automatic Posting
   Check this flag to automatically post intercompany journals from the source business unit to the target business unit using Ledger Entry or Ledger Import.

3 Save your changes.

Printing the Journal Types

The Journal Types Report lists the journal type definitions. You can produce the report for a single journal type, or range of journal types.

This report can be run by selecting **Action > Report** or clicking the **Print** button on the form.

Overriding the posting rules for journal types

When you define a business unit in Business Unit Setup, you define the normal posting rules for the organization. These rules apply to all ledger entry, unless they are overridden on a particular journal type.

When you define the normal rules, Business Unit Setup restricts the posting rule options you can select for each type of value. It only allows you to choose options that will maintain the integrity of the financial data. For example, the base currency value is mandatory, so when you define the posting rule for this value for the business unit, you cannot select the `Only present if entered` option because that would make the base currency value optional.

Overriding the posting rules

The **Journal Types Posting Override** form is the same as that of Journal Types (JNT), except for the **Security** tab, in which there are some additional options that allow you to override the posting rules in the journal type.

Note:

- Because the posting override options on a journal type are so powerful, they are not available in the basic Journal Types (JNT) form; they are available in a special version of the form called Journal Type (with Posting Rules) (JDX).
- You can use the security facilities Security Console or User Manager and in Form Permissions Editor (FPE) to ensure that only authorized users can update the posting overrides using the (with Posting Rules) version of the form.

You can use Journal Type (with Posting Rules) form to define a journal type that overrides the normal business unit posting rules, for some or all of the transaction values. You can apply any of the posting rules available to the transaction value, provided the value is being used i.e. the posting rule is not set to **`Undefined`** on Business Unit Administration (BUA).

For example:

- If the transaction currency business unit posting rule is set to 'Only present if entered', you could define a journal type that insisted on a transaction currency value being entered by choosing 'Must be entered' as the override posting rule for the value.
- You could define a journal type to post local adjustments that are not reflected in the reporting values by setting the override posting rule for the Value 3 reporting currency to 'Undefined'.

Note: If the posting rule for a transaction value is set to Undefined on the business unit, you cannot override this for a journal type.

The posting rules available can be set as overrides on the following value types:

Posting Rule	Can be used as override on the following:
Undefined	Any value type
Only present if entered	Transaction currency, 2nd base currency, memo value, fourth currency
Must be entered	Base currency, reporting currency, memo value
Calculated if not entered	Base currency, transaction currency, fourth currency
Always calculated	2nd base or reporting currency
Must not be calculated	Transaction currency and fourth currency
Can be blank	Transaction currency and fourth currency
Rate only	Fifth currency

The Must Not be Calculated Posting Rule

The **`Must not be calculated`** posting rule can only be used for the transaction currency (value 2) and the fourth currency and can only be set as a posting override for a journal type.

It is similar to the `Only Present if entered` rule. Using the `Only present if entered` rule, if a currency code is entered, the system calculates the corresponding currency amount/rate. It is therefore impossible to enter a transaction that does not include both a currency code and associated currency amount.

However, using the `Must not be calculated` posting rule, if a currency code is entered on a transaction, you must also enter an amount as the system will not calculate the amount/rate. If sufficient currency details are included, rate tolerance checking is carried out for this posting rule, but this results in a warning which can be overridden, rather than an error message.

The can be blank posting rule

The `Can be Blank` posting rule allows you to enter a currency code with no amount entered, but only if the **Chart of Accounts Value 2 Currency Control** is set to `Prohibited` for the account.

Suspending the Posting Rules

You can also suspend the posting rules for all of the transaction values in use. This should be used with great care because it bypasses all of the amount and rate checking and should only be used in exceptional circumstances. For example, it allows you to post a second base value without the corresponding base currency value.

To suspend the posting rules you must set the **Suspend Post Rules** option and set all of the posting rules to either `Undefined` or `Only Present if Entered`.

Security tab

The Journal Type (with posting Rules) (JDX) form is the same as the Journal Types (JD) form , except for the Security tab, in which additional options are available.

1 Specify this information in the security tab:

Suspend Post Rules

If this option is selected, all of the currency amount and rate checks are ignored. The posting rules for each transaction value must be set to either `Undefined` to prevent a value being entered on the journal, or `Only present if entered` to make the value optional. If this option is selected and **Exclude from Revaluation** is not selected, transactions will only be excluded from the revaluation balancing run.

Note: This should only be used with extreme care in exceptional circumstances.

Value 1

The posting rule to apply to the base currency for this journal type.

Value 2

The posting rule to apply to the transaction currency for this journal type.

Value 3

The posting rule to apply to the reporting currency for this journal type. Note that if second base currency is being used this must match the rule for base currency.

Memorandum

The posting rule to apply to postings of the memo value, for this journal type.

4th Currency Post Rule Override

The posting rule to apply to postings of the fourth currency, for this journal type.

5th Currency Post Rule Override

The posting rule to apply to postings of the fifth currency, for this journal type.

Note: A restricted set of options apply to the fifth currency (Default, Undefined, Rate only), as only the currency code and rate are stored.

2 Save your changes.

Enabling Access to the Journal Types Posting Override Form

To enable members of a user group to access the special version of the journal types form:

1. In Security Console or User Manager, create a function extension for Journal Types Posting Override. To do this, open **Settings > SunSystems > v6.4 > Function Extensions**.
2. Select Journal Type (JNT) and click **Extend**.
3. In the **Add Function** form, enter `JDX` for the **Form Name**.
4. In the Language Specific Text pane, enter a name for your new extension in **Function Text**, and enter a `Suffix` for your extension, for example, X. You can create an additional line for each of your SunSystems languages, as appropriate.
5. In Security Console or User Manager, give the relevant user group permissions to the new function extension. To do this, edit the relevant user group, select **SunSystems > v6.4 > Function Permissions** and select the newly created function.
6. In User Group Menu Designer (UGM), add the new function extension to the relevant user group's menu.

Understanding the Automatic Tax Details on Journal Types

The automatic tax calculation facility can provide the following capabilities on transactions for selected journal types:

- The identification of the tax portion of a transaction and generation of the appropriate postings to the input or output tax accounts identified in Tax Details (TXD).
- The apportionment of the tax amount over two tax accounts, if required.
- The identification of and generation of the appropriate postings for withholding tax or other stoppages.

Calculating Tax by Account Type

If the automatic tax calculation facility is being used for a journal type, you can determine whether the tax is calculated on the Gross or Net value, by account type:

- If the tax is calculated based on the Gross value, the tax amount calculated acquires the opposite debit/credit indicator to the original transaction.
- If the tax is calculated based on the Net value, the tax amount calculated acquires the same debit/credit indicator as the original transaction.

For example, if you select the Gross tax calculation option for creditor accounts, and then enter a credit amount to a creditor account on Ledger Entry (LEN), the tax amount is generated with a debit indicator.

You must also define the tax rates and accounts to be used, in Tax Details (TXD).

The automatic calculation of tax is triggered by entering a valid tax analysis code on a journal line. The point at which it is appropriate to enter the tax analysis code can differ from one journal line to another. If you select **Unused** in this field or enter a code for which no tax details exist, tax is not calculated on a journal line on which this account type is used.

Calculating Stoppage by Account Type

Regardless of whether you select the gross or net amount as the basis for the stoppage tax calculation for an account type, the stoppage tax calculated acquires the same debit/credit indicator as the original transaction. For example, if the gross transaction has a debit value, then the stoppage tax transaction is also a debit. The second transaction generated for stoppage, which is posted to the account from which the tax originates, has the reverse sign.

The automatic calculation of stoppage tax is triggered by entering the appropriate tax analysis code on a journal line. The point at which it is appropriate to enter the analysis code can differ from one journal line to another. For example, you could specify that the stoppage tax calculation is based on the gross amount when a debtor, creditor or client account is entered with the tax analysis code. You might also specify that the stoppage tax calculation is based on the net amount when a profit and loss, balance sheet or memo account is entered with the tax analysis code. If you define both, then both are calculated for tax codes which contain the necessary information in Tax Details (TXD).

Tax Reporting Requirements

If you are required to produce an ESL for European tax reporting, or a 1099 for US tax requirements, you can use ledger transaction analysis codes to identify the various types of transaction.

Deleting Journal Types

Journal types can be deleted at any time using **Journal Types (JNT)**. Once a journal type has been deleted you will no longer be able to enter journals referencing this type.

Note: A Journal Type must not be deleted whilst transactions of that type exist on the Actuals or any Budget ledger. Deletion of a Journal Type can adversely affect reporting, and some batch processes.

Journal Presets

Journal presets enable you to predefine some, or all, of the entries for a journal. Journal presets speed up the entry of a journal in Ledger Entry, particularly where the data entered is frequently repeated. It also allows you to automate data entry, and so improve accuracy.

Journal presets only apply when you are entering a new journal, and can be disabled if required. They do not apply if you are amending an existing journal line.

Journal presets are defined using Journal Presets (JNP).

Each set of journal presets is identified by a code. The code you choose for a journal preset must be identified in the **Journal Preset Code** field in Journal Types (JNT).

Note: Any values that are set using defaults in Form Designer (FRD) will override Journal Preset values. Form Designer is available in the SunSystems Windows Client.

Presetting Values

If you leave a field blank in Journal Presets, it is blank in Ledger Entry and the cursor enters the field to allow the operator to enter a value manually, unless a form default has been set.

If you enter a value into a field in Journal Presets, this value appears as the default value in the field on Ledger Entry and the cursor skips this field. If the presets are optional (not enforced), the operator can return to the field and override the preset value, if required.

You can enter '..' two dots as the preset value for a field in Journal Presets to duplicate the entry made in the equivalent field on the previous line of the journal, except for values.

There are special codes and options you can use to preset the following fields:

- Dates and accounting period values
- The account code
- The amount

Using presets, you can also prompt the operator to enter the required information on each line, for example 'Enter net amount on this line'.

What is the base line?

You can create a base line on which calculations are based, and from which defaults are taken. You can then refer to it in subsequent lines in the **Base Line Number** field. The base line number must not be higher than the current line number. The accounting period, transaction date, due date, transaction amount, and amount may be derived from this base line.

The base line can be an unposted journal line by choosing the`Calculation Line (Unposted)` option in the **Account Type** field.

Using link accounts in journal presets

You can use a preset to automate the offset posting for an account, where the account has been linked to another.

You do this by defining a journal preset line that automatically presets the account code on the line to the link account set for the account code entered on another journal line.

Note: The link account is set for an account in Chart of Accounts (COA).

Presetting Periods and Dates

The following date and period details can be preset for a journal line using **Journal Presets (JNP)**:

- accounting period
- transaction date
- value date
- due date.

The period and dates can be preset on a journal line in three different ways:

- as the current date or accounting period
- as an absolute date (e.g. dd/mm/yyyy) or period value (ppp/yyyy)
- as a relative value.

Note: Absolute dates can only be used by Gregorian calendar users.

Using Relative Values

Relative values are calculated from the equivalent date or period that appears on the base line in the journal.

To preset a date or period using relative values, you can enter +nnn or -nnn in the date or period field, where nnn represents a number of days or periods before (-) or after (+) the base date or period.

For example, +002 would mean two days or periods after the date or period on the base line.

You can also preset the date or period using a combination of current and relative dates. For example:

- C+003 would mean three periods after the current period
- T-18 would mean 18 days before today's date.

Presetting Due Dates

The due date can be set in the same way as the transaction date. However, there is an additional option TD-Transaction Date. If this field is set to TD+nnn or TD-nnn, nnn days after or before the transaction date is used.

When presetting transaction and due dates, you can also use a suffix of M-Months to add or subtract months, and a suffix of N-Net to add and subtract months and adjust to the last day of the month. For example, if today's date is 17 January, then T+3M gives a transaction date of 17 April, whereas T+2N gives 31 March.

Note: The due date can also be calculated from the payment terms associated with a debtor, creditor or client account.

Presetting the Account Code

Using **Journal Presets (JNP)**, you can preset the account code on a journal line in three ways:

- Choose a specific account code.
- Choose the linked account from the account on another line.
- Use wildcards. For example, if you preset an account to 810**, users must enter an account code between 81000 and 81099. If they change to any other account they are warned or blocked, depending on the Force Presets value.

Account Types

In **Ledger Entry**, the account code entered is matched with the account types you specify in journal presets. You do not need to specify account types if you specified an account code.

If a preset line is to remain unposted, i.e. it forms the basis for a calculation, select `Calculation Line (Unposted)` in the **Account Type** field.

Presetting the Amounts

Using **Journal Presets (JNP)** you can preset the currency amount details on a journal, including the transaction currency code, currency rates and currency amounts.

You can preset any of the five values that can be entered on a transaction: base currency value, transaction currency value, second base/reporting currency value, a memo value, and a fourth currency value.

You can preset any of the currency conversion rates required to convert from the pivot currency into another currency (Values 1, 2, and 3). The currency rates required depend on which of Values 1, 2, and 3 has been defined as the pivot currency. For example, if the base currency is the pivot, you do not need to enter a rate in the Base Rate field as this rate is always 1.0000.

Alternatively, you can enter an actual amount, percentage or ratio in the **Amount** field, for each of the currency values. You must ensure these produce results which are within the rate tolerances.

When percentages or ratios are used in presets, to allow the rounding difference to be included on the final line of the percentage or ratio split, you must enter a '+' plus sign on the final preset line of the split. For example, 1R+ or 33.33%+.

Presetting the Amount as a Percentage

If a percentage is entered, the line value is calculated as this percentage of the base line value. The percentage is entered as n%, for example 5%. The percentages do not need to add up to 100. You might use this facility to post budget figures automatically.

Presetting the Amount using Ratios

A ratio works in a similar way to the percentage option in that the line value is calculated from the base line value. However, there are two differences:

- All of the lines that use a ratio to preset the amount must reference the same base line.
- The ratio facility will apportion 100% of the value on the base line across the lines that specify a ratio proportion.

A ratio is entered as nR, for example 5R or 12.6R.

You can also choose the following automatically generated amounts by selecting the appropriate option in the **Debit**/**Credit** field:

- Journal Balance - calculates the out-of-balance amount for the journal
- Transaction Balance - calculates the out-of-balance amount for lines with this transaction reference within the journal
- Period Balance - calculates the out-of-balance amount for the period for this journal
- Txn Balance plus Unposted - The transaction out of balance amount plus the net out-of-balance amount of all unposted lines. This is normally used with ratios.

Setting Up Journal Presets

Journal Presets (JNP) is used to set up and maintain journal presets. Journal presets are used to predefine some, or all, of the entries for a journal. The preset values can be enforced or used to provide default values only, depending on the **Force Presets** option on the Presets tab.

Each journal preset is identified by a unique code, and this is referenced on a journal type to determine the preset journal lines. Journal Types are defined using Journal Types (JNT).

Note: Each of the preset fields can have an entry of '-' hyphen, to indicate a preset of blank, or '..' two dots to indicate that an entry should be duplicated from the equivalent field on the previous line of the journal.

Journal Presets (JNP)

1. Select **JNP Journal Presets** from the main SunSystems menu.
2. Specify this information:

   Preset Code

   The code that uniquely identifies this set of journal presets.

   Transaction Line Number

   The line number to which the preset is to be applied.

3. Specify the information on each tab in the **Journal Presets** dialog.
4. Save your changes.

Presets

1. Click the **Presets** tab in the **Journal Presets (JNP)** dialog.

2 Specify this information:

Base Line Number

The number of the line on which calculations are based and from which defaults are taken for this line. This line number cannot be higher than the Line Number entered above.

Line Prompt

This text is displayed in **Ledger Entry (LEN)** to prompt the operator to enter the required information whenever a transaction with this line number is about to be created. For example, 'Enter the Creditor or Client account here'.

Accounting Period

This presets the accounting period on the journal line to an absolute value (period format) or a relative value. The following special values can be used:

- C to preset the period to the current period
- C+nnn or C-nnn to preset the period to nnn periods after or before the current period
- +nnn or -nnn to preset the period to nnn periods after or before the period on the base line.

Transaction Date

This presets the transaction date on the journal line to an absolute value (date format) or a relative value. The following special values can be used:

- T to preset today's date
- T+nnn or T-nnn to preset the date to nnn days after or before today's date
- +nnn or -nnn to preset the date to nnn days after or before the transaction date on the base line
- A suffix of M-Months to add or subtract months
- A suffix of N-Net to add and subtract months and adjust to the last day of the month.

Due Date

This presets the due date on the journal line to an absolute value (date format) or a relative value. The following special values can be used:

- T to preset today's date
- T+nnn or T-nnn to preset the due date to nnn days after or before today's date
- TD+nnn or TD-nnn to preset the due date to nnn days after or before the transaction date
- +nnn or -nnn to preset the due date to nnn days after or before the due date on the base line
- A suffix of M-Months to add or subtract months
- A suffix of N-Net to add and subtract months and adjust to the last day of the month.

Description

If a description per line is required for this journal type, you can preset the description automatically using any of the following codes:

- @nnn (where nnn is a number 1-999) to copy the account name associated with the account code on line nnn
- @nnnA to copy the account code on line nnn.

For example, you might want to copy the customer account name or code into the description on the bank posting line of a cash receipts journal.

The number (nnn) must be lower than the preset line you are creating.

Note: If you use any letter other than A as the fifth digit of the description preset, (for example @nnnB), the letter is ignored and the account name is copied from line nnn by default.

Allocation Marker

This option is used to automatically set an allocation marker on ledger transactions when they are posted with this journal preset. Select `No Allocation` to leave the allocation marker blank if predefined allocations are not required. The following allocation options are available:

- `Default` - select this to use the corresponding Allocation Marker option set on the journal type, for this preset line.
- `Allocation Markers 0 to 9` - select one of these to automatically set it as the allocation marker on the journal line for this preset, if posted to a creditor, debtor or client account. If this line is entered to another account type, such as profit and loss, it is posted with no allocation marker. This is because allocation markers 0 to 9 are used as part of creditor or debtor management, and are not required in other account types.
- `Force` - if the journal line for this preset line is posted to a creditor, debtor, or client account, the journal line is assigned the Force allocation marker to identify it as requiring a forced payment or collection. If this line is entered to another account type, such as profit and loss, it is posted with no allocation marker. This is because the Force allocation marker is only used as part of the payment or collection process in creditors, debtors and clients.
- `Withhold` - if the journal line for this preset line is posted to any account type, the journal line is assigned the Withhold allocation marker to identify it as being withheld from the Payment Run and Payment Collection Run.
- `Reconciled` - select this option to automatically set the allocation marker to Reconciled on the transaction line for this preset line when the journal is posted.

Account Code

This presets the account code for the journal line and thus determines the account to which the amount entered on this line is posted. You can use '*' asterisks as a mask to preset a range of valid account codes for this line.

To preset a linked account, enter @nnn, where nnn is the number of the preset line on which the first account (the account from which the link comes) appears. For example, you may have linked a telephone expense account to a telephone company creditor account. If the creditor account is entered on line 001 of the journal, you could enter @001 here on line 002 to preset the account to the linked expense account.

Account Type

If the Account Code has not been preset, you can use this field to preset an account type. This ensures this journal line is posted to the chosen type of account. If you want to select another account type, use the second **Account Type** field.

If this preset line is to remain unposted, i.e. it forms the basis for a calculation, select `Calculation Line (Unposted)`.

Asset Code

This applies to the Fixed Assets Register, and is used to preset the asset code.

Asset Subcode

This applies to the Fixed Assets Register and is used to preset the asset subcode as defined in Asset Posting Presets.

Value/Depreciation Indicator

This applies to the Fixed Assets Register and identifies the type of asset value to be updated by the journal. Select `Asset Value` if this line is to update an asset value, `Depreciation` if it is to update an asset depreciation value, or `Initial` if it is to update an asset's initial value. Select `Preset Blank`, or leave this field blank if this line does not update asset values, or you need to enter this manually.

Force Presets

If this option is set, the operator is not able to alter the preset values for this journal line.

Automatic Online Allocation

If this option is set, the online allocation window appears automatically when the operator completes this journal line.

Journal Types

Click this button to access the Journal Types form.

3 Save your changes.

Currency

Analysis

1 Click the **Analysis** tab in the **Journal Presets (JNP)** dialog.

2 Specify this information:

Ledger Analysis 1-10

Up to ten analysis codes can be entered on a journal line. These values can be preset for a particular line by selecting the appropriate code here. You must select a valid analysis code for the appropriate dimension.

Enter '..' two dots to copy the entry from the previous journal line.

Note:

- Entering a hyphen to preset blank data, for example, blank currency codes, takes precedence over static data hyphens, for example analysis codes. Therefore if you use a hyphen to indicate 'blank', journal presets will also set the analysis code of hyphen to blank.
- You cannot preset a code for the transaction sequence or daybook sequence analysis dimensions which are used to maintain the sequence numbers assigned to transactions.

3 Save your changes.

Agency/Broker

1 Click the **Agency/Broker** tab in the **Journal Presets (JNP)** dialog.

2 Specify this information:

Value Date

This is only relevant if you are using SunSystems as a broker ledger, and are using cash transactions, as identified by the **Posting Type** option in the **Agency / Broker** tab of **Journal Types (JNT)**.

This option presets the value date on the journal line to an absolute value (date format) or a relative value. The following special values can be used:

- T to preset today's date
- T+nnn or T-nnn to preset the due date to nnn days after or before today's date
- TD+nnn or TD-nnn to preset the due date to nnn days after or before the transaction date
- +nnn or -nnn to preset the due date to nnn days after or before the due date on the base line
- A suffix of M-Months to add or subtract months
- A suffix of N-Net to add and subtract months and adjust to the last day of the month

3 Save your changes.

Printing the Journal Presets

The Journal Presets Report lists the journal preset definitions.

Setting up Journal Presets for currencies

In a multi-currency environment, you can preset the currency details for a journal line. Up to five values can be entered or calculated for a journal line, depending on the business unit currency rules: transaction currency, base currency, second base/reporting currency, a memo value, and a fourth currency. Presets can be defined for each value.

Transaction currency preset details

1 Specify this information on the Currency tab:

Currency Code

The default currency code to be used on this line, as defined in Currency Codes (CNC). This is used as the default Transaction Currency (Value 2).

Enter '-' hyphen to preset a blank currency code, to restrict this line to base amounts only. This is only available if the posting rule for the value is set to Only Present if Entered.

Rate from Pivot

The conversion rate you want to use for this line. This is the rate required to convert from the pivot currency into the transaction currency. This is not required if the Transaction currency is the pivot. If you want to look up the appropriate rate for the currency code entered in the **Currency** field during entry, leave this blank.

Transaction Amount

The preset transaction amount for the line, expressed in the **Currency Code** identified above. This can be entered with zero, one, two or three decimal places depending on the currency definition.

The **Debit**/**Credit** marker includes options that preset the amount to the value needed to balance the current journal, transaction or period.

You can also enter:

- a percentage. For example, 5%. The amount is calculated as this percentage of the amount entered on the base line referenced.
- a ratio. For example, 5R or 6.3R. This works in a similar way to the percentage amount, but only one base line may be referred to for each journal type.

Note: The posting of budgets can be automated, using the percentage or ratio options.

Debit/Credit

The preset debit/credit marker for the journal line. This applies to all of the currency values.

The following special options are also available to preset the debit/credit marker:

- Reverse of Base Line - to reverse the marker of the indicated base line
- Same as Base Line - to copy the marker from the base line.

The following out-of-balance options are also available which automatically calculate the appropriate balancing amount and insert this in the Amount field:

- Journal Balance - to calculate the out-of-balance amount for the journal
- Transaction Balance - to calculate out-of-balance amount for the transaction, that is, for the journal lines that have the same transaction reference as the current line
- Period Balance - to calculate the out-of-balance amount for the period, that is, for the journal lines that have the same period as the current line
- Txn Balance plus Unposted - to calculate the transaction out-of-balance amount plus the net out-of-balance amount of all calculation lines.

2 Save your changes.

Base currency preset details

1 Specify this information on the Currency tab:

Base Currency Code

This appears automatically and cannot be changed. It is fixed for the business unit as a whole.

Rate from Pivot

A preset rate required to convert from the pivot currency into the base currency. This is not required if the base currency is the pivot. If you want to use the appropriate period or daily currency rate set up on the system, leave this blank.

Transaction Amount

The preset base currency amount for the line, if required. This can be entered with zero, one, two or three decimal places depending on the currency definition. Alternatively, you can use any of the codes identified for the Transaction Preset amount above.

2 Save your changes.

Second base currency preset details

1 Specify this information on the Currency tab:

Second Base Currency Code

If a second base or reporting currency is being used, the currency code appears automatically and cannot be changed. It is fixed for the business unit as a whole.

Rate from Pivot

The preset rate required to convert from the pivot currency into the second base or reporting currency. If you want to use the appropriate period or daily currency rate set up on the system, leave this blank.

Transaction Amount

The preset currency amount for the line, if required. This can be entered with zero, one, two or three decimal places depending on the currency definition. Alternatively, you can use any of the codes identified for the Transaction Preset amount above.

Memo Currency Transaction Amount

The preset memo value, if it is required. This can be entered with 0-5 decimal places. Alternatively, you can use any of the codes identified for the Transaction Preset amount above.

2 Save your changes.

Fourth currency preset details

1 Specify this information on the Currency tab:

Fourth Currency Code

Where fourth currency code is defined as a variable currency this is the default currency code to be used on this line, as defined in Currency Codes (CNC). This is used as the default fourth currency (Value 4).

Enter '-' hyphen to preset a blank currency code, to restrict this line to base amounts only. This is only available if the posting rule for the value is set to Only Present if Entered.

If fourth currency is defined in Business Unit Setup as fixed, the system disables the **Value 4 Currency Code** field and populates it with the currency code defined in Business Unit Setup.

2 Save your changes.

Journal Preset Examples

Prepayment Example

This is an example of the Journal Preset that might be defined for a prepayment journal.

The total prepayment amount (line 1) is debited to account 65600 and credited to account 81600 (line 26), for the period entered on line 1.

In lines 2 to 24 the prepayment amount is divided evenly over 12 periods. One twelfth of the total is credited to the prepayment account (65600) and debited to the expense account entered on line 14, in each period.

Line No/Base No	Prompt	Account	Debit/ Credit	Period	Amount	Tx Date
1/blank	Total prepay amount	65600	D	blank		
2/1	Prepayment month 1	65600	C	+0	1R	+1N
3/1	Prepayment month 2	..	C	+1	1R	+2N
4/1	Prepayment month 3	..	C	+2	1R	+3N
v	v	v	v	v	v	v
13/1	Prepayment month 12	..	C	+11	1R	+11N
14/2	Expense A/c Month 1	35600	D	+0	100%	+0
15/3	Expense A/c Month 2	..	D	+0	100%	+0
16/4	Expense A/c Month 3	..	D	+0	100%	+0
⬇	⬇	⬇	⬇	⬇	⬇	⬇
25/13	Expense A/c Month 12	..	D	+0	100%	+0
26/1	Creditor A/c	81600	C	+0	100%	+0

Purchase Invoice Example

This preset journal is used to enter an invoice and calculate the tax automatically.

The total (gross) value of the invoice is entered on line 1 and posted to the Creditor account entered, in the accounting period entered. The tax value is calculated and entered automatically as line 2 and debited to account 94200. The net expense or goods value is calculated automatically on line 3 and posted to the expense or stock account entered on this line.

Line No/Base No	Prompt	Ac-count	A/c Type	Debit/ Credit	Peri-od	Amount	Tx Date
1/1	Total Creditor		Creditor	C			

2/1	Calculated Tax Line	94200	Balance Sheet	D	..	17.5%	..
3/1	Expense or Inventory Account			D	..	Transaction Balancing Amount	..

Journal balancing

A journal can only be posted to Financials when it is in balance.

When is a Journal In Balance?

A journal can only be posted to Financials when it is in balance.

A journal is in balance when:

- The debit and credit values on the journal transactions balance in the base currency.
- The debit and credit values on the journal transactions for each accounting period balance.

In a multi-currency environment, a journal may also be forced to balance in all, or some, of the additional currency values that are in use for the business unit. The additional currency values are the transaction currency (value 2), the second base/reporting currency (value 3) and the fourth currency (value 4). This is determined by the balancing rules defined in Business Unit Setup.

Optionally, a journal may also be required to balance by any of the following, depending on the **Balance By** option in Ledger Setup (LES) or Ledger Import (LIM):

- Transaction reference
- Any of the ten transaction analysis dimensions
- Transaction date (Ledger Import only)

Note: There is an exception to these balancing rules for posting journals to memo accounts, which do not need to balance, and slightly different rules apply to posting provisional journals.

The journal balancing rules, established in Business Unit Setup, determine:

- Whether the base currency values can be balanced automatically.
- The balancing adjustment, or suspense, accounts.
- The largest allowable balancing amount.
- Which of the currency values must balance and how they must be balanced.

These rules apply to journals entered using either Ledger Entry or Ledger Import. If a journal does not balance, it cannot be posted in Ledger Entry or imported in Ledger Import.

Note: Ledger Import can optionally force journals to balance by posting errors to a suspense account.

Forcing selected journal lines to balance

You can extend the journal balancing rules by ensuring all of the journal lines that reference a selected field balance.

This is done by selecting one of the following reference fields in the **Balance By** option on **Ledger Setup (LES)** or **Ledger Import (LIM)**:

- Transaction Reference
- Ledger Analysis Dimensions 1 to 10
- Transaction Date (Ledger Import only)

For example, if `Transaction Date` is chosen for the **Balance By** option, the system checks that all of the journal lines that reference the same transaction date balance.

You can set the **Balance By Override** option in **Ledger Setup (LES)** to allow the user to override this check, if required. For example, you may only want the user to be made aware that the journal does not balance by Transaction Date rather than force the journal to balance in this way.

Note: This option causes the Ledger Import file to be sorted prior to processing and may therefore have a detrimental effect on the processing time of a ledger import.

Automatically generating balancing lines in ledger entry

System generated journal balancing lines can be generated for Value 1, Value 3 and Value 4, by setting their respective **Currency Amount Balancing** options to `Automatic` in Business Unit Setup.
Note: Balancing lines cannot be automatically generated for Value 2 (transaction currency), but you can check that it balances by setting its **Currency Amount Balancing** option to `Manual`.

If you set the **Trans Ref Balancing for Entry** option on the **Transaction Rules** tab of **Ledger Setup (LES)**, then balancing is performed in **Ledger Entry (LEN)** by transaction reference for those Values (1, 3 or 4) specified as `Automatic` in **Business Unit Setup**. In other words, balancing lines are generated if the journal is not balanced by transaction reference. You do not need to create a business rule for this option.

If you want **Ledger Entry (LEN)** to balance by one of the available fields other than transaction reference (for example, by one of the ledger analysis dimensions), then select the desired field in the **Balance By** option in **Ledger Setup (LES)**.

You can generate two levels of balancing lines in **Ledger Entry (LEN)**: by transaction reference and by another field (for example, ledger analysis 7). If you want to do this, in **Ledger Setup (LES)** select the desired field in the **Balance By** option, and set the **Trans Ref Balancing for Entry** option. To successfully generate these two levels of balancing lines, you must also create the business rule described above.

Example:

The following table shows a journal entry of four lines, unbalanced in Value 3 both by transaction reference and by ledger analysis 7. Five auto-balancing lines are generated, as described in the Comments column:

Account Code	Base Amount	Debit / Credit	Value 3 Amount	Transaction Reference	Ledger Analysis 7	Comments

101BOA31	200	D	100	BALTEST1	A10	Ledger Entry line 1
101BOA32	200	C	95	BALTEST1	A10	Ledger Entry line 2
101BOA31	200	D	100	BALTEST2	B12	Ledger Entry line 3
101BOA32	200	C	95	BALTEST2	B12	
751FX	0	C	5	BALTEST1		Generated line to balance transaction reference BAL-TEST1 Ledger Entry line 4
751FX	0	C	5	BALTEST2		Ledger Entry line 4Generated line to balance transaction reference BALTEST2
751FX	0	C	5	System Balancing Transaction	A10	Generated line to balance Ledger Analysis 7 Code A10
751FX	0	C	5	System Balancing Transaction	B12	Generated line to balance Ledger Analysis 7 Code B12
999	0	D	10	System Balancing Transaction		Generated line to balance the journal

Note: For the above example to work, the **Currency Amount Balancing** must be set to **`Automatic`** on the **Value 3** tab of **Business Unit Setup**.

If you want to validate that the journal balances by one of the available fields without automatically generating balancing lines, you can do this for Value 1, 2 or 4 by setting their **Currency Amount Balancing** options to **`Manual`** in Business Unit Setup. Manual Balancing is not possible for Currency Value 3.

Automatically setting analysis codes in balancing lines

To ensure that the system generated balancing lines include any necessary analysis codes, you must set up an additional business rule, as shown in the following example.

In this example, ledger analysis 1 is set to the value 8605 on the automatically generated balancing lines that otherwise lack a code for ledger analysis 1 when the journal is posted.

Event Profile (EVP):

```
IF Function Id = Ledger Entry
IF Call Point = 00003 Each Journal Line Posted
```

Rule Set (RST):

```
IF Ledger Analysis 1 = SPACE Y
SET Ledger Analysis 1 8605 X
```

The word **`SPACE`** is selected from Keywords, and is used to test for null or blank fields; in this case it tests for the absence of a code in Ledger Analysis 1.

Balancing a Journal in the Base Currency

The base currency values in a journal must balance before the journal can be posted.

In a single currency environment, the base currency value is the only value entered on a transaction. In a multi-currency environment, the base currency value is mandatory. It is entered manually or calculated from another transaction value and rate.

SunSystems Financials can set the amount of a transaction to one of the following balancing amounts:

- The amount required to balance the journal as a whole.
- The amount required to balance the transactions for the current transaction reference.
- The amount required to balance the transactions posting to the current accounting period.

These balancing options can be selected in the following forms:

- **Journal Presets (JNP)** to preset the balancing amount on a selected preset journal transaction, for example, the last journal line in the preset.
- **Ledger Entry (LEN)** to allow you to automatically set the balancing amount for a transaction as you enter a journal manually.

In addition, Ledger Entry displays various balancing totals to enable you to quickly identify an imbalance.

The Base Currency Balancing Rules

The base currency journal balancing rule determines how a journal imbalance in the base currency will be corrected. This rule is set in the **Base Currency Amount Balancing** option in **Business Unit Setup**.

Two balancing options are available:

- manual balancing - where you must manually adjust the journal transactions and values to balance the journal
- automatic balancing - where the system adds another journal transaction and posts the amount of the imbalance automatically to either a debit or credit Base Currency Balancing account, depending on whether the difference is a debit or credit value.

If the **Automatic Balancing** option is chosen, the base currency balancing accounts are identified in the **Business Unit Setup**. Separate debit and credit balancing accounts can be specified.

With automatic balancing, you can also apply a tolerance check to this amount. If the amount of the journal imbalance is greater than the tolerance amount, it will not be posted automatically. This prevents very large postings being made under the guise of rounding errors. For example, if an incorrect exchange rate has been used to calculate a base currency value.

The balancing rule applies to journals entered manually using **Ledger Entry** and those imported from other systems using **Ledger Import (LIM)**.

Note: The **Balance By** option extends the balancing rule to force the transactions within a journal to balance by an additional field, for example to balance within transaction reference.

Balancing a Multi-Currency Journal

In a multi-currency environment a journal transaction can contain up to four currency values: base currency, transaction currency, second base/reporting currency, and a fourth currency.

The base currency values in the journal must always balance and business unit balancing rules determine how an imbalance is handled.

Note: If amount balancing is set on the **Business Unit Setup** for the transaction currency (Value 2) or the fourth currency (Value 4), then the debit and credits totals for each value must balance within a journal, however, the balancing of each currency within a journal is not enforced (considering Value 2 and Value 4 may include mixed currencies). Therefore, if a journal contains multiple transactional currencies which happen to balance to zero, there is no validation that each currency balances individually.
Note: If you are matching in a non-base currency, the transactions being matched can only contain one set of variable currencies. This means that you cannot match transactions where both the transaction currency and fourth currency values reference multiple currencies.

Balancing rules are also established for the other currencies available on each transaction. The rules are defined in **Business Unit Setup** and determine:

- whether the currency values must balance
- whether an imbalance is to be corrected manually or automatically
- the balancing accounts
- the automatic balancing tolerance value.

Slightly different balancing rules can be set for each currency.

Transaction Currency Balancing

The balancing rule for the transaction currency (Value 2) can be set to:

- None - to allow a journal to be posted with unbalanced transaction currency values
- Manual - to force the transaction currency values to balance and only allow the imbalance to be corrected manually.

Second Base/Reporting Currency Balancing

The balancing rule for the second base/reporting currency (Value 3) can be set to:

- None - to allow a journal to be posted with unbalanced second base/reporting currency values
- Automatic - to force the second base/reporting currency values to balance and allow the system to automatically post a balancing amount to a nominated balancing account.

Fourth Currency Balancing

The balancing rule for the fourth currency (Value 4) can be set to:

- None - to allow a journal to be posted with fourth currency values regardless of whether they balance
- Automatic - to force the fourth currency values to balance and allow the system to automatically post a balancing amount to a nominated balancing account.
- Manual - to force the fourth currency values to balance and only allow the imbalance to be corrected manually.

Currency Gains, Losses and Rounding Differences

Imbalances in one or more currency values may be caused by a currency exchange difference, or a currency conversion rounding difference.

There are a number of Financials forms that calculate and post these differences automatically to the appropriate gain/loss or balancing adjustment account.

If the transaction currency, second base/reporting currency, or fourth currency values do not balance, and the amount of the imbalance is within the rounding tolerance set for the type of currency, the imbalance is treated as a rounding difference and posted to the balancing account. Otherwise it is treated as realized or unrealized currency gain or loss, depending on the form.

Voucher numbering and journal classes

A voucher number is a unique reference for a balancing business transaction. It is the main reference for financial transactions used in some accounting environments, for example, in Chinese financial accounting, and in the Japanese market, where it is known as 'dempyo'. It is also a useful book keeping facility for many other countries' accounting systems and regulations.

You can configure each business unit's ledger separately to have voucher numbering as mandatory for all transactions, or prohibited, or optional. If it is prohibited for the ledger, there is no voucher numbering. If it is optional, a voucher number is available for each journal but not a mandatory field.

You can configure the ledger to display voucher numbering either in the main transaction reference field, or as a second ledger reference, retaining the transaction reference for other purposes. The voucher number itself can be used as a selection criterion for queries, batch processes and reports.

Journal classes

Voucher numbering is sequential, and grouped by the journal class being used. You can define different journal classes to classify journals according to their business function, for example, receipts, payments, transfers, and so on. If you are using voucher numbering, the journals pertaining to each journal class are given incremental voucher numbers, and consequently there are several different voucher numbering sequences all being simultaneously maintained and incremented.

Sequencing the voucher numbers

Voucher numbering is similar to Sequence Numbering. However, sequence numbering alone does not provide all of the functionality required for a voucher numbering system, and also requires the dedicated use of one or more ledger analysis dimensions for the purpose.

If you are using voucher numbering, all functions that generate journals update the appropriate sequence number, so that unique voucher numbers are applied to the journal transactions. For example, postings from Order Fulfilment have the voucher number applied on import; the processes in Fixed Assets and Corporate Allocations include voucher numbers on the generated transactions.

The voucher number consists of a five-part structured reference. For example, it can incorporate journal class code, accounting year, accounting period, accounting date and sequence number (Voucher Number Stream). You do not have to configure all five parts in order to use voucher numbering.

Setting up voucher numbering

To set up voucher numbering, carry out the following steps:

1. Create a voucher number stream using Voucher Number Stream Setup (VNS).
2. Create a transaction reference for the voucher numbering using Transaction References (TRS).
3. Create all of the journal classes you require using Journal Class Setup (JNC).
4. Assign an appropriate journal class to each journal type, using Journal Types (JNT).
5. In Ledger Setup (LES) click on the Voucher Numbering tab.
   a. Set the **Voucher Numbering** option to either `Optional` or `Mandatory` as required.
   b. Set the other options on the **Voucher Numbering** tab as required, and assign class codes to the system batch processes.

Setting up Voucher Number Streams

There are three parts to the Voucher Number Stream Setup function:

- Voucher Number Stream Header
- Voucher Number Streams Detail Setup
- View Voucher Gaps.

Voucher Number Stream Setup (VNS)

1. Open Voucher Number Stream Setup (VNS) from the main SunSystems menu.
2. Specify this information:

   Voucher Number Stream Code

   A unique code to identify the voucher number stream.

   Description

   The name or description for this field. It is used to identify the additional field on reports, inquiries, and forms.

   Lookup Code

   A lookup code can be used to find a record, as an alternative to the record code. It is often set to a shortened version of the description. It is particularly useful if a record is often referred to using different codes. For example, the Chart of Accounts code for Fuel Expenses is `75201` and the Lookup Code is set to `FUELEXP`.

Restart

Determines the conditions under which this voucher number stream is restarted, that is, automatically reset to 1. The following options are available:

- Use Ledger Setup Default restart according to the Sequence Restart option on the Voucher Numbering tab of the Ledger Setup.
- Period restart the voucher number stream when the current period is changed.
- Year restart the voucher number stream when the current year is changed in the period.
- Daily restart the voucher number stream for each new date on ledger transactions.
- Never The voucher number stream is not restarted under any circumstances.

For the options where the voucher number stream is restarted (Period, Year, and Daily), separate sequences are simultaneously maintained for each new period, year, or date. So, for example, if Period is selected, and the period is changed from 01/21 to 02/21, a new sequence is started for period 02/21, however any transactions still being posted to period 01/21 continue to employ the numbering sequence of period 01/21.

3 Save your changes.

Voucher number streams detail lines

Click **Detail Lines** to view the latest voucher numbers for the different sequences pertaining to this voucher number stream. For example, if the **Restart** option is set to **`Period`**, a separate sequence is started for each period, and all are displayed for this voucher number stream.

The Voucher Number Streams Detail Lines form is displayed, containing the same information grid as for View Voucher Numbering (VVN).

Viewing voucher gaps

Click **View Voucher Gaps** to view all the numbering gaps pertaining to this voucher number stream.

The Voucher Number Streams Gaps form is displayed, containing the same information grid as for View Voucher Numbering (VVN).

Setting up Journal Classes

Journal classes allow you to classify journals at a basic accounting level, for example, receipts, payments, transfers, and so on. They enable you to associate logical groupings of journal types more formally than the classical method of using the journal type codes to do this. In other words, journal classes allow you to group journals according to their business function.

Unlike journal types, journal classes are optional; you do not need to use them to post journals to a Financials ledger. However, if you are using voucher numbering it is necessary to create journal classes and to categorize

each journal type as part of a journal class. To do this from SunSystems select Journal Types (JNT) and set the **Journal Class Code** field on the General tab as appropriate on each journal type record.

If you are using journal classes, a journal class code is automatically stored as part of each ledger transaction, merely by its association with the journal type.

A journal class cannot be deleted once it has been used, that is, once the journal class has been assigned to a journal type, or has been used as the default value for a system batch process (defined in Ledger Setup).

Mapping Journal Classes to system batch functions

All system batch functions are posted with the journal type SYSTM, for example, system journals generated by fixed asset depreciation, payment run, and so on. Each provides a different business function, so if you are using journal classes, you may map each of the batch functions separately to your journal classes. To do this, once you have created your journal classes, from SunSystems select Ledger Setup (LES) and on the Journal Classes tab select a **Class Code** as appropriate for each batch process.

Journal Class Setup (JNC)

1. Select Journal Class Setup JNC from the main SunSystems menu.
2. Specify this information:

   Journal Class Code

   A unique code to identify the journal class.

   Short Heading
   The short heading, which is used where space is limited. If this is blank it defaults to the first characters of the description.

   Status
   Each static data record contains a status code that determines the current processing status of the record. A status is assigned to each static reference record, for example to every account, asset, customer and supplier. It determines the current processing status of the record.
   - Open - this status is set automatically when you add a new record, for example, if you create a new account. Open items are available for input, inquiry, processing and reporting.
   - Hidden - a record with a hidden status does not appear on any inquiries but is available for input, processing and reporting.
   - Suspended/Held - a suspended record.
   - Closed/Completed - a closed record cannot be used for input or processing. For example, you cannot post transactions to a closed account or analysis code.

   You can alter the status of a record at any time. You must use the options on the Action menu to change the status.

   Lookup Code
   A lookup code can be used to find a record, as an alternative to the record code. It is often set to a shortened version of the description. It is particularly useful if a record is often referred to using different codes. For example, the Chart of Accounts code for Fuel Expenses is **75201** and the Lookup Code is set to **FUELEXP**.

Description
The full name or description of the data item or record. This is used to identify it on reports and inquiries.

Prefix

An alphanumeric code or phrase to identify this journal class, to be used as the first part of the voucher number.

Transaction Reference Format

Determines the **Transaction References (TRS)** information to be used for this journal class.

3 Save your changes.

Chapter 5: Setting up payments and payment collections

Payment processing includes three steps: select the transactions for payment collection, generate the transactions, and produce the payment documents.

Introducing Payment Run

Payment Run (PYR) provides an automatic payment facility. It gives you complete control over the creditor/payables and client account transactions you select for payment, when they are paid, and the method of payment used.

Note: If you need to pay some transactions as soon as they are posted, you should set up a journal type that references the appropriate payment profile. When the journal is posted, Payment Run (PYR) is accessed automatically from Ledger Entry (LEN) and the payment profile is selected. The posted journal transactions are selected for payment.

The following payment methods are available using Payment Run (PYR):

- system generated payments using printed payment documents, for example cheques
- automated bank payments using an electronic bank transfer
- single one-off payments, for one-off suppliers
- an 'undefined' payment method that deals with other requirements, for example to settle inter-company accounts.

Note: If you pay a supplier outside of the system, for example in cash or by raising a manual payment, you should enter the payment details manually into Financials using Ledger Entry (LEN) and match the payment against the outstanding transactions using Account Allocations (ACA) or Online Allocation.

The Three Steps of Payment Processing

The automatic payment process consists of three separate processing steps:

1. Identify and select transactions for payment:

   There are two ways you can select the transactions:

   - Payment profiles can be used to determine the main transaction selection criteria for Payment Run. The selection criteria are refined at run-time by Payment Run (PYR). These combined criteria determine the transactions to be paid.
   - The control desk facility can be used to extract the transactions for payment and pass them to Payment Run (PYR) for payment.

A payment profile is always required by Payment Run (PYR) to produce payments, even if you use a control desk to select the transactions.

2 Generate the transactions required to pay the selected transactions.

Payment Run (PYR) analyzes the transactions it has been passed for payment. It creates the payment transactions required to record each payment, and produces a payment run details listing. If transactions are eligible for discount, it takes the discount and generates the appropriate discount postings. In addition, if the discount value includes an amount of tax that needs to be reversed, it can calculate the tax and generate the postings to adjust the discount and record the tax.

It generates a file of payment details which is used to produce payment documents, for example cheques. It also can produce a bank transfer file for automated bank payments.

3 Produce the payment documents.

Payment Documents (PYD) produces any printed output required to support the payment transactions, for example cheques and remittance advices, or remittance advices only. The documents are produced by the SunSystems reporting facilities so you can alter the format of these payment documents, if required. You can also use the Report Designer (RED) to output the payment details to a separate text file.

Note: If the transactions selected for payment in step 1 require authorization, this authorization must be received before the payments are produced by step 2.

Introducing the Payment Collection Process

Payment Collection Run (PYC) provides an automatic payment collection facility. It allows you to settle the debit transactions on your debtor/receivables and client accounts.

It is normally used to settle accounts where the automatic payment collection method of Bank is chosen or when bills of exchange are used. Payment Collection Run (PYC) can create a bank payment file to be used to collect the payments due electronically, for example by direct debit.

Note: When you receive cash or cheque payments directly from your customers, you should enter these manually into Financials using Ledger Entry (LEN) and match them against the outstanding transactions using Account Allocations (ACA) or Online Allocation.
Note: Payment Collection Run (PYC) can also be used to settle accounts where the payment method of Other is chosen. For example, this might be used to settle inter-company accounts.

The Steps to Collect Payments

The automatic collection process consists of the following processing steps, depending on your requirements:

1 Identify and select transactions for payment collection.

Payment Profiles (PYP) determine the main selection criteria for a payment collection run. These selection criteria are refined at run time by Payment Collection Run (PYC). These combined criteria determine the transactions to be paid.

2 Generate the transactions required to pay the selected transactions.

The Payment Collection Run (PYC) uses a payment profile and run time selection criteria to select the transactions due for payment by direct debit. It creates the payment transactions required to record the

payment collections and produces a payment listing. It generates a file of bank transfer details to be used to collect the payments electronically. It also generates a payment file from which any payment documents can be produced.

3 Produce the payment documents.

Payment Documents (PYD) can be used to produce any printed output required to support the payment transactions. The documents are produced by the SunSystems reporting facilities so you can alter the format of these payment documents, if required. You can also use the Report Designer (RED) to output the payment details to a separate text file.

You can also use Account Documents (ACD) to produce account statements or other documents at this stage.

Setting the Customer and Supplier Payment Details

There are a number of important payment details you must define for your customer and suppliers, if you want to use the automatic payment or payment collection facilities. These details are maintained on Customers (CUS) and Supplier (SUS). The following payment details are required:

- Payment Terms
- Payment Method
- Payment Collection Details
- Bank Details.

Customer and Supplier Payment Terms

Payment terms allow you to define any number of ways of calculating the settlement dates and terms for transactions. These include the due date for payment, the dates on which payment documents should be printed, and discount due dates and percentages.

You can attach a set of payment terms to a customer or supplier to apply to all of their transactions. You can also override the customer or supplier terms on individual transactions.

The transaction payment terms details are used by Payment Run (PYR) and Payment Collection Run (PYC) to select transactions due for payment, and determine whether or not discounts apply.

Customer and Supplier Payment Method

As the name implies, the payment method identifies the method that is used to pay a supplier, or collect payments from a customer. The payment method is set for each customer and supplier in Customers (CUS) and Supplier (SUS).

A payment method is also chosen in Payment Run (PYR) and Payment Collection Run (PYC) to determine the type of payments to be generated by the run.

Note: The payment method set for a supplier or customer must match the payment method chosen in Payment Run (PYR) or Payment Collection Run (PYC) for the supplier or customer to be considered for payment.

There are four possible payment methods.

Method	Use
Cheque Payment	For accounts paid by cheque.
Single Payment	To print one-off cheques for each transaction on an account. This allows you to identify a number of accounts as 'miscellaneous' or 'one-off purchase' accounts. Payment Run produces a separate remittance and/or cheque for each transaction line using the transaction description as the payee's name.
Bank Payment	For accounts settled using an automated bank payment or collection method. This option can only be used if the Automated Bank Payments in Ledger Setup is not set to Unused. Also, Bank Details must be defined for the customer or supplier to hold the necessary bank account information.
Other, Not Specified	For accounts settled by any other payment method.

You can produce payment documents, for example remittance advices, for all creditor/payable and client accounts, regardless of payment method, provided payment is made using Payment Run (PYR).

Customer and Supplier Payment Collection Details

Direct Debit Indicator

The Direct Debit option must be set in Customers (CUS) to request the collection of receipts from an account. This must be set to collect payments automatically.

Immediate Settlement Indicator

You can set the Immediate Settlement option on a supplier or customer to ignore the due date on unsettled transactions to pay or settle the transactions on the account immediately.

This option only applies when the **Payment Basis** in **Payment Profiles (PYP)** is set to `Due Date` or `Allocation Marker and Due Date`. If the payment basis is set to `Force` or `Allocation Marker Only`, the due date is ignored, regardless of the setting in the **Immediate Settlement** field.

Customer and Supplier Payment Bank Details

If settlement is required by bank transfer, then the details of your customer or supplier bank accounts are required. You define the bank accounts for each organization using **Bank Details Setup (BNK)**. A customer

or supplier can have more than one bank account and each account is identified by a bank subcode. The default bank for each customer or supplier is identified in **Customers (CUS)** or **Supplier (SUS)**.

This default bank for the customer or supplier is used in by the **Payment Run (PYR)** or **Payment Collection Run (PYC)** to determine the bank details for the bank transfer file.

Note: The Bank Subcode can be defined as a selection criterion in **Payment Profiles (PYP)**. If you want to use this facility you must ensure that you use consistent subcodes numbering for all of the customer or supplier bank details. For example, you might use it to identify those who use the same bank as your organization does, in order to create a separate transfer file for these.

The bank account details can also be included on the remittance advices or other documents produced for the payments.

If the bank details have not been defined for a customer or supplier, **Payment Run (PYR)** uses the **Automated Bank Payments** field setting in **Ledger Setup (LES)** to determine how to proceed. Three options are available:

- **`Post All`** - this option includes the payment transactions on the bank transfer file regardless of whether or not the bank details have been defined.
- **`Post All and Report if Bank Record Not Present`** - this option includes the payment transactions on the bank transfer file and produces a warning message identifying the suppliers/customers for whom bank details have not been defined.
- **`Post Only if Bank Record Present`** - this option excludes the payment transactions on the bank transfer file if the bank details have not been defined for the supplier or customer.

Multi-Currency Payments and Collections

All of the debtor/receivables, creditor/payables and client accounts in SunSystems are multi-currency accounts. You can enter invoices, credit notes and other transactions to these accounts in any valid transaction currency. These transactions can be held in up to four currencies: base currency, transaction currency, second base/reporting currency, and fourth currency.

You can generate payments and collect payments in the base currency or the individual currencies for transaction currency and fourth currency (i.e. Values 2, and 4). This is determined by the **Currency for Payments** setting in **Ledger Setup (LES)**

If transaction currency or fourth currency are selected as the Currency for Payments, you can produce payments in different currencies in a single Payment Run (PYR) or Payment Collection Run (PYC).

You can also produce payment documents including cheques and remittances in any language and currency.

When payments are made in a currency value other than base, Payment Run (PYR) and Payment Collection Run (PYC) generate the payment transactions in the appropriate currencies. Payments are always posted using historic rates.

If settlement discounts are taken or allowed, the payment process calculates the discount in the transaction currency and calculates the other two equivalent currencies, as required. It also calculates any tax amount included in the discount and generates the transactions required to adjust for this, if the **Tax on Settlement Discount** flag in **Ledger Setup (LES)** is set. The tax is calculated as a percentage of all the values individually, i.e. it is not a currency calculation.

Note: Payment Run (PYR) and Payment Collection Run (PYC) produce payments based either on one of the non-base currency values 2 or 4, or the base currency values. If you wish to pay some accounts using a non-base currency value, and other accounts using the base currency you must do so in separate payment runs and reset the **Currency for Payments** setting in **Ledger Setup (LES)** between the two runs.
Note: Where payment is made by fourth currency, all postings which carry the true-rated flag are accumulated separately. These true-rated postings are totalled in the **Payment Currency** defined on the **Ledger Setup (LES)**, and any other variable currency is ignored.

Payment Profiles

You use Payment Profiles (PYP) to define the criteria by which transactions can be selected for payment in Payment Run (PYR), or for collection in Payment Collection Run (PYC).

Note: Transactions can also be selected for payment via a control desk.

If your requirements are very straightforward, you may only require a single payment profile for your payment runs, and another single profile for your payment collection runs. These profiles might simply select all transactions due up to a selected date, for all your creditor/payables, debtor/receivables and client accounts.

However, in practice, you will probably develop several different payment profiles that select transactions using more complex selection criteria. There are a large number of parameters and selection criteria available on a payment profile to allow you to select exactly the accounts and transactions you want to pay. This enables you to manage and maximize your cash flow.

For example, you might create a profile that includes a number of currencies, all of which are paid from, or into, the same bank or bank account. Another example might be to create a set of profiles that select transactions according to the account priority to select high, medium or low priority suppliers or customers in different payment runs.

Another advantage of defining various payment profiles is that when Payment Run (PYR) or Payment Collection Run (PYC) is used for a particular profile, the resulting payments file acquires a code which is unique to the profile.

When you define a payment profile you can pick up to five selection criteria to be used as run time criteria. For example, you may want to enter the range of accounts to be considered for payment at run time, rather than setting a predefined range in the profiles.

Payment profiles are defined using Payment Profiles (PYP). The same form is used to define the profiles for a Payment Run (PYR) and a Payment Collection Run (PYC). However, one of the profile options identifies whether the profile is to be used for a Payment Run (PYR) or a Payment Collection Run (PYC).

Note: You can reference a payment profile on a journal type, if you always want to pay the transactions for this journal type immediately after the journal is posted.

What are the Payment Run Time Selection Criteria?

When you define a payment profile you can select up to five run time selection criteria. These selection criteria appear when you run a Payment Run (PYR) or Payment Collection Run (PYC), and allow you to refine the selection criteria for the payment or collection run.

For example, you may want to pay a range of supplier/payables accounts but do not know which accounts until you are ready to run the payment run. You can set up a payment profile and choose Account Code as one of the run time selection criteria. Then, when you run the payment run you are asked to enter the range of accounts to be considered for payment.

The run time selections you make in the payment run and payment collection run are 'remembered' and recalled when the profile is selected subsequently.

You can choose up to five of the following details as run time selection criteria for a payment profile:

- Account Code
- Transaction Reference
- Journal Type
- Journal Source
- Payment Limit
- Allocation Marker
- Account Analysis Codes
- Ledger Transaction Analysis Codes

Using the Allocation Marker to Select Transactions

You can use the allocation marker to select transactions for a payment run or payment collection run by selecting Allocation Marker as one of the run time selection criteria. This allows you to choose the allocation marker or a range of markers at run time.

Note: You must choose Allocation Marker as one of the run time selection criteria to allow the user to enter a range of allocation markers, even if you choose Allocation Marker in Payment Run (PYR) as the **Payment Option** in **Payment Profile (PYP)**.

Using the Payment Option

You can also choose to select transactions using the payment basis options. This allows you to select transactions based on the allocation marker and/or payment due date. Several predefined selection options are available which may mean you do not need to use the run time allocation marker.

For example, by selecting Force as the payment basis, only transactions with a Force allocation marker are selected. Whereas, if you select Due Date as the payment basis, transactions are selected according to their due date and transactions marked Force are included (transactions with a marker of Withhold or a numeric marker 0-9 are excluded).

How is the Payment Method Used

The payment method you select on a payment profile determines the type of payments, or payment collection, details produced by the payment run or payment collection run. The following payment methods are available:

- Cheque Payment
- Bank Payment
- Single Payment
- Undefined

The option you select for a payment profile depends on whether the profile applies to Payment Run (PYR) which is used to generate payments to suppliers, or Payment Collection Run (PYC) which is used to generate payment collection records for customer receipts.

Note: When you define a customer or supplier, you select the payment method to be used for the organization. A customer or supplier is only considered for payment by a payment run or payment collection run, if its payment method matches the payment method in the payment profile.

Cheque Payments

A payment method of cheque is typically used for supplier payment runs to produce printed payment documents to pay suppliers, for example cheques and/or remittance advices.

Note: You can set a **Cheque Payment Limit** in **Ledger Setup (LES)** and the system will display a warning if a payment by cheque is generated for more than this amount.

Printed payment documents like cheques and remittances are printed by Payment Documents (PYD), after the payment run has finished. SunSystems Financials includes several predefined cheque and remittance formats including separate cheques, separate remittances and a combined remittance/cheque.

A payment reference, for example cheque number, is assigned automatically to each payment. This number is retained as the transaction reference for the payment journal. The payment reference is assigned by a transaction reference defined using Transaction References Setup (TRS).

The payments, for example cheques, received from your customers are entered as receipts using Ledger Entry (LEN) and allocated to the outstanding transactions on the debtor/receivables or client account. You might use the cheque setting to produce a bill of exchange or similar document.

Bank Payments

A payment method of Bank is used where settlement is done by automated settlement systems, such as the UK system BACS (Bank Automated Clearing System). Therefore, it can be used in a payment profile for:

- Payment Collection Run (PYC) to produce a file of customer receipt records, for example to collect customer payments by direct debit
- Payment Run (PYR) to produce a file of supplier payment records, for example to pay supplier's by BACS.

The payments are made to the supplier's bank account, or collected from the customer's bank account. The bank account details are defined for the customer or supplier using Bank Details Setup (BNK). You can identify multiple banks for each supplier or customer using bank subcodes. This enables you to define any number of banks from which you can draw funds, or into which you can deposit funds.

If the bank details for the customer or supplier are missing, the setting for the **Automated Bank Payments** field in **Ledger Setup (LES)** determines whether or not the supplier or customer payment can proceed.

If a bank subcode is not entered in the payment profile and the payment method is Bank, the default bank subcode for the supplier or customer is used.

Use of the Bank payment method also requires a bank details record to exist in Bank Details Setup (BNK) for your own bank account. The relevant bank details code can either be entered on the payment profile, or during the payment or collection run.

When the Bank payment method is selected, a separate bank payments file is produced by Payment Run (PYR) or Payment Collection Run (PYC).

Single Payment

A payment of Single Payment option is used to produce a separate payment for each transaction that is selected for payment. This enables you to produce individual payments (or receipts) from a 'one-off' miscellaneous creditor/payables or debtor/receivables account.

Note: If you want to print cheques or other documents for these payments you must include the payee's name on the source transaction in the description field.

Selecting Transactions for Payment by Currency

Payments can be made or collected in the base currency, or the individual currencies for transaction currency and fourth currency. This is determined by the **Currency for Payments** setting in **Ledger Setup (LES)**.

If one of the non-base currency options is selected, the outstanding transactions on debtor/receivables, creditor/payables and client accounts can be selected by currency.

In a payment profile you can control the currencies you wish to include, or exclude, for payment. In the simplest case you might include all currencies and thereby produce payments in any currency referenced in the appropriate currency value. For example, if `Transaction Currency` is selected as the **Currency for Payments** in **Ledger Setup (LES)**, payments could be produced in any of the transaction currencies used.

Alternatively, you can include or exclude up to 30 nominated currencies for a single profile. For example, you may have a number of different bank accounts which are restricted to particular currencies. You would set up payment profiles to identify a set of currencies for a nominated payment account.

You can also set a payment value range against each of the first 13 nominated currencies in the payment profile. This range applies to either the account balance or individual transaction values selected for payment in the relevant currency, as defined by the **Apply To** field for the **Amount Threshold**. If you do not set a value range for a currency, the range specified in the **Amount Threshold** fields for the base currency is used.

Note: When the **Currency for Payments** flag in **Ledger Setup (LES)** is set to a non-base currency option, any transactions entered in the base currency only will not be selected for payment. You must set the **Currency for Payments** flag to `Base currency` and run **Payment Run** or **Payment Collection Run** to pay these base currency only transactions.

Linking Currencies to Payment Accounts

To help with treasury management, you can specify a payment account to be used with a payment profile. For example, payments in USD can be tied to a USD bank account.

You can also set a payment run total which cannot be exceeded. You can either do this on the payment profile, or you can add Payment Limit to your selection criteria. You are then prompted to enter the payment limit when you use **Payment Run** or **Payment Collection Run**. If this payment limit is exceeded the payment run is abandoned and no payments are made.

Setting Up Payment Profiles

Payment Profiles (PYP) is used to define the criteria by which transactions are selected for payment in Payment Run (PYR) or for settlement in Payment Collection Run (PYC). When you run **Payment Run** or Payment Collection Run (PYC), you select the payment profile you want to use.

You must use different profiles for each type of run. So, at the very least you must define two payment profiles, one for your payment runs and another for your payment collection runs.

A payment profile contains a large number of selection criteria and parameters that allow you to pick particular transactions for payment. As a result, you might define many different payment profiles to meet your payment or payment collection requirements. For example, you might define payment profiles to select transactions by currency or bank, or to select particular groups of accounts.

A transaction must meet all of the selection criteria in a payment profile to be selected for payment.

Note: You can use a control desk to select the transactions for payment and pass them to Payment Run (PYR). However, a payment profile is still required by Payment Run (PYR) to produce the payments as it identifies the payment accounts, and payment output requirements.

Note: You need to define separate profiles for Payment Run (PYR) and Payment Collection Run (PYC). However, the details you need to enter to define a payment profile are the same.

Payment Profiles (PYP)

The Payment Profiles form contains the following:

- Header Information
- General
- Payments
- Options
- Currency Threshold
- Additional Currencies
- Currency Rules.

Payment Profiles (PYP)

1 Open **Payment Profiles (PYP)** from the main SunSystems menu.

2 Specify this information:

Payment Profile Code

The code identifying the payment profile.

Name

A mandatory name for the payment profile.

Status
This field is filled automatically.

Data Access Group Code
Select a code from the list.

3 Save your changes.

General

1 Click the **General** tab in the **Payment Profiles (PYP)** dialog.
2 Specify this information:

Account From/To

The range of accounts for which transactions are considered for payment in this profile. Leave this blank to include all accounts. If you are defining a profile for a Payment Run, you would select a range of creditor/payables or client accounts. If you are defining a profile for a Payment Collection Run, you would select a range of debtor/receivables or client accounts.

If you want to enter an account range at run time, you can leave these fields blank and select Account Code as a run time selection criteria. If you enter an account range at run time, this overrides any range of accounts you enter here in the profile.

Account Priority /To

The range of Priority Rating codes, for which accounts are considered for payment using this profile. The Priority Rating code is used to group customers and suppliers for any reason. For example, you might assign priority numbers to identify high, medium and low priority suppliers or customers. The code is set on customers using Customers (CUS) or suppliers using Supplier (SUS) and applies to the appropriate debtors/receivables, creditor/payables or client accounts. Leave this blank to ignore the Priority Rating codes.

Amount Threshold /To

A range of values used to include or exclude accounts or transactions for payment. This threshold range can apply to an account balance or transaction amount, depending on the choice you make in the **Apply To** field. An account or transaction is only included in the payment run if the **Apply To** amount is within this threshold.

Apply To

The amount to which the threshold range applies. The following options are available:

- Ignore indicates that an amount threshold range is not required. This is the default option.

- Balances indicates that the amount threshold applies to the account balance. Only accounts with a payment balance within the threshold range are considered for payment.
- Transactions indicates that the amount threshold applies to the individual account transactions. Only transactions that fall within the threshold range are selected for payment and all others are ignored.

Selection 1-5

The run time selection criteria for the payment profile. Up to five selection criteria can be selected for the profile. The criteria you choose here is presented when you run Payment Run (PYR), or Payment Collection Run (PYC), to allow you to refine the selection at run time.

A transaction must meet all of these run time selection criteria, and any other selection criteria, to be included for payment. The run time selections you make in Payment Run (PYR) and Payment Collection Run (PYC) are stored, and recalled when you run the profile again.

Exclude Provisional Postings

Determines whether provisional postings should be excluded from the payment profile.

3 Save your changes.

Payments

1 Click the **Payments** tab in the **Payment Profiles (PYP)** dialog.

2 Specify this information:

Payment Option

This determines the basis on which transactions are selected for payment. The following options are available:

- `Force` only selects transactions with an allocation marker of Force.
- `Due Date` selects transactions with a due date on or before the Base Date for Payment you enter at run time. Any transactions with an allocation marker of Force are always included. Transactions with a Withhold marker or any numeric markers (0-9) are excluded.
- `Allocation Marker in Payment Run` selects transactions with the allocation markers you choose at run time. You must choose Allocation Marker as a run time selection option to prompt the user to enter the range of markers required.
- `Allocation Marker and Due Date` selects transactions according to the range of allocation markers and due date you select. A transaction must have an allocation marker in the chosen range, and a due date on or before the Base Date for Payment you enter at run time. This option allows you to preset the range of allocation markers for the profile in the Allocation Marker From/To fields. You can also allow the user to choose the range of markers at run time by selecting Allocation Marker as one of the run time selection criteria.
- `Allocation Marker Only` allows you to select transactions by allocation marker, ignoring the due date. This option allows you to preset the range of allocation markers for the profile in the Allocation Marker From/To fields. You can also allow the user to choose the range of markers at run-time by selecting Allocation Marker as one of the run-time selection criteria.

Allocation Marker From/To

If either the `Allocation Marker Only` or `Allocation Marker and Due Date` option is chosen above, this is the range of allocation markers to be used to select transactions. This allows you to preset the allocation markers if the same range is required for every run.

Note: You can allow a user to override this range at run time by selecting Allocation Marker as one of the run time selection criteria.

Payments/Debits

This option determines whether the payment profile is to be used for payments or for payment collections, as follows:

- `Payment Collection` must be selected if the profile is to be used by Payment Collection Run (PYC)
- `Payment` must be selected if the profile is to be used by Payment Run (PYR).

Post Single Txn to Paymnt Acnt

This option determines whether or not a single, summarized ledger transaction is posted to the payment or collection account for the payment or collection run.

Three options are available:

- `Mandatory` forces a single transaction only to be posted to each payment account
- `Prohibited` posts individual payment transactions to the payment accounts
- `Optional` allows the choice to be made at run time using the corresponding field in **Payment Run** or **Payment Collection Run**.

Payment Method Details

This determines the payment method for the payment profile. When you define a customer or supplier, you select a payment method of `Cheque Payment`, `Bank Payment`, `Single Payment` or `Not Specified`. Here you select the payment method to be used for this payment run. If the Bank payment method is used, you must create a bank details record for your own bank account in Bank Details Setup (BNK).

Note that an account is only selected for payment, if the corresponding supplier or customer details reference this payment method.

Default Bank Subcode

The bank subcode to be used for this profile, if the payment method is Bank. If you leave it blank and the payment method is Bank, all customers or suppliers are selected. Bank subcodes are defined using Bank Details Setup (BNK) and assigned to a supplier or customer using Supplier (SUS) or Customers (CUS).

Note:

- If you want to use this selection facility you must ensure that you use consistent subcodes for all of the customer or supplier bank details. For example, you might always use subcodes to identify individual banks.
- If you want bank details to be printed on payment remittances using Payment Documents (PYD), you must ensure all of the bank details are created with subcodes. Bank details that are set up with their subcode blank are not printed.

Options

1 Click the **Options** tab in the **Payment Profiles (PYP)** dialog.

2 Specify this information:

Include Client Debits

This relates to Payment Run (PYR) only. If this option is selected, client accounts with a debit balance are considered for payment.

Payment File Identifier

A letter in the range A-Z, or a number in the range 0-9, which uniquely identifies the payment file generated for this profile. Each payment file is overwritten only when Payment Run (PYR) or Payment Collection Run (PYC) is subsequently run for this payment profile.

Bank Details Code

The bank details record, as set up in Bank Details Setup (BNK). When you enter a bank details code that is linked to one of your own bank accounts, the **Payment Account** field displays the relevant chart of accounts record for your bank account.

A bank details record is necessary for payments where the **Payment Method** is set to `Bank Payment`. If you do not enter a bank details code here and the **Payment Method** is set to `Bank Payment`, then you must enter it during the payment or collection run itself.

Bank Sub Code

The subcode, if used, on the bank details record identified in the field above. Otherwise leave blank.

Payment Account

The bank account to be used in Payment Run (PYR) or Payment Collection Run (PYC). If payments are being made or collected in the transaction currency, the **Payment Account** or **Collection Account** defined in **Currency Codes (CNC)** is used for the payments generated in each currency. If a payment account or collection account has not been specified for the currency, the account entered here is used.

Total Payment Limit

The total payment amount for the payment run. If this figure is exceeded, the payment run is terminated and none of the accounts are paid.

Payment Report Format Code

The document format code to use for the payments run details report, for example AGP1. This code is mandatory.

Payment Document Format Code

The document format code to use for the payment documents, if required for this payment profile, for example APD3 for Cheque and Remittance Advice.

Bank File Identifier

Optionally, enter a code to be used as the default file extension to the bank payment file that is created by a payment run with this profile. The default you set here is displayed the first time a user runs a payment with this profile. During payment run, the user can accept or change the bank file identifier, and subsequent runs with this profile use the bank file identifier that was specified in the previous run.

3 Save your changes.

Currency Thresholds

The **Currency for Payments** option in **Ledger Setup (LES)** determines whether payments can be made in the transaction currency or fourth currency values.

If you have chosen to select payments using one of these transaction currency values, you can include, or exclude, selected currencies from a Payment Run or Payment Collection Run. Similarly, if you have chosen to produce payments only in base currency, you can include or exclude transactions that reference a transaction currency from a payment run or payment collection run.

1 Click the **Currency Thresholds** tab in the **Payment Profiles (PYP)** dialog.

2 Specify this information:

Exclude/Include/All
This flag indicates whether the currency codes selected are to be included or excluded for payment. If you select `All`, all transaction currency or fourth currency value currencies are considered for payment and you are not able to enter any currency or threshold details. Select `Exclude` to exclude transactions that reference the selected currencies. Select `Include` to include transactions that reference the selected currencies. For example, you might want to restrict the run to selected currencies if only those currencies can be paid out of the Payment Account chosen for the run.

Currency Codes 1-13
You can include or exclude up to 13 currency codes on this tab. If you want to include or exclude additional currencies, you can enter them in the **Additional Currencies** tab. If the **Currency for Payments** option is selected in **Ledger Setup (LES)**, enter the currency codes to be included, or excluded, from the selection process. You should not use a hyphen in this situation. If the **Currency for Payments** option is not selected in **Ledger Setup (LES)**, payments are only made in base currency. In a multi-currency environment, if you have chosen the `Only present if entered` setting for the **Other Currency Posting Rule** in **Business Unit Setup**, some of your transactions may include both base and transaction currency values, and others only include only a base currency value. You can enter a '-' hyphen here to select transactions with a base currency value only, assuming you have used the Include setting above; but if you do, it will not be possible to override the currency code of the payments in Payment Run (PYR).

Currency From/To 1-13
The range of amounts you want to be selected by this profile, for the currency specified. This limits the total value of transactions that can be selected for a particular currency. If you leave these blank and you have specified an amount range for the base currency on this rule, the amount range for this currency is calculated from the base currency. You can specify currency amount ranges for up to thirteen of the currencies included on this rule.

Note: If you select `Exclude` and specify one or more currency codes, the **Currency From/To** amount fields are ignored, and all transactions in those currencies are excluded from the payment or collection run.

3 Save your changes.

Additional Currencies

1 Click the **Additional Currencies** tab in the **Payment Profiles (PYP)** dialog.
2 Specify this information:

   Currency Codes 14-30

   Select any additional currency codes you want to be included in or excluded from this profile.

3 Save your changes.

Currency Rules

1 Click the **Currency Rules** tab in the **Payment Profiles (PYP)** dialog.
2 Specify this information:

   Payment Currency

   In a multi-currency environment, this determines whether you can settle by currencies other than the base currency in payments or collections. You can select `Base Currency`, `Transaction Currency`, or `4th Currency`; alternatively set this option to Default in order to use the default setting for the ledger, as defined on the **Currency** tab of the **Ledger Setup (LES)**.

   Whichever currency option is selected here, the amounts for the other currency values (base, transaction, and reporting currencies) are calculated according to the **Pivot Currency** option selected from **Business Unit Setup**, and for Value 4, if necessary, from the **4th Currency Calculate From** option on the **Value 4** tab of the **Business Unit Setup**. The exchange rates used depend on the following options:

   Pay at Current Rate

   In a multi-currency environment, this option determines the basis for which exchange rates are derived for payments and collections. Even if you are only paying transactions in your base currency, for example, the reporting currency amount must still be calculated.

   Set this option to `Yes` in order to calculate the different currency values during payments and collections using the current exchange rates, as defined in **Currency Period Rates (CNP)** or **Currency Daily Rates (CND)**. Set to `No` in order to use the original exchange rates (sometimes referred to as 'historic rates') that were posted on the source transactions being paid or collected. Set this option to `Default` in order to use the default setting for the ledger, as defined on the **Currency** tab of the **Ledger Setup (LES)**.

   If the associated option on the **Ledger Setup (LES)**, **Pay at Current Rates**, is set to `No`, you cannot set it to `Yes` on any payment profiles.

   Note: If the current rates used for payments or collections are different from the historic rates posted on the source transactions, then balancing and rounding transactions may be generated in order to allocate the payment or collection journal to the source transactions in the necessary currency values.

   Rates Override

   In a multi-currency environment, this option determines whether the derived currency exchange rates can be overridden during Payment Run (PYR) and Payment Collection Run (PYC). Set this option to `Yes` in order to display the **Currency Rates Override** form during payments and collections, allowing amendment of the currency exchange rates.

If the associated option on the **Ledger Setup (LES)**, **Rates Override**, is set to `No`, you cannot set it to `Yes` on any payment profiles.

Currency Selection

In a multi-currency environment, this option refers to the currency selections on the **Currency Threshold** and **Additional Currencies** tabs. This determines whether the currency selections in this payment profile refer to the Transaction Currency (Value 2), or the 4th Currency (Value 4). This does not refer to the payment currency, which is determined using the **Currency For Payments** option.

Currency Rate Type

Currency Rate Types can be used for specific Payment Profiles so that when a payment journal is posted using this payment profile, the selected currency rate is automatically used. The currency rate type is only used if `Pay at Current Rate` is selected.

Select a currency rate type from the list. If it is not specified the `DEFAULT` rate type is used.

Retain V4 Currency Code on Supplier

Indicates whether the Value 4 currency code, if used and defined as variable, is included on payment transaction lines posted to the supplier account.

Retain V4 Currency Code on Bank

Indicates whether the Value 4 currency code, if used and defined as variable, is included on payment transaction lines posted to the bank account.

Note: You can modify the **Retain V4 on Payment Lines** options only if the **4th Currency Posting Rule** is set to `1-Only Present if Entered` in Business Unit Setup.

3 Save your changes.

Printing the Payment Profiles

The Payment Rules Report lists the payment profile definitions.

Understanding the payment run in more detail

The topics in this section discuss payment run in more detail.

How Transactions are Selected for Payment or Collection

The transactions included in a payment run, or a payment collection run, are determined initially by the method you choose to initiate the payment or payment collection run.

If you initiate a Payment Run (PYR) from a control desk, the transactions considered for payment are those displayed on the control desks in-tray.

You cannot initiate a payment collection run from a control desk.

If you run Payment Run (PYR) or Payment Collection Run (PYC) directly from SunSystems, the transactions are selected at run-time by a combination of:

- the selection criteria defined in the payment profile chosen at run time
- the run time selection criteria entered for the payment run, or payment collection run.

These payment profile selection criteria may also be overridden by particular system, account or transaction settings.

The payment profile selection criteria determine the accounts selected for payment, then within this, the transactions selected for payment.

Note: A transaction can only be selected for payment, if its account is selected for payment.

Which Transactions are Selected for Payment

A payment profile contains the following selection criteria that determine whether or not a transaction is selected for payment:

- Base or Transaction Currency Code
- Allocation Marker
- Journal Source
- Journal Type
- Transaction Reference
- Ledger Transaction Analysis Codes (1 to 10)
- Amount Threshold, when it applies to transactions
- Payment Due Date, depending on the run time Base Date for Payment
- Discount Due Dates, depending on the run time Base Date for Discount and Next Payment Date.

Some of these criterion can be entered at run-time.

The transaction selection criteria is overridden in the following circumstances:

- transactions with a Withheld allocation marker are excluded from all payment runs
- transactions with an allocation marker of Force are always included in the payment run, provided the account is included
- transactions with a numeric allocation marker are only selected if the marker is greater than the number set in the **Minimum Allocation for Payment** field on **Ledger Setup (LES)**.

The following payment run and payment collection run selection criteria also determine whether or not a transaction is selected for payment:

- Base Date for Payment
- Base Date for Discount (Payment Run only)
- Next Payment Date (Payment Run only).

Note: A transaction must meet all of the payment profile criteria to be considered for payment or collection. However, it may still be rejected by the payment run or payment collection run selection criteria

If the transactions selected for payment on a particular account result in a net debit total due for payment, Payment Run does not forward the transactions for payment. Instead it identifies these transactions on the payment run details report.

Finally, a Payment Limit can be set for a payment run or payment collection run. This is the maximum amount that can be paid or collected in the run. If this limit is exceeded by the payment or payment collection run, the run is abandoned and no accounts are paid or collected.

Preventing Accounts and Transactions Being Paid

You can prevent any payments being generated for a supplier, for example, if you have an ongoing dispute. Similarly, you can prevent particular transactions being paid.

To Prevent Payments to a Supplier (or Collections from a Customer)

To prevent any of a supplier's transactions being considered for payment until further notice, or a customer's transactions being considered for collection, you should suspend the creditor/payables or debtor/receivables account.

You do this by selecting **Action > Suspend** in Supplier (SUS) or Customers (CUS).

You can still enter transactions onto a suspended account. However, the account will not be selected for payment or collection.

Note: Supplier and customer accounts are linked to a corresponding chart of accounts code. If you want to prevent the supplier or customer account transactions being selected for payment or collection you must suspend the supplier or customer account, not the chart of accounts code.

To Prevent a Transaction Being Paid

To prevent a transaction being paid until further notice, set the allocation marker on the transaction to Withhold.

You can also the delay the payment for the transaction, by altering the payment due date to exclude it from the payment run.

You must use Account Allocations (ACA) to amend the transaction details.

Using Due Date to Select Transactions for Payment

The due date is the date on which a transaction is due to be paid according to the agreed settlement terms. The due date on a transaction can be entered on the transaction, or it can be calculated from another date on the transaction using the payment terms held in a payment terms code.

The due date may be defined as follows:

1. If a payment terms code applies to the transaction, the payment terms can be used to calculate the due date. The due date is usually calculated from the transaction date. The payment terms typically default to those assigned to the supplier, but a different terms code can be entered on the transaction itself.
2. A due date can be entered manually on the transaction, overriding any calculated due date.

3 If the **Override Ageing/Discount** field is set for the journal type, the transaction date is used as the due date. This date overrides both a calculated or manually entered due date. This would typically be used for credit notes.

If a payment profile is used to select the transactions for a payment run, the payment profile run selection criteria determine the accounts selected for payment. The **Payment Basis** option chosen for the payment profile determines how the outstanding transactions on these accounts are selected for payment. The following payment options use the due date as part of the selection criteria:

- `Due Date` - a transaction is selected for payment if the transaction due date is on, or before, the Base Date for Payment entered on the payment run, or payment collection run.
- `Allocation Marker and Due Date` - a transaction is selected for payment if it contains a valid numeric allocation marker and the due date is on or before the Base Date for Payment.

Exceptions to the Standard Selection Criteria

The due date on transactions is ignored, and the transaction is always selected for payment if:

- the allocation marker on the transaction is set to Force.
- the transaction is eligible for discount in the current payment run and is not eligible in the next payment run, according to the Next Payment Date.

Transactions with an allocation marker of Withhold are never selected for payment.

If you select the `Allocation Marker Only` payment basis in the profile, transactions are selected by numeric allocation marker, regardless of the due date.

Using Allocation Markers to Select Transactions for Payment

Each transaction has an allocation marker and you can use this marker to select transactions for payment.

The allocation markers that can be used to retrieve transactions in a payment run are:

- Force allocation marker identifies transactions to be settled regardless of due date.
- 0-9 numeric allocation markers can be used to select transactions at different stages of a bill of exchange, and so on.
- Withhold allocation marker can be used to exclude transactions from a payment run. For example, you might use it for disputed transactions.

Note: You can use Account Allocations (ACA) to amend an allocation marker after a transaction is posted, or Journal Types (JNT) to set the allocation marker on transactions on entry.

The payment profile determines whether or not the allocation marker is to be used as one of the transaction selection criteria, and also how it is to be used.

The **Payment Option**, set in a payment profile, allows you to select transactions for payment based on the allocation marker alone, or the allocation marker in conjunction with the payment due date. The following options are available:

- Force only selects transactions with an allocation marker of Force within the other selection criteria.

- Due Date selects transactions with a due date on or before the Base Date for Payment you enter at run time. Any transactions with an allocation marker of Force are always included. Transactions with a Withhold marker or any numeric markers (0-9) are excluded.
- Allocation Marker in Payment Run selects transactions with the allocation markers you choose at run time.
- Allocation Marker and Due Date selects transactions according to the range of allocation markers and due date you select. A transaction must have an allocation marker in the chosen range, and a due date on or before the Base Date for Payment you enter at run time. The range of allocation markers can be preset in the profile and entered at run time.
- Allocation Marker Only selects transactions by allocation marker, ignoring the due date. The range of allocation markers can be preset in the profile and entered at run time.

If you select either the Allocation Marker and Due Date or Allocation Marker Only payment option, you can enter the range of allocation markers to be used for the profile in the **Allocation Marker From/To** fields.

If you want the user to be able to choose the allocation markers at run time in Payment Run (PYR), you must select Allocation Marker as one of the run time selection criteria. The range of allocation markers entered at run time overrides the range entered on the profile.

Note: The **Minimum Allocation for Payment** field on **Ledger Setup (LES)** restricts the numeric allocation markers that are selected for payment.

What Postings are Generated by Payment Run?

Payment Run (PYR) generates the following payment transactions, providing the **Post Transactions** option in the **Payment Run (PYR)** dialog is set to `Yes`:

- a payment transaction for each creditor/payables account, or client account, for the net amount paid which is the gross amount less discount.
- one or more transactions to post the total payment amount for each creditor to the payment accounts. This is the bank account posting. The supplier code and description are included in the journal line description.
- optionally, a discount transaction (including any tax) is generated for the discount account, and another transaction is generated to post the tax on any settlement discount to the tax account. A separate discount transaction is posted to the supplier account for each invoice.

The payment transactions generated have a journal type of SYSTM and a journal source of PAYMT. The settlement discount transactions generated have the journal source PAYDS.

Each transaction that is paid, and the payment transaction itself, is given the allocation marker of Paid. They are assigned the next allocation reference, and the current allocation date and period. If you specify `Single Payments` as the payment method in the **Payment Run (PYR)** dialg, a separate allocation reference is generated for each payment.

Note: If the **Non-Match of System Payments** option is set in **Ledger Setup (LES)**, an authorized user can choose not to match the transactions. In this case the allocation marker is set to Paid Unmatched on all of the transactions, including the payment transaction. These transactions must be matching using any of the matching functions, for example Account Allocations (ACA).

Payments are not generated for transactions in future periods.

The Payment Account Posting

The payment account to which the payments are posted can be entered on **Payment Run (PYR)**. Alternatively, it can be preset for a payment run in the payment profile using Payment Profiles (PYP). In a multi-currency environment, separate payment accounts may be used for different currencies using Currency Codes (CNC).

A separate payment account posting is made for each creditor/payables account payment. It identifies the supplier in the transaction description.

If you are making payments using the Bank payment method, the payment account posting is summarized into a single transaction for the entire payment run, if you set the **Single Transaction to Payment Account** option.

Analysis Codes

Normally SunSystems consolidates all transactions belonging to a particular creditor/payables account, regardless of the analysis codes, and posts a single balancing payment transaction to the creditor account for the payment amount.

If you click **Amend Consolidation**, you can consolidate the postings according to selected ledger transaction analysis codes. You can also use the Consolidation form to assign analysis codes to the payment transaction. Similarly, click **Bank Analysis** to assign analysis codes to the bank (payment account) transaction.

You can also use Business Rules to set or validate analysis codes on the generated transactions. If you use both Consolidation and Business Rules for this function, the analysis codes validated and set by Business Rules are definitive, and if different, override the codes set by Consolidation.

Payment Stamps

If payment stamps are used to group the transactions for payment within a creditor/payables account, a separate payment and payment account posting is generated for each set of transactions with the same payment stamp. The payment stamp from the transactions is also added to the payment transaction.

Provisional Postings

If provisional postings are mandatory for the business unit, all of the postings made by Payment Run (PYR) are provisional. If provisional postings are optional, you must choose to post the transactions as provisional or permanent.

A feature associated with provisional ledgers, but which can be used independently, is the ability to record a sequence code and number for each transaction line or reference in a journal. This is a useful feature, which helps to ensure data integrity. The sequence data is held on a ledger transaction analysis code.

Sequencing can be applied to system generated transactions, including those generated by Payment Run (PYR).

Can a Payment Account Become Overdrawn?

A payment, or bank account can have a debit or credit balance. Under normal circumstances SunSystems does not prevent payments being produced from a payment account that results in the bank account becoming overdrawn.

If you want to prevent a payment account being overdrawn, you can assign a payment limit to the payment run by setting the **Total Payment Limit** field in **Payment Profiles (PYP)**. This stops payments being produced once a total payment amount is reached.

You can also choose to display a warning message if a payment run takes a payment account into an overdrawn position. The message varies depending on the bank account overdrawn warning settings in operator permissions specified in the Security Console or User Manager. You can exclude the warning message altogether, display the message without the overdrawn value, or display the full message including the overdrawn amount.

The message also allows you to either abandon or continue with the payment run.

Producing One-off Payments

Goods or services may be purchased on a one-off basis, from a supplier you are unlikely to use again. You do not need to define all of the supplier details and create a corresponding creditor/payables account for these one-off suppliers.

Instead you can define a single one-off supplier and associated creditor/payables account and use this to record all of your miscellaneous purchases. You should set up the supplier in Supplier (SUS) with a payment method of Single Payment.

When you want to produce payments for these one-off suppliers, you must select the **`Single Payment`** payment method in the **Payment Run (PYR)** dialog and use the selection criteria to select your one-off creditor/payables account(s).

The payment run produces a separate payment for each transaction selected for payment on the one-off creditor/payables account. The name of the payee for the payment documents, for example cheque or remittance advice, is taken from the transaction description.

Taking Discounts and Adjusting the Tax

Some transactions may be eligible for discount when they are paid. The discount terms for a supplier or customer are identified in the payment terms. Payment terms are defined using Payment Terms (PYT) and assigned to a supplier or customer using Supplier (SUS) or Customers (CUS).

The payment terms can determine two levels of discount. These are used to calculate two discount due dates and the amount of discount available on each date. The discount terms are linked. The first discount terms identify the highest level of discount available. The second discount terms identify a lower level of discount that may be allowed after the first terms have expired. Both sets of discount terms are optional.

Taking Discount in a Payment Run

If the discount details appear on selected transactions, Payment Run (PYR) uses this information to test whether or not the transaction is eligible for either discount, and if so calculates the amount of discount on offer.

A transaction is eligible for the first discount if the discount date is on, or after, the Base Date for Discount entered in Payment Run (PYR). The discount amount is calculated by multiplying the transaction amount by the first discount percentage on the payment terms. If the transaction is no longer eligible for the first discount, then the second discount due date is checked to see whether this level of discount is still available. If it is, the discount amount is calculated using the second discount percentage.

The tests for discount eligibility are performed before the transaction due date is checked. So, if a transaction is eligible for discount, it is paid regardless of whether it is considered due for payment. This is to ensure that any eligible discount is taken. To prevent this happening, you can adjust any of the dates entered in Payment Run (PYR), that is the base date for payment, base date for discount, or next payment date.

The next payment date is particularly powerful. If, on that date, a transaction is eligible for discount, it is not paid during this payment run.

Note: Different discount rules apply to a Payment Collection Run (PYC).

Tax on Settlement Discount

When you have taken settlement discount you also have the option to calculate and record any tax included in the discount amount automatically. This is defined in the **Tax Analysis Dimension** and **Tax on Settlement Discounts** fields in **Ledger Setup (LES)**, and also in **Tax Details (TXD)**.

You can specify a tax account to record the tax included in any settlement discount amount. Postings are made to this account for each combination of analysis codes.

Pay at Current Rates - Calculation Rules

In a multi-currency environment, the **Pay at Current Rates** option in **Payment Profiles (PYP)** and **Ledger Setup (LES)** determines the basis for which exchange rates are derived for payments and collections. Even if you are only paying transactions in your base currency, for example, the reporting currency amount must still be calculated.

If you set the **Pay at Current Rates** option to `Yes` for a payment profile, the different currency values are calculated using the current exchange rates during payments and collections.

If the current rates used for payments or collections are different from the historic rates posted on the source transactions, then balancing and rounding transactions may be generated in order to allocate the payment or collection journal to the source transactions in the necessary currency values.

The following steps describe the currency calculation rules for the payment transactions, and for the currency difference transactions:

- Generating the Payment Transactions
- Generating the Currency Difference Transactions

Generating the Payment Transactions

1. The value defined as the Payment Currency is retained from the invoice(s).
2. The other values are calculated using current exchange rates, by means of the pivot currency and the Calculate From settings for each value defined in **Business Unit Setup**.
3. For each value, the amount is split by the discount rate and the tax on settlement is calculated (if applicable).
4. For Value 2, the amount and currency code are substituted with the Payment Currency.
5. If Value 4 is defined as a variable currency in Business Unit Setup, its amount and currency code are substituted with the Payment Currency unless the options for **Retain V4 on Payment Lines** in the payment profile are set to override this and retain the original fourth currency codes.

Generating the Currency Difference Transactions

1. For each allocation set, Values 1, 3, and 4 (if defined as fixed in **Business Unit Setup**) are examined in turn to determine the difference amount.
2. Value 1 must balance, therefore currency difference transactions are posted if any differences are detected.
3. For Value 2, currency differences cannot be generated into the variable currencies.
4. For Value 3, the balancing rules and post rules in **Business Unit Setup** are not applied, so that currency difference transactions can be posted if any differences are detected.
5. If Value 4 is defined as a fixed currency in **Business Unit Setup**, the balancing rules and post rules are not applied, so that currency difference transactions can be posted if any differences are detected.
6. If Value 4 is defined as a variable currency in **Business Unit Setup**, currency differences cannot be generated into the variable currencies.

What is the Payment File?

The Payment file contains details of each payment that has been generated by a Payment Run (PYR) or a Payment Collection Run (PYC). This file is used as the basis for producing the payment listings and payment documents, for example cheques and remittance advices for a payment run, or statements for a collection run.

The payment file is only produced if the **Post Transactions** option is set to `Yes` in **Payment Run (PYR)** or **Payment Collection Run (PYC)**.

Payment File Names

The payment file name contains a code that identifies the file within the business unit. This single character code can be A to Z or 0 to 9. It allows you to maintain a number of different payment files for a single business unit.

The payment file name is constructed as follows:

- `SADn-ddd` for debits

- `SAPn-ddd` for payments,

where n represents the payment/debit file indicator entered on the payment profile, and ddd is the business unit code.

Each payment file is overwritten only when Payment Run (PYR) or Payment Collection Run (PYC) is subsequently run for the same payment profile, using the same file identifier.

Note: The payment files are written to the Payment Drive identified in Business Unit Setup.

Understanding the payment collection run in more detail

These topics discuss payment collection run in more detail.

Allowing Discounts on Payment Collection

Some transactions may be eligible for discount when they are collected. The discount terms for a customer are identified in the customer's payment terms. Payment terms are defined using Payment Terms (PYT) and assigned to a customer using Customers (CUS).

The payment terms can calculate a discount due date and determine the discount percentage available to the customer. The amount of discount is calculated by multiplying the transaction amount by the first discount percentage on the account.

Note: If payment terms are used and a discount applies, the Payment Collection Run (PYC) selects the transaction for payment and allows the discount, irrespective of the discount date and payment due dates.

It is assumed that if you are collecting payment via a bank transfer, the onus is on your organization to collect the payments in time for the discount to apply. Therefore, any transactions with an eligible discount should be collected immediately.

If you do not want to allow the discount, adjust the transaction details using Account Allocations (ACA). You can also alter the customer's payment terms.

Note: If the **Immediate Settlement** option on **Customers (CUS)** has been selected, then the transaction is selected for collection in the next collection run regardless of the due date, and any discount is allowed.

What Postings are Generated by Payment Collection Run?

Payment Collection Run (PYC) generates the following payment transactions, providing the **Post Transactions** option is set to **`Yes`**:

- a payment transaction for each debtor/receivables account, or client account, for the net amount collected which is the gross amount less discount.

- one or more transactions to post the total amount collected from each customer to the payment accounts. This is the bank account posting. Separate payment accounts may be used for different currencies.
- optionally, a discount transaction (including any tax) is generated for any discount allowed, and another transaction is generated to post the tax included in this discount to the tax account.

The payment transactions generated have a journal source of DEBIT and the discounts have a journal source of DEBDS.

Each transaction that is paid is given the allocation marker of Paid, is assigned the next allocation reference, and the current allocation date and period.

The Collection Account Posting

The collection account to which the receipts are posted can be entered on Payment Collection Run (PYR). Alternatively, it can be preset for a payment collection run in the payment profile using Payment Profiles (PYP). In a multi-currency environment, separate collection accounts may be used for different currencies using Currency Codes (CNC).

A separate collection account posting is made for each debtor/receivables account receipt. It identifies the customer in the transaction description.

If you are collecting payments using the Bank payment method, the collection account posting is summarized into a single transaction for the entire payment run, if you set the **Post Single Transaction to Payment Account** option on the payment profile.

Analysis Codes

Normally SunSystems consolidates all transactions belonging to a particular debtor/receivables account, regardless of the analysis codes, and generates a single balancing credit transaction to the debtor/receivables account.

If you click **Amend Consolidation**, you can consolidate the postings according to selected ledger transaction analysis codes. You can also use the Consolidation form to assign analysis codes to the collection transactions. Similarly, click **Bank Analysis** to assign analysis codes to the bank (collection account) transaction.

You can also use Business Rules to set or validate analysis codes on the generated transactions. If you use both Consolidation and Business Rules for this function, the analysis codes validated and set by Business Rules are definitive, and if different, override the codes set by Consolidation.

Provisional Postings

If provisional postings are mandatory for the business unit, all of the postings made by Payment Collection Run (PYR) are provisional. If provisional postings are optional, you must choose to post the transactions as provisional or permanent.

A feature associated with provisional ledgers, but which can be used independently, is the ability to record a sequence code and number for each transaction line or reference in a journal. This is a useful feature, which helps to ensure data integrity. The sequence data is held on a ledger transaction analysis code.

Sequencing can be applied to system generated transactions, including those generated by Payment Collection Run (PYC).

Managing the bank transfer file

The Bank Transfer file contains the details of each payment produced by a particular Payment Run (PYR) or Payment Collections Run (PYC). These are the details required if you make or receive payments using an automated clearing system, for example BACS in the UK. You can use the bank transfer file produced as input to another application or software package which formats the transactions for the automated clearing system.

To generate the bank transfer file, you must use the payment method of Bank in **Payment Run (PYR)** or **Payment Collection Run (PYC)**. A bank transfer file is only created in the payment run when you choose to post transactions.

Note: You can use the SunSystems reporting facilities to output a text file that contains the payment details. For example, a cheque file is produced if you select the APD4 document format in Payment Documents (PYD). The default settings for the text output from APD4 assume that **Post Single Transaction to Payment Account** is set to `Mandatory` within **Payment Profiles (PYP)** and this is required for accurate content.

Controlling the Production of the Bank Transfer File

The Bank Transfer file is used to make or collect payments automatically using an automatic bank processing facility, for example BACS in the UK.

It is produced by Payment Run (PYR) or Payment Collection Run (PYC) when:

- the **Automated Bank Payments** option has been set in **Ledger Setup (LES)**.
- the customer or supplier has the **Payment Method** set to `Bank` in **Customers (CUS)** or **Supplier (SUS)**.
- the customer or supplier bank details have been defined using **Bank Details Setup (BNK)**, depending on the **Automated Bank Payments** option in **Ledger Setup (LES)**.
- the **Post Transactions** field in **Payment Run (PYR)** and **Payment Collection Run (PYC)** is set to `Yes`.
- the payment profile used has the payment method set to `Bank`.

The **Automated Bank Payments** option in **Ledger Setup (LES)** determines whether not transactions are included in the bank transfer file, if the bank details have not been defined for the customer or client. You can choose to exclude transactions from the bank transfer file for accounts that have no bank details, include the transactions but be warned of the accounts, or include the transactions and not be warned.

The name of the bank transfer file produced appears in the **Bank File Name** field on the **Payment Collection Run Bank Transfer** form.

Chapter 6: Setting up budgets

SunSystems budgeting allows you to hold budget values against accounts and analysis codes.

Understanding Financials budgetary control

SunSystems budgeting allows you to hold budget values against accounts and analysis codes.

These budget values can be used in two different ways in the system:

- To control expenditure and warn if any transactions exceed the budget available.
- To provide comparative values for actual/budget/forecast reports and inquiries.

What Budget Controls are Available?

SunSystems budgeting allows you to hold budget values against accounts and analysis codes.

These budget values can be used in two different ways in the system:

- To control expenditure and warn if any transactions exceed the budget available.
- To provide comparative values for actual/budget/forecast reports and inquiries.

A budget may be a single account code, or a combination of account code and analysis code. You can apply the SunSystems Budget Checking facility to transactions as they are entered. There are two types of budget checking available, depending on the SunSystems modules you are using:

- Expenditure checking
- Commitment checking

Expenditure checking

Over expenditure checking monitors actual expenditure against budget, for accounts you select in SunSystems Financials. As you enter or import ledger transactions for accounts, or you enter purchase invoices in SunSystems Order Fulfilment, the system checks the total actual expenditure against the allocated budget and warns if a transaction exceeds the budget defined for an account.

Using expenditure checking, the available budget is calculated as follows:

- Available Budget = Budget - Actual Expenditure - Committed Expenditure

A warning appears if the transaction amount exceeds this available budget amount. You can override this depending on various settings.

Commitment checking

Commitment checking is only available if you are using purchase orders in SunSystems Order Fulfilment.

Committed expenditure is the total of any outstanding purchase orders raised for the account/analysis code combination and represents the amount you are committed to spend for the account. When performing over-expenditure checking in ledger transactions and purchase invoices, it can be used as part of the formula to determine if a transaction exceeds a budget.

Commitment checking is used to check purchase orders as they are entered into Order Fulfilment Purchasing, to prevent orders being raised that would exceed the budget available.

Using commitment checking, the available budget is calculated as follows:

- Available Budget = Budget - Actual Expenditure - Committed Expenditure

  A warning appears if the transaction amount exceeds this available budget amount. You can override this depending on various settings.

What is Expenditure Checking?

A SunSystems budget consists of three parts.

The parts include:

Budget amount
This is the permitted budget for a budget check definition (account/analysis combination).

Actual expenditure
This is the actual expenditure against the budget. This comes either directly from ledger transactions or from purchase invoice transactions within SunSystems Order Fulfilment.

Committed expenditure
This is the approved spend from purchase orders, reserved from the available budget.

Expenditure checking monitors the actual expenditure on an account/analysis combination against a budget that has been set. Expenditure checking is used in Financials, and can apply to selected accounts if a **Budget Check Setup (BCS)** record has been defined for each account/analysis combination. Expenditure checking can also be used in Order Fulfilment when purchase invoices are entered if it is requested in **Purchase Business Setup (PBS)**.

Expenditure checking checks the ledger transactions entered into Financials for these accounts. This includes transactions entered using **Ledger Entry (LEN)** or **Ledger Import (LIM)**, and those generated by other Financials functions. If you use the SunSystems Order Fulfilment Purchasing module, it can also be used to check the values on invoice lines as they are entered.

If a transaction is entered for an account that requires expenditure checking, the total actual expenditure for the account is compared against the allocated budget. A warning is displayed if the transaction takes the account over its budget. You can override this depending on their operator group or global tolerances.

Using expenditure checking, the available budget on an account is calculated as follows:

- available budget = budget - actual expenditure - committed expenditure

How are the Budget and Actual Amounts Calculated?

The actual expenditure amount is the sum of the transactions posted to the account for the period.

The budget amount calculation for the account is more complex. It is determined by the budget check definition set up for the account. The budget can be set at different levels for an account, and may be drawn from a combination of budget accounts. The budget amount is also determined by the Budget Navigation Method set for the budget check. This identifies the accounting periods used to calculate the budget amount.

Budget Update in Order Fulfilment Purchase Invoices

When entering a purchase invoice in Order Fulfilment and budget checking is being used, the expenditure amount of the budget is updated just as if it were a ledger transaction. This means that when an invoice is entered the actual expenditure amount is increased. The account to be used is the account entered on the purchase invoice line. The analysis to be used is the analysis on the purchase invoice line.

A purchase invoice line can have many values (for example, quantity, unit price, net, taxation, gross) and these are held as value labels. The exact value label to be used to update the expenditure amount must be specified on the **Purchase Type Definitions Values Setup** form using the **Expenditure Budget Value** option. All budget values must be held in the base currency.

A purchase invoice can have several stages, invoice entry, invoice matching (to a purchase order), and invoice confirmation. The stage at which the invoice updates the budget must be specified on the **Purchase Business Setup (PBS)** dialog using the flag **Expenditure Stage**. This applies to all invoices and can be overridden on **Purchase Types (PTS)** if required for a particular Purchase Type.

Over Expenditure Checking in Order Fulfilment Purchase Invoices

Over Expenditure Checking is additional functionality used when entering a purchase invoice. This functionality is activated in **Purchase Business Setup (PBS)** and is the same as over expenditure checking in Financials transactions. When entering an invoice the available budget is checked using the formula above. If there is available budget, the invoice is allowed to continue. If there is no available budget the invoice is held and prevented from further processing. A warning message is displayed.

When performing the over expenditure check, overrides can be used. In **Purchase Business Setup (PBS)**, an exact value tolerance or a percentage tolerance can be set. These may be overridden by tolerances set up for Operator Group in Security Console or User Manager, if required. If there is no available budget, the system applies the tolerances. If the transaction is inside the tolerance, you are warned but allowed to continue processing. If outside the tolerance, a warning is displayed and the invoice is held.

If you are using commitment checking, when you match a purchase invoice to a purchase order, the committed expenditure is reduced and the actual expenditure is increased by the same amount for the account and analysis code combination. Thus, the committed expenditure is converted to actual expenditure.

What is Commitment Checking?

Commitment checking in SunSystems is the process of comparing an approved expenditure amount from a purchase order against the available budget for the ledger accounts and analysis codes corresponding to that purchase order.

Commitment checking is only available if you are using the Purchasing module in SunSystems Order Fulfilment.

Note: Commitment checking is not related to the commitment ledger. They are set up separately, and operate independently of each other. The budget checking amounts for committed expenditure are independent of any ledger posting to the commitment ledger, even though they can be configured to operate at the same time, with the same values.

What is Commitment Accounting?

Commitment accounting is a means of providing organizations with timely information concerning their anticipated cash flow and spending patterns. By recording all purchase orders raised as commitments against a budget, you can control not only your actual expenditure against budget, but also any expenditure that you have committed to, which becomes actual expenditure at some point in the future.

This is a much tighter method of controlling expenditure because it reduces the budget available for an account when a purchase order is raised against the account, rather than waiting until the actual expenditure is incurred when an invoice is received.

Commitment accounting is in two parts:

- Over commitment checking specific checking that is performed in purchase orders only and may be enabled or disabled. When entering a purchase order the system checks whether there is available budget.
- Recording committed expenditure against budget when the purchase order is approved, a corresponding portion of the budget is reserved. This amount may then be used as part of expenditure checking in ledger entry and in purchase invoice transactions. It may also be used in commitment checking.

Recording Committed Expenditure against Budget

A SunSystems budget consists of three parts:

- Budget amount the permitted budget for an budget check definition (account/analysis combination).
- Actual expenditure the actual expenditure against the budget. This is either from direct ledger transactions or from purchase invoice transactions in SunSystems Order Fulfilment.
- Committed expenditure the approved spend from purchase orders, reserved from the available budget.

When entering a purchase order in Order Fulfilment and budget checking is installed, the system updates the committed expenditure of the budget. The account/analysis combination to be updated is the account and analysis entered on the purchase order line.

Note: Budget checking must be installed. The budget check definition must exist for the account/analysis combination, with the Include Commitment option checked.

A purchase order line may contain many values (for example, quantity, unit price, net, taxation, gross) and these are held as value labels. The exact value label to be used to update the expenditure amount must be specified in **Purchase Type Definitions Values Setup** form using the flag **Commitment Budget Value**. All budget values must be held in the base currency.

A purchase order can have up to two stages, order entry and order confirmation. The stage at which the order updates the budget must be specified on the **Purchase Business Setup (PBS)** using the **Commitment Stage** flag.

Where is the Committed Expenditure Used?

When entering a ledger transaction, a purchase invoice or a purchase order, the system can perform a budget check to see what available funds remain for the budget. If Commitment Accounting is being used, then the available budget is calculated as follows:

- If the transaction value exceeds the available budget then the transaction fails the budget check and is held.

  If you want the committed expenditure to be ignored when entering financial ledger transactions, uncheck the**Include Commitment** checkbox on the **Budget Check Setup (BCS)** record.

Over Commitment Checking in Order Fulfilment Purchase Orders

Commitment Checking is additional functionality used when entering a purchase order. This functionality is turned on in **Purchase Business Setup (PBS)** using the **Over Commitment Checking** checkbox. When entering a purchase order the system checks to see if there is available budget using the formula above. If there is available budget, the order is allowed to continue. If there is no available budget the order is held and prevented from further processing. A warning message is displayed.

When performing the commitment check, overrides can be used. In **Purchase Business Setup (PBS)**, an exact value tolerance or a percentage tolerance can be set. If required, these may be overridden by tolerances on the Operator Group, defined in the Security Console or User Manager if required. If there is no available budget, the system applies the tolerances. If inside the tolerance, you are warned but allowed to continue. If outside the tolerance, you are warned and the order is held.

If you are using commitment checking, when you match a purchase invoice to a purchase order, the committed expenditure is reduced and the actual expenditure is increased by the same amount for the account and analysis code combination. Thus, the committed expenditure is converted to actual expenditure.

What is a Budget Ledger?

A budget ledger refers to a completely separate set of transactions that are used to hold another set of values, for example budget values or commitment values.

You can define several different budget ledgers for a business unit, depending on the number of budgets you want to maintain. For example, in any financial year you may need to maintain budget ledgers for:

- the current working budget, which is referred to as the primary budget
- a revised budget
- the expenditure commitments
- next year's budget under development.

For each business unit you have one actuals ledger and up to ten budget ledgers. These ledgers are identified by the letters A through K, where A refers to the actuals ledger and B to K refer to the ten budget ledgers.

A budget ledger is created using Optional Ledger Tables (OLT). Its use is identified using Budget Labels (BLB).

Two budget ledgers can be used to control expenditure: the primary budget ledger, and the purchase commitment ledger. These are identified in the Business Unit Setup.

You access a budget ledger, or return to the actuals ledger, using Change Budget (CBG).

The static data records that have been defined for your actual ledger apply to each of your budget ledgers. This means that each budget ledger contains the same set of accounts, analysis dimensions, and analysis codes as the actual ledger. It also uses the same business unit and ledger processing rules.

The majority of the Financials facilities that are available in the actual ledger, can be used in a budget ledger to enter and maintain budget values. The main budgeting forms are:

- Ledger Entry (LEN) can be used to enter or amend the budget values for an account, or account range.
- Journal Types (JNT) and Journal Presets can be used to define special budgeting transaction types and presets.
- Corporate Allocations can be used to create budget values based on values in another ledger e.g. actuals or other budgets.

The exceptions include the payment related forms, for example Payment Run (PYR), Payment Collection Run (PYC) and Payment Documents (PYD).

Note: If you are using the Fixed Asset Register, budget ledgers can be used to maintain asset budgets.

What is a Budget Check?

A budget check contains the budget checking rules for an account, or range of accounts, by identifying the budget for the accounts.

When a ledger, purchase invoice or purchase order transaction is entered for an account, the expenditure and commitment checking facilities determine whether there are budget funds available to cover the amount of the transaction. The system searches all budget check definitions to determine:

- where the account's budget is held
- whether commitment checking is required.

A set of budget values are held in a separate budget ledger for a business unit. Typically budget values are held in the 'B' ledger, with actual expenditure in the 'A' ledger.

Budget values can be held at different levels, depending on how your organization imposes budgetary control. A budget can be assigned to:

- individual accounts
- a range of accounts
- analysis codes within an account, or range of accounts.

A budget check links an account in the actuals ledger, to the account in the budget ledger that contains its budget. A budget check can link several actual accounts to the same budget account. It can also identify a number of analysis codes, if the budget is held at analysis code level.

Budget Checks are defined using Budget Check Setup (BCS).

An account can be checked against a combination of the budgets available at analysis code and account level. For example, a marketing budget may be allocated across a number of departments at analysis code level, but if a particular department's budget is exhausted it may be able to use a budget allocation held at the marketing account level.

At What Levels Can the Budget be Set

Budget Check Setup (BCS) is used to define the budget control rules for each account, or range of accounts, that have a budget allocation. Set up a budget check to link actual ledger accounts to the budget ledger accounts that contain their budget allocation.

You can define budget checks to link actual and budget accounts in the following ways:

- at account level, to link a single ledger account to a single budget account. For example to check a building maintenance cost account against a budget allocated to this account
- at a summary level, to link a group of ledger accounts to a single budget account. For example to check a number of advertising accounts against a total advertising budget allocation
- at account/analysis code level, to link one or more actual accounts to a budget account where the budget values are set for selected analysis dimensions within the budget account.

You also determine for a budget check, whether the total committed expenditure should be included in the expenditure checking.

Checking Budgets at Account Level

You can define a budget for each account in your chart of accounts, and hold the budget values in the corresponding account in the budget ledger.

Alternatively, the budget for an account in your actuals ledger may be held in a different account in the budget ledger.

Checking Budgets at a Summary Level

You can define a high level budget and use this to control the expenditure for a range of actual accounts. For example, you might have a number of advertising expense accounts in your actual ledger that you want to monitor against a single, total advertising budget.

Enter the budget value into any account in the budget ledger within the corresponding range of actual accounts. For example, into the first account in the account range. You then define a budget check that selects the range of actual accounts and links them to the budget account that contains the total funds.

Checking Budgets at Analysis Code Level

You can also record and monitor budget values at an analysis code level, within a budget account. For example, if you want to maintain and monitor a marketing budget by department, where the department is identified in an analysis dimension on the ledger transactions.

When a ledger transaction is entered for the account code and analysis code combination, the transaction value is checked against the budget posted for the corresponding account/analysis code combination.

You can vary the type of budget checking that applies to selected analysis codes. When you define the analysis codes for a dimension using Analysis Codes (ANC), the Budget Checking option determines whether budget checking is allowed for an analysis code and if so, the type of budget checking required.

When a budget is held at the analysis code level, the following budget checking options can be set for each analysis code:

- Budget Checking Not Required -Do not check the budget for this analysis code. For example, a marketing budget is spread by department but no budget is set for department X and no budget checking is required at all when marketing costs are entered for this department.
- Allow Budget Checking - Check the budget for a combination of analysis code and account. For example, once department A's marketing budget has been exhausted, the budget checking facility looks to see if the marketing account has sufficient funds available. An over budget warning is only produced when both the departmental budget and account budget have been used. This checking is invoked if the **Combined Budget Check** option is set for the analysis code in **Analysis Codes (ANC)**.
- Allow Budget Checking at Account Level Only - Check the budget for account only. For example, a marketing budget has not been set for department Z, but a contingency budget has been set for the marketing account. Any marketing costs entered for department Z should be checked against the contingency budget held at the account level. An over budget warning is produced if the transaction exceeds the funds available for the marketing account.

Note: If you create a budget check setup for an account and analysis code combination that has no budget, all transactions posted to that combination are treated as over expenditure.

Combined Analysis Code Budget Checking

When you define a budget check you can select up to five analysis dimensions for budget checking. This means you can set a budget at an extremely detailed level, by entering it for a large number of analysis code combinations, for a particular account.

For example, you can set a budget for marketing expenses, analyzed by cost centre, department and product.

When you enter a ledger transaction to the account, the analysis codes entered on the transaction are compared with the budget check account/analysis code combinations. The budget checking process looks for a budget check definition with the same account/analysis code combination. If no match is found, the budget is assumed to be zero and all transactions are treated as over expenditure.

Note: If a budget check definition has not been defined for an account, budget checking does not take place.

If you have set **Combined Budget Check** for the analysis codes in **Analysis Codes (ANC)**, the budget checking process searches for a budget that references only some of the analysis codes referenced on the transaction.

In this situation, the order you define the analysis codes in the budget check definition is important because it determines the search sequence.

The Budget Check Analysis Code Search Sequence

If combined budgets are allowed for analysis codes, budget checking uses the following search logic to find the most suitable budget check definition to apply.

The budget check search sequence is as follows:

1. A search is made for a budget check set up for all of the referenced analysis dimension codes, for the budget account.
2. A search is made for a budget check set up with the least significant, fifth, analysis dimension code blank.
3. A search is made for a budget check set up with the fourth analysis dimension code blank, and the fifth code present.
4. And so on according to the chart below, until ...
5. A search is made for a budget check set up with all of the analysis dimensions blank, that is against the budget at the account level.

Note: Searching stops if the **Budget Checking** option, in **Analysis Codes (ANC)**, for the least significant analysis code being searched, is set to **`Budget Checking not Required`**. The least significant analysis code is the final code to contain a value. For example, if the **`Budget Checking not Required`** option was set for Analysis Code 3 in the example below, the search will stop at step 4.

Search Step	Analysis Code 1	Analysis Code 2	Analysis Code 3	Analysis Code 4	Analysis Code 5
1	X	X	X	X	X
2	X	X	X	X	
3	X	X	X		X
4	X	X	X		
5	X	X		X	X
6	X	X		X	
7	X	X			X
8	X	X			
9	X		X	X	X
10	X		X	X	
11	X		X		X
12	X		X		
13	X			X	X
14	X			X	
15	X				X
16	X				
17		X	X	X	X
18		X	X	X	
19		X	X		X
20		X	X		
21		X		X	X
22		X		X	

23	X			X
24	X			
25		X	X	X
26		X	X	
27		X		X
28		X		
29			X	X
30			X	
31				X
32				

Maintaining Multi-Currency Budgets

When entering budgets against accounts, they are entered in exactly the same way as actual ledger transactions. However, budgets are typically set up in the 'B' ledger, compared with actual transactions in the 'A' ledger, which are defined in Business Unit Setup. All multi-currency posting rules and options apply when entering budget transactions. So, if you enter a transaction currency amount on a budget transaction, this currency value is converted into the base currency and both values are maintained on the ledger transaction.

You can use the reporting functionality to report against any of the budget values held in the budget ledgers. So, if you have entered budget transactions in mixed currencies, you can report against these currency budgets. This is the same as reporting against the transaction in the actual ledger, and the Journal Listing is one report that can be used to report on transactions in the budget ledger.

Note: The budget checking facility is performed on the base currency values only. Budget, commitment and expenditure totals are held in the base value only.

How are Transactions Checked Against Available Budget?

Note: Budget checking and ledger posting are not related. They are set up independently, and operate independently, of each other. This topic refers to budget checking functionality and not to ledger posting functionality. The budget checking amounts for committed and actual expenditure are independent of any ledger posting to the commitment ledger and actual ledger. However, budget checking and ledger postings can be configured to operate at the same time, with the same values, but you must be aware of the differences.

When is Budget Checking Carried Out?

Budget checking is carried out for ledger transactions if you define any budget checks for account/analysis combinations in **Budget Check Setup (BCS)**. For the same account/analysis combinations, budget checking is also performed for purchase invoices if the **Over Expenditure Check** option is selected in **Purchase Business**

Setup (PBS); or for purchase orders if the **Over Commitment Check** option is selected in **Purchase Business Setup (PBS)**. Then, when actual transactions are entered, the budget checking process validates each transaction to ensure it meets the budgetary controls set.

Budget checking begins by finding the budget check definition for the account referenced on the transaction. This is the account code on the ledger, purchase order or purchase invoice line. The system uses this account code to see if it falls within any budget check setup account code ranges.

If the account is not covered by a budget check, the transaction is accepted without budget checking.

If a budget check applies to the account, the budget check definition identifies the budget account, and any optional analysis codes, that contain the budget for the account.

Available Budget

Budget amounts are held as unique combinations as follows:

- Account Code
- Period
- Analysis Code 1 (optional - dependant on Budget Check Setup)
- Analysis Code 2 (optional - dependant on Budget Check Setup)
- Analysis Code 3 (optional - dependant on Budget Check Setup)
- Analysis Code 4 (optional - dependant on Budget Check Setup)
- Analysis Code 5 (optional - dependant on Budget Check Setup).

Budget checking calculates the remaining budget available for the account, analysis code, and period combination to see whether there are sufficient funds available to meet the transaction. For each combination, the available budget is calculated as follows:

Available budget = budget - committed expenditure - actual expenditure

All budget amounts are held in the base currency.

What is a Transaction?

The budgeting process checks each individual transaction as you enter it, to ensure it doesn't exceed the available budget for the account and analysis codes. A transaction is either a purchase order, a purchase invoice, or a certain ledger transaction such as ledger entry, ledger import, and so on.

For purchase orders or invoices, budget checking can be carried out either line by line, or on the entire document, depending on the settings on the **Purchase Types (PTS)** or **Purchase Business Setup (PBS)**.

Navigation Methods

When a transaction is entered, it consumes budget starting with the current period. That is, for purchase orders and invoices, it is the current purchasing period; for ledger transactions, it is the current financial period.

The available budget is checked and consumed for this period first. If there is not sufficient available budget in this period, budget is consumed from other periods depending on the navigation method that has been defined. This is defined either using an analysis code or **Budget Check Setup (BCS)**.

The following tables show examples of how different navigation methods consume budgets in different ways, and the order in which budgets are consumed:

Assume that the current period is 03/2012, and that a transaction of 100 USD is entered.

						Consumed Budget
Account	Period	Budget	Committed Expenditure	Expenditure	Available Budget	Current Period
A	01/2012	100 USD	20 USD	30 USD	50 USD	
A	02/2012	100 USD	30 USD	40 USD	30 USD	
A	03/2012 (current period)	100 USD	20 USD	30 USD	50 USD	50 USD fail
A	04/2012	100 USD	10 USD	30 USD	60 USD	
A	05/2012	100 USD	40 USD	30 USD	30 USD	

Assume that the current period is 03/2012, and that a transaction of 150 USD is entered.

						Consumed Budget
Account	Period	Budget	Committed Expenditure	Expenditure	Available Budget	Previous and Future, Previous First
A	01/2012	100 USD	20 USD	30 USD	50 USD	50 USD third
A	02/2012	100 USD	30 USD	40 USD	30 USD	30 USD second
A	03/2012 (current period)	100 USD	20 USD	30 USD	50 USD	50 USD first
A	04/2012	100 USD	10 USD	30 USD	60 USD	20 USD fourth
A	05/2012	100 USD	40 USD	30 USD	30 USD	

On the **Budget Check Setup (BCS)** you can define whether single year or multiple years are used. Single year means that budget checking only uses periods in the current year, whereas multiple years means that budget checking uses periods from all years.

Tolerances

If the transaction amount exceeds the available budget, the budget tolerance percentage or amount defined on the **Ledger Setup (LES)** or **Purchase Business Setup (PBS)** is taken into account. If the budget deficit is within the tolerance allowed, the transaction is allowed, and a warning message is displayed.

Using Miscellaneous Permissions, available in the Security Console or User Manager, you can allow operators to override the overspend warning and post transactions despite an insufficient budget being available.

Failing Budget Checking

If a transaction fails budget checking, the transaction is held and a message is displayed. A transaction can pass budget checking by one of the following methods:

- Reducing the transaction value so that it is less than the available budget.
- Allowing the user with higher tolerance overrides to process the transaction.
- Increasing the amount of budget for the account/analysis/period combination. This could be by reallocating budgets.
- Using a different account/analysis/period combination depending on the navigation method.

If none of the above methods can be used to release the transaction, it cannot be processed and should be cancelled.

Purchase Orders and Purchase Invoices

A purchase order updates the committed expenditure amount. When an invoice is matched to a purchase order and passes the budget checking stage, the following occurs:

- Committed expenditure amount is reduced for the periods whose budget is consumed.
- Actual expenditure amount is increased for the periods whose budget is consumed.

A purchase order reserves budget from a specific period (or periods). When the corresponding invoice is processed, the amount changes from a reserved budget amount to an expenditure amount for that period, regardless of the period in which the invoice is processed.

For example, a purchase order reserves budget from periods 03/2006 and 04/2006. The reserved budget amount is recorded in periods 03/2006 and 04/2006. An invoice is received in period 06/2006 and is matched to the purchase order. The reserved budget amount is reduced for periods 03/2006 and 04/2006, and the expenditure is increased for these periods, not for period 06/2006.

Finding the Budget Check for an Account

A Budget check definition identifies the budget account that must be checked for the account referenced on the transaction. The budget checking process looks for the most appropriate budget check definition for the account.

Initially, a search is carried out to locate a budget check that relates solely to the account referenced on the transaction. If one is not found, a search is carried out for a budget check that has been defined for a range of accounts that includes the account on the transaction.

This allows you to exclude selected accounts from the total budget defined for an account range. For example, you may have a total budget allocated to advertising which includes a large amount for TV advertising. You could set up a specific budget check for the TV advertising expense account and enter the budget allocated to this account alone. You could then set up another budget check for the remaining advertising accounts. The account range assigned to this budget check may reference the TV advertising account but this is immaterial. When a transaction is entered for the TV advertising account, the checking process will use the budget check for the TV Advertising account. When a transaction is entered for any other advertising expense account, the checking process will not find a specific budget check for the account and so will use the budget check that references the range of advertising accounts.

If you create a budget check for a combination of account codes and analysis codes that has no budget, a zero budget is created. This means that every transaction posted to that combination of account codes and analysis codes is treated as exceeding budget.

If you have set the **Combined Budget Check** option in **Analysis Codes (ANC)**, transactions are posted against the most specific budget available. If this has been exceeded, a less specific budget is used if one is available.

Note: If a transaction is reversed by a separate transaction, the reversal is made against the least specific budget available. This means that if you reverse a transaction, you may find that this does not have the opposite effect of the original transaction on available budget figures. However, amending an order in Purchasing or a provisional transaction in Financials ensures that the budget previously affected is adjusted.

Setting up budget checking

This section discusses setting up budget checking in more detail.

Setting up expenditure checking

The following steps are required to establish expenditure checking in SunSystems Financials:

1. Create the tables required to hold the budget ledgers, using Optional Ledger Tables (OLT).
2. Label the budget ledgers using Budget Labels (BLB).
3. Select the business unit in Business Unit Administration (BUA), and select **Amend** from the **Action** menu to display the business unit setup form.
4. In Business Unit Setup, enter the **Primary Budget Ledger Code** to identify the budget ledger that is used to hold the budget values.
5. In Ledger Setup (LES), check the **Over expenditure check** option and define the budget tolerance percentage and/or amount if you want those tolerance settings to be used during expenditure checking.
6. Use Budget Check Setup (BCS) to define the budget checking rules to link actual accounts to the budget accounts that contain the allocated budget values.
7. Enter the budget values using any of the ledger transaction input facilities:
   - **a** Change to the budget ledger using Change Budget (CBG).
   - **b** Use Ledger Entry (LEN), Ledger Import (LIM) or Corporate Allocations to post the budget values. Normally, the budget value is entered as a debit.

   The following steps are required in order to implement budget checking in SunSystems Order Fulfilment purchase invoices. This allows purchase invoices to be entered and budget expenditure amounts to be updated. It is assumed that the budget has been created in SunSystems Financials as shown above:
8. In Purchase Business Setup (PBS), set the **Budget Update Basis** to be either `order` (i.e. entire invoice) or `line`. If set to order, the entire invoice is entered before any budget functionality is processed, otherwise budget checking if performed line by line.
9. In Purchase Business Setup (PBS), set the **Expenditure Stage** to be `Invoice Entry`, `Invoice Matching` or `Invoice Confirmation`. This can be overridden by setting the **Expenditure Stage** flag in Purchase Types (PTS).

10 In the Purchase Type Definitions Values Setup form set one value to be used in budget checking using the **Expenditure Budget Value** flag. All budget values must be held in the base currency.

The above allows purchase invoices to be entered and budget expenditure amounts to be updated. If a budget is exceeded then no action is taken. The following implements Over Expenditure Checking for purchase invoices, and if a budget is exceeded you are warned or prevented from continuing:

- In Purchase Business Setup (PBS), tick the **Over Expenditure Check** flag.
- If required set any Over Expenditure checking tolerances. In Purchase Business Setup (PBS), set a percentage or a value to be used on all purchase invoices. This can be overridden by the settings for a particular operator group, which are maintained using Security Console or User Manager. If the transaction is over budget but under tolerance, you are warned but are allowed to continue. If over budget and over tolerance you are prevented from continuing.

No ledger interfaces postings are required to perform budget checking in SunSystems Order Fulfilment.

Setting Up Expenditure and Commitment Checking

Note: Commitment checking is only available if you are using the Purchasing module in SunSystems Order Fulfilment.

The following steps are required to establish expenditure and commitment checking in SunSystems Financials:

1 Create the tables required to hold the budget ledgers, using **Optional Ledger Tables (OLT).**

2 Label the budget ledgers using **Budget Labels (BLB)**.

3 Select the business unit in **Business Unit Administration (BUA)**, and select **Amend** from the **Action** menu to display the business unit setup form.

4 In **Business Unit Setup**, enter the following details to identify the budget ledgers that are used to hold the budget and commitment values:
   - Primary Budget Ledger Code
   - Purchase Commitment Ledger

5 In **Ledger Setup (LES)**, check the **Apply Budget Tolerances** check box and define the budget tolerance percentage and/or amount if you want to those tolerance settings to be used during expenditure checking.

6 Use **Budget Check Setup (BCS)** to define the budget checking rules to link actual accounts to the budget accounts that contain the allocated budget values.

   Note: To include any committed expenditure amounts in the expenditure checking process, set the **Include Commitment** flag for the budget check record.

7 Enter the budget values using any of the ledger transaction input facilities:
   - **a** Change to the budget ledger using **Change Budget (CBG)**.
   - **b** Use **Ledger Entry (LEN)**, **Ledger Import (LIM)** or Corporate Allocations to post the budget values. Normally, the budget value is entered as a debit.

8 The following steps are required to implement budget checking in SunSystems Order Fulfilment purchase invoices. This allows purchase invoices to be entered and the budget expenditure amounts to be updated. It is assumed that the budget has been created above in SunSystems Financials:

9. In **Purchase Business Setup (PBS)** set the **Budget Update Basis** to be either `order` (i.e. entire invoice) or `line`. If set to order, the entire invoice is entered before any budget functionality is processed, otherwise budget checking is performed line by line. This applies to both orders and invoices.
10. In **Purchase Business Setup (PBS)** set the **Expenditure Stage** to be `Invoice Entry`, `Invoice Matching` or `Invoice Confirmation`. This can be overridden by setting the **Expenditure** flag on a **Purchase Types (PTS)**.
11. In the **Purchase Type Definitions Values Setup** set one value to be used in budget checking using the **Expenditure Budget Value** field. All budget values must be held in the base currency.
12. The following steps are required in order to implement budget checking with SunSystems Order Fulfilment purchase orders:
13. In **Purchase Business Setup (PBS)** set the **Budget Update Basis** to be either `order` (i.e. entire order) or `line`. If set to order, the entire order is entered before any budget functionality is processed, otherwise budget checking is performed line by line. This applies to both orders and invoices.
14. In **Purchase Business Setup (PBS)** set the **Commitment Stage** to be `Order Entered and Not Held` or `Order Confirmation`.
15. In the **Purchase Type Definitions Values Setup** set one value to be used in budget checking using the **Commitment Budget Value** field. All budget values must be held in the base currency.
16. The above steps allow purchase invoices to be entered and actual budget expenditure amounts updated; and purchase orders to be entered and committed expenditure amounts to be updated. If a budget is exceeded, no action is taken. The following steps are required to implement over expenditure checking in purchase invoicing, and if a budget is exceeded you are warned or prevented from continuing:
17. In **Purchase Business Setup (PBS)** set the **Over Expenditure Check** checkbox.
18. If required, set any Over Expenditure checking tolerances. In **Purchase Business Setup (PBS)** set a percentage or a value to be used on all purchase invoices. This can be overridden by the settings for a specific operator group, which are maintained using Security Console or User Manager. If the transaction is over budget but below the tolerance, you are warned but are allowed to continue. If the transaction is over budget and over tolerance, you are not allowed to continue.
19. The following steps are required to implement commitment checking in purchase orders, and if a budget is exceeded you are warned or prevented from continuing:
20. In **Purchase Business Setup (PBS)** set the **Over Commitment Check** checkbox.
21. If required, set any Over Commitment checking tolerances. In **Purchase Business Setup (PBS)** set a percentage or a value to be used on all purchase orders. This can be overridden by the settings for a specific operator group, which are maintained using Security Console or User Manager. If the transaction is over budget but below the tolerance, you are warned but are allowed to continue. If the transaction is over budget and over tolerance, you are not allowed to continue.

    Note: No ledger interface postings are required in order to perform budget checking in SunSystems Order Fulfilment.

Identifying a Budget Ledger

When a budget ledger is created it is identified by a single ledger code, B to K. You should use Budget Labels (BLB) to identify the use of the budget ledger and control access to it. Budget Labels also allows you to switch on or off the provisional posting facility for the budget ledger.

Ledger code 'A' is automatically created for the actuals ledger. This can be used to restrict access to the actuals ledger via its Data Access Group.

Use Change Budget (CBG) to switch from one budget ledger to another, or to the actuals ledger.

Note: Before you can identify or use a budget ledger, you must create the budget ledger file using Optional Ledger Tables (OLT).

Budget Labels (BLB)

1. Select Budget Labels (BLB) from the main SunSystems menu.
2. Specify this information:

   Budget Code

   The code that identifies the budget ledger.

   Name

   The name of the budget ledger. For consistency in displays and report headings it should be in upper case for example, `REVISED BUDGET`.

   Provisional Posting

   This determines whether you can post provisional budget transactions to the budget ledger. The following options are available:

   - `Mandatory` - to post all budget transactions as provisional postings.
   - `Optional` - to allow you to choose whether a budget transaction is posted as a provisional or permanent posting.
   - `Prohibited` - to prevent provisional postings and post all budget transactions as permanent.

   Data Access Group

   Data access groups allow you to apply security on the data that is maintained and viewed in SunSystems.

3. Save your changes.

Defining Budget Checks

Budget Check Setup (BCS) is used to define the checking required for each account, or account/analysis code combination, that has a budget allocation. You set up a budget check to link actual ledger accounts to the budget ledger accounts that contain the budget allocation.

Budget checks are used to control both of the budget checking options: expenditure checking and commitment checking.

You can define budget checks to link actual and budget accounts in the different ways to control the budget at different levels.

If you are using purchasing invoices in Order Fulfilment, expenditure checking is performed in the same way as in ledger transactions. If you are also using purchase orders, you can choose to include the committed expenditure in the available funds calculation.

Budget Check Setup (BCS)

1 Open Budget Check Setup (BCS) from the main SunSystems menu.
2 Specify this information:

   Account From/To

   The actual ledger account, or range of accounts, you want to be covered by this budget check definition. Any transactions you enter for these accounts are checked against the budget allocated to the chosen budget check account.

3 Save your changes.

General

1 Click the **General** tab in the Budget Check dialog.
2 Specify this information:

   Budget Check Account Code

   The account in the budget ledger that contains the budget allocated to the account, or range of accounts, selected in the **Account From/To** field above. When entering a budget amount in the budget ledgers using ledger entry, this is the account that the budget must be entered against.

   Budget Navigation Method

   SunSystems budget records are held against an accounting period. When entering a purchase order, purchase invoice, or ledger transaction, budget can be consumed from one period or from many periods. The navigation method defines how the budget is consumed for the specified period.

   How many periods in the past or future that are checked depends on the Budget Type, Single or Multi-Year, as described below.

   If analysis dimensions are being used to hold a budget, there is the same option for each analysis code. The setting on the analysis code takes priority over this setting.

   The available budget is checked against a period and is calculated as follows:

   available budget = budget - committed expenditure - actual expenditure

   Budget checking 'consumes' budget from the current period first. If there is insufficient available budget in this period, other periods are checked and the budget is consumed in order. If there is still insufficient available budget, the budget checking fails.

   - **`Period Budget only`**

     Check the available budget for this period only.

   - **`Previous Periods`**

Start checking in the current period and consume budget. If there is insufficient budget, check the previous period for sufficient available budget. If there is insufficient budget, check the preceding period, and so on.

- **`Future Periods`**

  Start checking in the current period and consume budget. If there is insufficient budget, check the next period for sufficient available budget. If there is insufficient budget, check the next period, and so on.

- **`Previous and Future - Previous First`**

  Start checking in the current period and consume budget. If there is insufficient budget, move backward one period at a time, consuming available budget. Then move forward from the current period one period at a time, consuming available budget.

- **`Previous and Future -Future First`**

  Start checking in the current period and consume budget. If there is insufficient budget, move forward one period at a time, consuming available budget. Then move backward from the current period one period at a time, consuming available budget.

- **`Not Applicable`**

  Select this option if you want to use the navigation method defined in **Analysis Codes** for the specific analysis codes entered on the ledger transaction. If those analysis codes also have their navigation method set to **`Not Applicable`**, then this budget check record is skipped.

Budget Type

This determines whether the budget applies to a single year, or multiple years.

If set to a single year and the budget navigation method is set to previous, future, or either of the previous and future options, then the budget is only for that accounting year. For example, if the current period is 1, you cannot use any excess amount from the previous period as it is in the previous year (that is, a budget for one accounting year only). If the current period is 3, however, you can use any excess amount from periods 2 and 1, but not from before period 1. The same principle applies in reverse for future accounting years.

If set to multiple years, there is no such restriction and all budgets for all years can be used.

Include Commitment

This flag determines whether the committed expenditure is included in the calculation of available budget.

Note: This field applies to budget checks in SunSystems Financial ledger transactions only, and not to purchase order over commitment checking, or purchase invoice over expenditure checking, both of which are defined in **Purchase Business Setup (PBS)**.

Data Access Group Code

Data access groups allow you to apply security on the data that is maintained and viewed in SunSystems.

3 Save your changes.

Analysis

1 Click the **Analysis** tab in the Budget Check dialog.
2 Specify this information:

   Dimension 1-5

   Select up to five analysis dimensions if the budget is being set at analysis code level. To check the budget at account level only, leave these blank.

3 Save your changes.

Setting a Revised or New Year's Budget

You can maintain up to 10 different budget ledgers within a business unit and use these alongside your actuals ledger. The primary budget identified in Business Unit Setup is the budget used for budget checking. You can use other budget ledgers to hold additional budgets or forecasts. For example, revised budgets, next year's budget, or last year's budget.

Uplifting Budgets for a New Year/Period

Budgets for one year/period can be increased by a percentage to become the budgets for the subsequent financial year. This can be achieved by transfering the budgets to a spreadsheet package, manipulating the figures, and then reimporting them using Ledger Import (LIM).

This can also be achieved using the Corporate Allocations module.

Modifying Budget Checks

Once you have defined your budget controls using Budget Checks, and begun monitoring actuals against the budget allocations you should avoid amending the budget checks, particularly if you are part way through the year. If you do change the budget checks definitions once you have started to use budget control checking, none of the checks made with the old setups are updated to reflect the changes.

Rebuilding Budget Balances

Note:

Before rebuilding budget balances you are strongly recommended to:

- backup your data by backing up the entire system database.
- validate the rebuild process on a test business unit that you have copied using the copy process in Business Unit Administration (BUA), before running it on your live data.
- process all Order Fulfilment Batch Postings to the Ledger (BPL) that relate to purchase transactions, and any Ledger Import (LIM) files that correspond to budget check accounts.

What You Need to Know Before Running the Rebuild Process

It is important that you have a thorough understanding of what the budget balances are and what they are used for before you attempt to run the rebuild process. You should also know:

- what data is used as the source for rebuilding the budget balances
- what data is excluded from the rebuild process
- what data is lost when you rebuild the budget balances
- the steps involved in the rebuild process.

What are Budget Balances?

If you are using expenditure checking, SunSystems maintains a table of all defined budget checks, including the budgeted amounts and consumptions from those budgets. This is known as the 'budget balances table', and is completely separate from all of the ledgers (actual, budget or commitment).

Using the budget balances table, the available budget can be readily ascertained for any combination of budget check account, period and analysis codes, providing a budget check has been defined for that combination in Budget Check Setup (BCS).

Expenditure checking is performed against the budget balances table, and not against transactions entered in the budget ledger.

Expenditure checking can be used both for ledger transactions and for Order Fulfilment purchase invoice transactions. If you are using expenditure checking for purchase invoices, then an additional table called the 'purchase invoice consumed budget table' is used to link the budget balances to the individual lines of purchase invoices.

If you are using purchase orders in Order Fulfilment, and have defined commitment checking for purchase order entry, then an additional table called the 'purchase order consumed budget table' is used to link the budget balances to individual lines of purchase orders. The approved amount from each purchase order is registered as committed expenditure in the budget balances table, and this can be traced back to the purchase order via the purchase order consumed budget table.

Commitment checking during purchase order entry is also performed against the budget balances table, and not against the commitment or budget ledgers.

Why Rebuild the Budget Balances?

You may need to rebuild budget balances for a business unit in the event that the budget checks do not reflect the true budgetary position. Such an event is entirely possible under normal operational circumstances, and could occur if any of the following scenarios have transpired in the business unit:

- The budget balances table has important differences from the budget ledger. For example, if budget navigation method is set to future or previous periods, and the true budgetary rules of your organization only permit you to consume budget from the current period.
- The budget check definitions may have been changed within a budgetary year. For example, to take on an additional cost centre and redistribute the available budget including the new analysis code.

- Journals have been entered against an account in the budget ledger before the budget checks are defined for that account or range of accounts.
- Journals have been entered in the actuals ledger before budget transactions are posted in the primary budget ledger.
- Journals posted as reversals or corrections may have affected a different budget check from that used by the original journal that required a reversal. This could occur for example if a budget check has been defined both for the individual account and for an account range that includes the account.

Note: If a budget checking result appears to conflict with reports from the financial ledgers, it does not necessarily mean that the budget balances need rebuilding.

What Data is Used to Rebuild Budget Balances?

When rebuilding the budget balances, SunSystems considers transactions from the following data tables:

- Purchase Orders
- Purchase Invoices
- The Actual Ledger
- The Primary Budget Ledger.

Budget checks must necessarily have been previously defined using Budget Check Setup (BCS) for combinations of budget check accounts and analysis codes. Using the above mentioned four tables as source data, the budget balances are reconstructed from transactions whose accounts and analysis codes have budget checks defined against them.

Provisional transactions are included in the source data from the Actual ledger.

Note: It is not possible to specify a range of accounts, dates or periods for which you wish to limit the rebuild process. This is because all appropriate data must be taken into consideration, in chronological order, to correctly rebuild the budget balances.

What Data is Excluded from the Rebuild Process?

Any transactions that do not have budget checks defined for the accounts or analysis codes specified in their transaction lines are excluded from the rebuild process.

In Order Fulfilment, any purchase order or invoice lines that have not yet passed the budget checking stage defined in **Purchase Business Setup (PBS)** are excluded from the rebuild process. For example, held purchase orders and invoices are excluded.

In the Financials ledgers, any held journals are not included in the rebuild process.

System generated journals (journal type SYSTM) are excluded from the budget rebuild process, as indeed they are from all budget check functionality.

Historical transactions that have been archived using Ledger Cleardown (LCL) are not used in the rebuild process. However, the corresponding summary balances (posted in the ledger by the cleardown) are used.

Any data in the commitment ledger is not considered in the rebuild process.

Order Fulfilment Batch Postings to the Ledger (BPL) that have not yet been processed are excluded from the budget balances rebuild. This could mean that confirmed purchase invoices in the purchase invoice table may not yet exist as ledger transactions in the actual ledger. In such cases, the expenditure amount in the budget balances table may not reconcile with the actual ledger. Thus it is recommended that Order Fulfilment Batch Postings to the Ledger should be processed before rebuilding budget balances.

Ledger Import files that have not yet been processed are not considered in the rebuild process. These could include failed batch postings from Order Fulfilment, and thus again it is recommended that these be processed before rebuilding budget balances.

Any data previously in the budget balances table is not considered in the rebuild process. Nor is data previously in the purchase order consumed budget table, nor the purchase invoice consumed budget table.

What is Lost When You Rebuild Budget Balances?

Any data previously in the budget balances table is lost in the rebuild process, because it is specifically this table that is rebuilt by the process.

Likewise, data previously in the purchase order consumed budget table, and in the purchase invoice consumed budget table is also lost. These two tables provide links from the budget balances to individual lines of purchase orders and invoices. The tables are not fully reconstructed by the rebuild process, as these links are not required for any functional purpose once the purchase transactions have been closed. Only purchase transactions that are still open are re-linked in these tables. This should not cause any problems, but it is important to know, as any audit trail is lost from closed purchase transactions to the budgetary situation.

Overview of the Rebuild Process

Before running the rebuild, you must:

- process any Order Fulfilment batch postings relating to purchase transactions using Batch Postings to the Ledger (BPL)
- process any Ledger Import (LIM) postings that may be for budget checking accounts
- ensure that no operators are entering transactions in the ledger or in purchase order entry. This could corrupt the rebuild process.

1 From SunSystems, select Rebuild Budget Balances (RBB). The Rebuild Budget Balances form is displayed.

Description
Enter a description for this run of the rebuild process. This field is displayed on the rebuild budget balance report at the end of the process.

Business Unit Code
Display only. Displays the business unit for which the budget balances will be rebuilt.

Primary Budget Ledger
Display only. Displays the letter of the primary budget ledger defined for the business unit in Business Unit Setup.

Purchase Commitment Ledger
Display only. Displays the letter of the purchase commitment ledger defined for the business unit.

2. Click **OK**. A message is displayed asking you to confirm you have read the documentation and that you understand the consequences of the rebuild process.
3. When you finish reading and fully understand this Help topic, click **Yes** to start processing.
4. The budget balance table is cleared. The purchase order and invoice consumed budget tables are cleared.
5. The budget balance table is reconstructed using transactions. First, the total budget values are recreated using transactions in the budget ledger. Then, all of the relevant transactions from the Actual ledger, purchase orders and invoices are merged into one list, and sorted in order of their transaction date/time, oldest transaction first, so that budget is consumed in the correct chronological order. Ledger transactions are ignored if they originate from purchase invoices, so that the corresponding budget is only consumed once. The budget balances table is updated for each transaction, and if the budget is exceeded then a message is written to the log file.
6. If the rebuild is successful, a message is displayed stating that the rebuild process has completed normally. Otherwise, the process halts when an error occurs and all entries in this rebuild are reversed.
7. The Document Format Runtime Parameters form is displayed. Specify the **Document Format Code** as **RBB1**, and click **OK** to view an exception report of any errors that occurred during the rebuild process. Otherwise click **Cancel**.
8. Check that the rebuilt balances are correct, using a Control Desk to interrogate the values in the budget balances table, and if necessary using the report facilities to list details from the purchase order consumed budget and purchase invoice consumed budget tables.

Chapter 7: Setting up corporate allocations

Corporate Allocations is a powerful tool that allows you to manipulate existing ledger transactions to generate new transactions.

You can use it to split or reassign expenses and other transactions using predefined criteria. You can allocate amounts across periods, accounts, analysis codes and business units. The charges can be split, increased or decreased.

Corporate Allocations generates and posts ledger transactions, so you could achieve the same result by entering a manual journal using Ledger Entry (LEN).

However, by using Corporate Allocations you can automate the apportionment process and repeat it each period, or as often as you require.

You might use Corporate Allocations to:

- Apportion costs, for example as in Activity Based Costing - ABC.
- Post amounts across business units, for example inter-company transactions.
- Uplift a budget using actual figures as the basis.
- Calculate interest on account balances.

What are the components of an allocation?

Corporate Allocations uses allocation setups to generate a series of journal transactions.

An allocation setup can contain the following components:

- An allocation source which identifies the costs or charges to be apportioned.
- An allocation target which identifies the target account to which the costs or charges are to allocated.
- An allocation ratio which identifies the proportion of the source that is to be allocated to the target, if required.

An allocation generates balancing journal transactions to keep the ledger in balance. The balancing transaction is posted to an offset account which is identified on either the allocation source, or allocation target, depending on the type of allocation being run.

These three allocation components are identified for each of the following example allocation requirements.

Requirement	Allocation Source	Allocation Targets	Allocation Ratio

To allocate GBP 5000 of the marketing costs to International Sales Division.	Marketing Costs	Target: International Marketing costs Offset: Marketing Costs Recovered	Fixed amount of GBP5000
To allocate 30% of marketing costs to Sales.	Marketing Costs	Target: Sales marketing costs Offset: Marketing Costs Recovered	Fixed Percentage of 30%
To allocate a proportion of office costs to Sales according to the ratio of Sales department floor space to the office total floor space.	Head Office Total Costs	Target: Sales head office overheads Offset: Head Office Costs Recovered	Relative Percentage based on Sales floor space as a percentage of Total floor space.

Notice that the allocation ratio is not restricted to a predefined percentage. The ratio can also be expressed as a fixed amount, or a relative percentage determined by any other statistical or financial values held in the ledger.

Defining the allocation components

Define each of the three allocation components separately using the following forms:

- **Corporate Allocation Sources (CAS)**
- **Corporate Allocation Target (CAT)**
- **Corporate Allocation Ratios (CAR)**

Bring the components together in an allocation setup sequence using Corporate Allocation Setup (CAD).

The components are defined separately so they can be reused in different allocations, without the need to re-enter the details each time. For example, you might need to define several different allocations that apportion the same source amount to different places, or update the same target accounts, or use the same allocation ratios to apportion different types of charges.

Building the allocation setup

An allocation setup consists of one or more allocation sequences.

Each allocation sequence identifies an allocation source, target and optionally an allocation ratio, all of which determine a particular allocation instruction.

An allocation setup is defined using Corporate Allocation Setup (CAD).

Running an allocation

An allocation is executed using Corporate Allocation Run (CAL).

This executes each allocation sequence. It selects the appropriate transactions from the allocation source, calculates the amount to be allocated, and generates the transactions required to update the target and offset accounts.

Stepped or sequenced allocations

Corporate Allocations allows for stepped or sequenced allocations, where calculations are carried out in a number of stages.

For example, the costs of a marketing campaign may be divided between companies in the group based on turnover. Each company may then split the cost across sales departments on the basis of the number of units sold. The process of apportioning the campaign costs would take place in two steps. Firstly, the cost is split across group companies. Secondly, the cost is split by unit sales across sales departments. You control this by defining the point at which the allocation is posted.

Common Uses for Corporate Allocations

There are many uses for Corporate Allocations, some of which are outlined in this section.

Apportioning Expenses

If costs are posted to an expense account as a total, it may be necessary to apportion the total expense to each relevant cost centre to reflect each cost centre's operating costs accurately. This can be done in a variety of ways:

By Applying Percentages

You can define a percentage amount to be applied to each cost centre. The percentage of the source amount is then allocated to the relevant cost centre. The percentages may be maintained in memo accounts, along with any analysis to identify which cost centre the percentage applies to. During Allocation Run, the memo account is used to provide the appropriate percentage and code for each cost centre selected.

By Applying Ratios

As with percentages, ratios are defined in memo accounts. However, ratios can be used where the basis for the reapportioning is not in monetary units. For example, you can reassign a rental expense to each cost centre, depending on the floor space each cost centre occupies. In this case, the cost to each department would be calculated as a ratio of floor space. You need to retain in a memo account the square footage figures by cost centre.

By Fixed Amounts

Fixed amounts can be used for expenses which are predetermined. For example, a head office might apply a fixed monthly management charge to each cost centre for the services they provide.

Apportioning Inter-Company Costs

Corporate Allocations fully supports inter-company processing. Allocations and charges can be made across business units. The allocation postings can be placed on transfer files for distribution to remote sites where they are posted using Ledger Import (LIM).

Postings to inter-company offset accounts can be generated automatically to keep each business unit in balance.

Calculating Commissions

Corporate Allocations can be used to generate and post commissions or any other derived values. A threshold can be applied in an allocation source, which can determine, for example, the level of commission to apply.

Calculating Interest Charges

You can use Corporate Allocations to automate the generation of interest on loans. For example, you can charge interest on loans to staff, or on outstanding inter-company balances. The allocation source is the average balance of the loan, while the ratio gives the appropriate interest calculation.

Uplifting Budgets

You can use Corporate Allocations to uplift budgets. You can take actuals for the source time scale, and uplift the figures to inflate the budget by a percentage. This could be used for example, where the first quarter actuals were out of line with budgets, to adjust budgets for subsequent periods. In this case, post percentages of e.g. 110.00 or 120.00 to uplift by 10 or 20 percent.

Measuring Performance

Although performance measurement varies considerably from one organization to another, it primarily uses non financial measures. Such information can be recorded on memo accounts in SunSystems. Corporate Allocations can base calculations on non financial information contained in these memo accounts.

Activity Based Costing - ABC

The principle of activity based costing is the allocation and apportionment of overheads to the cost of producing a product or providing a service. In many manufacturing environments, overheads are allocated across departments on a simple volume basis. ABC aims to diversify the methods used to distribute costs and to pay more attention to cost types and cost behaviour. ABC recognizes the roles fixed and variable costs have in business decision making and requires the use of different allocation and apportionment methods.

Activity based costing reports can be generated by combining the information held on your ledgers with non financial information held on memo accounts.

You can use any number of allocation setups to allocate expenses. Once you have set up your allocations, you can easily analyze the costs in a form that meets your business decision making needs.

Understanding Corporate Allocations

The topics in this section discuss corporate allocations in more detail.

What are Allocation Sources?

An allocation source identifies the account, or range of accounts, to be used as the basis of an allocation.

Some, or all, of the transactions that have been posted to the source accounts are used to calculate the source amount for the allocation. When the allocation is performed, this source amount is manipulated to determine amount to be charged to the allocation target.

The allocation source determines how the source amount for the allocation are calculated. It does this by identifying the transactions for the source accounts that are included in the source amount. You can select the transactions by accounting period and by applying powerful selection criteria. You can select either budget or actual transactions for the source accounts.

Selecting the Transactions by Period or Balance

You can select the source transactions for a period of time, depending on the period, or range of periods, specified in Corporate Allocation Run (CAL). Use the **Source Amount** option in **Allocation Sources (CAS)** to determine the basis on which transactions are selected.

Filtering the Source Transactions

You may only want to allocate a particular group of the ledger transactions that have been posted to the source accounts for the chosen period. You can restrict the source transactions selected to those referencing particular analysis codes, within particular analysis dimensions.

For example, you might want to reallocate the advertising costs for product 1. You could assign a product 1 analysis code to each advertising transaction, in one of the analysis dimensions available. You could then calculate the source amount for an allocation by selecting the advertising account as the source account and restricting the transactions selected to those referencing the product 1 analysis code. The source amount would then represent the amount of advertising spent on that product alone, in the chosen period.

Note: On a single allocation source you can select one account range and up to three ranges of analysis code. If you need more than one account range, or additional analysis code selection criteria, you can enter source continuation lines.

You can also apply a selection threshold to the transaction selection process. The total of the selected source transactions must fall within the threshold range for the transactions to be used as the basis for an allocation.

Allocating the Source Transactions

You can perform two different types of allocation: a charge type allocation or a split type allocation. The choice you make depends on whether or not you want to adjust the source account itself.

- A charge type allocation generates postings to a target account and offsets the target offset account. Both of these accounts are defined in the allocation target.
- A split type allocation generates postings to a target account and offsets the source account, thereby reversing the original source transactions.

In each case you can choose to allocate 100% of the source amount, or a proportion of this amount. The proportion is defined using an allocation ratio and may reduce or inflate the source amount.

If you are reversing the original transactions using a split allocation, you can optionally reduce the number of postings made by consolidating the offset transactions, for example by analysis code.

What are Allocation Targets?

An allocation target identifies the target account for an allocation. In a standard cost allocation, this is the account to which the charge will be allocated.

The allocation target also identifies a target offset account, where it is required. Each allocation sequence can generate at least two self-balancing ledger transactions. One posts the allocation amount to the target account. The other posts the reverse amount to either:

- the allocation source account for a split type allocation or
- the allocation target offset account for a charge type allocation.

You can choose to consolidate the target posting transactions according to the analysis codes on some, or all, of the transaction analysis dimensions.

The target account for an allocation may be in another ledger, for example one of the ten budget ledgers available.

Allocating Across Business Units

The allocation target may be in a different business unit. This enables you to allocate costs across business units. If you want to allocate across business units, there are two additional important pieces of information you must define:

- the business unit to be updated
- the business unit offset accounts required to keep each unit in balance, for example inter-company accounts.

Identifying the Business Unit

If the target account for an allocation is always in the same business unit, regardless of the source transaction, you can identify the target business unit in the allocation target definition.

However, you may want to vary the business unit for the target account according to a business unit identified on the source transaction. In this case, you can use an analysis code on the source transaction to hold the

target business unit. You identify the analysis dimension that contains the business unit codes in the allocation target. The allocation target transactions are then posted automatically to the appropriate business unit.

Identifying the Inter-Company Offset Accounts

A split type allocation posts a charge to a target account and posts the balancing, reversal entry to the original source account. If the target account for a split allocation is in a different business unit to the source account, two additional inter-company, or offset, postings must be generated to keep each business unit in balance.

A source offset account is defined in the allocation source. This is the inter-company balancing account for the source business unit. A target offset account is identified in the allocation target and this is the inter-company account in the target business unit.

What Types of Allocation are Available?

Corporate allocations performs two types of allocation: charge type allocations and split type allocations.

Charge Type Allocation

A charge type allocation selects the transactions to be allocated on the allocation source accounts, calculates the amount to be allocated, and posts the resulting allocation transactions to selected target account, without affecting the original source account.

A charge type allocation might be used where you want to base the allocation on a source amount, perhaps using a predefined ratio, but do not wish to alter the source account balance. The generated transactions are posted to a target account, and the reversing entries are posted to a target offset account.

Another example of where a charge type allocation may be used is to create budgets. The budgets may be based on the original source balances, but should not affect the sources in any way.

Therefore, charge type allocations update the target account and target offset account identified in the allocation target.

Split Type Allocation

A split type allocation selects the transactions to be allocated on the allocation source accounts, calculates the amount to be allocated, and posts the resulting allocation transactions to selected target account. It also reverses the transactions selected in the allocation source, thus adjusting the allocation source accounts. This type of allocation might be used to allocate costs across business units, or to reapportion a total cost across analysis codes on the same account.

For a split type allocation, the allocation calculations are still based on the allocation source, perhaps using a predefined percentage, and the allocation transactions are posted to the target account identified in the allocation target. However, a target offset account is not used and it is left blank in the allocation target. Instead, the reversing transactions are posted back to the original allocation source accounts.

What are Allocation Ratios?

You can use allocation ratios to define how the source transaction amounts are to be manipulated to calculate the allocation amount to be posted. For example, you may want to allocate only 45% of the original source amount.

If an allocation ratio code is not assigned to an allocation in Corporate Allocation Setup (CAD), then 100% of the source amount is posted to the target account.

How is the Ratio Defined?

An allocation ratio is maintained, or determined, by the postings made to a ratio account, or range of accounts. So, when you define an allocation ratio you must identify the ratio accounts. These are often memo accounts.

The transactions posted to the ratio accounts are used to determine the ratio amount. The allocation ratio definition identifies the transactions to be retrieved for the ratio accounts. These transactions are then summed to find the ratio amount. For example, you might retrieve the year-to-date transactions, or the current period transactions, for the ratio account.

This ratio amount is then applied to the source amount of the allocation to determine the target posting amount. It is applied in one of the following ways according to the ratio basis chosen:

Fixed Amount

A fixed amount ratio is used to allocate the same value each time the allocation is run. The ratio amount calculated from the ratio account transactions is used as the allocation amount. In this case, the source amount is not used.

For example, you might want to allocate the first GBP 1500 of building maintenance costs to head office and then apportion the remainder using predefined percentages. To define the fixed amount allocation, you would post a value of GBP 1500 to the Building Maintenance Allocation Ratio memo account. This is the ratio account referenced on the allocation ratio.

Absolute Percentage

If the basis for allocation does not vary from month to month, a fixed percentage allocation can be used. This allows costs to be split by predefined percentages.

When the absolute percentage ratio basis is chosen, the ratio amount calculated from the ratio account transactions determines the percentage of the source amount to be applied to each target account.

For example, to allocate 60% of the telephone costs to the sales department you might post a value of 60 to Telephone Costs Allocation Rate memo account. You might also enter the sales department code as an analysis code on this memo account posting. This ledger analysis dimension must be referenced in the allocation ratio as the Filter Selection Analysis Dimension.

Relative Percentage

The relative apportionment method allows you to apportion the source amount of an allocation according to the ratio between two other values, held elsewhere in the ledger.

When the relative percentage ratio basis is chosen, the ratio amount calculated as the total of the ratio account transactions is used as the total for the ratio calculation. The transactions selected from the ratio account are grouped and summed according to the analysis code filter selection criteria. The ratio calculation is as follows:

(Source Amount x Ratio Amount) / Ratio Total = Target Allocation Amount

An Allocation Ratio Example

The use of each ratio basis is best illustrated using an example.

The following postings would be made to the Head Count memo account, one posting for each department. The department code is entered into an analysis dimension on each transaction.

Ledger Analysis Dimension 1 (Department)	Posting Value
1	20
2	10
3	10
4	10

An allocation ratio is defined. The Head Count memo account is the ratio account. In the filter selection, ledger analysis dimension 1 is selected.

When the allocation is run, the personnel cost to be allocated for the period is GBP 200. This is the source amount.

Fixed Amount Ratio Basis

If the **Ratio Basis** on the allocation ratio is set to **`Fixed Amount`**, the amount to be apportioned to department 1 is GBP 20. This the amount posted to the ratio account for department 1.

Fixed Percentage Ratio Basis

If the **Ratio Basis** on the allocation ratio is set to **`Fixed Percentage`**, the amount to be apportioned to department 1 is:

Source Amount (200) x 20% = GBP 40

Relative Percentage Ratio Basis

In this case we want to allocate the personnel costs across the four departments, according to the relative head count in each department. The postings made to the Head Office memo account represent the number of staff in each department.

The **Ratio Amount** option of **`Balance`** could be selected in the ratio setup so that only the increase or decrease in head count needs be posted to each period.

The ratio total is the total head count of 50. This is calculated as the total of all the memo account transactions with an analysis code entered in ledger analysis dimension 1.

If the **Ratio Basis** on the allocation ratio is set to `Relative Percentage`, the amount to be apportioned to department 1 is calculated as:

(Source Amount x Ratio Amount for Dept 1) / Ratio Total = Dept 1 Target Allocation Amount

200 x 20 / 50 = 80

What are Allocation Setups?

An allocation contains the instructions for an allocation run. An allocation setup pulls together an allocation source, its related allocation target and, where necessary, the allocation ratio required for the allocation. The allocation setup also determines whether a charge or split type of allocation is required, and controls how the ledger transactions are generated and posted.

Allocation setups are defined using Corporate Allocation Setup (CAD). You can use the Report action to produce a listing of selected allocations.

Allocation Sequencing

An allocation setup can contain a number of allocation sequences. Each allocation sequence identifies a single allocation source, allocation target and allocation ratio, if it is required. So, each allocation sequence performs an individual cost apportionment. The allocation sequence number determines the order in which the sequences are run.

For example, you may want to allocate marketing costs across different departments in the following way: 30% to production, 10% to head office and the remainder to sales. A single marketing cost allocation run would be required and it would contain three sequences, one for each department's allocation. The sales department's allocation must be the final sequence in the run to ensure it receives the 'remainder' of the total marketing cost.

Allocations are chained together like this for business reasons and for efficiency. From a business point of view, you can group together all of your logically related allocations, for example, all of your head office cost allocations.

From an efficiency point of view, by combining all the allocations in a single allocation setup you can execute them with a single instruction.

In addition, by combining the allocations into a single run you can generate just one journal which is posted at the end of all of the sequences, rather than generating one journal per allocation sequence. This speeds up the processing time and allows you to reduce the number of transactions generated by consolidating them.

Sometimes the results of one allocation sequence affect the source amount of a following sequence. If this is the case you can still combine the allocation sequences into a single allocation setup, but you must set the After Each Sequence posting option to post the allocation transactions at the end of each sequence.

Target Periods

When you define the allocation setup, you specify the periods to which the generated target transactions are to be posted. The following table shows the possible combinations and their results:

Period From	Period To	Result
blank	blank	Target transactions are posted to the Period To specified in Corporate Allocation Run (CAL).
nnn	blank	Target transactions are posted to a period nnn relative to the Period To specified in Corporate Allocation Run.
Cnnn	blank	Target transactions are posted to a period nnn relative to the current period of the source business unit.
nnn	nnn	Target transactions are distributed evenly over the range of periods, relative to the Period To specified in Corporate Allocation Run.
Cnnn	Cnnn	Target transactions are distributed evenly over the range of periods, relative to the current period of the source business unit.
=	blank	Target transactions are posted to the accounting period of the originating source transactions.

What Ledger Transactions are Generated by Corporate Allocations?

When you run corporate allocations, SunSystems carries out the following steps:

1. Using the allocation source details, it selects the appropriate transactions for the source account(s). The transactions chosen depend on the accounting period and analysis code selection criteria.
2. Using the allocation setup details it determines how the source transactions should be consolidated, if at all, and calculates the source amount.
3. If an allocation ratio applies, it calculates the proportion of the source amount to be allocated. This becomes the allocation amount.
4. Using the allocation source and target details, it generates a set of balancing ledger transactions required to post the allocation amount to the appropriate target and offset accounts.

The generated transactions can be:

- spread over a range of periods
- used to adjust a selected budget
- used to update the fixed asset register.

The journal type and journal source of the original source transactions can be retained on the generated postings. Alternatively, another journal type can be used and a new journal source can be generated.

The generated ledger transactions can be posted either at the end of the allocation run, or after each individual sequence. This is an important choice where multi-level allocations are being run.

The ledger transactions are validated and optionally posted by the **Ledger Import** process. If the generated transactions are all posting to the same business unit, **Ledger Import** posts them automatically. However, if the generated transactions are posting transactions to another business unit, you can choose to post them either automatically or manually using **Ledger Import**.

What Ledger Transactions are Produced by Each Allocation Type?

Four chart of account codes can be referenced in an allocation: source account, source offset account, target account and target offset account. Corporate allocations generates ledger transactions to post to at least two of these accounts in an allocation run, and posts to all four accounts if the allocation crosses business unit boundaries.

It is, therefore, important to understand when each account is used.

Two different types of allocation can be performed: charge and split and they post to different accounts. In addition, if the allocation target account is in a different business unit to the source account, additional accounts are used to keep the business units in balance.

For an allocation within a single business unit:

- a charge allocation posts the allocation transaction to the target account and posts the balancing reversal to the target offset account.
- a split allocation posts the allocation transaction to the target account and posts the balancing reversal to the source account.

For an allocation to a different business unit, a split allocation also posts to the source offset account to keep the source business unit in balance.

There are, therefore, four different variations of allocation journal produced, depending on the type of allocation being performed. These are summarized below using examples.

Allocations Within the Same Business Unit

The following examples are all allocating from a source account in business unit 1 with a source amount of GBP 1000D.

Example 1: Charge Allocation - to target account in the same business unit

Resulting Journal

Business Unit	Account	Amount
1	Allocation Target	GBP 1000D
1	Target Offset	GBP 1000C

The original source amount is not adjusted, instead a target offset account is updated.

Example 2: Split Allocation - to target account in the same business unit

Resulting Journal

Business Unit	Account	Amount
1	Allocation Target	GBP 1000D
1	Allocation Source	GBP 1000C

The original source amount is adjusted, rather than a target offset account.

Allocations Across Business Units

The following examples are all allocating from a source account in business unit 1 with a source amount of GBP 1000D.

Example 3: Charge Allocation - to a target account in a different business unit

Resulting Journal

Business Unit	Account	Amount
2	Allocation Target	GBP 1000D
2	Target Offset	GBP 1000C

No posting is made to the source business unit so a source offset account is not required.

Example 4: Split Allocation - to a target account in a different business unit

Resulting Journal

Business Unit	Account	Amount	Comment
1	Allocation Source	GBP 1000C	The source reversal transaction, adjusting the original source account
1	Source Offset (I/C)	GBP 1000D	The source reversal balancing transaction required to keep the source business unit in balance
2	Allocation Target	GBP 1000D	The allocation target posting
2	Target Offset (I/C)	GBP 1000C	The target balancing transaction required to keep the target business unit in balance

Consolidating the Journal Transactions

Each sequence in an allocation run can generate up to four ledger transactions for each source transaction. If the allocation is spreading a value across a number of periods or analysis codes, the number of transactions can be greater still.

Therefore, to reduce the number of transactions, you can choose to consolidate selected transactions.

In the allocation source setup you can choose to consolidate the source reversal and source offset transactions by selected analysis dimensions. Similarly, in the allocation target setup you can choose to consolidate the target and target offset postings by analysis dimension. These options consolidate the postings to the appropriate accounts, if they reference the same analysis codes.

In the allocation setup several posting detail options also allow you to control the level at which the various transactions are generated and posted.

Allocating Across Multiple Departments

You can use Corporate Allocations to apportion costs across a number of departments automatically. You could apportion the costs on a fixed percentage basis, or a relative percentage basis according to other values held in the system, for example, floor space or production quantity values.

For example, all marketing related costs might be posted in total to a group marketing account with the type of cost identified in an analysis code. One type of cost might be advertising. You might wish to apportion advertising costs across two departments automatically, using fixed percentages. To do this, you must identify the advertising costs for the marketing account as the allocation source, and use an allocation ratio to maintain the fixed percentage to be allocated to each department.

The following steps are required to apportion a total cost using fixed percentages:

1. Create a memo account to maintain the allocation percentages for each department.
2. Ensure that an analysis dimension has been assigned to the ledger transaction entity to maintain the department codes.
3. Use Ledger Entry (LEN) to post a transaction to the memo account identifying each department's percentage. Enter the relevant department code into the appropriate analysis dimension on the transaction. See step 2.
4. Set up an allocation source that identifies the marketing account. If you need to allocate only some of the postings to this account, you must also identify the transactions to be allocated using analysis code selection criteria. For example, you may only require advertising costs to be allocated.
5. Set up an allocation ratio identifying the memo account that contains the allocation percentages, and select the **Absolute Percentage** Ratio Basis option. Also, to save having to update the memo account every time allocation is run, we could specify a Ratio Amount of Balance.
6. Set up an allocation target to identify the accounts to be updated.
7. Set up an allocation to identify the source, target and ratio definitions.

Defining an allocation

Before you can run a corporate allocation, you must specify the allocation components and then combine these into an allocation processing rule.

Note: The first time you run an allocation you should set the **Post Transactions** option in Corporate Allocation Run (CAL) to **No** to report on the ledger transactions and check they have been produced correctly.

Steps 1 and 2 are only required to maintain the allocation setup. Once you have defined the allocation you can run it as often as you need to.

There are three steps required to define and initiate a corporate allocation:

1. Define the two or three allocation components required:
   - Use Corporate Allocation Sources (CAS) to create an allocation source which identifies the transactions to be used as the basis for the allocation.
   - Use Corporate Allocation Targets (CAT) to create an allocation target which identifies the target account, and optional target offset account, to be used by the generated postings.
   - Optionally, use Corporate Allocation Ratios (CAR) to define an allocation ratio which identifies the calculation rules required.
2. Use Corporate Allocation Setup (CAD) to combine the allocation components into an allocation sequence, within an allocation setup.

   Corporate Allocation Setup links the allocation source, the allocation target and the allocation ratio to create the allocation sequence. You may combine a number of allocation sequences in an allocation setup.
3. Finally, when the allocation is fully defined, use Corporate Allocation Run (CAL) to perform the allocation.

Setting up Allocation Sources

An allocation source identifies the account, or range of accounts, to be used as the basis for an allocation. Selected transactions posted to these accounts provide the source amount to be manipulated and allocated.

An allocation source is created and maintained using Corporate Allocation Sources (CAS). Each allocation source is identified by a unique allocation source code. This code is then referenced on an allocation sequence, in Corporate Allocation Setup (CAD).

Corporate Allocation Sources (CAS)

The Allocation Sources form contains the following:

- Header Information
- General
- Filter
- Consolidation

Corporate Allocation Sources (CAS)

1. Open Corporate Allocation Sources (CAS) from the main SunSystems menu.
2. Specify this information:

   Allocation Source Code

   The code that uniquely identifies the allocation source.

Allocation Source Continuation

A continuation indicator is used to specify additional account ranges and analysis selection criteria, if they are required to select the appropriate source account transactions. You must leave this field blank on the first record of an Allocation Source.

The **Offset account**, **Source Amount**, **Ledger Code** and **Threshold** fields are ignored on an **Allocation Source Continuation**. This information is only provided on the first allocation source record and applies to all of the continuation records.

Allocation Source Name

A descriptive name to identify the allocation source.

3 Save your changes.

General

1 Click the **General** tab in the **Allocation Sources** window.

2 Specify this information:

Source Account Code From/To

The account code, or range of account codes, to be used to calculate the source amount for an allocation. Transactions posted to this range of accounts are selected and used as the source of an allocation.

When a split type allocation is specified in Corporate Allocation Setup (CAD), the source transactions are reversed out of this account during an Corporate Allocation Run (CAL). These are called the source reversal postings.

Source Offset Account

This account is only required for split type allocations, and only if the target transactions are to be posted to a different business unit. Source reversal balancing postings are made to this account to keep the source business unit in balance.

Source Actual Budget

The ledger from which the source transactions are selected. For example, you may want to use the transactions in the actuals ledger as the basis for generating budget updates, in which case you would select the actuals ledger here as the source. A ledger is identified by a letter between A and K.

Source Amount

The source amount determines the accounting periods for which transactions are selected from the source accounts. The following options are available:

- `Average Balance` - the average balance is calculated by finding the balance of each day in a period, totalling these balances and dividing by the number of days in the period selected during the allocation run. The days in the period included in the average balance calculation can be controlled using the allocation calendar.
- `Balance` - the transactions selected include all postings up to and including the periods specified during Allocation Run.

- **`Period`** - the source transactions include transactions for the period, or period range, selected during the allocation run.
- **`Year to Date`** - the transactions selected include all postings made during the current year, up to and including the periods specified during the allocation run.
- **`Change in Balance`** - the source transactions include transactions entered since the previous allocation run, up to the periods selected during the allocation run.

The **`Change in Balance`** option uses the journal number of the last source transaction processed to determine the subsequently posted journals (with higher journal numbers) to include in the allocation run. This means that prior posted transactions (with lower journal numbers) are not considered as source data for a run, even if the transactions are posted to the current period selected for the run.

Note: Therefore, using the **`Change in Balance`** option means that some specific transactions may be excluded from the allocation run, and under certain circumstances the run may not find any data that fulfils the source criteria.

For example, a transaction with journal number 20 is posted in period 08 with an automatic reversal posted to period 09. Subsequently, journal number 21 is posted to period 08. You perform an allocation run up to and including period 08. Afterwards, the allocation run for period 09 will not include the reversal transaction posted to period 09, because the journal number on the period 09 transaction is prior to the last journal number processed.

To avoid this situation, consider using the **`Period`** option and running an allocation for each period after the period is closed to all other postings.

Retain Source Period

If this option is selected, the source reversal and source reversal balancing transactions are posted to the accounting period on the original transactions, rather than the period defined in the allocation run. This option only applies if a source offset account is specified. Otherwise, the source reversal is always posted to the same accounting period as the target transactions to keep the journal in balance.

Allocation Targets

Click this to define or review allocation targets as defined using Corporate Allocation Targets (CAT).

Allocation Setup

Click this to define or review allocation definitions as defined using Corporate Allocation Setup (CAD).

Allocation Ratios

Click this to define or review allocation ratios, as defined using Corporate Allocation Ratios (CAR).

3 Save your changes.

Filter

You can use filters to restrict the transactions that are selected for the source accounts. The filters can be used to only select transactions that reference particular analysis dimension codes, or other ledger transaction details. For example, if you only want to allocate transactions relating to Product A and product is identified in an analysis dimension.

All of the filter criteria must be met before a source transaction's value is included in the allocation source amount.

If you need to include more than three analysis dimensions in the selection criteria you should enter allocation source continuations.

1 Click the **Filter** tab in the **Allocation Sources** window.

2 Specify this information:

Source Analysis Dimension 1-3

Up to three analysis dimensions, or other ledger transaction selection details, can be chosen here and used to select the source transactions. You can choose any of the analysis dimensions that have been assigned to ledger transactions, ledger accounts, or assets using Analysis Structure (ANS). In addition, you can choose any of the following ledger transaction details:

- Allocation marker
- Asset marker
- Account type
- Journal source
- Journal type
- Transaction reference

Selection To 1-3

For each of the three selection criteria chosen, you can enter a particular code, or a range of codes, to be used to select the source transactions. You may also use masking in these fields to select matching codes. For example, if you enter AB***, any five character code beginning with AB, for the appropriate analysis dimension, is considered valid.

Source Threshold From/To

The threshold range identifies a range of source values. If this is entered, the total of the selected source transactions must fall within this range for the transactions to be used as the basis of an allocation. For example, you may only want to allocate head office costs if the total cost is over GBP 5000.

If the total of the source transactions is outside this range, the allocation is not performed. The Allocation Run report indicates the reason for the exclusion.

Note: If the **Source Threshold To** value is left blank, then zero is assumed. Therefore, if you want to identify a single source amount, rather than range, you must enter the amount in the From and To values.

3 Save your changes.

Consolidation

1 Click the **Consolidation** tab in the **Allocation Sources** window.

2 Specify this information:

Source Reversal

When a split type allocation is specified in Corporate Allocation Setup (CAD), transactions are generated to reverse the original source transactions and these are posted back to the source account. To reduce the number of transactions generated, you can choose to consolidate these reversal transactions

according to some, or all, of the existing analysis codes on the transactions. If so, you must select the analysis dimensions for which you want to consolidate the postings, and thus remove the analysis, when posting the source reversal transactions.

Source Offset

Similarly, if the allocation is posting across business units, you can choose to consolidate the source offset balancing transactions generated by selecting the analysis dimensions required.

3 Save your changes.

Setting up Allocation Targets

An allocation target identifies the target account to be updated by an allocation. The allocation transaction generated by an allocation run posts to this target account. You can also identify the business unit and ledger for the target account. For example, you may wish to allocate costs across business units, or generate budget transactions.

For a charge type allocation, the allocation target also identifies the target offset account. This is the account to which the balancing reversal transactions are posted. If the target account is in a different business unit to the source account, the target offset account transactions are required to keep the target business unit in balance.

You can choose to consolidate the target and target offset posting transactions, to reduce the number of postings generated.

Corporate Allocation Targets (CAT)

1 Open Corporate Allocation Target (CAT) from the main SunSystems menu.

2 Specify this information:

Allocation Target Code

A code uniquely identifying the allocation target details.

Allocation Target Name

A descriptive name for these allocation target details.

3 Save your changes.

General

1 Click the **General** tab in the **Allocation Targets** window.

2 Specify this information:

Target Account

The account code to which the allocation transactions are posted. Postings to this account take the same debit/credit indicator as the source amount.

If you select a memorandum account code here, you must also select a memorandum account code as the balancing, target offset account.

Target Offset Account

The account code to which the balancing, reversal entry for each target account transaction should be posted. The target offset account is always in the same business unit as the target account. This offset account is required when:

- the allocation type is Charge.
- the source and target business units are different in which case this offset account is the balancing account in the target business unit.
- the allocation type is Charge or Split and you have specified an offset account on the allocation source.

You must select a memorandum account code here if you selected a memorandum account code for the target account.

Target Actual/Budget

The ledger to which the target transactions are posted. This can be different to the ledger selected in the allocation source. For example, you can use corporate allocations to calculate budget values based on actual source values.

Analysis Dimension

The transaction analysis dimension containing the business unit code you want to use as the target business unit. This allows the target business unit to change automatically according to the analysis code on the source transactions.

For example, if ledger analysis dimension 1 is selected here to identify the target business unit, then during Corporate Allocations Run (CAL), the ledger analysis dimension 1 code from the source transactions is scanned and used on the target allocation transactions. The resulting target transactions are grouped by this analysis code i.e. by business unit, for posting to the target business units.

An entry here takes precedence over an entry in the Business Unit field below.

or Business Unit

The business unit to which the target postings should be made. This should be blank if the business unit is being identified in an analysis dimension which has been entered above, or if the target business unit is the same as the source business unit.

Asset Code

The asset code to be included on the generated target transactions, if required. Leave this blank to retain the asset code from the source transactions.

Asset Subcode

The asset subcode to be included on the generated target transactions, if required. Leave this blank to retain the asset subcode from the source transactions.

Asset Indicator

The type of asset values to be updated by the allocation posting. Asset Value is used to update the asset value. Depreciation is used to update the asset depreciation value. Initial is used to update the initial

value. Retain Marker will select the asset marker from the source transactions. Select No Marker if no asset marker is required.

Allocation Sources

Click this to define or review allocation targets as defined using Corporate Allocation Targets (CAS).

Allocation Setup

Click this to define or review allocation definitions as defined using Corporate Allocation Setup (CAD).

Allocation Ratios

Click this to define or review allocation ratios, as defined using Corporate Allocation Ratios (CAR).

3 Save your changes.

Consolidation

1 Click the **Consolidation** tab in the **Allocation Targets** window.

2 Specify this information:

Target
The postings to the target account are consolidated for these selected analysis dimensions, if required. This enables you to reduce the number of postings generated by the allocation.

Target Offset
The postings to the offset target account are consolidated for these selected analysis dimensions, if required. This enables you to reduce the number of postings generated by the allocation.

3 Save your changes.

Setting up Allocation Ratios

Allocation ratios define the basis on which source transactions should be manipulated to generate the target transactions in a Corporate Allocation Run (CAL). An allocation ratio can be used to determine the proportion, percentage or fixed amount of the source amount that is allocated to the target account for an allocation. For example, you may want to allocate 30% of the Head Office costs to the Manufacturing Division.

The ratio is maintained in a ratio account, or range of accounts. Selected postings to the ratio accounts are used to calculate the ratio amount, percentage or proportion.

An allocation ratio is applied to an allocation on Corporate Allocation Setup (CAD). If an allocation ratio is not used on an allocation, then 100% of the source transaction value is allocated to the target account.

Corporate Allocation Ratios (CAR)

1 Open Corporate Allocation Ratios (CAR) from the main SunSystems menu.
2 Specify this information:

Ratio

The code that uniquely identifies the allocation ratio.

Name

A descriptive name that identifies the allocation ratio.

3 Save your changes.

General

1 Click the **General** tab on the **Corporate Allocation Ratios** window.
2 Specify this information:

Account From/To 1-5

This is the ratio account, or range of accounts. The transactions posted to these accounts form the basis of the ratio calculation. For example, the percentage or ratio to be allocated would have been posted to the account referenced here. Up to five account code ranges can be included in this allocation ratio.

3 Save your changes.

Filter

For a relative apportionment, the proportion or percentage to be allocated varies according to a target analysis code. For example, a different percentage might be required for each department, cost centre, or product. In this situation, the target analysis code must be held in a particular analysis dimension on the ledger transactions.

Using an example of apportioning a phone bill, a phone bill memo account contains transactions that indicate the ratio or percentage to be applied to each department. When the percentage is posted to the memo account, one of the ledger transaction analysis dimensions must identify the department code to which this percentage applies. The filter properties identify this ledger analysis dimension.

1 Click the **Filter** tab on the **Corporate Allocation Ratios** window.
2 Specify this information:

Ratio Analysis Dimension 1-3

You can identify up to three ledger analysis dimensions, or the currency code, to be used to determine the ratio calculation. For example, in the phone example described above, you would select the analysis dimension that contains the department code.

Ratio Analysis Code To 1-3

For each selection analysis dimension, you can select a range of analysis codes to be used to select the transactions retrieved from the ratio accounts. For example, in the phone example you would identify the code that identified the particular department for which the ratio was to be used.

3 Save your changes.

Options

1 Click the **Options** tab on the **Corporate Allocation Ratios** window.

2 Specify this information:

Ratio Amount

This controls the accounting periods for which transactions are selected from the ratio accounts and used to calculate the ratio amounts. Four options are available:

- `Balance` - this option selects all postings up to and including the periods specified during the Allocation Run.
- `Change In Balance` - this option selects transactions entered since the previous allocation run, up to the periods selected during the allocation run.

  Note: Using the `Change in Balance` option means that some specific transactions may be excluded from the allocation run, and under certain circumstances the run may not find any data that fulfils the source criteria.
- `Period` - this option selects the transactions for the period, or period range, selected during the allocation run.
- `Year To Date` - this option selects all postings made during the current year, up to and including the periods specified during the allocation run.

Basis

This determines how the allocation ratio transactions selected are used to calculate the allocation amount. Three options are available:

- `Fixed Amount` - using this option the ratio amount becomes the target posting amount.
- `Absolute Percentage` - using this option the ratio amount is treated as a fixed percentage. This percentage of the source amount becomes the target posting amount.
- `Relative Percentage` - using this option the ratio is calculated from the ratio transactions selected, based on the analysis codes referenced in the filter selection criteria. Each analysis code identifies a target for the allocation e.g. a department. The proportion for that analysis code is calculated as the value of the ratio transactions for that code, to the total ratio amount.

Actual Budget

The ledger on whose transactions the ratio calculation should be based.

3 Save your changes.

Setting up Allocation Calendars

The calculation of average balances for use in allocation sources depends on the transaction dates that relate to an accounting period. The allocation calendar enables you to:

- Specify the start date for each accounting period.
- Indicate the dates in a period that are to be excluded from the average balance calculation. These might include weekends and other public holidays.

The number of days included in the calculation of average balances is the number of days between the start of a period and the start of the next period, less the number of days for which the **Exclude Day** field is set to **Yes**. This means that, for example, to specify the number of days used for calculating average balances in period 12 you must create an allocation calendar which includes the start of period 13.

If you are using an allocation calendar you must create a calendar for period 001.

Note: If you do not define a calendar, all dates are included in the average balance calculation and the accounting periods are assumed to be calendar months.

Corporate Allocation Calendar (CAA)

1. Open Corporate Calendar (CAA) from the main SunSystems menu.
2. Click **Create**.
3. Specify the **Month** in the format ppp/yyyy for example, 001/2021.
4. Specify this information:

   Exc.D

   Select **Y** to exclude this date from the calculation of average balances, for example weekends.

   Period

   The number of the period that starts on this date; or leave this field blank.

5. Save your changes.

Printing the Allocation Calendars

The Allocation Calendar Report lists the allocation calendar details. This report can be run by selecting **Action > Report** or clicking the **Print** button on the form.

Setting up Corporate Allocations

Corporate Allocation Setup (CAD) is used to define the rules for an allocation which are identified by an allocation setup code. It pulls together the allocation sources, allocation targets and, where necessary, the allocation ratios for the allocation. In doing so it determines the source transactions for the allocation, identifies any calculation rules required, and identifies the target account and offset account for the allocation.

An allocation setup can contain several allocation sequences. Each sequence results in allocation transactions being generated for the target and offset accounts, for the selected periods. If the allocation is across business units, additional balancing transactions may also be generated.

When the allocation is run, the allocation steps are run in the order defined by the allocation sequence number.

Corporate Allocation Setup (CAD)

Corporate Allocation Setup is completed in two parts. Firstly, the **Corporate Allocations Definition Header** form:

1. Open Corporate Allocation Setup (CAD) from the main SunSystems menu.
2. Specify this information:

   Allocation Setup Code
   A code to identify the allocation. This code is used for each allocation sequence and is selected in Corporate Allocation Run (CAL) when you want to perform the allocation.

   Name
   A descriptive name which becomes the transaction description for any generated transactions, unless they are generated at transaction level.

   Lookup Code
   A lookup code can be used to find a record, as an alternative to the record code. It is often set to a shortened version of the description. It is particularly useful if a record is often referred to using different codes. For example, the Chart of Accounts code for Fuel Expenses is `75201` and the Lookup Code is set to `FUELEXP`.

   Description
   The description for this corporate allocation setup. It is used to identify the allocation setup on reports and inquiries.

   Short Heading
   The short heading is a shortened version of the corporate allocation setup description to be used instead of the full name where space is limited.

   Allocation Steps
   This option takes you to the second part of the corporate allocation setup, the **Corporate Allocation Rules** form which contains the following:
   - Header Information
   - General
   - Options

- Currency.

3 Save your changes.

Corporate Allocation Rules

1 Specify this information:

Allocation Setup Code

A code to identify the allocation. This code is used for each allocation sequence and is selected in Corporate Allocation Run (CAL) when you want to perform the allocation.

Step

The sequence number for this step in the allocation. The sequence number determines the order in which the steps are processed for the allocation, in the allocation run. You must enter a number; even if only one step is required.

This sequence number is important when the result of one step forms the basis for a subsequent step. Steps within an allocation definition must have ascending numbers.

2 Save your changes.

General

1 Click the **General** tab in the **Corporate Allocation Rules** window.

2 Specify this information:

Type

The type of allocation to be performed. Two types are available:

- `Charge` - selects the transactions specified in the allocation source and creates the target transactions required without affecting the source account.
- `Split` - automatically reverses the source transactions as well as generating the target transaction postings.

Source

The source of the allocation as defined using Corporate Allocation Sources (CAS). This determines the allocation source amount by identifying the source accounts and transactions. You can leave this blank if the **Type** is `Charge` and the **Ratio Basis** in Allocation Ratios (CAR) is `Fixed Amount`.

Click **Allocation Source** to view or amend the allocation sources available.

Target

The target for the allocation postings as defined using Corporate Allocation Targets (CAT). This determines the target and offset accounts to be updated as a result of the allocation. You can leave this blank if the **Type** is `Split` and the allocated amounts are to be posted to the source accounts, as specified in Corporate Allocation Sources (CAS).

Click **Allocation Target** to view or amend the allocation targets available.

Ratio

The allocation ratio to be used with this allocation. Allocation ratios are defined using Corporate Allocation Ratios (CAR). If this is blank, 100% of the source amount is allocated to the target during an allocation run.

Click **Allocation Ratio** to view or amend the allocation ratios available.

Target Period

The period, or range of periods, to which the generated allocation transactions are to be posted for this allocation. If this is left blank, the transactions are posted to the period specified in **Period To** field in the allocation run. The following table shows the possible combinations and their results:

Period From	Period To	Result
blank	blank	Target transactions are posted to the Accounting Period To specified in the Corporate Allocation Run (CAL)
±nnn	blank	Target transactions are posted to a period ±nnn relative to the Accounting Period To specified in Corporate Allocation Run
C±nnn	blank	Target transactions are posted to a period ±nnn relative to the current period of the source business unit
±nnn	±nnn	Target transactions are distributed evenly over the range of periods, relative to the Accounting Period To specified in Corporate Allocation Run
C±nnn	C±nnn	Target transactions are distributed evenly over the range of periods, relative to the current period of the source business unit
=	blank	Target transactions are posted to the accounting period of the originating source transactions

Journal Type

The journal type to be used as the default for the generated transactions. The journal type must not have a status of Closed or Suspended.

3 Save your changes.

Options

1 Click the **Options** tab in the **Corporate Allocation Rules** window.

2 Specify this information:

Source Posting

This allows you to specify whether transactions should be posted at the end of the allocation run, or after each sequence within an allocation run. This is important if one allocation step is dependent on the result of a previous step.

Target Posting

This option applies when target transactions are to be posted to another business unit and determines when these postings are made. Two options are available:

- **`Direct`** - this option posts the target transactions automatically during the allocation run. If an error occurs during the run and the transactions cannot be posted, a message appears on the Allocation Run report and the transactions have to be manually imported to the target business unit using Ledger Import (LIM).
- **`Manual`** - this option stores the target transactions in the Ledger Import file. The transactions must be imported to the business unit using Ledger Import (LIM).

Target postings to the source business unit are made automatically, regardless of the selection made here.

Update Assets

This determines whether asset details from generated transactions should be passed to the Fixed Assets module. Source transactions are accumulated for every combination of asset code, subcode and marker, as well as currency codes and analysis codes.

Asset details are not posted to source or target offset accounts. For split type allocations, source reversal transactions are generated for each combination of asset details on the source transaction.

Reverse Sign

If you select this field, the debit/credit marker on all generated transactions will be reversed.

Posting Detail

This determines the level at which the target and source reversal transactions are posted. Three options are available:

- **`Consolidate At Lowest Level`** - select this option to generate consolidated target allocation and source reversal transactions for the combination of currency and analysis code. This is the default choice.
- **`All At Transaction Level`** - select this option if you want the target and source reversal transactions to be made on a one-to-one basis for each individual source transaction. In other words, you generate both target allocation and source reversal postings at transaction level.
- **`Target At Transaction Level`**- select this option if the target postings to be made on a one-to-one basis for each individual source transaction, whilst the source reversal transactions are to be generated for each combination of currency and analysis code.

Offset Postings at Txn Level

Select this option if the offset postings are to be made at transaction level, whenever their balancing postings are made at transaction level, otherwise leave this blank.

Retain Journal Source

This determines whether transactions made at transaction level should retain the journal source of the originating source transactions.

Retain Journal Type

This determines which transactions, if any, should retain the journal type of the originating source transactions. Three options are available:

- **`As Specified On Allocation Definition`** uses the journal type identified on this form.

- **`From Source Except For Source Reversals`** retains the original journal type for any postings made on a one-to-one basis, excluding source reversals.
- **`From Source Transaction`** retains the original journal type for all transactions.

3 Save your changes.

Currency

In a multi-currency environment, the source currencies for any of Values 1, 2 and 3 can be manipulated for postings to the target accounts, and so can Value 4 if it is defined in Business Unit Setup. You can:

- Transfer any or all of the currency Values to the target accounts, in any combination.
- Retain any of the currency Value assignments from source to target accounts, for example, using Value 1 as the source for Value 1.
- Swap any of the currency Values for postings to target accounts in another business unit, for example, to swap the base and reporting currencies select Value 1 as the source for Value 3 and vice versa.

1 Click the **Currency** tab in the **Corporate Allocation Rules** window.

2 Select **`Unused`** for any of the **Value Source** fields to prevent that currency value from being transferred from the source accounts.

Note: At least one currency value must be selected.

3 Specify this information:

Value 1 Source

Determines the source value to be used as Value 1 on the target transactions.

Value 2 Source

Determines the source value to be used as Value 2 on the target transactions.

Value 3 Source

Determines the source value to be used as Value 3 on the target transactions.

Value 4 Source

Determines the source value to be used as Value 4 on the target transactions.

4 Save your changes.

Printing the Allocation Rule Setups

The Allocation Setup Report lists the allocation setups that have been defined.

Chapter 8: Setting up Financials reports

SunSystems Financials provides three financial report writers: Financial Analysis, Financial Statements and Financial Tables.

Each offers a variety of features that assist you in preparing financial reports.

What are the Financial Report Writers?

SunSystems Financials provides three financial report writers: Financial Analysis, Financial Statements and Financial Tables. Each offers a variety of features that assist you in preparing financial reports.

- Financial Analysis is a quick and easy to use report writer. It provides an analysis or view of Financials information, selected and sorted to your specification. It allows you to list transactions included in your system and is used primarily for internal reporting.
- Financial Statements provides you with more control over the presentation and content of your report. It is used mainly to present management information such as profit and loss, balance sheet, and similar reports.
- Financial Tables is similar to the Financial Statements report writer in that you have a high degree of control over the presentation of information on a report. However, it has the additional feature of allowing more flexibility in specifying the contents of the columns on a report. A Financial Table can be likened to a matrix.

Note: These report writers can only include data held in SunSystems Financials. They should not be confused with SunSystems Reporting Services, which allows you to produce reports from any system, in any format.

Setting up the ledger for financial reporting

Ledger Setup (LES) can be used to determine some reporting options for the ledger.

Speeding up reports

You can use ledger balances data to speed up the production of certain reports; however, they may not reflect the latest transactions.

If you want to ensure that reports that use the ledger balances are always produced from the balances, whether or not they are updated, you should set the **Report from Balance File** option on the **Transaction Rules** tab in Ledger Setup.

Trial Balances

In Trial Balance (TBL), SunSystems can produce a subtotal break on each change of the specified digit position in the account code. For example, if you want subtotals for account codes beginning 10, 11, 12, 13, 20, 21, and so on., enter 2 (that is, to subtotal on a change of the second digit); if you want subtotals for account codes beginning 1, 2, 3, 4, and so on., enter 1.

This is determined by the **Trial Balance Subtotal** option on the Options tab in Ledger Setup. You should leave the field blank if you do not want subtotaling on trial balance reports.

Automatic Journal Listings

You can control the automatic production of a journal listing using a **Force Journal Listing** option on the **Transaction Rules** tab in Ledger Setup. When a journal listing is produced, you can choose either to print the report or save it to disk. You can also define the default document format for the journal listing report in the **Report Format Code** field on Ledger Setup.

If the **Force Journal Listing** field is set, a journal listing is automatically produced after any journal is posted in the following functions:

- Allocation Run
- Asset Disposal (Fixed Asset Register)
- Daybook Listing
- Depreciation Calculation (Fixed Asset Register)
- Ledger Entry
- Ledger Import
- Ledger Revaluation
- Payment Collection Run
- Payment Run
- Post Provisional Transactions
- Post Withheld Taxes
- Transaction Allocation
- Transaction Matching

If this field is left blank then journal listings can be printed in Journal Listing, but they are not produced automatically.

If the **Provisional Postings** field on the General tab is set to `Mandatory` or `Optional`, you can choose to produce a journal listing in the following circumstances:

- After any journal is posted, that is provisional or permanent postings.
- Only after provisional journals are posted.
- Only after permanent ledger journals are posted.

Understanding the common Financials report writer elements

The topics in this section discuss the common elements of Financials report writing.

Selecting the Data for a Financial Report

The SunSystems report writers use account codes, selection codes and level codes to control the content of a report. Selection codes dictate which transactions are to be included in the report. Level codes control the sequence, or order, of the data on the report and also where the total breaks occur.

For example, if one of your ledger transaction analysis dimensions identifies a sales region, you can design a report which selects sales accounts, sequences sales by region for a specified time period, and reports the totals for each region.

Selection Codes

You define an account code range and selection code criteria to control the content of a report.

You can define up to five run-time selection criteria for a Financial Analysis or Financial Statement report. This criteria allows you to determine, at run-time, the transactions available to the report.

For example, if you want to report by department, you would specify the department analysis dimension as one of the selection criteria in the financial analysis or financial statement layout. Then, when you run the report using **Financial Analysis (FNA)** or **Financial Statements (FSS)** you are asked to enter a range of department analysis codes which will be used to select the transactions to include in the report.

The five selections are applied jointly, so a transaction has to fall within all, not just one of, the ranges of selections specified, if it is to be included in the report.

In **Financial Analysis (FNA)**, five run-time selection criteria are defined in **Financial Analysis Layouts (FNL)** and they determine the transactions for the entire report.

In **Financial Statements (FSS)**, up to five run-time selection can be defined in **Financial Statement Layouts (FSL)** and apply to the report as a whole. Additional selection criteria can apply to each report line and these are defined in **Financial Statements Rows (FSR)**.

In Financial Tables different selection criteria can determine the content of each column and each row. The report column selection criteria is defined in Financial Table Columns (FTC) and the selection criteria for each is defined in Financial Table Rows (FTR).

What Selection Criteria Dimensions are Available?

You can choose any of the following transaction details as a selection dimension for a report:

- Account Analysis Dimensions (1 to 10)
- Ledger Transaction Analysis Dimensions (1 to 10)

- Allocation Markers
- Transaction Currency Code
- 4th Currency Code
- Journal Number
- Journal Source
- Journal Type
- Transaction Reference
- Allocation Reference

If you are using the Fixed Assets Register, the following options are also available:

- Asset Analysis Dimensions (1 to 10)
- Asset Code
- Asset Indicator

Note: Using currency code as a selection criterion does not restrict the type of currency values you can include on the reports. For example, you can choose to print base currency, transaction currency, second base/reporting currency or fourth currency values.

You can define narrower selections using subdimensions, if you have selected an analysis dimension as a criteria.

What are the Column Heading Codes?

The Financial Analysis and Financial Statements report writers use column heading codes to determine the type of value that appears in a column on a report. The column heading codes are defined using Financial Reports Column Headings (FRH).

This Period Column Heading Codes

Code	Standard Column Heading	Meaning
PA	PERIOD	This period actual
PB	PERIOD BUDGET	This period budget
PC	PERIOD BUDGET VARIANCE	This period variance of actual from budget
PD	PERIOD BUDGET VARIANCE %	This period % variance of actual and budget
PE	PERIOD LAST YEAR	This period last year actual
PF	PERIOD LAST YEAR VARIANCE	Variance of this period and this period last year
PG	PERIOD LAST YEAR VARIANCE %	Variance of this period and this period last year, as a percentage
PH	LAST PERIOD	Last period actual
PI	LAST PERIOD VARIANCE	Variance of this period and last period

PJ	LAST PERIOD VARIANCE %	Variance of this period and last period, as a percentage
PM	PERIOD DEBITS	This period debit (use PM & PN to design a trial balance)
PN	PERIOD CREDITS	This period credit (use PM & PN to design a trial balance)
PR	PERIOD RATIO %	This period ratio

Quarterly Column Heading Codes

Code	Standard Column Heading	Meaning
QA	QUARTER	This quarter actual
QB	QUARTER BUDGET	This quarter budget
QC	QUARTER BUDGET VARIANCE	Variance of this quarter actual and this quarter budget
QD	QUARTER BUDGET VARIANCE %	Variance of this quarter actual and this quarter budget, as a percentage
QE	QUARTER LAST YEAR	This quarter last year actual
QF	QUARTER LAST YEAR VARIANCE	Variance of this quarter and this quarter last year
QG	QUARTER LAST YEAR VARIANCE %	Variance of this quarter and this quarter last year, as a percentage
QH	LAST QUARTER	Last quarter actual
QI	LAST QUARTER VARIANCE	Variance of this quarter and last quarter
QJ	LAST QUARTER VARIANCE %	Variance of this quarter and last quarter, as a percentage
QR	QUARTER RATIO %	This quarter ratio (say, ratio to sales)

Year to Date Column Heading Codes

Code	Standard Column Heading	Meaning
YA	Y-T-D	Year-to-date actual
YB	Y-T-D BUDGET	Year-to-date budget
YC	Y-T-D BUDGET VARIANCE	Variance year-to-date actual and year-to-date budget
YD	Y-T-D BUDGET VARIANCE %	Variance of year-to-date actuals and year-to-date budgets, as a percentage
YE	Y-T-D LAST YEAR	Year-to-date actual last year

YF	Y-T-D LAST YEAR VARIANCE	Variance of current year-to-date and year-to-date last year
YG	Y-T-D LAST YEAR VARIANCE %	Variance of current year-to-date and year-to-date last year, as a percentage
YH	LAST YEAR END	Last year end actual
YK	YEAR END	Year end actual
YL	YEAR END BUDGET	Year end budget
YM	Y-T-D DEBITS	Year-to-date debit
YN	Y-T-D CREDITS	Year-to-date credit
YR	Y-T-D RATIO %	Year-to-date ratio

Balance Column Heading Codes

Code	Standard Column Heading	Meaning
BA	BALANCE	Balance actual
BB	BALANCE BUDGET	Balance budget
BC	BALANCE BUDGET VARIANCE	Variance of balance actual and balance budget
BD	BALANCE BUDGET VARIANCE %	Variance of balance actual and balance budget as a percentage
BE	BALANCE LAST YEAR	Balance this period last year actual
BF	BALANCE LAST YEAR VARIANCE	Variance of balance this period and balance this period last year
BG	BALANCE LAST YEAR VARIANCE %	Variance of balance this period and balance this period last year, as a percentage
BH	BALANCE LAST PERIOD	Balance last period actual
BI	LAST PERIOD VARIANCE	Variance of balance this period and balance last period
BJ	LAST PERIOD VARIANCE %	Variance of balance this period and balance last period, as a percentage
BK	BALANCE YEAR END	Actual balance at year end (for forward postings on balance sheets)
BL	BALANCE YEAR END BUDGET	Budget balance at year end
BR	BALANCE RATIO %	Balance ratio
BS	BALANCE YEAR START	Actual balance at start of year

Forecast Column Heading Codes

Code	Standard Column Heading	Meaning
FA	FORECAST BASED ON ACTUAL	Year end forecast based on actual, where forecast actual to - date x total number periods/number of periods to - date
FB	FORECAST BASED ON BUDGET	Year end forecast based on budget, where forecast actual to - date + budget for remaining periods

Spread Column Heading Codes

Code	Standard Column Heading	Meaning
SA	PERIOD SPREAD	Period spread of actuals
SB	BUDGET SPREAD	Period spread of budgets

Note: The headings for column codes SA and SB are fixed and cannot be changed.

Ratio Columns

Some of these column codes calculate ratio values, for example PR-Period Ratio %. If you use one of these ratio column codes on a report, you must enter the account code, or range of account codes, to be used as the basis of the ratio in the report.

For example, if you want the statement to show the ratio to sales, enter the range of account codes which represent sales. If only one account code is required, enter it in the **From** field.

Formatting a Financial Report

You can customize the look of a report produced by Financial Analysis (FNL) or Financial Statements by inserting page breaks, choosing the format for the amounts, setting the width of the columns and deciding whether or not to include the transaction details on the report.

Page Breaks

All of the report writers automatically start a new page when they need to, according to the size of the paper. However, the Page Level options allow you to force a new page when the sort level number changes. This is useful if you want to distribute a report to different departments or budget holders.

Formatting Amounts

Each report writer includes an Amount Format option which controls how amounts are shown and rounded on the report. In Financial Analysis and Financial Statements, the amounts are formatted at report level. In Financial Tables the amounts are formatted by column and row.

The following formats are available to determine how an amount appears on a report:

Formats	Description
Decimals	Decimal places according to the Business Unit Setup or Currency Period Rates (CNP)
Integers	Whole currency units, no decimal places
Thousands	Thousands of currency units
Millions	Millions of currency units
Blank	No decimal places used

Reporting on Transactions

If you wish to print the detail transactions selected for the report on the report itself, you should set the Report Transaction preference. If this is set the transactions are always included, regardless of the **Exclude Zero Value Rows** setting.

If the **Report Corrections** field on the **Ledger Setup (LES)** is selected, then transactions marked with Correction are included in this report.

Note: Transactions are not transferred onto the transfer file, even if they have been printed.

Setting the Column Width

The number of columns that can be physically printed on a report depends on your printer's character width, the number of characters per inch, and whether standard or wide columns are chosen. When you print a report, if some amounts are replaced by asterisks, it is because they are too large to fit into the regular columns. To overcome this, select the **`Wide Columns`** setting for the report.

Normal printing allows twelve columns to be printed per page. Up to nine characters, including decimals, are formatted as required, for example with thousand separators. Ten characters are printed but not formatted. Printing with wide columns, of eighteen characters, allows ten columns per page. If greater than twelve columns are required, then a proportionally smaller width is used.

You must make sure your printer and paper can cope with the width of the report you specify. If not, you should use the **Amount Format** setting described above to round the values in each column.

Setting the Accounting Period for a Report

If you run a financial report for a range of accounting periods, this range of periods is treated as the 'current' period on the report. For example, if you are in period 006/2001 and you want the first half year results, you could request accounting periods 001/2001 to 006/2001 and the total of these periods is shown in the current period column. The last period is always the one prior to the period entered in the From field.

Year-to-date figures are taken to be amounts up to and including the accounting period entered in the To field. For example, if you select accounting periods 003/2001 to 006/2001, year-to-date values will include all periods between 001/2001 and 006/2001.

Specifying a Period Spread

The period spread column codes, SA and SB, produce a line showing up to 13 period amounts spread across the page. This line is printed immediately after the regular statement line and prints the period numbers above to identify each value.

For example, if you enter column codes YB-Year to Date Budgets and SB-Period Spread of Budgets in the first two columns of a report, the report prints the year-to-date budget in column 1 on the regular line, followed by a line analyzing the budget over the periods.

The periods to be included in a period spread are determined from the contents of the **From** field. For example, to report on the 13 periods up to 013/2001, enter 013/2001 in the **Period From** field and leave the **Period To** field blank. Period spread always starts from period one of the current year and does not wrap into the next financial year.

Identifying Quarterly Periods

If quarter columns have been used, there are two fields, **Accounting Quarter From** and **To**, which are used to select the accounting quarter. Enter the range of periods which combine to give the quarter. If you enter 001/2001 to 003/2001, these three periods are combined to give the figure for this quarter. The three periods prior to the current quarter are used if the last quarter column code is in use.

Consolidating Data in a Report

Each financial report writer allows you to combine the results from more than one business unit.

Financial Analysis consolidates business units with the same chart of accounts, and analysis code structures. You can consolidate up to 30 business units in one report.

Financial Statements consolidates an unlimited number of business units. Each can have different chart of accounts codes and analysis codes. The consolidations are defined in Financial Statement Rows (FSR). You can add the subsidiary ledger details into the same report line as the main ledger, or show them as separate lines on the report.

Financial Tables defines the consolidation requirements in Financial Table Columns (FTC). Subsidiary ledger information can be added to the main ledger details within one column, or shown as separate columns. The chart of accounts and analysis code structures can be different. The number of ledgers to be consolidated in one report is limited by the maximum of 50 column codes in any table.

Conversion Rates

In a multi-currency environment, subsidiary ledgers can be consolidated using multiple conversion rates using Financial Analysis, Financial Statements, and Financial Tables. When consolidating data from subsidiary ledgers, the currency period rates on the consolidating ledger are checked for an applicable conversion rate. If no applicable rate is found, the **Currency Rate for Consolidation** defined in the subsidiary **Ledger Setup (LES)** is used.

An applicable conversion rate on the currency period rates of the consolidating business unit means one which has the same currency code as the base currency code in Business Unit Setup of the subsidiary ledger.

If the currency period rates specify different rates for different accounting periods and account code ranges, then the data being consolidated (that is, on the subsidiary business unit) must correspond to these codes, before the conversion rate is considered applicable.

Multi-Currency Financial Reporting

The SunSystems financial report writers can print any of the values available on a transaction:

- base currency
- transaction currency
- second base or reporting currency
- fourth currency
- memo value.

You can include all of these values in separate columns on a report, if required.

For the currency values, the report can optionally convert the value into a chosen target currency using one of the six period currency rates available. The conversion is made via the pivot currency.

You can use this to revalue the base or second base currency from the transaction currency or fourth currency, using the chosen conversion rate. For example, you may require to use separate internal reporting rates.

By using This Period columns (column codes Px) or This Year columns (column codes Yx), you can report on the movement in transaction currency within the period or year-to-date respectively. By using Balance columns (column codes Bx), you can report on the balance outstanding, i.e. the exposure in each currency. Therefore you can print budget comparisons, last period comparisons and last year comparisons in the transaction currency.

Note: If you are showing transaction currency values or fourth currency values on a report, you could end up with a report that totals different currency values. To avoid this, you should use the currency code as the highest sort level. This results in different currencies being reported in different sections of the report. Thus, the totals within each section will be for individual currencies. If you are using only one currency code, there will not be a problem.

Transferring Report Data to other Software Packages

In addition to producing a printed report, all three SunSystems Financials report writers can produce a file of the extracted data, which can then be transferred to another software package, for example to spreadsheet or financial modelling software.

The transfer file only includes the standard report row details. It does not include headings, total rows, or transaction details.

To create a transfer file you choose a Transfer File Format in the report layout or format details.

What Transfer Formats are Supported?

You can produce a transfer file in any of the following formats:

Format	Description
PRN	Print format
CDFQ	Comma delimited with quotes
2020	Suitable for 2020
BDF	Bar delimited
SYLK	Suitable for single-byte languages only
CDF	Comma delimited
FCS	Financial Control System

The transfer file is produced at the same time as the SunSystems report file.

The transfer file contains the detailed report lines but does not show column headings, page headings, total lines, or individual transactions.

Most transfer formats separate amounts using commas. When they are read into, say, a spreadsheet application, they appear as separate columns. Where the target application can accept textual descriptions in addition to amounts, descriptions are also present on each line. They describe each of the analysis levels printed on the report. On most formats, the descriptions precede the amounts on the line.

Improving the Speed of Reporting

SunSystems Financials contains an optional Ledger Balance file which contains a summary of the ledger transactions posted to each account. This file can be used to speed up the processing of some reports.

Financial Analysis or Financial Statements use the Ledger Balances file, if it is available, wherever it is appropriate to a report setup. The ledger file is used in preference to the balance file under the following circumstances:

- balances have not been created for this ledger/budget. If the report uses actuals and budgets, then the balances are used wherever they exist.
- a report includes items such as transaction reference, description and journal number, which are not held as ledger balances data.
- selection codes or sort levels are entered which are not held as ledger balances data.
- the **Provisional Postings** option is set to `optional` or `mandatory` and the **Select Transactions** field is set to `Exclude Provisional`. The balances do not differentiate between provisional and permanent postings, so when you exclude provisional transactions, the report cannot use the Ledger Balances file.

If your report uses the balances, you are offered the option to update them when you print the report or save it to disk.

Setting up column codes

Financial reports include columns of data. You can define what is included in each column. This can include actual, budget and calculated data.

To be able to use the Financial Analysis and Financial Statements, all column headings must be defined separately in Financial Reports Column Headings (FRH) in addition to the ones already predefined. Therefore you cannot set up a report without having already defined the column headings you require. The information defined on the column headings is displayed in Financial Analysis Layouts and Financial Statement Layouts when the new column heading codes are selected.

In Financial Analysis and Financial Statements there are twelve columns available. They are identified as columns A to L. These report writers use column codes to determine the type of value that appears in a column on a report. The column codes are defined using Financial Reports Column Headings (FRH).

You can change the descriptions of the predefined column codes by amending their Column Headings fields.

You can also create user defined calculation columns, using an algebraic expression between two other columns that must appear on the report to the left of the calculated column.

Note: Financial Table reports use a separate column function, Financial Table Columns (FTC). The column data codes used in Financial Table Columns are not the same as the column codes used in Financial Analysis and Financial Statements.

Financial Reports Column Headings (FRH)

1 Open Financial Reports Column Headings (FRH) from the main SunSystems menu.

2 Specify this information:

Column Headings Code

A column heading code. You can use Query to list the available, predefined codes. You can enter a third character to the code, B to K, to identify the budget ledger required.

To create a new **Column Calculation** you must use AZ, BZ through to ZZ or, for variance type calculations, AV, BV through to ZV.

Note: Variance calculations can only be used in Financial Statements and take into consideration the **Normal Sign** setting in Financial Statement Rows (FSR).

Source Currency

The source currency value you want to report on. Select one of the values available: `Base currency` value, `Transaction currency` value, `Second base/Reporting currency` value, `Memo` value, or `Fourth Currency` value. Select `Unused` if this is a Column Calculation.

Target Currency

The currency code you want to convert the source currency into. This is only required if you want to convert the source currency value into another currency. For example, to report in a fourth, completely different currency to any of the currencies held on the transactions. You can select any valid currency code, as defined using **Currency Codes (CNC)**. Leave blank if this is a **Column Calculation**.

Rate Indicator
The period currency rate to be used to revalue the source amount. Six rates can be defined for each currency/period using Currency Period Rates (CNP). Reporting **`Rate 1`** is the period rate set for the currency and used for ledger entry and other system processes. Reporting Rates 2 to 6 are the additional reporting only rates defined for the currency. Select **`Unused`** if this is a **Column Calculation**.

Column Heading 1-4

The heading lines required for the column. The text should be aligned exactly as required on reports.

Note: All column headings must be defined in order to run Financial Analysis and Financial Statement reports.

Column Calculation

An algebraic expression in the form `xfy`, where `x` and `y` identify a report column and `f` is an operator. The report columns are identified by the letters A to L. The valid operators are:

- `+` plus
- – minus
- `/` divide
- `*` multiply
- `%` percentage.

For example, **`A/B`** means column A divided by column B. **`A%B`** means column A divided by column B and then multiplied by 100.

Note: For Column Calculations, you must set the **Source Currency** and **Rate Indicator** to **`Unused`**, and leave the **Target Currency** blank.

3 Save your changes.

Financial Analysis reports

Financial Analysis is an ad hoc transaction based report writer, fulfilling internal month end reporting requirements. Financial Analysis groups together, summarizes, or lists transactions using specified selection and sequencing criteria.

You can use Financial Analysis to produce sales or expense reports, project and job costing information, and other reports using the analysis coding structure you have established in your ledger.

Financial Analysis Layouts (FNL) is used to design a financial analysis report. Once it has been defined, Financial Analysis (FNA) is used to produce the report as often as you like.

The design of a report involves specifying, for example, the account range to be included, how the report is to be sequenced, and the selection criteria required.

Financial Analysis reports include the following features:

Selection Codes and Level Codes
The information on a Financial Analysis report is extracted from a series of account transactions. Extensive selection criteria allow you to identify the transactions you require. You can include up to five run-time

selection codes, which appear when you run a Financial Analysis report. These allow you to narrow down your selection by account range, journal type, analysis codes, and so on.
Three level codes control the report sequence and totalling. The sort options are the same as the selection options.

Report Columns
A report can have up to 12 columns, allowing you to show figures for different time scales, for budgets and so on. You can use predefined columns, for example This Period Actual, This Period Budget, Year-To-Date Actual. Alternatively, you can define columns that have been calculated from other columns. For example, to show the variance between actual and budget columns. Financial Analysis (FNA) can perform forecasting based on actual and budget figures. It can also produce a spread across periods based on actual and budget figures.

Multi-Currency Considerations
You can report in any of the currency values available on each transaction. You can include different values, in different columns. You can access the six period exchange rates available for each currency and use any of these to revalue accounts, or transactions.

Consolidation
An analysis report can draw together data from more than one business unit. This allows you to consolidate different parts of your business. You can also apply currency exchange rates to this consolidation process, if required.

Data Transfer
In addition to producing a printed, or stored, report, Financial Analysis (FNA) can produce a file of the extracted report data. This file can be produced in a variety of formats which enable it to be transferred to other software packages.

Reporting on Balance or Transactions
SunSystems Financials contains an optional Balance file which contains a summary of the ledger transactions posted to each account. This file can be used to speed up the processing of some reports.
Financial Analysis (FNA) uses the Balance file, if it is available, wherever it is appropriate to a report setup.

Producing a Financial Analysis report

The following steps are required to design, build and produce a report using Financial Analysis (FNA):

1. Decide what information is required on the report and the order in which it is to be presented.
2. Design the report using Financial Analysis Layouts (FNL). You must specify the figures to be reported on, the account range required, and the order in which the data is to be presented.
3. Choose Financial Analysis (FNA) to print the report, making selections as appropriate.
4. Select **Print** to print the report. The required data is extracted. You can cancel at any stage during the extraction by clicking **Cancel**.
5. The report is produced. If a transfer format has been specified on the financial analysis layout, then a transfer file is also produced.

Setting up Financial Analysis Layouts

Financial Analysis Layouts (FNL) is used to define the layout and content of a report to be produced using the Financial Analysis report writer (FNA).

Financial Analysis Layouts (FNL)

The **Financial Analysis Layouts** form contains the following:

- Header Information
- Filter
- Filter/Sort
- Columns
- Options

Financial Analysis Layouts (FNL)

1. Open Financial Analysis Layouts (FNL) from the main SunSystems menu.
2. Specify this information:

   Layout Code

   The code that uniquely identifies the financial analysis report layout.

   Layout Name Line 1-2

   The name of the report which can be entered on two lines. If you want to add a further line, you can do so at run time using the **Supplementary Report Name** field in Financial Analysis (FNA).

   Status
   Each static data record contains a status code that determines the current processing status of the record. A status is assigned to each static reference record, for example to every account, asset, customer and supplier. It determines the current processing status of the record.
   - Open - this status is set automatically when you add a new record, for example, if you create a new account. Open items are available for input, inquiry, processing and reporting.
   - Hidden - a record with a hidden status does not appear on any inquiries but is available for input, processing and reporting.
   - Suspended/Held - a suspended record.
   - Closed/Completed - a closed record cannot be used for input or processing. For example, you cannot post transactions to a closed account or analysis code.

   You can alter the status of a record at any time. You must use the options on the Action menu to change the status.

   Lookup Code
   A lookup code can be used to find a record, as an alternative to the record code. It is often set to a shortened version of the description. It is particularly useful if a record is often referred to using different codes. For example, the Chart of Accounts code for Fuel Expenses is **75201** and the Lookup Code is set to **FUELEXP**.

3 Save your changes.

Filter

1 Click the **Filter** tab in the **Financial Analysis Layouts (FNL)** dialog.
2 Specify this information:

Ratio Base Account From/To

The account code, or range of account codes, to be analyzed on the report. You can select a range of accounts whose amounts are to be analyzed on the report. Amounts in memo account types are treated like any other amounts.

The account range specifies the maximum range of accounts. If Account Code is used as a selection criterion, the accounts you select when printing the report in Financial Analysis can reduce the original selection of accounts.

Dimension 1-5

Up to five run-time selection criteria dimensions can be selected for the report. When you run the report you are prompted to enter a selection range for each dimension. This criteria controls the transactions selected for the report, and therefore, the values that appear on the report.

If you leave all five dimensions blank, the system uses the Sort Level fields as selection codes.

Subdimension 1-5

You can choose a subdimension code associated with the analysis dimension you have selected, to further refine your choice. A subdimension is identified by a code A to Z. They are defined using Financial Reporting Subdimensions (FSC).

3 Save your changes.

Columns

A maximum of 12, normal width, columns can be included on the report. These columns are identified using codes A to L. If you select the wide columns option, then only ten columns are available.

1 Click the **Columns** tab in the **Financial Analysis Layouts (FNL)** dialog.
2 Specify this information:

Column A-L

The column code that determines the type of value to be included in the column on the report. You should select the columns in the order you want them to appear across the report.

Column A-L Source Value

The source currency value you want to report on. Select one of the values available: `Base currency` value, `Transaction currency` value, `Second base/Reporting` currency value, `Memo` value, or `Fourth Currency` value. Select `Unused` if this is a Column Calculation.

Column A-L Target Currency

The currency code you want to convert the source currency into. This is only required if you want to convert the source currency value into another currency. For example, to report in a completely different currency to any of the currencies held on the transactions. You can select any valid currency code, as defined using Currency Codes (CNC). Leave blank if this is a Column Calculation.

Revaluation Rate

The period currency rate to be used to revalue the source amount. Six rates can be defined for each currency/period using Currency Period Rates (CNP). Reporting Rate 1 is the period rate set for the currency and used for ledger entry and other system processes. Reporting Rates 2 to 6 are the additional reporting only rates defined for the currency. Select Unused if this is a Column Calculation.

Note: For Column Calculations, you must set the **Source Value** and **Revaluation Rate** to `Unused`, and leave the **Target Currency** blank.

3 Save your changes.

Filter/Sort

1 Click the **Filter/Sort** tab in the **Financial Analysis Layouts (FNL)** dialog.

2 Specify this information:

Dimension 3-1

Up to three sort levels are available to determine the sequencing and totalling of the report data.

At least one dimension must be entered.

Subdimension 3-1

Enter a subdimension to apply to the dimension selected, if required. Subdimensions are used to subdivide the analysis codes for a dimension. They are defined using Financial Reporting Subdimensions (FSC).

Page Level Indicator

The sort level at which you would like printing to start on a new page. For example, if department is at level 2 and you would like a new page for every department, select level 2. Alternatively, select **Continuous Printing** to print the report without any specific page breaks.

3 Save your changes.

Options

1 Click the **Options** tab in the **Financial Analysis Layouts (FNL)** dialog.

2 Specify this information:

Data Access Group

Data access groups allow you to apply security on the data that is maintained and viewed in SunSystems.

Document Format Code

The document format to be used to produce the Financial Analysis reports. The default format code is FA3. However, several document formats may be available to cater for different types of Financial Analysis report. For example, there may be a wide column format. You may want to test the report using different format options.

Transfer File Format

If you want to transfer the report data to a file, select the file format you require. Totals, headings and individual transactions are not included in the file.

Report Transactions

Set this to print the transactions selected by the run time criteria on the report. The transactions are printed between each line, and include those, which make up the current period. If this is not set, the transactions are summarized and only the totals appear on the report.

Note: The fourth currency values are not included for each transaction, even if they are in use, because of the printing width constraints.

Report Codes

Normally only account, analysis and currency code descriptions are printed. Set this to include the account, analysis or currency codes alongside the description. You must leave column A code blank to make more room for codes.

Consolidate

Set this to include data from more than one business unit in your report.

Wide Columns

Set this to specify that wide columns should be used if your amounts are too large to be displayed in standard width columns.

Exclude Zero Value Rows

If you have selected not to print individual transactions, you can set this option to exclude a line if all of the values on the line are zero.

If you have set the **Report Transactions** option to include transactions on the report, any lines with zero values are always included in the report. This is because there may be transactions for the line which net to zero.

Notify if Held Journals

Set this to display a warning at run time, if there are any held journals for the business unit. You are given the option to continue or view any existing held journals. Leave it blank if no check is to be performed.

Sort

Set this to use alternative sort levels for the report.

Amount Format

Select the format to be used for printing amounts.

Select Transactions

Click to select transactions.

3 Save your changes.

Printing the Financial Analysis Layout definition

The Financial Analysis Layouts Report lists the financial analysis layout definition details.

Defining the report columns

A report can have up to twelve columns, depending on the width of the columns. Each column is identified by a 3 character column heading code.

You can use predefined columns, for example This Period Actual, This Period Budget, This Period Budget Variance, Year-to-Date Actual.

In addition to using the predefined column codes, you can define columns that are calculated at run time, based on other columns. The second character of a calculated column must be Z or V.

The third character of the column code specifies from which budget ledger (B-K) budget figures are to be taken, for example, PBB and YBB. It should be left blank for the actual ledger figures.

A spread of up to 13 period amounts can also be requested in place of the regular column codes.

You can leave columns blank to improve legibility.

Sorting a Financial Analysis report

A Financial Analysis report can contain three sort levels. These sort levels control the sequence, or order, in which the report is produced and, consequently, the stages at which totals are shown.

The sort levels are hierarchical, level one is the highest level, level two appears within this, and level three is shown within level two. So, you should use level three before using level two.

It is important to define logical sort sequences, so that the information is presented in a useful format.

If you are using currency code as a sort level, this would normally be level one, the highest level.

You can use any of the selection codes chosen on the report as sort levels.

If no selection criteria are defined for the report, you are prompted to enter the sort levels when you run the report.

The default report format for financial analysis is to show totals for each of the sort levels chosen, without detail. However, you can choose to show the individual transactions which make up a total.

Consolidating Data in a Financial Analysis report

Financial Analysis reports can draw together data from more than one business unit.

If you use this facility, it is important to remember:

- The analysis dimensions and codes must be structured in the same way on the subsidiary ledgers, for the consolidated report to make sense.
- In a multi-currency environment, each business unit may use different base and second base/reporting currencies and you need to account for this in the consolidated report.
- If you are consolidating business units with different base currencies, the currency period rates on the current, consolidating business unit are checked for an applicable conversion rate.

If you select the **Consolidate** option on the **Financial Analysis Layouts** form, you are prompted at run-time for a list of business unit codes to be included. Any codes entered on a previous run are remembered and redisplayed.

You must include the current business unit, if its data is required in the consolidated report.

The consolidation is achieved by applying the selection criteria specified in Financial Analysis Layouts to each of the business units, and combining the results. This assumes that the account codes, analysis codes, periods and transaction value definitions have the same meaning in each ledger. If they have different meanings, the results will be incorrect.

When printing or storing the report, SunSystems looks for the names of accounts and analysis codes in the current business unit, i.e. the consolidating business unit. It does not look in each of the subsidiary ledgers. If account or analysis codes are not found in the consolidated ledger, the amounts are shown, but the names are printed as NOT FOUND.

Setting up Financial statement reports

In SunSystems Financials, the Financial Statements function provides most of the monthly, management reporting. You can use it to design and produce any number of reports, including profit and loss statements, balance sheets, and so on. You have more control over the presentation of information with Financial Statement reports than with Financial Analysis reports.

Where Financial Analysis reports on a range of accounts, Financial Statements allows you to pick and choose individual accounts, adding some together while showing others individually.

A Financial Statement report is defined in two parts using Financial Statement Layouts (FSL) and Financial Statement Rows (FSR).

Financial Statement Layouts defines the format of the report, including the report name, the type of values to be included in columns across the report, the amount format, and so on. It is similar to Financial Analysis Layouts (FNL).

Financial Statement Rows (FSR) defines the line by line content and totalling of the report. You can select a single account, or range of accounts, to be printed on each line. You can also restrict the transactions selected for the accounts using selection criteria.

Separating the layout from the report lines allows you to create one format and apply it to a number of statements lines and vice versa. This enables you to produce several types of reports from the same source.

Financial Statement reports include the following features:

Selection codes and level codes

Using Financial Statement Rows (FSR), you can select individual accounts, or a range of accounts to be included on each report line. The account name can be used as the description, or you can define your own description.

With each account range you can identify individual selection criteria. These allow you to narrow down your selection by currency code, journal type, analysis codes, and so on.

For example, you might have a requirement to report sales by product category, where sales are posted to one account and product category is a ledger transaction analysis dimension. You can identify the same account on a number of different lines, each time selecting the range of analysis codes for each product category.

Two level codes control the report sequence and totalling.

Report columns

A Financial Statement can have up to 12 columns, allowing you to show figures for different time scales, for budgets and so on. You can use predefined columns, for example This Period Actual, This Period Budget, Year-To-Date Actual. Alternatively, you can define columns that have been calculated from other columns. For example, to show the variance between actual and budget columns.

Report line totalling

Financial Statements can include up to seven totalling levels. These are identified by Total statement rows, T1 to T7.

The totals are maintained automatically by the report writer, the values printed on every report line are added into all seven total levels. As each total is printed it is reset to zero. T7 Total is the lowest level total, and T1 Total is the final, overall report total.

Multi-currency considerations

You can report in any of the currency values available on each transaction. You can also include different values, in different columns. You can access the six period exchange rates available for each currency and use any of these to revalue accounts, or transactions.

Consolidation

A Financial Statement report can draw together data from more than one business unit. This allows you to consolidate different parts of your business. You can also apply currency exchange rates to this consolidation process, if required.

Data transfer

In addition to producing a printed, or stored, report, Financial Statements can produce a file of the extracted report data. This file can be produced in a variety of formats which enable it to be transferred to other software packages.

Reporting on balance or transactions

SunSystems Financials contains an optional Ledger Balances file which contains a summary of the ledger transactions posted to each account. This file can be used to speed up the processing of some reports.

Financial Statements uses the Balance file, if it is available, wherever it is appropriate to a report setup.

Note: Financial Statements can only be used with the Fixed Asset Register if you are also using SunSystems Financials.

Producing a Financial Statement

The following steps are required to design, build and produce a financial statement:

1. Specify in detail the requirements of your report. Ideally, you should produce an exact draft of the report, identifying each column and line on the report exactly as you want it printed. You should also identify the accounts or selection criteria needed for each detail line of the report.
2. Use Financial Statement Layouts (FSL) to define the report headings and column requirements, indicate the sort levels, and so on.
3. Specify the accounts to be included on each row and the subtotals and totals required using Financial Statement Rows (FSR).
4. Use Financial Statements (FSS) to run the report. You can choose to print the report or store it on disk. If a transfer format has been specified in Financial Statements Layouts (FSL), then a transfer file is also produced.

Setting up Financial Statement layouts

Financial Statements Layouts (FSL) is used to define the layout of a report to be produced using the Financial Statements (FSS) report writer.

Note: You must define the report lines for the financial statement using Financial Statement Rows (FSR).

Financial Statement Layouts (FSL)

The **Financial Statement Layouts** form contains the following:

- Header Information
- Filter
- Filter/Sort
- Columns

- Options

Financial Statement Layouts (FSL)

1 Select Financial Statement Layouts FSL from the main SunSystems menu.
2 Specify this information:

Statement Report Code

A code that uniquely identifies the layout.

Report Name 1-2

The name of the report which can be entered on two lines. If you want to add a further line, you can do so at run time using the **Supplementary Report Name** field in Financial Statements (FSS).

Status
Specify the status.

3 Save your changes.

Filter

1 Click the **Filter** tab in the **Financial Statement Layouts (FSL)** dialog.
2 Specify this information:

Selection Criteria Dimension 1-5

Up to five run-time selection criteria dimensions can be selected for the report. When you run the report you are prompted to enter a selection range for each dimension. This criteria controls the transactions selected for the report, and therefore, the values that can appear on the report.

If you leave all five dimensions blank, the system uses the Sort Level fields as selection codes.

Selection Criteria Subdimension 1-5

You can choose a subdimension code associated with the analysis dimension you have selected to further refine your choice. A subdimension is identified by a code A to Z. They are defined using Financial Reporting Subdimensions (FSC).

Ratio Base Account From/To

If you include a column code that calculates a ratio, you must enter an account code, or range of account codes, to be used as the basis of the ratio.

For example, if you want the statement to show the ratio to sales, enter the range of account codes which represent sales. If only one account code is required, enter it in the **From** field.

Note: When using a ratio, the accounts in the range must be specified within the Financial Statement Rows (FSR). Each account must appear only once.

Row Content Code

A row code that identifies the lines you want to appear on your statement. The code is defined in Financial Statement Rows (FSR).

3 Save your changes.

Filter / Sort

1 Click the **Filter/Sort** tab in the **Financial Statement Layouts (FSL)** dialog.
2 Specify this information:

Dimension 2-1

Level Dimensions are used to determine the sequencing and totals that appear on the reports. The level dimensions are hierarchical, so you should use Level 2 before Level 1.

At least one dimension must be entered.

Subdimension 2-1

Enter a subdimension to apply to the dimension selected. Subdimensions are used to subdivide the analysis codes for a dimension. They are defined using Financial Reporting Subdimensions (FSC).

Page Level

The sort level at which you would like printing to start on a new page. For example, if department is at level 2 and you would like a new page for every department, select `Break at Level 2`. Alternatively, select `Continuous Printing` to print the report without any specific page breaks.

3 Save your changes.

Columns

A maximum of 12, normal width, columns can be included on the report. These columns are identified using the letters A to L. If you select the wide columns option, then only ten columns are available.

1 Click the **Columns** tab in the **Financial Statement Layouts (FSL)** dialog.
2 Specify this information:

Column A-L

Enter the column codes in the order you want them to appear across the report.

Note: If you include a column code that performs a ratio calculation, you must enter the **Ratio Base Accounts From/To** above.

Column A-L Source Currency

The source currency value you want to report on. Select one of the values available: `Base currency` value, `Transaction currency` value, `Second base/Reporting` currency value, `Memo` value, or `Fourth Currency` value. Select `Unused` if this is a Column Calculation.

Column A-L Target Currency

The currency code you want to convert the source currency into. This is only required if you want to convert the source currency value into another currency. For example, to report in a completely different currency to any of the currencies held on the transactions. You can select any valid currency code, as defined using Currency Codes (CNC). Leave blank if this is a Column Calculation.

Rate Indicator

The period currency rate to be used to revalue the source amount. Six rates can be defined for each currency/period using Currency Period Rates (CNP). Reporting Rate 1 is the period rate set for the currency and used for ledger entry and other system processes. Reporting Rates 2 to 6 are the additional reporting only rates defined for the currency. Select Unused if this is a Column Calculation.

Note: For Column Calculations, you must set the **Source Value** and **Revaluation Rate** to `Unused`, and leave the **Target Currency** blank.

3 Save your changes.

Options

1 Click the **Options** tab in the **Financial Statement Layouts (FSL)** dialog.

2 Specify this information:

Data Access Group Code

Document Format Code

The document format to be used to produce the Financial Statement reports. The default format code is FS2. However, several document formats may be available to cater for different types of Financial Statement report. For example, there may be a wide column format. You may want to test the report using different format options.

Transfer File Format

If you want to transfer the report data to a file, select the file format you require. Totals and individual transactions are not shown in the file.

Report Transactions

Set this to print the transactions selected by the run time criteria on the report. The transactions are printed between each line, and include those, which make up the current period. If this option is not set, the transactions are summarized and only the totals appear on the report.

Note: The fourth currency values are not included for each transaction, even if they are in use, because of the printing width constraints.

Report Codes

Normally only account, analysis and currency code description are printed. Set this to include the account, analysis or currency codes alongside the description. You must leave column A code blank to make more room for codes.

Wide Columns

Set this to specify that wide columns should be used if your amounts are too large to be displayed in standard width columns.

Bracket Negatives

Set this if you want negative amounts to be shown in brackets, or leave it blank to have negative amounts shown preceded by a minus sign.

Exclude Zero Value Rows

If you select this field, then the statement lines for which all the amounts are zero are not printed on the report. If you leave this field blank, then all statement lines are printed, regardless of the values. If you are printing at individual transaction level, lines with zero values are always included in the report.

Notify if Held Journals

Set this to display a warning at run time, if there are any held journals for the business unit. You are given the option to continue or view the existing held journals. Leave it blank if no check is to be performed.

Amount Format

Select the format to be used for printing amounts.

Select Transactions

Specify a value from:

- `Include All`
- `Exclude Provisional`
- `Proviaional Only`

3 Save your changes.

Printing the Financial Statements Layout definition

The Financial Statements Layouts Report lists the financial statement layout definition details.

Setting Up Financial Statement Rows

Financial Statement Rows (FSR) is used to define the line by line contents of a report to be produced using the Financial Statements (FSS) report writer.

The report rows are identified by a Row Code which is referenced on the report format. The report format for the financial statement is defined using Financial Statement Layouts (FSL).

Financial Statement Rows (FSR)

The **Financial Statement Rows** form contains:

- Header Information
- General
- Options

Financial Statement Rows (FSR)

1 Open Financial Statement Rows (FSR) from the main SunSystems menu.

2 Specify this information:

Statement Content Code

A code to uniquely identify the set of report rows. All of the rows with this code appear on the same report. This row code is referenced in **Financial Statement Layouts (FSL)**.

Number

The sequence number of the statement row. The **Row Number** determines the sequence the rows are printed in the financial statement, so the row number is important. For example, when you add new row numbers, you should space them at intervals, for example every 50 or 100. This allows you to insert new rows without having to redefine existing ones.

3 Click **OK** and select the **Form Code**.
4 Click **Statement Rows**.
5 Save your changes.

General

1 Click the **General** tab in the **Financial Statement Rows (FSR)** dialog.
2 Specify this information:

Type

The type of row you require. The following types of row are available: `Heading`, `Page Heading`, `Line`, `Continuation` and `Totals`.

Use blank heading rows to space the report.

Line Name

The description to be printed on the financial statement for the line. This is required for Line and Total row types. If you do not require a line description, enter '-' to leave the text column blank. If the **Account Details** option is set, you should also enter '-' here to print each account name as the line description.

Leave this name blank on Continuation lines.

Account Code /To

The account code, or range of account codes, to be reported on this line of the report. If only one account code is required, then enter the code in the **From** field. You must select at least one account code on row types Line and Continuation.

The transactions for the accounts in the range are accumulated and printed as a single line on the report, unless you set the **Account Details** option to print each account on a separate line.

Selection 1-3

If you are using a row type of Line or Continuation, you can define up to three selection criteria to restrict the transactions selected for the accounts identified on the row.

You can pick from a large number of transaction details to restrict the transaction.

Note: Only transactions that match all of the selection criteria are included in the row.

Selection From/To 1-3

If you have chosen a selection dimension, you must enter a value, or range of acceptable values, for the dimension. For example, if the selection dimension is Ledger Transaction Analysis Dimension 2, you would enter the range of acceptable analysis codes.

You can use masking to define the selection. Enter '*' asterisks for the characters you want to mask. For example, enter AA*** to select code beginning with AA, followed by any three characters.

Normal Sign

Select `Debit` or `Credit` on line types Line and T1 to T7 Totals to indicate the normal sign for the type of accounts chosen on the line. Leave this blank on other line types. Values are shown as positive if they have the sign chosen here, and negative if they have the opposite sign. Continuation lines always have the same value as the main line.

For example, if you have chosen a range of expense accounts, you would select `Debit` as the normal sign. If the expense accounts had an overall credit total, it would be printed as a negative value to indicate it had the opposite sign to the one expected.

Account Details

Select this option to print each account in the account code range as a separate line on the report, rather than accumulating them all into a single line.

3 Save your changes.

Options

1 Click the **Options** tab in the **Financial Statement Rows (FSR)** dialog.

2 Specify this information:

Apply to Total Without Printing

Set this on Line or Continuation row types to add the print line values to the report totals, T1 to T7, without printing the line itself on the report.

Include/Exclude

Set this on Line, Continuation or T1 to T7 Total rows to include or exclude the print line depending on whether the actual balance (BA) column is a debit or credit.

This is useful if you want to include a line in different sections of a report depending on the balance. For example, it allows you to include the Bank account in the Current Assets or Current Liabilities section of a Balance Sheet, depending on its balance.

The `Include if Credit` option excludes lines with a debit balance or zero balance. Similarly, the `Include if Debit` option excludes lines with a credit balance or zero balance.

Note: If the **Reverse Sign** option is set, the test for debit or credit is made after sign is reversed.

Apply to Individual Account Balances

Select this option to suppress individual accounts using the Include/Exclude choice above. If this option is selected, the balance of each individual account chosen by the selection criteria is checked, rather than the actual balance of the print line.

Column Change

This allows you to change the column values for this row and is only used with row types Line and Continuation. For example, it allows you to show year-to-date profit figures in the middle of a balance sheet.

Reverse Sign

This is normally left blank. If selected, this option deducts the value for the Account codes identified on the line from the line total before it is printed.

Business Unit

The business unit code of the subsidiary ledger from which account transactions are taken for the report line. If you leave this field blank, data is taken from the current business unit.

Note: When column revaluation codes 1-6 are used in conjunction with subsidiary ledgers, it is the setting of the **Recalculate Base Amount** field that determines whether the base amount is recalculated.

Recalculate Base Amount

This applies to line types Line and Continuation only. Select this option to recalculate the base amount on all of the transactions.

If the **Subsidiary Ledger** field is blank, then the transaction amount shows the base amount from the subsidiary business unit, whilst the base currency code is taken from the business unit setup of the subsidiary ledger. The base amount is then calculated from the transaction amount using the currency period rates in the current business unit.

If this field is set, then the transaction amount and currency code are taken from the subsidiary ledger but the base amount is calculated from the transaction amount using currency period rates in the current ledger.

3 Save your changes.

Printing the Financial Statement Row details

The Financial Statements Rows Report lists the financial statement row definition details.

Understanding Financial statements

The topics in this section discuss financial statements in more detail.

What are the Row Types?

A Financial Statement is made up of many different types of lines, or rows. Each row is defined in Financial Statement Rows, in the order they are to be printed on the report.

You can include the following different types of rows on a Financial Statement report:

- Heading rows which are used for descriptive headings, comments, and blank rows and can appear throughout the report.
- Page Heading rows which are similar to Heading rows, except that they appear at the top of the report and are preceded by a page throw.
- Line rows which define the detail lines of the report that include amounts. They identify an account, or account code range, to determine the values that appear on the line.
- Continuation rows which identify additional accounts for a Line row. These always follow a Line row type. Continuation rows are not printed on the statement. The account totals are added into the accumulated totals for the previous line. The normal sign, account details and row exclusion setting of the previous Line apply to the Continuation row.
- Total rows which are used to print subtotal and total lines. There are seven totals available, T1 to T7. The report writer automatically adds every row amount into these totals, as the amount is printed on a statement.

Using Total Rows on a Financial Statement

There are seven total levels available on a Financial Statement, named T1 Total to T7 Total.

Each total contains the same set of columns as the detail lines on the statement. When a Line row is printed on the statement, the report writer automatically adds the row amounts, for each column, into all seven of the total levels.

If you want to print the subtotal for a number of Line type rows, you should define a T7 Total row after the Line types rows. This prints the current totals held for each column in the T7 Total. This is the total of the preceding Line rows.

As soon as a T7 Total row is printed, the T7 total values are set to zero. However, because the line values are added into all seven total levels, the total amount is retained in the T6, T5, T4, T3, T2, and T1 Totals. This means you can specify another T7 Total row further down your report, which is only an accumulation of the rows defined since the previous T7 Total row.

If you want an overall subtotal of all the rows printed so far, you should specify a T6 Total row. The T6 Totals are also set to zero as soon as the total row is printed, but again the values are retained in the higher level totals, that is T5, T4, T3, T2, and T1. In other words, the totals work on a hierarchical basis.

Using the total rows, you can specify up to six levels of subtotaling. You should use T1 Total for the grand totals at the end of your report.

SunSystems automatically prints a single line of dashes before each subtotal, that is for totals T7 to T2, and a double line after the T1 total.

Identifying the Total Levels for a Report

When you set up Financial Statements, you should work out in advance where your totals are going to be. Make the grand total of the statement the T1 Total. Then look for the largest subtotals within the financial statement. These are probably your T2 Totals. Between each T2 Total, look for the next largest subtotals and make these T3 Totals, and so on.

When you define the total line in the statement rows, enter a Name on the row which is to be printed on the total line, and identify the normal sign for the total.

Selecting the Accounts for a Line

The Line row type determines the accounts that appear on a financial statement, and how the account details are selected and printed.

On a Line row type you can select an individual account, or a range of accounts to be included on the report line. All of the transactions, for the period of the report, are selected for these accounts and summarized to produce the report line.

If you select a single account, you can print the account name as the description for the line. If you select an account range, you can enter a description to be used on the line.

Note: If, in the **Ledger Setup (LES)**, the **Report Corrections** field is set to `Yes`, then transactions with an allocation marker of Correction, are included for the accounts you select.

Continuation Lines

If you want to include additional accounts in the same line, you can use the Continuation row type to identify the extra accounts. You can define as many continuation lines as you need, each one adding into the previous Line type.

This facility for adding accounts, or ranges of accounts, to another account or range means that, however you design your chart of accounts, you can extract the financial data you need onto a report.

Summarizing or Detailing the Accounts

By default, a single Line type row results in a single line on the report. If you identify a range of accounts on the Line type, and/or include Continuation rows, all of the transactions for the selected accounts are summarized on a single line.

Alternatively, you can select the `Account Details` option on the Line type to print each account selected in the Line type on the report. A separate report line is printed for each account.

Using Selection Criteria to Restrict the Account Transactions Selected

Sometimes you might only want to report on particular transactions, for the account or range of accounts identified on a Line type. You can identify up to three selection criteria to narrow down the transactions selected for the accounts.

Note: The transactions must meet all of the selection criteria to be included in the report line.

For example, you might want to show the total marketing costs for each of three divisions on three separate lines in the report. The divisions are identified in a ledger transaction analysis dimension. You would select this analysis dimension as the selection criterion, and enter the analysis code ranges as follows:

Line Type	Line Name	Account From/To	Selection Dimension	Code From	Code To
Line	Marketing Costs - Division 1	40000-49999	Ledger Transaction Analysis Dimension 1	1	1zzz
Line	Marketing Costs - Division 2	40000-49999	Ledger Transaction Analysis Dimension 1	2	2zzz

Line	Marketing Costs - Division 3	40000-49999	Ledger Transaction Analysis Dimension 1	3	3zzz

Excluding an Account from a Range

You may want a line to include a range of accounts, except for an odd account in that range. You can, of course, set up a line for the first part of the range, then add a continuation line for the second part of the range.

Alternatively, you can use the **Reverse Sign** option to exclude an account. You define a single line for the whole range of accounts, for example 10000 to 29999. You then set up a continuation line for the account you want to exclude, for example for account 25600. On the continuation line you set the **Reverse Sign** option. Account 25600 is initially included in the line total calculated by the first line, but the continuation line then subtracts it from this total. The printed result excludes account 25600.

Note: If you use this facility when printing transactions, the transactions will appear twice on the report.

Sorting a Financial Statement

A Financial Statement report can contain two sort levels. These sort levels control the sequence, or order, in which the report is produced and, consequently, the stages at which totals are shown.

The sort levels are hierarchical, level one is highest level, and level two appears within this. So, you should use level two before using level one.

Note: If you are using currency code as a sort level, this should normally be level one, the highest level.

You can use any of the selection codes as sort levels.

If no selection criteria is defined for the report, you are prompted to enter the sort levels when you run the report.

Reporting Signs and Variances

Selecting the Normal Sign

It is the convention for financial reports to print amounts without a debit or credit indicator. If debit amounts occur on a row for an account which would normally show a credit amount, for example, for income, they are shown as negative. Similarly, if credit amounts occur on a row for an account which normally shows a debit amount, for example expenditure, they are shown as negative.

Financial Statements and Financial Tables can be produced using this convention, but you must indicate whether the 'normal' sign expected is debit or credit. This is required on Line and Total row types in Financial Statement Rows (FSR), and on Row and Total row types in Financial Table Rows (FTR).

If an amount on a line has the opposite Debit/Credit indicator to the one chosen as the Normal sign for the line, it is identified on the report as 'negative'. In Financial Statement Layouts (FSL) you can specify whether a minus sign or brackets are used to indicate negative values.

Reporting Variances

Variance columns are signed according to a favourable/unfavourable convention. For example, an increase in income would be considered a favourable variance and be shown as positive, whilst an increase in expenditure would be considered unfavourable, and be shown as negative.

This is achieved by showing positive variances on a line which is normally credit, as unsigned, and positive variances on a line which is normally debit, as negative.

In Financial Statements, you can create your own variance columns codes AV, BV, through to ZV.

Reversing the Sign

You can reverse the sign to exclude a particular account or code from a range of accounts or codes. A continuation row should be created for the account or code with the Reverse Sign option set. This would have the effect of reversing out the code values from the original range of codes.

Changing Column Value Types for a Row

You can change the column values for Line and Continuation rows. For example, in a balance sheet report, you can show the year-to-date profit figure in the midst of balances.

The column change option converts a period or year-to-date column, to a balance, and vice versa. Quarter columns can be converted to balances, but the reverse does not apply.

Where this field is left blank, the column displays the figures originally selected in Financial Statement Layouts (FSL) or Financial Table Columns (FTC).

The following options are available:

- Balance - this option shows balance amounts in columns originally designated as year-to-date, period, or quarter columns in the statement layout. For example, PA-Period Actuals or YA-Year-to-Date Actuals, are converted to BA-Balance Actuals.
- Period - this option shows period amounts in a balance column.
- Year - this option shows year-to-date amounts in columns originally designated as balances. This excludes amounts from before the start of the year. For example, BA-Balance Actual is converted to YA-Year-to-Date Actual.

Excluding Unwanted Rows

The **Exclude Zero Value Rows** setting on **Financial Statement Layouts (FSL)** allows you to exclude any report lines for which all of the numeric column values are zero.

The Include/Exclude settings for a row in Financial Statement Rows (FSR) allows you to include or exclude a line based on the debit/credit sign or value of the balance actual (BA) column.

The following options are available:

- Accumulate to a total without printing it
- Include if Credit, that is exclude if debit or zero

- Exclude if Credit
- Include if Debit, that is exclude if credit or zero
- Exclude if Debit
- Include All, the default.

If a Line row is excluded, the line values are not added into the higher level totals. Continuation rows are excluded according to their preceding type Line.

The following Include/Exclude options are valid for a T1 - T7 Total row:

- Apply to Total Without Printing
- Exclude if Credit
- Exclude if Debit.

If Apply to Total Without Printing is used on a total row, though the total is not printed, the value is accumulated into the higher level totals.

Excluding Rows Based on Account Balance

The Apply to Individual Account Balances setting allows you to suppress individual accounts using the Include/Exclude choices available. If this option is set, the balance of each individual account chosen by the selection criteria is checked for the debit/credit sign, rather than the actual balance of the print line as a whole.

Consolidating Data in a Financial Statement

Financial Statements can consolidate data from an unlimited number of business units. These business units can use different chart of account codes and analysis codes.

The consolidations are defined in Financial Statement Rows (FSR). In addition to identifying the account, or range of accounts, and selection criteria for the row you identify the business unit for the row, as the Subsidiary Ledger. The transactions are extracted from this ledger, for the accounts and selection criteria referenced on the row. If you leave the Subsidiary Ledger field blank, the system uses the current business unit.

By using the Subsidiary Ledger field, you can show one row on the report for the current ledger, and another for each of several subsidiary ledgers. If you want to summarize these rows into one row, you would have a Line type row with a blank subsidiary ledger code for the current ledger, followed by Continuation rows for each subsidiary ledger.

If the subsidiary ledgers are maintained in a different base, or second base/reporting currency, you can use the revaluation facility to convert the values to the required currency.

Reporting Depending on Account Balance

You can set up a report so that an account shows in one part of the report if it has a debit balance, and in another part of the report if it has a credit balance. This is particularly useful for balance sheets reports.

For example, client accounts are reported separately in the balance sheet report. Client accounts with a debit balance are totalled and reported as current assets and client accounts with a credit balance are totalled and reported as current liabilities.

This is achieved using the following settings:

- Exclude if Debit
- Exclude if Credit
- Apply to Individual Account Balances.

In the current assets section of the report, you would include a report line that identified the range of client accounts. You would set the Exclude if Credit option, and set the Apply to Individual Account Balances setting. Each client account with a credit balance is suppressed. The client accounts with debit balances are totalled and printed.

Note: If the Apply to Individual Account Balances setting is not set, the system checks the total of all the client accounts in the range. If this total is a credit balance, the entire line is suppressed. Otherwise, it is printed and totalled.

In the current liabilities section of the report, another line is included for the range of client accounts. This line reports client accounts with a credit balance that were suppressed earlier. The Exclude if Debit option must be set. Any account reported under the current assets is not included here.

Setting up Financial Table reports

The Financial Tables report writer is one of three SunSystems Financials report writing facilities. You have more control over the information contained in the columns of the report than in Financial Analysis reports or Financial Statement reports. As well as making selections about what is contained in each line of the report, as per financial statements, you can also make more detailed selections for each column.

There are three stages in creating a financial tables report.

1. The report columns are defined using Financial Table Columns (FTC).
2. The report rows are defined using Financial Table Rows (FTR).
3. The overall layout of the report is defined in Financial Tables Formats (FTF) and the report columns and report rows are referenced.

Financial Tables must report by account code. However, unlike Financial Analysis or Financial Statements, the account codes can be reported either in the rows or in the columns of the report.

Financial Table Formats (FTF) pulls together the rows and columns. As with financial statements, this method of design allows you to create a number of table rows and table columns, and to combine them to produce a variety of reports.

Comparing Financial Statements and Financial Tables

There are many similarities between the three report writing facilities. Financial Tables is most like Financial Statements; Financial Table Formats (FTF) corresponds to Financial Statement Layouts (FSL) and Financial Table Rows (FTR) to Financial Statement Rows (FSR).

In Financial Statements, you specify the individual lines or rows of the report, but the columns are predefined in Column Headings. Financial Tables allows you to specify the content of both the vertical 'columns' and horizontal 'rows'. You can use account codes to govern the columns and analysis codes to govern the rows, or vice versa. The columns, however, need not be taken directly from the ledger but may be calculations derived from other columns.

The table can have up to 500 rows, and up to 50 columns, 18 of which can be printed.

Producing a Financial Table Report

The following steps are required to design, build and produce a Financial Tables report:

1. Decide what information is required and the order in which data is to be presented.
2. Design the general format of the report using **Financial Table Formats (FTF)**.
3. Create rows on the report using **Financial Table Rows (FTR)**.
4. Create columns on the report using **Financial Table Columns (FTC)**.
5. Use **Financial Tables (FTB)** to run the report. You can choose to print the report or store it on disk. If a transfer format has been specified in **Financial Table Formats (FTF)**, then a transfer file is also produced.

Financial Table Columns

A table format combines a table row and column definition, to create a report. The table row defines the content of each row on a report, whilst the table column specifies the content of each column in a report.

Financial Table Columns (FTC) is used to define a set of table columns for a report. The set of columns is identified by a column code. Up to 50 individual column definitions can be defined for a financial table report. Up to 18 of these columns can be printed on the report. You may need to experiment to test the number of columns your printer can fit on a page.

All of the column definitions are identified by a unique table column code.

The Financial Table columns are quite different to the columns defined for the Financial Analysis and Financial Statement report writers. Instead of specifying a two character column code for each column of financial information, using Financial Table Columns you define more detailed information about the contents of the column.

Each column can have a heading of up to four lines, of ten characters each.

Mathematical calculations can be performed on table columns figures. This can include statistical calculations. Hidden columns can be used for interim calculations.

Selecting the data for a column

There are two important settings that determine the content of a column on a financial tables report:

- The Column Data code
- The Column Basis code.

The column data

The Column Data code determines the period of time represented in a column value, and the type of value selected. A column can include actual values, or budget values, for a selected period in time.

There are a large number of predefined, column data choices available. For example, you could select the Current Period Balance, or Year-to-Date Balance.

The column basis

The values that appear in a column represent the total of a selection of ledger transactions.

A Financial Table report must include account codes, either as rows on the report or as columns across the report. If account codes are used as the rows, then analysis codes or another type of selection code can be included in the column values, or vice versa.

For example, you might want to analyze production costs by product group, where product group is identified in a ledger transaction analysis dimension. Each production cost account is printed on a separate line of the report, as defined in Financial Table Rows (FTR). The transactions for each product group are analyzed into separate columns on the report, as defined in Financial Table Columns (FTC). In this case, the Column Basis code would identify the ledger transaction analysis dimension that contains the Product Group codes.

The transactions summarized for a column value are determined by the Column Basis code.

The same principle applies to selecting the transactions that are included on a table row.

Note: A column can draw upon information from a subsidiary business unit.

What are the Financial Table Column Types?

A Financial Table report can include a number of columns of data across the report. Each column is defined using Financial Table Columns (FTC).

You can define columns for calculation purposes only. The columns are defined in the order in which they are calculated. The order the columns are printed on the report is determined by the Print Position.

You can define the following types of columns for a Financial Table report:

- Data columns which show amounts from a range of account or analysis codes.
- Continuation columns which identify further codes or ranges of codes to be incorporated into the previous Data column. These columns are not normally printed.

Note: Continuation lines do not operate for spread figures, i.e. if the **Column Data** field is set to `Period Spread`, `Period Spread Forecast` (actual for year-to-date and budget for the rest of the year), or `Reset Spread`.

- Mathematics columns are calculated from two previous columns and can be used for total columns. Complicated calculations may require interim mathematics columns.

- Heading columns are used to define columns containing descriptive rather than numeric data. They are used in association with the Column Basis types of Row Code and Row Description.

What Selection Criteria are Available on Financial Tables?

You can use any of the following transactions details as a selection criteria dimension for a Financial Tables report. You can then enter a code, or range of codes, against the selection dimension to restrict the transactions included in the table column or row.

- Account Analysis Dimensions (1 to 10)
- Ledger Transaction Analysis Dimensions (1 to 10)
- Account Code
- Account Type
- Allocation Markers
- Currency Code
- Credit Amounts
- Debit Amounts
- Journal Number
- Journal Source
- Journal Type
- Transaction Reference
- Payment/Allocation Reference.

If you are using the Fixed Assets Register, the following options are also available:

- Asset Analysis Dimensions (1 to 10)
- Asset Code
- Asset Marker.

What is the Column Data Code?

A Column Data code is required for each Financial Table column in Financial Table Columns (FTC). It is used in conjunction with the Column Basis to determine the type of value or information that appears in the column.

The use of this code is similar to the predefined Column Heading codes used by Financial Analysis Layouts and Financial Statement Layouts (FSL).

The valid types of data are as follows:

- Balance as of this period
- Balance as of this period last year
- Balance as of previous period
- Balance at end of current year
- Balance at end of previous year
- Movement this period
- Movement for this period last year

- Movement for previous period
- Period spread
- Period spread with forecast (actual for year-to-date and budget for the rest of the year)
- Reset spread
- Year to date (YTD)
- YTD this period previous year
- YTD previous year end
- YTD this year end.

Period Spread

If you select a spread column type, for example Period Spread, the Spread Start Period field appears as a run time option when you produce the report. The report uses this period as the start point for the spread.

The Period Spread data type shows the transactions for the Spread Start Period field, and rolls forward a period so that the next Period Spread column includes the next period, and so on.

Reset Spread resets the spread so that the next Period Spread column reverts to the Spread Start Period field identified at run time.

Period Spread could be used to produce individual period totals for a series of three periods followed by a total for the quarter.

What is the Column Basis?

A column basis is required for Data, Heading and Continuation column types in Financial Table Columns (FTC).

For a Data or Continuation column, it identifies the basis on which transactions are selected and summarized to provide the column value. This is the primary selection criteria you want to use to select transactions to be reflected in the column values.

Note: The type of value that appears in the column is determined by the Column Data code.

A Heading column identifies a column on the report that contains text or description information rather than values. For this type of column, the column basis is either Row Description to include the row name, or Row Code to include the code for the row, for example the account code or analysis code.

You can choose any of the following details as the column basis. The majority of these options are used to select the transactions for the column:

- Account Analysis Dimensions (1 to 10)
- Ledger Transaction Analysis Dimensions (1 to 10)
- Currency Code
- Row Code (occupies one print column)
- Row Description (may occupy three print columns)
- Account Code
- Allocation Marker
- Asset Code

- Asset Analysis Dimensions (Fixed Asset Register)
- Asset Marker (Fixed Asset Register).

Note: You should not select the Account code as the basis for a column, if Account code has been selected as the basis for the report rows.

Setting Up Financial Table Columns

Financial Table Columns (FTC) is used to specify the content of each column in a Financial Tables report. A set of columns is identified by a Column Code, and up to 50 individual columns can be defined for a column code.

A table column definition is associated with a table row definition in a table format and is used to produce a Financial Table report.

The value shown in a column can be the sum of selected transactions, or the result of a mathematical calculation based on other columns.

Financial Table Columns (FTC)

The **Financial Table Columns** form contains the following:

- Header Information
- General
- Filter
- Formula
- Options

Financial Table Columns (FTC)

1. Open Financial Table Columns (FTC) from the main SunSystems menu.
2. Specify this information:

   Column Content Code

   A code that uniquely identifies a set of columns.

   Description
   Provide a description.

3. Click **OK** then click **Financial Table Columns** then click **OK** to save your changes.

General

1. Specify this information:

   Type

   The type of column. The following types are available: **`Data`**, **`Continuation`**, **`Mathematics`**, **`Heading`**.

Data

The type of data to appear in the column.

Print Position

The print position of the column. You can select a number, between 1 and 18. If you select `Not Printed` or leave this field blank, the column is not printed.

Heading Line 1-4

The headings for this column. You may want to enter spaces at the beginning to centre the heading. This heading does not apply if the column basis is chosen as Row Description.

2 Save your changes.

Filter

1 Specify this information:

Column Basis

The selection basis for the column. This is required for Data, Continuation and Heading columns only.

If Account code is used as the basis of one column, you cannot use any other column basis codes for other columns in the set. However, if Account code is not chosen, you can define columns using any of a variety of different column basis codes, if required.

Note: If the columns use Account Code as the basis, then the table rows that are used with the table column must not use Account Code as the row basis, and vice versa.

If the financial table rows used in conjunction with this column definition contain table rows based on account codes, then this option can be left blank if no further selection is required.

From/To

If you have entered a Column Basis, enter the code, or range of codes, to be used to select the transactions to be included in this column. You can use masks by entering '*' asterisks in the character positions to be ignored.

Note: If the **Report Corrections** option is set in Ledger Setup (LES), correction transactions are included in the transactions selected for the column.

Selection 1-3

Up to three selection criteria can be selected to further restrict the transactions selected for the column.

Selection From/To 1-3

If you have entered a selection criteria, you can enter a code, or range of codes, for this criteria to restrict the transactions reported in the column.

Actual/Budget Ledger Code

The ledger from which the data is taken for the report. Select A for the actuals ledger, or B to K to select a budget ledger.

Business Unit

The business unit code from which figures are taken from the specified ledger, for the column. If you leave this field blank, data is taken from the current ledger.

2 Save your changes.

Formula

1 Specify this information:

First Column Number

The number of the column upon which you want to perform a mathematical operation. The column entered must be already defined. You must enter the Column Number, not the column Print Position.

First Column Value Basis

Select `Row` if the value to be used is to come from every row of the report. Select `Statistic` if the value is to come from the previous statistic row.

Calculation Operator

The operator used for the calculation. The following operators are available:

Operator	Meaning	Use
+	add	Adds the two columns together.
-	subtract	The second column is subtracted from the first column.
*	multiply	The two columns are multiplied together.
/	divide	The first column is divided by the second column.
%	percentage	The first column is expressed as a percentage of the second column.
Total	total	All columns between and including the two specified columns are totalled.

Second Column Number

The number of the second column upon which you want to perform a mathematical operation chosen above.

Second Column Value Basis

Select `Row` if the value to be used is to come from every row of the report. Select `Statistic` if the value is to come from the previous statistic row.

Exclude Mathematics from Totals

Select this option, if you are using a mathematical procedure for this column, but want the totals to be calculated by addition. Leave blank to calculate the total by the defined mathematical procedure.

2 Save your changes.

Options

1 Specify this information:

Include/Exclude

An option to suppress the printing of values according to their debit/credit marker.

Source Value

The source currency value you want to revalue before including the value in the column.

Target Currency

The currency into which the source currency values for the column are converted. You can select any valid currency code, as defined using Currency Codes (CNC).

Revaluation Rate

The period currency rate to be used to revalue the source amount. Six rates can be defined for each currency/period using Currency Period Rates (CNP). Rate 1 is the period rate set for the currency and used for ledger entry and other system processes. Rates 2 to 6 are the additional reporting only rates defined for the currency.

Amount Format

The format in which amounts are displayed.

Decimal Places

The number of decimal places shown in this column. Enter `0` for no decimal places. You can use the default set for the base and second base/reporting currencies in Business Unit Setup or the number of places identified for a currency in Currency Codes.

If this is left blank for a mathematics column, the number of decimal places is the highest of the source columns used in the mathematics calculation.

Column Attributes

An individual column can be printed with or without negative brackets independently of the setting of the **Bracket Negative** field in **Financial Table Format (FTF)**. The following options are available:

- Bracket Negatives prints negative values within brackets
- Minus Sign Before Negatives print negative values with a leading '-' minus sign
- Default uses the settings in Financial Table Formats (FTF) for this column.

2 Save your changes.

Printing the Financial Table Column details

The Financial Table Columns Report lists the financial table column definition details.

Financial Table Rows

A Financial Table report is made up of many different types of report lines, or rows. Each row is defined in Financial Table Rows (FTR), in the order they are to be printed on the report.

The set of rows contains a mixture of different types of row which define the report content. The following types of rows can be defined for a financial tables report:

- Heading rows are used for headings, comments, and blank lines. They can be included throughout the report and you can use blank heading lines to space out the report.
- Page Heading rows are like Heading rows, except there is a page break before printing the heading.
- Row type rows are used for report lines on which amounts are to be shown.
- Continuation rows are used to extend a Row line. They allow you to specify further codes, or ranges of codes, to be incorporated into the previous row. Continuation lines are not printed separately on the report. The normal sign and details of the previous row are applied to continuation lines.
- Statistic rows could be used to include, for example, the number of staff on a report. Other rows in another column could then express overheads divided by this number. Statistic rows must be defined before the rows that use them. They are excluded from totals and they ignore column mathematics involving statistics specified by Financial Table Columns. Statistic rows cannot be used in conjunction with Continuation rows.
- Total rows provide seven levels of report totalling and are identified as T1 to T7. The amounts for Row and Continuation rows are accumulated automatically into all seven levels. These totals work in the same way as Financial Statements.

Selecting the Row Basis

A row basis is required for Row, Continuation and Statistic row types. It is the primary selection criteria used to select transactions for the row.

For Financial Analysis and Financial Statement reports, the row basis is always Account Code. Whereas, for a Financial Table report you select the basis you require.

For example, you might choose account code, or an analysis dimension.

Note: If you choose Account code as the basis for a row within a Row Content Code (set of rows), you must use this as the basis for all of the rows in the set. You can, however, mix any of the other basis types within a single set of rows.

You can specify any one of the following categories as a basis for transaction selection on a financial table report row:

- Account Analysis Dimensions (1 to 10)
- Ledger Transaction Analysis Dimensions (1 to 10)
- Account Code
- Currency Code
- Asset Code (Fixed Asset Register)
- Asset Analysis Dimensions (Fixed Asset Register)
- Transaction Reference
- Asset Marker (Fixed Asset Register).

If the **Report Corrections** field in **Ledger Setup (LES)** is set, then correction transactions are included in the transactions selected.

Selecting the Data for a Table Row

The Row type on a financial table row definition controls the values printed on a report line by determining how the transactions are selected for the row. The transactions are summarized to provide the row values.

On a Row type you select a Row Basis. This is the primary selection criteria used to select transactions for the row. For example, you might choose account code, or an analysis dimension.

Choose the row basis selection criteria, and enter a code or range of codes for this criteria to determine the transactions required.

If you select a single account or selection code, you can print the account or code name as the description for the line. If you select a range of codes, you can enter a description to be used on the line.

Continuation Lines

If you want to include additional accounts or selection codes in the same line, you can use a Continuation row to identify the extra codes. You can define as many Continuation lines as you need, each one adding into the previous Row type.

This facility for adding accounts or codes, or ranges of accounts or codes, to another account, code, or range means that, however you design your chart of accounts, you can extract the financial data you need onto a report.

Summarizing or Detailing the Codes

By default, a single Row type row produces in a single line on the report. If you choose transactions for a range of accounts or codes for a row, and/or include Continuation rows, all of the transactions are summarized on a single line in the report.

Alternatively, you can select the **`Break Out Details`** option on the Row type to print all of the accounts or codes selected in the Row type on the report. A separate report line is printed for each account or code. These lines form an extra level of subtotal.

Using Selection Criteria to Restrict the Transactions Selected

Sometimes you might want to further restrict the transactions you include on a line. You can identify up to three additional selection criteria that apply within the Row Basis. They are used to narrow down the transactions selected for the primary accounts or codes.

For example, you might want to show the total marketing costs for each of three divisions on three separate rows on the report. You would select Ledger Transaction Analysis Dimension as the selection dimension, and enter the analysis code ranges as follows:

Line Type	Row Name	Row Basis	Row Basis Selection From/To	Selection Dimension	Code From	Code To
Row	Marketing Costs - Division 1	Account Code	40000-49999	Ledger Transaction Analysis Dimension 1	1	1zzz

Row	Marketing Costs - Division 2	Account Code	40000-49999	Ledger Transaction Analysis Dimension 1	2	2zzz
Row	Marketing Costs - Division 3	Account Code	40000-49999	Ledger Transaction Analysis Dimension 1	3	3zzz

Note: If, in the Ledger Setup (LES), the **Report Corrections** field is set to `Yes`, transactions with an allocation marker of Correction are included for the accounts you select.

Excluding a Code from a Range

You may want a row on a report to include a range of codes, except for an odd code in that range. You can, of course, set up a row for the first part of the range, then add a continuation line for the second part of the range.

Alternatively, you can use the **Reverse Sign** option to exclude a code. Define a single line for the whole range of codes, for example 10000 to 29999. Set up a continuation row for the code you want to exclude, for example for code 25600. On the continuation line set the **Reverse Sign** option. Account 25600 is initially included in the row total calculated by the first line, but the continuation row then subtracts it from this total. The printed result excludes account 25600.

Setting Up Financial Table Rows

A Financial Table report is similar to a spreadsheet in that it contains a series of rows and columns.

Financial Table Rows (FTR) is used to define a set of financial table report rows. A Financial Table report is made up of many different types of rows, for example heading rows, data rows and total rows.

The columns of a financial table report are defined using Financial Table Columns (FTC).

Note: The account data being reported on can either appear in the columns of the report, or in the report rows. This is referred to as the row or column basis.

Financial Table Rows (FTR)

The **Financial Table Rows** form contains:

- Header Information
- General
- Options

Financial Table Rows (FTR)

1. Select Financial Table Rows FTR from the main SunSystems menu.
2. Specify this information:

   Row Code

   A code to uniquely identify a set of financial table rows.

Row Number

The sequence number of the table row. When you add new row numbers, you should space them at intervals, for example every 50 or 100. This allows you to insert new rows without having to redefine existing ones. The row number determines the sequence the rows are printed in the financial table report, so this number is important.

3 Save your changes.

General

1 Click the **General** tab in the **Financial Table Rows (FTR)** dialog

2 Specify this information:

Type

The type of row you require. The following types are available: **`Heading`**, **`Page Heading`**,**`Row`**, **`Continuation`**, **`T1-T7 Totals`**, and **`Statistic`**.

Note: Use blank Heading rows to space the report.

Name

A description to be printed on the row. This is required for Row and Total type rows. The name is printed on the row in the position defined by the Row Description column basis in the Financial Table Columns.

Row Basis

The selection basis for the row. This is required for Row, Continuation and Statistic row types. It determines the transactions selected for the row.

If the table format references a set of table columns that use Account codes as the column basis, then this option can be left blank if no further selection is required.

Row Basis From/To

If you have selected a Row Basis, you must enter a code, or range of codes, for the basis to determine the transactions values to be selected for the row.

Leave these fields blank to include all codes. You can use masks by entering '*' asterisks in the character positions to be ignored.

Selection 1-3

If you are using a row type of Line, Continuation or Statistic, you can define up to three selection criteria to further restrict the transactions included in the values on the row.

You can pick from a large number of transaction details to restrict the transactions.

Note: Only transactions that match all of the selection criteria are included in the row.

Selection From/To 1-3

If you have chosen a selection dimension, you must enter a value, or range of acceptable values, for the dimension. For example, if the selection dimension is Ledger Transaction Analysis Dimension 2, enter the range of acceptable analysis codes for this dimension.

You can use masking to define the selection. Enter '*' asterisks for the characters you want to mask. For example, enter AA*** to select codes beginning with AA, followed by any three characters.

Normal Sign

Select Debit or Credit on line types Row and T1 to T7 Totals to indicate the normal sign for the type of accounts or codes included in the row. Leave this blank on other line types. Values are shown as positive if they have the sign chosen here, and negative if they have the opposite sign. Continuation lines always use the Normal Sign indicated on the previous Row type.

For example, if you have chosen a range of expense accounts, select Debit as the normal sign. Any amounts with a credit value are printed as a negative to indicate they had the opposite sign to the one expected.

Break Out Details

Use this to determine whether a separate row is printed for each code in the row basis range, with each code name in place of the row name. Otherwise a single line is printed containing the summarized values for all the codes in the range. Separate lines form an extra level of subtotal.

3 Save your changes.

Options

1 Click the **Options** tab in the **Financial Table Rows (FTR)** dialog

2 Specify this information:

Column Change

Use this to change the value for the row in a certain type of column. You can show balance amounts in columns originally designated as year-to-date or period, convert balance amounts to period amounts, or show year-to-date amounts in columns originally designated as balances.

Underscore

The type of underlining to be used on the row type. On a Total row, select Row Totals to underline the totals.

On row types T2 Total to T7 Total, you can select No to suppress underlining before the total. On a T1 Total, select No to suppress underlining both before and after the total on row type T1.

Note: If a Table Column type of Heading exists with a Column Basis set to Row Description, any underscores are overridden by the contents of the Row Name specified in Table Rows.

Offset Column

The number of columns to be offset on the page when printing the contents of this row. Leave this blank if you do not want the row to be offset.

Reverse Sign

This is normally left blank. If selected, this option deducts the row values from the row totals before they are printed.

Exclude from Printing

This excludes the row from printing, but still includes the row values in the totals. This is useful for Statistics rows that are not reported on in their own right but are used in calculations for subsequent rows.

Note: If a T1-T7 total row is excluded, the total and those above it are set to zero.

Report Code

This determines whether the relevant code is printed alongside the name or description in the headings of the report. If a range of codes is used, the From code is printed in the table column which has the column basis Row Code. If you have set the `Break Out Details` option, the code is shown against each row in the range.

3 Save your changes.

Printing the Financial Table Row details

The Financial Table Rows Report lists the financial table row definition details.

Financial Table Formats

A Financial Table Format (FTF) is used to combine a set of rows defined by Financial Table Rows (FTR), with a set of columns defined by Financial Table Columns (FTC), to produce a financial tables report.

A table format can combine any set of row instructions, and any set of column instructions. However, it is important that the combination of rows and columns is logical. If it is not, then when you create the report using Financial Tables (FTB), an error is detected and an error message displayed.

For example, a financial table can identify accounts either down the page or across the page in columns, not both. So, you cannot use Account Codes as the basis for both the rows and columns.

Financial Tables can be used with the Fixed Asset Register.

Sorting the Financial Table data

The Level Codes on a financial table format are used to determine the sequencing of information, and the totals that appear, on the report. At run-time, they are also used to limit the transactions that are selected for the report. Each combination of sort levels is printed on a separate page.

The sort levels are hierarchical, that is level 2 is shown within level 1. Therefore, you should use level 2 before you use level 1. If you are using currency codes, this must be the highest level.

The sort levels have two purposes:

- They allow you to specify that only transactions with these codes are to be considered.
- They control the sequence of the report and, consequently, the stages at which totals are shown.

The sort and selection levels can be any of the following:

- Account Analysis Dimensions (1 to 10)
- Account Code
- Currency Code

- Ledger Transaction Analysis Dimensions
- Asset Analysis Dimensions (1 to 10)

Note: The Balances file data is used to generate a report only when it is appropriate to the sort levels identified for the report.

Subdimensions

You can select a subdimension code associated with a particular breakdown of the above analysis dimension.

Setting Up Financial Table Formats

Financial Table Formats (FTF) is used to define the layout of a Financial Table report.

A financial table format pulls together the table rows and table columns defined separately for the Financial Table report.

Financial Table Formats (FTF)

The **Financial Table Formats** form contains the following:

- Header Information
- Filter/Sort
- Options

Financial Table Formats (FTF)

1. Open Financial Table Formats (FTF) from the main SunSystems menu.
2. Specify this information:

   Table Code
   A code to uniquely identify the table format. This is the code used to identify the report in **Financial Tables (FTB)** when you want to produce it.

   Line 1-2
   Up to two lines of heading for the report. This is printed at the top of each page. It cannot be left completely blank. You may want to center the heading by leaving spaces at the start.

3. Save your changes.

Filter/Sort

1. Click the **Filter/Sort** tab in the **Financial Table Formats** dialog.
2. Specify this information:

Row Content Code

The code of the set of financial table rows which control the lines that appear on the report. This set of rows must have been defined using Financial Table Rows (FTR).

Each row defines the account codes or analysis codes, headings, comments and totals to be included on the report. You can use the same set of financial table rows for several reports.

Note: If the set of table rows you choose here use Account Code as the basis for the rows, then the table columns you select must not use account code as the basis for the columns.

Column Content Code

The code of the set of financial table columns to be included on the report. This set of columns must have been defined using Financial Table Columns (FTC).

You can use the same set of Financial Table Columns for several reports by defining separate table formats.

Note: If the set of table columns you choose here use account code as the basis for the columns, then the table rows you select must not use account code as the row basis.

Selection 2/1

Level Selection codes are used to determine the transaction selection, sequencing and totaling for the report. Since the Level codes are hierarchical, you should use Level 2 before Level 1.

For each dimension you select here, you are prompted at run time to enter a code, or range of codes, to limit the transactions selected for report.

Subdimension 2/1

Enter a subdimension to apply to the dimension selected. Subdimensions are used to subdivide the analysis codes for a dimension. They are defined using Financial Reporting Subdimensions (FSC).

Report Level 2/1 Code

Select this field if you want the applicable code to be printed alongside the Level Selection name or description in the heading of the report. Otherwise, leave this blank.

3 Save your changes.

Options

1 Click the **Options** tab in the **Financial Table Formats** dialog.

2 Specify this information:

Data Access Group Code

Data access groups allow you to apply security on the data that is maintained and viewed in SunSystems.

Document Format Code

The document format to be used to produce the Financial Table reports. The default format code is FT3. However, several document formats may be available to cater for different types of Financial Table report. For example, there may be a wide column format. You may want to test the report using different format options.

Transfer File Format

If you want to transfer the report data to a file, select the file format you require. The column details that are transferred are determined by the Transfer Internal Columns setting.

Wide Columns

Set this to specify that wide columns should be used if your amounts are too large to be displayed in standard width columns.

Bracket Negatives

Select this field if you want negative amounts to be shown in brackets. Leave it blank to have negative amounts shown preceded by a '-' minus sign.

Exclude Zero Value Rows

Select this option to suppress rows if all of the column values are zero. Leave this blank if you want to print report rows that contain all zero amounts.

Notify If Held Journals

Select this option if you want Financial Tables to display a warning at run time, if there are any held journals for the business unit. You are given the option to continue or to view any existing held journals. Leave this blank if no check is to be performed.

Transfer Internal Columns

Select this option to transfer all of the internal financial table columns for the report to the transfer file. There are a maximum of 50 internal columns. Leave this blank if you only want to transfer the printed financial table columns.

Single Spread Period

Select this option if you want your report to cover a single period. Leave this blank if you want separate spread periods for each ledger or database in your report.

Select Transactions

3 Save your changes.

Printing the Financial Table Format details

The Financial Table Format Report lists the financial table format definition details.

Using statistics in Financial Tables

Statistics rows can be used in conjunction with mathematical columns to allow you to perform quite complex calculations. They can also be used to print values which are excluded from totals.

Statistics rows are often not printed, but used for calculation in reports. A statistic row can collect information which is used later. For example, you might have a Statistic Row type that totals income accounts. This total can then be used by a table column to calculate ratio to sales.

Reporting quarters in Financial Tables

Although there is no column data code for a quarter, you can still produce quarterly figures using Financial Tables, by using the Spread Column Data Codes.

You can set up three Table Column entries, representing the three accounting periods included in the quarter. The Column Data code for each of them should be Period Spread.

When the report is produced using Financial Tables (FTB), you are asked to supply the range of accounting periods to be reported. In Financial Tables (FTB) you must also enter the first period of the range to be included in the spread, the Spread Start Period. The first column containing the Spread Column Data code extracts the figures for the period you specify in the **Spread Start Period** field, the next Spread Column extracts data for the following period, and so on. In Financial Table Columns (FTC) you can choose to print each of the three columns and then total them into a quarter figure, or to total the three column figures without printing and to print the quarter figure.

You can start accumulating figures from the beginning of the quarter again, by defining a column with the code Reset Spread (this column need not be printed). For example, to follow the Quarter Actual column with a Quarter Budget column. The Column Data Code for the first budget column would be Period Spread, and would be defined after the Reset Spread column. This combination restarts the spread at Spread Start Period.

Financial Reporting subdimensions

Subdimensions are used to isolate individual characters within the analysis codes for a dimension. Each subdimension is identified by a code, within the dimension. Subdimensions are used by the Financials report writers to select transactions.

Each analysis code can include a maximum of 15 characters, depending on the length defined in Analysis Dimension (AND). You can use subdimensions to isolate individual characters, or groups of characters, within an analysis code for reporting purposes. This is possible where you have a structured analysis code.

It is best explained using an example:

You may have defined an analysis dimension for Product Type which uses three character codes. The following analysis codes have been defined: A10, A20, A30, A50, B10, B30, B40, C10, and C50. The first character, A to C, represents the material from which the product is made. The second and third characters represent the product size. On a report, you may want to group together different product types which use the same material, and on another report you might want to group different product types of the same size.

This type of analysis is done using subdimensions as follows:

1 So:

- Subdimension A would mask out with asterisks characters 2-3 (**) because only the first character is important.
- Subdimension B would mask out with asterisks character 1 (*).
- Use Analysis Codes (ANC) to create the subcodes for materials A, B and C and for sizes *10, *20, *30, and so on. When you create subcodes, you should place asterisks to the left of the code to indicate the characters to be ignored. You should not, however, place trailing asterisks to the right of the code. These codes are defined to provide the labels for the subcodes for reporting purposes.

- Refer to the subdimension in the relevant Financial Analysis Layout or Financial Statement Layout.
- When you run the report using Financial Analysis or Financial Statements, you enter the subdimension code ranges. During Ledger Entry, you must always use full analysis codes.

Entering non-validated analysis

By setting the **Validation Method** in Analysis Dimension (AND) to `No Validation`, you can create transaction analysis dimensions without having to set up the corresponding codes in Analysis Codes (ANC). In transaction entry you can enter anything in the analysis code field, within the length of the code defined in Analysis Dimension (AND). This is useful for analyzing short term projects, or entering dates, numeric values and other comments.

Setting up Financial Reporting Subdimensions

Financial Reporting Subdimensions (FSC) is used to sub-divide the codes for an analysis dimension into meaningful parts. This is only possible if different sections of the analysis codes have different meanings. For example, the 2nd and 3rd characters of a 5 character product code might identify the product type.

Subdimensions can be used by the Financials report writers to refine the codes used to select transactions for reporting. Using the product code example above, you could create a subdimension to identify the product type portion of the code and use this to restrict the transactions selected for a report to those for a particular product type.

A subdimension code uses a mask character, an '*' asterisk, to identify the positions of the code that are to be ignored. It leaves the important characters in the code blank.

You can define several subdimensions for a dimension, for example where different parts of the code are to be used to extract details for different reporting requirements.

Financial Reporting Subdimensions (FSC)

1. Open Financial Reporting Subdimensions (FSC) from the main SunSystems menu.
2. Specify this information:

   Analysis Dimension
   The analysis dimension for which codes are to be analyzed. Analysis dimensions are defined using Analysis Dimensions (AND). A dimension must have been assigned to an entity using Analysis Structure (ANS) before it can be selected here.

   Subdimension
   A character between A and Z to identify the particular subdimension, for the analysis dimension. This can be used as part of the selection criteria in Financial Analysis Layouts (FNL), Financial Statement Layouts (FSL) and Financial Tables Formats (FTF).

   Analysis Heading
   The description of the subdimension.

Analysis Short Description

The analysis short heading value.

Subdimension Mask

The mask character, '*' asterisk, identifies the parts of the analysis code to be ignored.

3 Save your changes.

Financial Report Writer examples

Note: The report writer examples use reports included in the PK1 demonstration business unit issued with SunSystems Financials.

The demonstration business unit PK1 contains a number of sample financial reports. These reports are used in the topics in this section as examples to illustrate the use of particular report features:

Financials Report Writer	Report Name	Layout Code
Financial Analysis	Expense Analysis with Last Period Comparison	EL
	Bank Reconciliation Listing	REC
Financial Statements	Balance Sheet	BS
Financial Tables	Expenses by Profit Centre Report	EXP

Financial analysis example - expense analysis report

Note: This example uses a report included in the PK1 demonstration business unit issued with SunSystems Financials.

The demonstration business unit PK1 contains an example of an expense analysis report created using Financial Analysis Layouts (FNL), the layout code is EL.

Since this report is for expenses, it includes all the profit and loss accounts except sales and cost of sales. In this case, the account range is 30000 to 39999.

The column codes included in this report are two characters long, a third character specifies which budget the data will be taken from: for example, PBC is the Period Budget from budget ledger C. However, this expense analysis includes the following column codes:

- PA-Period Actual
- PR-Period Ratio
- PH-Last Period
- PI-Last Period Variance and
- PJ-Last Period Variance as a Percentage.

Note: The column codes are defined using Financial Reports Column Headings (FRH).

Financial Reports Column Headings (FRH) shows you the headings associated with column codes. Although these can be amended, you should be aware that the same codes may be used by several different types of financial report.

Notice that the selection criteria analysis dimensions and subdimensions are blank. When these are left blank, the items entered as level codes are presented as selections when you run the report using Financial Analysis (FNA). This report uses a single level of Account code and will therefore also select using this level.

To see the results of the EL layout, you should run the report using Financial Analysis (FNA). Accept the defaults to run the report for the current period, for all accounts.

Financial analysis example - when to use selection codes versus level codes

Note: This example uses a report included in the PK1 demonstration business unit issued with SunSystems Financials.

When to use selection codes and when to use level codes is best described by looking at an example. The layout code 'REC' has been defined using Financial Analysis Layouts (FNL) to produce a Bank Reconciliation report. This report lists all the unallocated transactions for a particular account, thus showing all the transactions that have not been reconciled against a bank statement.

You will see that Allocation Marker is used as a selection code, and that Account Code is used as a level code. This is because we want to select only those transactions with a particular allocation marker, and then sequence and total the transactions by account code.

You are asked for the range of allocation markers to select when you run the report using Financial Analysis (FNA).

Financial statement example - sample balance sheet layout

Note: This example uses a report included in the PK1 demonstration business unit issued with SunSystems Financials.

An example of a balance sheet report has been set up in the demonstration business unit, PK1. The layout code BS has been defined using Financial Statements Layouts (FSL) as a sample balance sheet.

The same column codes are available in financial statements as in financial analysis. This balance sheet report uses the following column codes:

- BA-Account Balance
- BH-Balance Last Period
- BI-Variance between this period and last
- BJ-Variance as a Percentage.

The column codes are defined using Financial Reports Column Headings (FRH).

The entry in the **Row Content Code** field at the bottom of the **Filter** tab identifies the set of financial statement rows associated with this report.

The selection codes and level codes are defined in the same way as financial analysis. The levelling in this balance sheet report enables you to have a separate copy of the report for analysis codes, for example, for each department or project code.

The Ratio Base Account range is used if one of your columns codes reports a ratio. Ratio columns are calculated against this range of accounts. For example, the base range might include both current assets and fixed assets. The total of these accounts is taken as 100%, and other lines are calculated as a ratio of this.

Financial statement example - sample balance sheet rows

Note: This example uses a report included in the PK1 demonstration business unit issued with SunSystems Financials.

A sample set of rows for the BS balance sheet report has been set up using Financial Statement Rows (FSR). The Row Content Code identifying these rows is also BS.

The rows are listed in numerical order as they would appear on the statement. Using Query is a useful way to check that you have not left out any lines.

The first line in this balance sheet report is number 10. The numbering is incremented in tens or hundreds to leave space to add lines at a later stage. This first line is a Heading line type, this indicates that it is a descriptive line with no properties other than a name. You can define blank Heading lines to create spaces in your report. The Page line type is similar, except that it starts a new page before printing the heading.

The next Row Number is 20, this is a Line row type which reports data. You must enter a name for this type of line. This name is printed as the line description. You can enter a '-' hyphen for a blank description.

This line reports the range of asset balance sheet accounts, so the Account Code From/To fields contain accounts 40000 to 45999.

The **Normal Sign** field has been set to `Debit` because normally this figure will be a debit. If an account shows a credit balance, it is printed as a negative. This field only affects the way in which values are printed.

If the Account Details option is set, each account within the specified range will be printed on a separate line. The names of the accounts are printed instead of the row name.

If you want to include a title before the list of accounts, you should define a separate heading row. You may also want to define a separate line for totals.

Another Row Type is Continuation. A continuation line does not appear separately on the printed report but is added to the preceding line. This is a means of including an account in a line even if it does not follow alphanumerically in your specified range.

An example of the method in the BS report is statement row 500. This row reports the debtor accounts; the next row is number 525, a continuation line. This adds accounts in the 92000 to 93999 to the debtor accounts defined on the previous line.

You can define as many continuation rows as you need, each one adding into the previous Line row type. This facility for adding in one account, or a range of accounts, to another account or range means that, however you design your chart of accounts, you can extract the financial statements you need.

Reporting Depending on the Account Balance

You can set up your balance sheet so that an account shows as an asset if it has a debit balance, and as a liability if it has a credit balance.

For example, client accounts are totalled separately in the balance sheet report. Client accounts with a debit balance are reported as current assets, and client accounts with a credit balance are reported as current liabilities.

This is illustrated on row 550. The client accounts are selected on the row, and the **`Exclude if Credit`** option is set. Each account with a credit balance is suppressed. Debit accounts are totalled and printed.

Now examine row number 2250. This also reports client account, under the heading current liabilities. This line reports accounts that have been suppressed because they have a credit balance. The **`Exclude if Debit`** option is set. Any accounts included under current assets will not be included here.

Financial tables example - sample expenses by profit centre report rows

Note: This example uses a report included in the PK1 demonstration business unit issued with SunSystems Financials.

A sample Expenses by Profit Centre report format has been defined using **Financial Table Formats (FTF)** and is identified by table code EXP.

The **Row Content Code** field identifies the rows that appear on this report. These rows are defined in **Financial Table Rows (FTR)** and are also identified by row content code EXP.

The **Column Content Code** field identifies the columns that appear on the report. These columns are defined in **Financial Table Columns (FTC)** and are again identified by code EXP.

The Levels in Financial Tables work in a similar way to the level codes in Financial Statements.

Using Financial Table Rows (FTR), view row number 100. The row number bears no relation to a particular line on the report, it simply sequences the rows for a report. So, for example, row 100 is printed before row 200 and after row 50.

This row type has been set to Heading which prints whatever is in the **Row Name** field. The next row is another Heading row. However, the **Row Name** field is blank to produce a blank line in the report.

There is another type of heading row, the Page row type, which print headings at the top of a new page.

The Underscore option can be used with both Heading and Page row types. Select Double or Single if you want a line printed across the report columns.

Another row type is Continuation. Just like Continuation rows in Financial Statements, continuation rows do not appear separately in the report, but add into the preceding Row type.

An example Row type appears on row number 200. This type of row reports transactions. The Row Basis defines the selection of data, since this is Account Code accounts will be reported in the rows of this report. The Row Basis Range has been set from 30000 to 36999, this is the range of account that will be reported on this row.

The Break Out Details option is similar to the Account Details option in Financial Statements. In this example, this option is set which means that each account in the specified range will be printed on a separate line. The row name will be the account name.

The Normal Sign option in this example dictates that debits are treated as positive. The Report Code option has also been set. Therefore, the account code will be printed on the report, assuming a column is defined in Financial Tables Columns (FTC).

As with other financial reporting functions, the selection code enable you to specify the analysis dimensions and codes used as the selection criteria. In this case they represent the selection criteria for this row.

Calculating the Printing Totals

The totalling in Financial Table reports works in exactly the same as in Financial Statements. There are seven levels of total, T1 to T7, which add into each other.

Row number 300 in the EXP report is a T3 total. It will add up everything on the report up to the last T3 total. The totals are printed with a line of overscores, and T1 totals with a line of overscores and underscores. You can enter **None** in the **Underscore** field to suppress these.

Financial tables examples - sample expenses by profit centre report columns

Note: This example uses a report included in the PK1 demonstration business unit issued with SunSystems Financials.

A sample Expenses by Profit Centre report column format has been defined using Financial Table Columns (FTC) and is identified by table code EXP. If you query this table code you will see there are six entries for the EXP table column code.

The column number bears no relation to the print column. It identifies the logical sequence in which columns are calculated. As with line and row numbers, leave gaps so that you can add new columns later if you need to.

If you view column 1 you can see that the column type is set to Heading. This column type is used for printing the row code and row description. If accounts are printed across the report, the row code is the account code. The row description is set up for each row in Financial Table Rows (FTR).

The Column Basis for heading columns will be either Row Description or Row Code.

The Print Position number represents the column number in which the information will be printed on the report. The Row Description will be printed in column 2. As it takes up three columns, you must not use Print Position 3 and 4 for other information. Row Description and Row Column do not have to appear at the left hand side of a report, they can be printed in any column.

Query column 3 prints the Row Code in Print Position 1. It also prints the heading Account Code. You can see that up to four lines are available for headings. This is the same as the column headings used by financial analysis and financial statement reports.

Printing Transaction Data in Columns

Having specified in Financial Table Rows (FTR) which accounts are to be printed on each row, in Financial Table Columns (FTC) you can specify which analysis codes are going to be reported in each column. This is illustrated in column 5 in EXP.

Column 5 is a data column which indicates that this column reports transaction data. The Column Basis is set to Ledger Analysis 2, therefore, transactions will be selected for inclusion in this column depending on their code.

In the PK1 demonstration business unit, Ledger Analysis dimension 2 represents the department. The Column Basis Range shows which ledger analysis dimension 2 codes are to be included in this column. It includes the range 10000 to 19999. The figures will be printed in Print Position 5. The Column Data option defines the period of time being reported and is set to Year to Date.

Sample gross profit report using statistics

Note: This example uses a report included in the PK1 demonstration business unit issued with SunSystems Financials.

In the PK1 demonstration business unit, sample report PROFG - Gross Profit Analysis by Product Group is an example of how the statistics capability can be used in a financial tables report.

As well as columns showing net sales, cost of sales and so on, there is a column on this report that shows percentage contribution for each product group. To calculate percentage contribution, a row is defined that calculates the gross profit for all product groups. This is not printed on the report, but is used later by Financial Tables Columns (FTC) to calculate the contribution for each product group as a percentage of the whole.

In Financial Table Rows (FTR), retrieve the Row Content Code PROFG and view row number 100.

You can see that this is a Statistics row type. This row is extracting information for product groups. The row is not printed because the Exclude from Printing option is set.

Using Statistic Rows in Financial Table Columns

In **Financial Table Columns (FTC)**, specify **Column Content Code** as `PROFG`. Click **OK > Financial Table Columns** and view **Column Number** `15`.

This is a column type of Mathematics.

The calculation is defined on the **Formula** tab. Notice the **Value Basis** for the Second Column - **Column Number** 1 is set to `Statistic`. This means the value for the calculation is not taken from the current row, but from the last statistic row defined. So the contents of Column 11 are divided by the total of Column 1.

The contents of Column 1 represent the total for all product groups, as this was selected by the statistic row.

Chapter 9: Setting up account documents and statements

In SunSystems Financials an account document refers to any formatted list of account transactions.

It may include unpaid or paid transactions, for any period of time. Account documents are often referred to as statements. Traditionally a statement lists a customer's outstanding transactions and is designed to be sent to the customer to request payment.

Each organization often has unique account document or statement requirements. In addition, a single organization often requires different account document formats. They may need to produce statements at different times, in detailed or summarized formats, for selected clients, according to predefined rules. For example, they may need:

- weekly detailed statements for specific large client accounts which must be sent by email to the client contacts, followed by a monthly summary statement which is posted
- daily detailed statements for very high profile clients which must be emailed to the client contacts
- monthly statements for all clients which are printed overnight and dispatched by post.

To provide a flexible statement production facility, Financials has split the process of producing account documents into two parts:

- transaction selection - the transactions to be included on a statement are selected by a control desk filter. Different filters can be defined to provide different selection criteria, depending on the particular statement requirements. For example, some clients may want to see all transaction outstanding and paid during the month while others only want to see outstanding transactions.
- statement production - the statements are produced by the reporting tools which enable different document formats to be used to vary the appearance and content of the statements.

How are account documents and statements produced?

Account documents can be produced manually, in a single document format, using the Account Documents (ACD) function.

This uses a predefined default filter to allow you to select the transactions to include on the documents. All of the account documents for a particular run are produced in a single document format and use the default customer/client address code details.

Note: The transactions to be included on the account documents are displayed on the control desk in-tray and you must select the **Print Account Documents** report option to print the documents.

Chapter 10: Period and year end processing

SunSystems is a very flexible, open system. No restrictions are imposed on period end processing. You can move freely from one period to the next, without having to perform any kind of period close.

When you specify a period using Change Period (CPD), you are setting the current default period for Financials. This period is presented during transaction entry, report selection, and other functions as the current or default period. The number of periods in a year is determined by the Maximum Number of Periods setting in Business Unit Setup and Financial Calendars (FCS). You normally have 12 periods, or 13 if you use a separate period for your financial year end adjustments, or you may use 13 four week periods.

Date and Period Restrictions

You can choose to apply restrictions on movement to another period; for security reasons, it is often prudent to do so. For example, you can prevent operators from posting transactions to prior or future periods by setting the open period range to the current period on the Ledger Setup (LES) and Financial Calendars (FCS). You may also set constraints on the dates that can be used for transaction processing. Date restrictions are also set on the Ledger Setup (LES).

Note: You can restrict the periods available to certain groups of operators in Security Console or User Manager.

Period/Year End Processing

Although you are not forced to perform period or year end routines at a fixed point in time, you probably want to carry out a standard period and year end procedure. There are a number of common requirements, including period/year end reporting and adjustments, and necessarily transferring the year end profit to the balance sheet.

You can continue with entries for the new period/year while in the process of 'closing' the previous period, with no restrictions except those you choose to impose.

Period/Year End Reporting

You should ensure that all audit reports are printed and filed for each period. You invariably print a variety of other reports, such as your Profit and Loss Account and Balance Sheet reports, which are normally designed using the financial report writers.

Period/Year End Adjustments

SunSystems can deal with period/year end timing differences. It caters for accrual and prepayment transactions in two ways:

- you can set up a journal in Journal Types (JNT) which posts to the selected period and automatically reverses the transactions out of the following period
- a standard ledger entry type can be used. During Ledger Entry (LEN), a minimum of four lines are posted, two to the current accounting period, and two to the subsequent period. You can automate this procedure by presetting the journal in Journal Presets (JNP).

Transferring the Year End Profit to the Balance Sheet

In line with your accounting requirements, you want to transfer the previous year's net profit figure to a retained profit account in the balance sheet. Before undertaking this procedure, print a Trial Balance. This report includes a line, Prior Year Net Profit/Loss. This is the amount to transfer.

Ledger Revaluation

Ledger Revaluation (LER) revalues one currency against another currency on a group of transactions. For the revalued currency, it calculates the difference between the original and revalued amount on each transaction. This revaluation difference may be:

- an unrealized currency gain or loss resulting from a fluctuation in the exchange rate, or
- a balancing adjustment reflecting a rounding difference.

Ledger Revaluation (LER) can post revaluation transactions to the ledger to reflect the difference in your accounts, or simply report on the differences.

You can identify the transactions to be included in a revaluation precisely by specifying the selection criteria in Ledger Revaluation Profiles (LEP).

Selecting the Revaluation Source and Target Currencies

Each ledger transaction can contain up to four currency values, depending on the business unit setup: base currency, transaction currency, second base/reporting currency, and fourth currency.

Ledger Revaluation revalues one of these currencies, the target currency, against another currency, the source currency. This means that it takes the source currency value on each transaction and uses the revaluation period exchange rate to calculate a revised target currency value.

The source and target currencies you specify in the ledger revaluation profile depend on your revaluation requirements, and on your pivot currency. This in turn affects the transaction values that are calculated and posted on the revaluation transactions.

Selecting the Transactions to Revalue

You can set up the ledger revaluation profile to select the transactions to be revalued by account type, account code range, journal type range, journal number range, and currency code. For example, you may only want to revalue the open currency transactions on your debtor, creditor and client accounts.

The rate used for revaluation is the Currency Rate Type (CRT) specified in Ledger Revaluation Profile. If no Currency Rate Type exists the period rate setup in Currency Period Rates (CNP) is used. Ledger Revaluation (LER) does not use daily rates; however, source transactions posted with daily rates can be revalued.

Posting the Revaluation Differences

Ledger Revaluation (LER) can revalue each selected transaction and post the resulting revaluation difference for each transaction individually.

If you need to revalue a large number of transactions you can choose to consolidate the transactions and revalue and post the consolidated difference. For each currency, you can consolidate by period, analysis dimension, asset, and account.

Revaluing Fixed Asset Transactions

The accounts to which asset depreciation is posted are normally excluded from the ledger revaluation process. This is because depreciation in the transaction currency is calculated independently of the base currency depreciation, and may be calculated using a different depreciation method.

On other asset related transactions, the asset codes are retained on the revaluation transactions. The revaluation transactions can be consolidated by asset code.

Provisional Revaluation Postings

If provisional postings are optional, you can choose to post provisional transactions from Ledger Revaluation (LER).

Another feature associated with provisional transaction processing, but which can be used independently, is the ability to record a sequence code and number for each transaction line or reference in a journal. This sequencing can be applied to system generated Ledger Revaluation transactions.

Selecting the Revaluation Source and Target Currencies

Ledger Revaluation (LER) revalues a selected currency (the target currency) against another currency (the source currency) on a group of transactions. It revalues the selected source currency value on each transaction, using the revaluation period exchange rate, to determine the revised value in the target currency. The difference between the original and revised target currency values is the revaluation difference.

You must specify the source and target currencies in a revaluation profile, using Ledger Revaluation Profiles (LEP).

The currencies you can choose as the source and target currencies for a revaluation profile depend on your revaluation requirements, and on your pivot currency. This in turn determines the content of any revaluation postings generated.

Note: You must choose the pivot currency as either the source or target currency.

Selecting the Source Currency

The revaluation source currency can be any one of Value 1, 2, 3 or 4; that is, base currency, transaction currency, second base/reporting currency, or fourth currency.

This currency value on each transaction is used as the basis of the revaluation. These values are not updated, which means that the revaluation postings never adjust the source value.

Selecting the Target Currency

The target currency can be Value 1, 3 or 4; that is, base currency, second base/reporting currency or fourth currency. For example, you might want to revalue the base currency amounts based on the updated transaction currency exchange rates, to determine the gain or loss in the base currency.

You cannot select Value 2 as the target of your revaluation, as revaluations are not possible in the transaction currency (Value 2). This is because the transaction currency values are assumed to be 'real' rather than calculated values, and therefore should not be changed. For example, they might be foreign currency values on an invoice received from a supplier, which must always remain at the exact amount printed on the invoice. You might, however, revalue one of the other currency values in order to register the gain or loss following any exchange rate movement against the currency on the invoice.

The Revaluation Source and Target Currency Combinations

The combinations of currencies you can select to revalue depend on the currency options that are set in Business Unit Setup. You cannot use the same currency value for both the source and target revaluation currencies; also, as described above, Value 2 cannot be revalued. The following table shows whether each combination of source and target currencies is valid for revaluation, and how the valid combinations depend on the options set in Business Unit Setup:

	Target Currency to be Revalued
Source Currency	Value 1
Value 1	No
Value 2	Yes - Pivot must be Value 1 or Value 2.
Value 3	Yes - Pivot must be Value 1 or Value 3.
Value 4	Yes - Value 4 must be calculated from Value 1

Note: If you revalue the fourth currency (Value 4) based on the transaction currency (Value 2), and the Revalue until True Rated option is set in Ledger Setup (LES), then transactions marked as true rated are not revalued.

The source and target combination you choose, and the pivot currency, determine the type of revaluation postings generated.

Note: Revaluing the transaction or fourth currency against either base or second base/reporting currencies generates revaluation, unrealized gain or loss adjustment postings. Revaluing between base and second base/reporting currencies generates a revaluation balancing adjustment postings, and this is not possible if the transaction currency is the pivot.

Selecting Transactions for Revaluation

Ledger Revaluation (LER) recalculates the target currency value on each of the ledger transactions you choose to revalue, using the exchange rate for the revaluation period. For example, it can recalculate the base currency values from the transaction currency values, for all outstanding transactions on debtor/receivables accounts.

Use Ledger Revaluation Profiles (LEP) to define the selection criteria for transactions that must be revalued. You can select the transactions you want to revalue using any combination of the following criteria:

- Account Type
- Account Code
- Journal Type
- Journal Number
- Currency Code
- Accounting Period.

Selecting by Account Type

If you choose to restrict the transaction selection by account type, only transactions for accounts with the selected account types are revalued.

The Suppress Revaluation field in Chart of Accounts (COA) overrides the account type selections. This means that if the Suppress Revaluation option is set for an account, its transactions are excluded from the revaluation process, even though the account may have an account type that is selected for revaluation.

Note: Profit and Loss account types must be processed separately from all other account types.

Selecting the Period for Revaluation

For profit and loss accounts, only transactions with an accounting period that falls within the revaluation period range are selected. For other account types, all transactions with an accounting period up to and including a single revaluation period are included.

So, for profit and loss accounts, only the currency movement for the range of accounting periods is generated. Whereas for balance sheet accounts, the entire balance of the account is revalued.

Excluding Transactions from Revaluation

Ledger Revaluation (LER) excludes individual transactions with any of the following allocation markers: Allocated, Paid, Paid Unmatched or Correction.

You can also exclude transactions from the revaluation process:

- for an account by setting the Suppress Revaluation option for the account in Chart of Accounts (COA)
- for a journal type by setting the Exclude from Revaluation option for the journal type in Journal Types (JNT).

Excluding True Rated Transactions

If you use true rated transactions then any ledger transactions marked as true rated are excluded when revaluing Value 2 against Value 4.

However, the true rated status of a transaction is ignored in all other currency revaluation scenarios, such as revaluing Value 1 against Value 2. In this case, any true rated transactions are included in the revaluation (providing there are no other criteria that exclude them, such as those described above in Excluding Transactions from Revaluation).

How are the Revaluation Differences Posted?

Ledger Revaluation (LER) revalues one currency against another, on a group of transactions. For the revalued currency, it also calculates the difference between the original and revalued amount on each transaction. Ledger Revaluation (LER) can optionally post this revaluation difference to the ledger.

This revaluation difference is either an unrealized currency gain or loss or a balancing adjustment. If you are revaluing a transaction currency (value 2 or value 4) against another currency, the difference reflects an unrealized currency gain or loss.

Alternatively, if you are revaluing between the base and second base/reporting currencies, the difference is a balancing adjustment resulting from a rounding error.

What Postings are Generated?

The revaluation differences can be posted as detailed or consolidated revaluation postings.

At one extreme Ledger Revaluation (LER) can post a revaluation transaction per account for every analysis code, currency and asset combination for each period. At the other extreme it can post a single revaluation posting for each currency, for each ledger per year.

Different postings are generated for unrealized gain/loss postings and balancing adjustment postings.

The cumulative effect of previous revaluations is also taken into account. To minimize the number of transactions that risk crossing from the gain to the loss account you can choose to run Ledger Revaluation (LER) on a quarterly or annual basis, or run the gain and loss processes separately rather than using the post gains and losses separately option in a combined Ledger Revaluation (LER) run.

The Unrealized Gain/Loss Postings

If you select to post detailed revaluation gain or loss transactions, Ledger Revaluation (LER) generates postings to the following accounts:

- the account on the revalued transaction for the revaluation difference(s) calculated for the transaction
- the specified Unrealized Net or Losses and Unrealized Gains accounts, for the total of all the gains or losses, or the net gain/loss.

The unrealized gain and loss accounts can be specified either in Currency Codes (CNC) or in Currency Period Rates (CNP). If the accounts have not been specified in either of these areas, they are determined by your specifications in Ledger Revaluation Profiles (LEP). Do not select a memo account.

The method used to post gains and losses is determined by the Exchange Gain/Loss Post Rule field in Ledger Setup (LES). This field controls the unrealized gain and loss account fields that appear on Ledger Revaluation (LER).

If you choose to consolidate the revaluation transactions across several accounts, for example by account type, the postings are made to the Consolidated Gain or Consolidated Loss account instead of the individual transaction accounts.

Note: If revaluation postings are being generated in detail and the transactions for a single account contain more than 2000 different combinations of analysis codes, currency codes, asset code and asset indicator, more than one revaluation transaction can be produced for each combination.

The Balancing Adjustment Postings

If you select to post detailed balancing adjustment transactions, Ledger Revaluation (LER) generates postings to the following accounts:

- the account on the revalued transaction for the revaluation difference(s) calculated for the transaction
- the balancing account specified for the chosen target currency in Business Unit Setup.

If you choose to consolidate the revaluation transactions across several accounts, for example by account type, the postings are made to the Consolidated Gain or Consolidated Loss account instead of the individual transaction accounts.

What Periods are Revalued and Updated?

Ledger Revaluation (LER) revalues different periods for profit and loss accounts compared to all other account types. In addition, the revaluation postings can update different periods for profit and loss accounts depending on whether they are posting unrealized gains or losses, or balancing adjustments.

What Period Can be Revalued?

Profit and Loss accounts are revalued for a selected range of periods. This means that only the currency movement for this period is revalued.

For all other account types, the transactions up to and including a selected period are revalued, that is the account balance is revalued.

What Period is Updated?

The revaluation postings update the following periods, depending on the type of account and type of posting being made.

	Profit & Loss Accounts	All Other Accounts
Unrealized Gain/Loss Postings	update the period	update the last period selected
Balancing Adjustments	for all account types you can update either each individual period being revalued, or post the total adjustment to the final period chosen	

Consolidating Revaluation Transactions

Ledger Revaluation (LER) can generate a revaluation adjustment posting for every transaction it revalues, if the revaluation generates a difference between the original and revised target currency amount.

At the most detailed level the revaluation transaction posts this difference to the account referenced on the transaction and contains all of the original transaction details, for example the analysis codes, asset code, asset indicator and so on.

If you are revaluing a large number of transactions, this may generate an equally large number of additional account postings. To restrict the number of revaluation transactions generated, you can consolidate the transactions chosen for revaluation, and produce consolidated gain/loss or balancing adjustment postings.

You can consolidate the revaluation transactions by:

- Period (for balance sheet, creditor, debtor and client account types), for example, to produce a consolidated gain or loss posting for all transactions regardless of their posting period. That is, the consolidated revaluation posting is not split by period.
- Analysis Dimension, for example, to produce a single gain or loss posting summarizing all the transactions regardless of their analysis codes in that dimension. That is, the consolidated revaluation posting is not split by analysis code for the specified dimension(s).
- Asset, for example, to produce a single gain or loss posting for all assets. That is, the consolidated revaluation posting is not split by asset code.

In addition, you can consolidate the revaluation transactions for accounts, by account type. This produces a single revaluation posting for each account type, for each currency.

Use Ledger Revaluation Profiles (LEP) to define the consolidation rules for the revaluation.

Consolidating by Analysis Dimension

If you consolidate by analysis dimension 1, then different analysis dimension 1 codes are ignored by Ledger Revaluation (LER) in the revalued transactions. It still consolidates the transactions by account and by currency within account, and posts separate transactions for any other individual analysis dimension codes.

Note: Ledger Revaluation never consolidates currencies, even when accounts are consolidated.

Consolidating on a One-to-One Basis Applying Revaluation Link References

The One-to-One Consolidate option allows the revaluation difference postings to be calculated and posted at the most detailed transaction level. It also allows each revaluation difference posting to be associated with its source 'revalued' transaction.

When the revaluation difference posting is generated, a unique Ledger Revaluation Link reference is assigned to the original source transaction and the new revaluation difference posting.

When you select this Consolidate option on subsequent revaluations, Ledger Revaluation (LER) uses the Revaluation Link Reference to group the source and revaluation postings together and revalues them as a whole rather than as individual transaction.

The new revaluation posting contains the same information as the source posting, apart from the Journal Type, Journal source, Journal number, Journal Line number, Transaction Date, Due Date and the Debit/Credit marker.

Note: It is strongly recommended that you always use the same Consolidate option (either One to One, Yes, or No) when running revaluations on a ledger. This is because One-to-One consolidation creates and relies on a revaluation link reference, and the other Consolidate options (Yes and No) do not create any such link reference. Consequently, switching between options for successive revaluations could cause incorrect revaluation postings.

Which Transaction Values are Updated by Revaluation?

Ledger Revaluation (LER) generates revaluation postings that contain either one or two adjustment values. The values generated depend on the currencies you specify as the revaluation source and target currencies in Ledger Revaluation Profiles (LEP), and on your pivot currency.

Ledger Revaluation (LER) can be run using any of the valid combinations of source and target currencies described in the topic Selecting the Revaluation Source and Target Currencies.

The adjustment values calculated and posted by Ledger Revaluation (LER) are explained below for each of the following source and target currency combinations:

- revaluing base currency using transaction currency as the source
- revaluing second base/reporting currency using transaction currency as the source
- revaluing second base/reporting currency using base currency as the source
- revaluing base currency using second base/reporting currency as the source
- revaluing fourth currency
- revaluing currencies using the fourth currency as the source

The type of postings generated by the revaluation depends on the source and target currency combination, and is either an unrealized Gain/Loss or a Balancing Adjustment.

Revaluing Base Currency using Transaction Currency as the Source

This is the most common type of revaluation and it generates unrealized currency gain or loss postings.

It recalculates the base currency value on each transaction from the transaction currency value using the revaluation period exchange rate.

The following table indicates the values that are included on the revaluation posting, depending on which currency is the pivot:

Pivot is:	Value 1	Value 2	Value 3	Value 4
Base	X		X	
Transaction Currency	X			

Base Currency is Pivot

If the base currency is the pivot, this is an example of the split risk currency model. The exchange risk is split between the local company and the parent company. This revaluation performs two calculations and includes two values on the revaluation posting:

1. The base value is recalculated from the transaction currency.
2. The second base/reporting currency value is calculated from the revalued base value.

Note: These calculations are performed in this sequence because the conversion must be made via the pivot currency.

Transaction Currency is Pivot

If the transaction currency is the pivot, then this is an example of the GAAP currency model where the exchange risk is taken by the parent company. Only the base currency value is updated by the revaluation. As a result, a second revaluation run may be run to revalue the second base/reporting currency, again using the transaction currency as the source.

Revaluing Second Base/Reporting Currency using Transaction Currency as the Source

This method of revaluation also generates unrealized currency gain or loss postings and is often required where a reporting currency is used. It fixes the exchange risk between the transaction currency and the reporting currency. It is also used for the euro model.

The following table indicates the values that are included on the revaluation posting, depending on which currency is the pivot:

Pivot is:	Value 1	Value 2	Value 3	Value 4
Second Base	X		X	
Transaction Currency			X	

Second Base Currency is Pivot

This is where value 3 is set as the second base currency rather than a reporting currency. This revaluation performs two calculations and includes two values on the revaluation posting as follows:

1. The second base value is recalculated from the transaction currency.
2. The base currency value is calculated from the revalued second base value.

Transaction Currency is Pivot

If the transaction currency is the pivot, then this is again the GAAP currency model where the exchange risk is taken by the parent company. This revaluation run would typically be the second of two revaluation runs. The postings from this second revaluation run are only posted to the reporting currency so are not shown in the local (base) currency books.

Revaluing Second Base Reporting Currency using Base Currency as the Source

This type of revaluation generates a balancing adjustment which typically adjusts for any small currency conversion rounding errors.

The following table indicates the values that are included on the revaluation posting, depending on which currency is the pivot:

Pivot is:	Value 1	Value 2	Value 3	Value 4
Base Currency			X	
Second Base Currency			X	

Base Currency is Pivot

If the base currency is the pivot, this is the split risk currency model. The exchange risk is split between the local company and the parent company.

Second Base Currency is Pivot

This is not truly revaluation, but can be used as a mechanism for handling rounding differences for a reporting currency. The total of the reporting currency is compared to the total value in base currency at the standard, fixed exchange rate, and adjustments are posted for any differences which are assumed to be rounding errors. This needs to be run for each period if you want each period to balance, or at year-end if you require an exact equivalence at year end.

Revaluing Base Currency using Second Base / Reporting Currency as the Source

This type of revaluation generates a balancing adjustment which typically adjusts for any small currency conversion rounding errors.

The following table indicates the values that are included on the revaluation posting, depending on which currency is the pivot:

Pivot is:	Value 1	Value 2	Value 3	Value 4
Base Currency	X			
Second Base Currency	X			

Revaluing Fourth Currency

Note: The fourth currency cannot be set up as a pivot.

Revaluing Fourth Currency using Transaction Currency as the Source

This scenario allows fourth currency postings to be made, to recalculate the fourth currency value up or down to bring it in line with the transaction currency, following any exchange rate movement between these currencies.

A direct relationship between the currencies must exist, that is the system will verify that the fourth currency is calculated from the second currency according to the settings on Business Unit Setup.

Transactions which carry the true rated flag are ignored in this scenario.

The following table indicates the values that are included on the revaluation posting:

Fourth currency calculated from:	Value 1	Value 2	Value 3	Value 4
Transaction Currency				X

No further revaluations are required in this scenario.

Revaluing Fourth Currency using Base Currency as the Source

The following table indicates the values that are included on the revaluation posting:

Fourth currency calculated from:	Value 1	Value 2	Value 3	Value 4
Base Currency				X

Revaluing Fourth Currency using Second Base/Reporting Currency as the Source

The following table indicates the values that are included on the revaluation posting:

Fourth currency calculated from:	Value 1	Value 2	Value 3	Value 4
Second Base / Reporting Currency				X

Revaluing Currencies using Fourth Currency as the Source

Note: The fourth currency cannot be set up as a pivot.

Revaluing Base Currency using Fourth Currency as the Source

The following table indicates the values that are included on the revaluation posting:

Fourth currency calculated from:	Value 1	Value 2	Value 3	Value 4
Base Currency	X			

Revaluing Second Base/Reporting Currency using Fourth Currency as the Source

The following table indicates the values that are included on the revaluation posting:

Fourth currency calculated from:	Value 1	Value 2	Value 3	Value 4
Second Base/Reporting Currency		X		

Unrealized Gain/Loss Postings versus Balancing Adjustment Postings

When you revalue a currency (Values 1, 3, or 4) using the transaction currency (Value 2) as the source, you generate unrealized gain or loss postings. This is because the transaction currency is comprised of 'real' currency values, not calculated, such as amounts printed on a supplier invoice. Thus, when the revaluation process posts the difference due to exchange rate movement since the originating transaction was posted, this difference is effectively a gain or a loss that was not realized at the time the transaction was posted.

When you revalue between the base, the second base/reporting or fourth currency (values 1, 3, or 4), not involving the transaction currency (Value 2), you generate balancing adjustment postings.

Using Revaluation with the Currency Models

Ledger Revaluation generates revaluation postings that update different transaction values, depending on the source and target currencies you choose, and on your pivot currency.

Therefore, depending on which currency is your pivot currency, you may need to run Ledger Revaluation more than once to calculate all of the required revaluation values.

The following sections summarize the revaluation runs you may need to perform for each currency model:

Revaluation Using the Split Risk Currency Model (Pivot is Base Currency)

In the split risk currency model the base currency is set as the pivot currency and the exchange risk is split between the local company and the parent company.

Two revaluation runs are required to support using this model:

1. Revalue transaction currency against base to revalue the base currency values.
2. Revalue base currency against second base/reporting currency.

Revaluation Using the GAAP Model (Pivot is Transaction Currency)

Using the typical GAAP currency model the transaction currency is the pivot and the exchange risk is taken by the parent company. In this situation, two revaluation runs are typically required:

1. Revalue transaction currency against base currency to update the base currency values and calculate the gain or loss in the base currency.
2. Revalue transaction currency against second base/reporting currency to update the second base currency values and calculate the gain or loss in this currency.

Using Revaluation with the Revalue until True Rated Option Set

Ledger Revaluation calculates the unrealized exchange gain or loss for selected transactions by revaluing the transactions at the current exchange rate. When a transaction has been paid and/or matched, a fixed exchange rate applies to the transaction and a realized exchange gain or loss is calculated by the payment or matching process. These transactions no longer need to be revalued. Therefore, Ledger Revaluation usually only revalues 'open' transactions and excludes transactions with any of the following allocation markers: Allocated, Paid, Reconciled or Correction. You can also exclude transactions from the revaluation process:

- For an account by setting the Suppress Revaluation option for the account in Chart of Accounts (COA).
- For a journal type by setting the Exclude from Revaluation option for the journal type in Journal Types (JNT).

The Revalue until True Rated option that can be set on Ledger Setup (LES) changes the way Ledger Revaluation (LER) selects the transactions for revaluation. It uses the True Rated flag set on each transaction to determine whether or not a transaction should be revalued.

Note: The Revalue until True Rated option only applies if Ledger Revaluation (LER) is being used to revalue the Fourth currency from the Transaction currency, that is if the source is Transaction currency and the target currency is Fourth currency.

One of three true rated flags can be set on a transaction to identify the type of exchange rate that exists between the transaction currency and fourth currency:

- Normally Rated - this indicates that the transaction references a currency rate which can be revalued using Ledger Revaluation (LER)
- True Rated - this indicates that the transaction contains a fixed exchange rate and the transaction should not be revalued
- Advanced Rated - this indicates that the transaction contains a fixed future exchange rate.

For example, when an invoice is paid in the fourth currency, the exchange rate that applied at the time of the payment is a fixed rate and the true rated flag is set accordingly.

Setting up Ledger Revaluation Profiles

Ledger Revaluation Profiles (LEP) allow you to define and record the selection criteria for transactions that must be revalued using Ledger Revaluation (LER). You can create any number of profiles for different types of currency transactions and for the different combinations of currency revaluations that you require.

This provides an audit trail from revaluation transactions to the selection criteria in the revaluation profile. Each profile retains read-only audit data such as when the profile was last run, the revaluation periods, and journal number range.

Ledger Revaluation (LER) revalues selected currency transactions using the exchange rates for the periods from the revaluation period to, and including, the current period. This allows calculation of the unrealized currency gain or loss or a currency balancing adjustment. For example, you can recalculate the base currency values from the transaction currency values, for all of your debtor account transactions. In this example the transaction currency value is the source of the revaluation, and the base currency is the target.

You can revalue different combinations of currencies depending on your pivot currency, your business unit setup and the source and target currencies you specify. The valid combinations are described in Selecting the Revaluation Source and Target Currencies.

You can identify the transactions to be included in a revaluation precisely by specifying the selection criteria for this profile.

The revaluation differences may be a currency gain or loss, or a currency balancing adjustment. These differences can be posted individually, or they can be consolidated.

Note: True rated transactions are not selected for revaluation as the rate is fixed.

Ledger Revaluation Profiles (LEP)

1 Open **Ledger Revaluation Profiles (LEP)** from the main SunSystems menu.

2 Specify this information:

Profile Code

A unique code to identify this ledger revaluation profile.

Name

A name for this ledger revaluation profile.

Data Access Group Code
Enter a code to identify the data access group.

Status
Specify the status.

3 Save your changes.

Currency and Value Selections

1 Click the **Currency and Value Selections** tab in the **Ledger Revaluation Profile (LEP)** dialog

2 Specify this information in the Source and Target Currencies section:

Source Currency

The transaction value to be revalued. This value will not be updated on the revalued transactions. The following options are available, depending on the business unit setup:

- `Value 1` - to use the base currency values as the basis for your revaluation
- `Value 2` - to use the transaction currency values as the basis for your revaluation
- `Value 3` - to use the second base / reporting currency values as the basis for your revaluation
- `Value 4` - to use the fourth currency values as the basis for your revaluation.

Target Currency

The target value for the revaluation. This is the transaction value that will be recalculated from the source transaction value. You can only choose one of the following options as the target:

- `Value 1` - the base currency
- `Value 3` - the second base / reporting currency
- `Value 4` - the fourth currency

You cannot recalculate the transaction currency values.

Note: The target currency and the source currency cannot be the same. Where Value 4 is used, a direct relationship between the source and target currencies must exist, that is, the system will verify that the fourth currency is calculated from the other currency according to the settings in Business Unit Setup.

3 Specify this information in the Suppress Currency Values section:

Suppress Currency Value 1 - 4

Check the check box for a currency value if you want to exclude it from revaluations that use this profile. The suppressed value is written as zero in the revaluation transactions. However, the source currency code is retained for each transaction, unless it is consolidated for the currency value, using the relevant currency option on the **Consolidation Options** tab.

You cannot suppress a currency value if it is selected for Source Currency or Target Currency.

4 Specify this information in the Currency Code Selection Ranges section:

Conversion Code From / To

The range of Value 2 currency codes required in revaluations that use this profile. Only transactions that reference these currencies as the transaction currency (Value 2) are revalued. Leave blank to include all currency codes.

4th Currency Conversion Code From / To

The range of Value 4 currency codes required in revaluations that use this profile. Only transactions that reference these currencies as the fourth currency (Value 4) are revalued. Leave blank to include all currency codes.

5 Specify this information in the Unrealized Exchange Accounts section:

Net/Loss Account

The account where you want to post the losses resulting from revaluations that use this profile, or net gains and losses, depending on the Exchange Gain/Loss Post Rule set for the ledger on the Ledger Setup (LES).

Note: If the post rule in Ledger Setup (LES) is amended, Ledger Revaluation (LER) will continue to use the unrealized exchanged accounts specified on the revaluation profile. Therefore, in this circumstance you should edit the revaluation profile to specify the new or changed account(s).

Gain Account

The account where you want to post the unrealized gains resulting from revaluations that use this profile. This account is only required if gains and losses are to be posted separately.

6 Specify this information in the Currency Rate Type section:

Currency Rate Type

Currency Rate Types can be used for specific Ledger Revaluation Profiles (LER) so that the selected currency period rate is automatically used during the revaluation process. If it is not specified the Default rate type is used.

Before posting the revaluation transactions it is recommended that you make sure the period rates to be used have been defined on the selected rate type.

Select a Currency Rate Type from the list. If it is not specified the Default rate type is used.

7 Save your changes.

Account and Journal Selections

1 Click the **Account and Journal Selections** tab in the **Ledger Revaluation Profile (LEP)** dialog

2 Specify this information:

Account Types

The types of account for which transactions are revalued. If an account type is not chosen, accounts of this type are excluded from this revaluation run. Profit and Loss type accounts must be processed separately from the other account types.

Note: The Suppress Revaluation field in Chart of Accounts (COA) overrides the selections made here. This means that the transactions for an account may be excluded, even though the account has the appropriate account type.

Account Code From / To

The range of account codes to be revalued. Leave blank to include all accounts for the selected account type(s).

Journal Type From / To

The range of journal types to be revalued. Leave blank to include all journal types.

3 Save your changes.

Analysis Selections

1 Click the **Analysis Selections** tab in the **Ledger Revaluation Profile (LEP)** dialog

2 Specify this information:

Account Analysis Selections

Select up to five analysis dimensions, then the range of analysis codes for each, for which accounts defined with those analysis codes are to be included in revaluations that use this profile.

Transaction Analysis Selection

Select up to five analysis dimensions, then the range of analysis codes for each, for which transactions posted with those analysis codes are to be included in revaluations that use this profile.

3 Save your changes.

Consolidation Options

1 Click the **Consolidation Options** tab in the **Ledger Revaluation Profile (LEP)** dialog

2 Specify this information:

Consolidation Method

This option determines the level at which the revaluation posting is made. Three options are available:

- Select `Yes` to consolidate the revaluation transactions according to the options you set on this tab.
- Select `No` to generate and post transactions at the lowest level of detail.
- Select `One to One` to generate a separate revaluation posting for each account and allocate the same Revaluation Link Reference to the source posting and the new revaluation difference posting.

Note: It is strongly recommended that you always use the same Consolidate option (either `One to One`, `Yes`, or `No`) for revaluations on a ledger.

Period

This determines whether the transactions for each account selected for revaluation are consolidated by accounting period, prior to the revaluation. This option is not available for profit and loss account types. Select the check box to consolidate the transactions by period. Leave it unchecked to revalue the transactions for each period individually.

Asset

This determines whether the transactions selected for revaluation are consolidated by asset code prior to the revaluation. Select the check box to consolidate the transactions by asset. Leave it unchecked to revalue the transactions individually for each asset.

Transaction Currency

This determines whether the transactions selected for revaluation are consolidated by Value 2 currency code prior to the revaluation. Value 2 is written as zero in the revaluation transactions. Select the check box to consolidate the transactions by transaction currency (Value 2). Leave it unchecked to revalue the transactions individually for each Value 2 currency.

Fourth Currency

This determines whether the transactions selected for revaluation are consolidated by Value 4 currency code prior to the revaluation. Select the check box to consolidate the transactions by the fourth currency (Value 4). Leave it unchecked to revalue the transactions individually for each Value 4 currency.

Account

This determines whether the transactions selected for revaluation are consolidated by account prior to the revaluation. Select `Yes` to consolidate the transactions by account. Select `No` to revalue the transactions for each account individually.

Consolidated Net Account

The field is displayed depending on the **Exchange Gain/Loss Post Rule** set for the ledger on the **Ledger Setup (LES)** - if Net Gains and Losses is selected. Enter the account to which the consolidated net gains and losses are posted. This is required if the transactions are consolidated across several accounts, so that the gain or loss adjustments cannot be posted to the original transaction accounts.

Consolidated Loss Account

This field is displayed depending on the **Exchange Gain/Loss Post Rule** set for the ledger in **Ledger Setup (LES)**. Enter the account to which the consolidated losses are posted. This is required if the transactions are consolidated across several accounts, so that the gain or loss adjustments cannot be posted to the original transaction accounts.

Consolidated Gain Account

This field is displayed depending on the **Exchange Gain/Loss Post Rule** set for the ledger in **Ledger Setup (LES)**. Enter the account to which the consolidated gains will be posted. This is required if the transactions are consolidated across accounts, so that the gain or loss adjustments cannot be posted to the original transaction accounts.

Consolidation Transaction Analysis Dimensions 1 to 10

For each analysis dimension assigned to the ledger transactions, you can determine whether the transactions selected for revaluation are consolidated for the analysis dimension, within the account, prior to the revaluation. Select the check box to consolidate the transactions that reference a selected dimension, within each account. Leave it unchecked to generate separate revaluation postings for each analysis code, for the dimension.

3 Save your changes.

Audit Data

The fields in this tab cannot be edited. After a ledger revaluation is run using this profile, this tab display audit data associated with the revaluation, as follows:

1 Click the **Audit Data** tab in the **Ledger Revaluation Profile (LEP)** dialog

2 Specify this information:

Date profile last used

Displays the date that a ledger revaluation was last run using this profile.

Revaluation Period

Displays the accounting period that a ledger revaluation was last run using this profile.

Period From / To

Displays the range of periods that was selected in Ledger Revaluation when this profile was last used in a revaluation.

Journal Number From / To

Displays the range of journal numbers that was selected in Ledger Revaluation (LER) when this profile was last used in a revaluation.

Post Transactions

Displays the posting option that was selected in Ledger Revaluation when this profile was last used in a revaluation. Three options are available:

- **`Do Not Post`** - this option determines that the selected transactions were validated but not posted.

- `Post Hard` - this option determines that the selected transactions were validated and the journal hard posted to the ledger.
- `Post Provisional` - this option determines that the selected transactions were validated and the journal posted provisionally.

Print Transactions

Displays Yes if the individual revaluation transactions were included in the revaluation report when this profile was last used in a revaluation.

3 Save your changes.

Running Ledger Revaluation

Ledger Revaluation (LER) revalues selected currency transactions using the exchange rates for the periods from the revaluation period to, and including, the current period. This allows calculation of the unrealized currency gain or loss or a currency balancing adjustment.

In order to run a ledger revaluation, you must first set up at least one revaluation profile, in Ledger Revaluation Profiles (LEP). Ledger revaluation profiles allow you to define and record the selection criteria for transactions that must be revalued.

Ledger Revaluation (LER)

1 Open **Ledger Revaluation (LER)** in the main SunSystems menu.

2 Specify this information:

Profile Code

Select a profile for this revaluation, as defined in **Ledger Revaluation Profiles (LEP)**.

After you select the profile, the runtime options, such as **Journal Number Range** and **Revaluation Period**, are displayed on the **General** tab of the **Ledger Revaluation (LER)** dialog. All of the other selection criteria defined in the revaluation profile are displayed in the other tabs and cannot be modified within the **Ledger Revaluation (LER)** function.

3 Save your changes.

General

1 Click the **General** tab in the **Ledger Revaluation (LER)** dialog

2 Specify this information:

Journal Number Range

The range of journal numbers to be revalued. To select all journals within the types selected above, leave both fields blank.

Revaluation Period

The range of periods for which transactions are to be revalued. If you choose to revalue profit and loss accounts, you are prompted to enter a range of periods. If you choose to revalue any other type of account you are prompted to enter a single period.

Note: This revaluation period is treated differently for profit and loss accounts.

Post Transactions

This determines whether or not revaluation transactions are posted to the ledger. Select `Post Hard` to post the revaluations, or `Post Provisional` if the ledger is set up for provisional posting. Select `Do Not Post` if you only wish to report the revaluations.

Report Losses and Gains

This option is displayed only if **Post Transactions** is set to `Do Not Post`, and if the **Exchange Gain/Loss Post Rule** is set to `Gains Only`, or `Losses Only`, on the **Options** tab of the **Ledger Setup (LES)**. Select this option to allow consolidation to both gains and losses accounts, thus overriding the setting of the **Exchange Gain/Loss Post Rule** set for the ledger. Leave the check box unchecked to follow the **Exchange Gain/Loss Post Rule** for the ledger, and therefore use a Gains account only or a Losses account only for consolidation (depending on your Exchange Gain/Loss Post Rule).

Print Transactions

Select `Yes` to print all of the transactions. Select `No` to only print the transactions for which a revaluation gain or loss was calculated. If the **Exchange Gain/Loss Post Rule** is not `Net Gains and Losses`, you can also select **Suppress zero transactions** to exclude any zero value revaluation transactions.

3 Save your changes.

Selection Criteria tabs (Display-only)

The following tabs display the selection criteria defined in the Ledger Revaluation Profile (LEP), and the criteria cannot be modified on this form:

- Currency and Value Selections
- Account and Journal Selections
- Analysis Selections
- Consolidation Options.

Ledger Revaluation Reports

If you choose not to post transactions and have set the **Exchange Gain/Loss Post Rule** field in **Ledger Setup (LES)** to `Losses Only`, or `Gains Only`, you can run a report to show what would be posted in **Ledger Revaluation (LER)**.

The revaluation report shows the ledger amount and revalued amount for each revalued transaction. You can specify whether you want the report to include all revaluations, regardless of whether they are gains or

losses. You can also specify whether you want to include all transaction details, or only transactions which have been revalued.

For each currency code it shows the ledger totals, the revalued totals, and the difference. At the end of the report, the postings generated for the unrealized gains/losses accounts are shown.

Transactions posted during **Ledger Revaluation** use the next available journal number. You can print them using the Journal Listing.

Ledger Cleardown

Ledger cleardown is a process which enables you to remove historical or redundant transactions from your business unit ledger and replace them with summarized balance transactions. You are not obliged to perform a ledger cleardown. However, it should be considered, as it leaves you with a more compact, and easily managed system.

The function Ledger Cleardown (LCL) attempts to compress the ledger, so although individual transactions are removed, summary or balance transactions are maintained for reporting purposes. The transactions for an account code are summarized by period, analysis code, currency code and other details.

You can use Ledger Cleardown (LCL) to perform either a period cleardown or a year cleardown by selecting the appropriate processing option. The period cleardown accumulates transactions on a period by period basis. The year cleardown summarizes the transactions for the financial year and posts the balances to the final period of the year.

Note: Year End Cleardown clears all accounts, whether open item or balance forward.

Ledger Cleardown (LCL) can also use the transactions posted to assets to recalculate each asset's gross, net and depreciation values.

Archiving Transactions

Ledger Setup (LES) offers you the option to remove cleared transactions to an archive file, rather than deleting them.

What Transactions are Cleared?

Ledger cleardown is a process which enables you to remove historical or redundant transactions from your business unit ledger and replace them with summarized balance transactions. You are not obliged to perform a ledger cleardown ever. But as transactions accumulate your processes and reports will slow down. For optimum performance you should clear down as often as possible.

The function Ledger Cleardown (LCL) tries to eliminate all transactions for periods up to and including the selected period, for the selected accounts, including closed accounts if they are within the selected account code range. You cannot clear down transactions for the current period. You are also warned if you choose to clear down transactions for last year, since you might require these figures to be shown on reports.

The balance type setting for the chart of accounts code determines how the transactions for the account are treated during period cleardown:

- On Balance Forward accounts, all transactions are cleared down, unless they have an allocation marker of Withhold.
- On Open Item accounts, transactions with an allocation marker of Reconciled, Correction, Allocated or Paid, are cleared down.

Note: You can use **Account Allocations (ACA)**to set the appropriate allocation marker to close transactions.

A transaction which is otherwise eligible for removal, is not cleared down if it is a provisional posting.

Note: If the **Check Transaction Reference** option is selected on **Ledger Cleardown (LCL)** a transaction is not cleared down if it has been posted to an account with an Agency/Broker Account Type of Client or Carrier, and other transactions with the same transaction reference are not eligible for cleardown.

The transactions removed by Ledger Cleardown (LCL) are either physically deleted from the system, or moved into an archive file.

Budget Transactions

You can run Ledger Cleardown (LCL) against a budget ledger to summarize and remove budget transactions in the same way as actual transactions. There is however one exception to this. Budget transactions are always deleted rather than archived, regardless of the **Ledger Archiving** setting in **Ledger Setup (LES)**.

When you run a year cleardown, all of the budget transactions up to, and including, the specified year are cleared. Summary balances are posted in the last period of the specified year for each account and analysis code combination. So, if you want to retain a budget for historical reporting purposes you should not run a year cleardown against the appropriate budget ledger.

Balance Transactions

Ledger Cleardown (LCL) replaces the cleared down transactions with balance transactions. By keeping totals like this, financial reports can report on historic period balances even though the transactions have been removed or archived.

Rather than creating a single transaction that summarizes all of the cleared down transactions on an account for a period, several summarizing transactions are created. These reflect the combinations of account, period, analysis codes, currency code, allocation marker, asset code, asset subcode and asset indicator on the transactions being summarized.

If you no longer require some of the analysis, you can reduce the number of balance transactions by defining analysis code consolidations. Analysis codes on transactions in the selected dimensions are ignored and the transactions are summarized as if these analysis codes did not exist.

After clearing down, the new balance transactions show a journal number, and if relevant, an allocation reference of zero. The allocation and transaction date and period are set to the corresponding values from the most recent transaction that has been cleared.

Removing or Archiving Transactions

The length of time transactions are maintained on a ledger depends solely on your own requirements. Transactions can remain on the ledger indefinitely. However, retaining transactions has the disadvantages of a large, often cumbersome, ledger.

Archiving is a method of storing the data you have cleared from the ledger file. It copies the original details of transactions that have been summarized during Ledger Cleardown (LCL) to an archive file.

You may opt to retain transactions on individual accounts for a longer period of time than for other accounts. For example, profit & loss and balance sheet transactions may be retained for a year, whereas debtor/receivables or creditor/payables transactions can be maintained for as long as they remain unmatched.

You should keep a record of the frequency for clearing down each group of accounts. You might sign and date the records each time you perform a cleardown. This ensures you have adequate records of what has been cleared from the ledger.

Archiving is switched on by setting the **Ledger Archiving** field in **Ledger Setup (LES)**.

Archived transactions can be viewed with current transactions using Ledger Inquiry (LAQ), with the filter type code SALQA (Ledger Inquiry - Archive), and printed using a report based on the FTAL1.srdl example report.

Consolidating Analysis on Cleardown

As part of ledger cleardown you can choose to have selected analysis codes consolidated into balance transactions. Without consolidation, the analysis codes referenced on transactions are left intact and summary balance transactions are produced for each combination of analysis codes, within each account.

If you choose to generate consolidated cleardown transactions, you must select the analysis dimensions you want to consolidate and identify the range of analysis codes to be consolidated for each dimension. All of the transactions that reference this range of analysis codes are consolidated as if they all referenced a single null code.

To consolidate analysis codes, select the **Analysis Code Consolidation** option when you run **Ledger Cleardown (LCL)**. The **Analysis Code Consolidation** dialog is displayed where you can determine the consolidation requirements.

Running ledger cleardown

Ledger Cleardown (LCL) is a process which enables you to remove historical or redundant transactions from your business unit ledger and replace them with summarized balance transactions.

You are not obliged to perform a ledger cleardown. However, it does provide a more compact, and more easily managed system. It provides two run options:

- Period cleardown which accumulates transactions on a period by period basis
- Year cleardown which summarizes transactions for a year.

Transactions are only summarized if they have been posted to an accounting period equal, or prior, to the period or year you have chosen to clear down.

Note: If you run Ledger Cleardown (LCL) on a budget ledger, the budget transactions are always deleted rather than archived. When you run a year cleardown, all of the budget transactions up to, and including, the specified year are cleared. Summary balances are posted in the last period of the specified year for each account and analysis code combination.

Ledger Cleardown Prerequisites

Before carrying out a ledger cleardown, you must ensure that:

- All audit trail reports have been produced. These would include, for example, journal listings and account listings.
- All operators have logged out
- The business unit has been backed up as a safety precaution.

Using Ledger Cleardown

Ledger Cleardown (LCL) is a process which enables you to remove historical or redundant transactions from your business unit ledger and replace them with summarized balance transactions. You are not obliged to perform a ledger cleardown. However, it should be considered, as it leaves you with a more compact, and easily managed system.

It provides two run options:

- Period Cleardown which accumulates transactions on a period by period basis
- Year Cleardown which summarizes transactions for a year.

Running Ledger Cleardown (LCL)

1. Open **Ledger Cleardown (LCL)** from the main SunSystems menu.
2. Click the **Period Cleardown** button to specify period cleardown. Or, select **Action > Period**.
3. Specify this information:

   Cleardown Period

   The period or year to be cleared down. If you are running a period cleardown, you must enter the last period to be cleared down in the format of ppp/yyyy. You cannot enter the current period.

   If you are doing a year end cleardown, you must enter the year to be cleared down in the format yyyy. You are warned if you select to clear down last year, since you might require these figures to be shown on reports.

   Account Code /To

   The default is for all account codes to be processed. If you do not want to clear down all accounts select the account code, or range of account codes, you require.

Recalculate Asset Balances

If you are using the Asset Register, select this option to recalculate the gross, accumulated depreciation and net values for assets in the Fixed Asset Register, from the asset related ledger transactions.

Analysis Code Consolidation

Select this to consolidate some, or all, of the analysis codes on cleared transactions.

Check Transaction Reference

Select this option to clear down all of the transactions with the same transaction reference at the same time. This means that the transactions referencing a particular transaction reference will only be cleared down when all of these transactions are able to be cleared down.

Note: This check only applies to the transactions posted to accounts with an Agency/Broker Account Type of Client or Carrier, as defined in **Chart of Accounts (COA)**.

Switch Off Auditing

If you are using Data Audit, the ledger cleardown process may be significantly slower depending on the tables for which data audit is switched on. If you want to temporarily switch off data audit in order to speed the cleardown, select this option so that no audit details are recorded during the cleardown. After the cleardown, auditing is automatically switched on again for the tables as configured in **Data Audit Configuration (DAC)**.

4 Click the **Year Cleardown** button to specify year cleardown. Or, select **Action > Year**. Specify the information as described in step 3.

5 Click **OK**.

6 If you set the **Analysis Code Consolidation** option, the **Analysis Code Consolidation** window is displayed:
   - Identify each analysis dimension to be consolidated, and enter range of analysis codes for each dimension.
   - Click **OK**.

7 A `Cleardown?` warning message dialog appears. Click **Yes** to initiate the ledger cleardown, or **No** to cancel it.

   The process identifies each account as it is cleared down.

Analysis Code Consolidation

If you select the **Analysis Code Consolidation** option in **Ledger Cleardown (LCL)**, the Analysis Code Consolidation dialog appears. This allows you to select the analysis dimensions you want to consolidate into balance transactions, and the range of codes to be consolidated for each dimension.

If you do not apply consolidation, the analysis codes referenced on transactions are left intact and summary balance transactions are produced for each combination of analysis codes, for each account and period and other factors.

Note: You must enter the consolidation details for each dimension separately, and press Enter after each one.

1 Specify this information:

Analysis Dimensions

The analysis dimensions that have been assigned to ledger transactions are listed. This allows you to choose the type of analysis that is to be consolidated.

Consolidate

Select this for an analysis dimension to consolidate transactions for the dimension.

From/To

The range of analysis codes to be consolidated for the analysis dimension. Leave this blank to consolidate all analysis codes for the dimension.

2 Save your changes.

Updating the Ledger Balances

The Ledger Balance file contains summaries of the transactions from the ledger file. It is used to improve the speed with which financial reports and Trial Balances are produced.

Note: The ledger balance file is created using Optional Ledger Tables (OLT).

Ledger Balance Update (LBU) is used to update the ledger balances with the latest transactions from your actual or budget ledger so that reports using the balance data give a true representation of the data.

The balances hold data summarized by the following transaction details:

- account code
- period
- currency code
- provisional posting flag
- corrections flag
- analysis code.

Other information such as asset code or journal type is not held. The balance file cannot be used for reports which rely on these codes.

In addition, you can consolidate individual transaction analysis codes to consolidate the ledger information further. The balance file is only used for a financials report when it is appropriate to the report setup. Therefore financial reports which include items such as transaction reference, description and journal number, do not use the balances.

Note: If you want to clear the ledger balance file completely, you can do this by recreating it in Optional Ledger Tables (OLT).

To Update the Ledger Balances

1 Select **Ledger Balance Update (LBU)** from the main SunSystems menu.
2 From the **Action** menu select **Process**, or click the **Process** button.

When you select **Process**, any transactions posted since the last update are consolidated and added to the balance file.

The time it takes to update your balances depends on the number of transactions you have entered since the last update. You may want to update your balances prior to running weekly or monthly financial reports.

Updating the Balance File When Running Reports

When you request a report that uses the Ledger Balances file, you are offered the option to update the balances. This is the same as running Ledger Balances Update (LBU) and is useful if you are running a single report.

Note: The Trial Balance does not include this feature.

However, if you are printing a series of reports for a particular time frame, it is more efficient to use Ledger Balances Update (LBU) to update the balances once, and then produce all of the reports required without selecting the update option for the reports.

Note: You can set up your ledger so that reports which use the Ledger Balances file do so regardless of whether or not it is up to date. If you want to do this, check the **Report From Balance File** field in **Ledger Setup (LES)**.

Rebuilding Ledger Balances

Ledger Balances Rebuild (LBR) recreates your ledger balance file.

Click **Process** to rebuild the balance file. Period balances are created for each combination of account and analysis codes, in accordance with the analysis code consolidation options determined when the balance file is initially created in Optional Ledger Tables (OLT).

Note: If you want to clear the ledger balance file completely, you can do this by recreating it in Optional Ledger Tables (OLT).

Financial year end processing

At the start of a new year, whether or not you have run a year cleardown, you normally transfer the old year's net profit or loss to a balance sheet account.

Before this is done, a trial balance printed for the new year shows the relevant amount. SunSystems automatically prints a line, 'Total Prior Year's Profit/Loss', immediately before the report totals.

What is the Year End Cleardown?

A year end cleardown is similar to a period end cleardown. However, rather than creating summary transactions per period, they are produced for the last period of the cleardown year.

All of the balance transactions for each period of the year are rolled forward into a single set of balances. This includes balance transactions for previous years, not just for the year being cleared. These balances are the closing balances for the year being cleared down and become the opening balances for the following year.

Note: Open items are also cleared by a year cleardown.

Although it may seem appropriate to run a year cleardown when you reach the end of the last period of the year, you may want to retain the detailed transactions of certain accounts to run comparative reports with the following year. In this case, year cleardown should be run 'one year behind'.

To run a year end cleardown, use Ledger Cleardown (LCL). Select **Action > Year** and enter the parameters required.

Transferring Year End Profit or Loss to the Balance Sheet

At the start of a new year, whether or not you have run a year cleardown, you normally transfer the old year's net profit or loss to a balance sheet account. Before this is done, a trial balance printed for the new year shows the relevant amount. SunSystems automatically prints a line, 'Total Prior Year's Profit/Loss', immediately before the report totals.

Once you have reconciled and confirmed this value the transfer is carried out as follows:

1. Ensure you have a profit and loss account called, for example, Prior Year Profit/Loss. This account should not have an account code within the range normally included on any financial reports. This is required for system technical reasons.
2. Create your balance sheet account called, for example, Retained Earnings, which forms part of the balance sheet.
3. Print a Trial Balance for the first period in the new year, and note the amount called prior year's net profit/loss.
4. The profit and loss entry is ignored in the new year's trial balance, but the balance sheet entry is included.

Note: If you use Ledger Conversion (LCN) to generate a new currency value for a business unit, for example to introduce a second base currency, and have transferred your profit or loss to retained earnings in this way, the trial balance for the new year may not balance in the newly generated currency. This is the result of currency exchange rate differences and is explained in detail in Reconciling a Trial Balance Ledger Total in a Generated Base Currency.

Chapter 11: Financials solutions to specific requirements

Use SunSystems to produce reports which comply with Italian statutory reporting requirements. It can also be used as a Broker ledger.

A guide to Italian Accounting using Financials

This section offers general guidance to the ways in which you can use SunSystems to produce reports which comply with Italian statutory reporting requirements. It explains how, with co-ordinated use of the tools provided by SunSystems, you can produce these reports. It also suggests ways in which SunSystems' security features can be used to exercise maximum control over systems administration and journal entry.

Background

Legal

Italian law requires that organizations provide financial statements and fiscal reports for inspection by the authorities. Fiscal reports must be presented on officially stamped paper. Once finally produced neither financial statements nor fiscal reports can be revised.

The Prima Nota

Because organizations have to produce a definitive listing, it has become common practice in Italy to rough post all transactions to a rough book, the Prima Nota. Once entered, transactions and transaction details can be revised within the rough book until the civil or fiscal reports are required, when they are permanently posted to the main ledger.

Registration

The entry of all transactions to the rough book is stamped using a registration (entry) date. It is usual to supplement this date stamp with at least one incremental number which is, sometimes, prefixed with a code. In Italy, a user will usually want to set both a transaction sequence number on registration in the rough book and a daybook sequence number when the daybook is produced. These registration details are written onto the paperwork associated with the transaction. This provides an audit trail, leading from the statutory reports to the originating invoices, credit notes, and so on.

The Rough Book

Within SunSystems you can use the provisional posting facility as the Prima Nota. SunSystems allows you to post two types of transaction to the ledger: provisional postings and permanent postings.

Changing the setting of the **Provisional Postings** field in **Ledger Setup (LES)** to `Mandatory` ensures that all transactions are automatically posted as provisional postings. This is the equivalent of posting rough transactions to the rough book.

You can amend and report on them before posting them as permanent postings. This is the equivalent of hard posting the transaction.

If the **Provisional Postings** option is set to `Optional`, you can choose to post a transaction as either provisional or permanent.

Definitive Listings and Reports

Having posted your transactions as permanent postings, you can reprint at any time the definitive listings and reports required by the Italian authorities.

Registration to the Prima Nota

When transactions are posted as provisional postings to the Prima Nota they are registered by date and by number. Ideally, for the purposes of Italian statutory requirements, each transaction has a unique identification reference. The registration numbers generated are used as the protocollo numbers in fiscal reports.

You can set both the registration date and registration number details in SunSystems using Ledger Sequences (LEQ). You define each set of transaction reference codes that you want to use, and the rules that will be used for each.

Typically, separate sequences of registration details are required for purchase and for sales transactions. The sequence number requirements are assigned to different transaction types in Ledger Setup (LES).

Note: If you have specified a Transactions Dimension you can also specify sequences to be used for system generated journals. A single sequence number code will be used for each batch posted. This does not apply to manual entry or import.

Also in **Ledger Setup (LES)**, you select an analysis dimension in the **Transactions Dimension** field to hold the Protocollo, or transaction sequence number, on each transaction. You can set another analysis dimension, the **Daybook Dimension** in **Ledger Setup (LES)**, to hold the daybook sequence number that is assigned to each transaction.

Setting Registration Dates

If you set the **Registration Date** field for a **Sequence Number Code** in **Ledger Sequences (LEQ)** to the start date of your entry period, all transactions using this sequence number code will be stamped with this date as their registration entry date.

For each sequence number code you define, a warning is given if you set a registration date to a date earlier than that previously used for the sequence number code. This helps ensure that the registration numbers and dates increase in parallel.

Setting Transaction Registration Numbers

You can set and amend the next transaction registration number in the **Next Sequence Number** field in **Ledger Sequences (LEQ)**.

You can control the sequence numbers using the **Update Sequence** field on **Ledger Sequences (LEQ)**. For a particular sequence number code, you can set this to:

- Automatic to increment the registration sequence number automatically on each transaction.
- Entry to set the sequence number automatically and display the number while you are entering the journal in Ledger Entry (LEN).
- Manual to force the operator to enter a sequence number manually for each new transaction reference in Ledger Entry (LEN). You cannot use a manual sequence number for system generated journals.
- Date to record the registration date automatically but not generate a sequence number.

To enter a registration date and a sequence number you must enter both a registration date and select either the `Automatic` or `Manual` option in the **Update Sequence** field.

Assigning Registration Details to a Specific Journal Type

Once you have defined a **Sequence Number Code** using **Ledger Sequences (LEQ)**, you can assign this type of sequence code to a type of journal using **Journal Types (JNT)**. This means that all postings you make using this journal type will use the registration date you have entered in the **Registration Date** field in **Ledger Sequences (LEQ)** as the entry date. The **Sequence Number Code** and the **Next Sequence Number** make up the transaction sequence number that is assigned to the transaction and held in the appropriate analysis code on the transaction. When you run reports you can use this analysis code as a selection and sort criterion.

In addition, if you use the **Registration Date**, this is displayed in a message immediately after posting a journal. If the **Update Sequence** in **Ledger Sequences (LEQ)** is set to `Automatic`, the **Sequence Number** used is also displayed, or the first and last codes if multiple references are posted in one journal.

Setting Daybook Sequence Numbers

To meet Italian accounting requirements, daybook sequence numbers must be used for all fiscal transactions.

Daybook sequence numbers are assigned to transactions when they appear on a definitive **Daybook Listing (DYL)**.

A daybook sequence code must be using **Ledger Sequences (LEQ)**. To generate daybook numbers you must set the **Update Sequence** field in **Ledger Sequences (LEQ)** to `Automatic` for the code used for daybook sequence numbers. The registration date is not required.

Daybook sequence numbers are incremented automatically only when you run Daybook Listing with the **Definitive Request** field set to `Yes`. **Daybook Setup (DYB)** is used to determine the transaction sequence and numbering requirement for the report.

The daybook sequence number assigned to each transaction is stored an analysis dimension on the transaction. The analysis dimension used is identified in the **Daybook Dimension** field on **Ledger Setup (LES)**.

Posting From the Prima Nota

When you are satisfied that the provisional transactions are correct, you will want to post them as permanent postings. This will probably be when you are ready to produce the statutory reports. You can perform this permanent posting using any of the following functions:

- Daybook Listing (DYL)
- Tax Reporting (TXR).

These are the only two functions you can use to post provisional transactions as permanent when the **Provisional Postings** setting in **Ledger Setup (LES)** is set to `Mandatory`.

Running Daybook Listing

You should use **Daybook Listing (DYL)** with the **Definitive Request** field set to `No` until you are sure that all entries are correct.

Note: If daybook sequence numbers are being used, these are only assigned when you produce a definitive daybook listing.

Running **Daybook Listing (DYL)** with the **Definitive Request** field set to `Yes` changes the provisional postings to permanent postings. The daybook numbers generated and assigned to each transaction are written to the **Daybook Dimension** specified in **Ledger Setup (LES)**.

Running Tax Reporting

You are recommended not to use Tax Reporting (TXR) to make your provisional postings permanent in Italy, unless you produce an annual daybook.

If you do want to use the function to set provisional postings to permanent, you should set the run-time **Final Print** field to `Yes`. In all other cases set the field to `No`.

Reporting and the Prima Nota

You can use the functions Daybook Listing (DBL) and Tax Reporting (TXR) to produce statutory reports.

Daybook Listing

You can run a daybook listing as described in Posting From the Prima Nota. If you want to change the design of the report use Report Designer.

Tax Reporting

Financials Tax Reporting provides a flexible reporting mechanism that allows you to report on the tax transactions, and the related 'taxable' gross and net values. It allows you to include or exclude provisional transactions.

Security Issues and the Prima Nota

You can control access to the provisional posting facilities for operator groups, through the groups' Data Access Groups, Miscellaneous Permissions and Function Permissions, all available in Security Console or User Manager.

User Designation

You can designate certain operators as the only people allowed access to Ledger Sequences (LEQ) to amend the Registration Date. Similarly, they should be the only people able to amend the miscellaneous permissions to control open periods.

Data Access Groups

You can use Data Access Groups, available in the Security Console or User Manager, to control the use of provisional and permanent posting facilities.

For example, in a purchasing department, purchase entry clerks and a purchase department administrator may have the ability to post provisional transactions. The administrator would be allowed to control amendments to the registration date for the entry of purchasing journals, and would also be able to restrict the open period that purchase entry clerks could use. The purchase entry clerks would only have access to Ledger Entry (LEN).

You can provide a similar set of controls for a sales department. The sales department may well have finished a statutory registration period's journal entries. They would therefore wish to use a different open period than the purchase department, rather than wait for the purchasing department to complete. When the purchase department has completed, statutory reports can be run irrespective of the fact that the sales department are registering journals to the next registration period.

If you want your organization to work in this, or a similar way, it is recommended that you set the **Open Periods** fields in Ledger Setup (LES) flexibly, but that you control different business operations using the **Open Periods** field in Operator Permissions.

Amending Provisional Postings

The following table shows the amendments you can make to provisional postings. It provides information for full and optional provisional posting processing.

Provisional Postings Setting of Mandatory in Ledger Setup (LES)

Posting Status	Ledger Entry	Account Allocation
Provisional Posting	All details amendable. Journal lines can be created, amended or deleted.	Allocation marker, description, due date, and analysis codes can all be amended. Analysis codes can be prevented from being changed with the Amend in Account Allocation field in Analysis Dimensions (AND).

Provisional Posting Allocated	No details can be amended	Allocation marker, description, due date, and analysis codes can all be amended. Analysis codes can be prevented from being changed with the Amend in Account Allocation field in Analysis Dimensions (AND).
Permanent Posting	No details can be amended	Only the allocation marker can be amended.

Note: When the **Provisional Postings** field in Ledger Setup (LES) is set to `Mandatory`, you cannot change daybook or transaction sequence numbers.

Provisional Postings Setting of Optional in Ledger Setup (LES)

Posting Status	Ledger Entry	Account Allocation
Provisional Posting	No details can be amended	Journal lines can be created, amended, or deleted. New transaction references can be created. Allocation marker, description, due date, and analysis codes can all be amended. Analysis codes can be prevented from being changed with the Amend in Account Allocation field in Analysis Dimensions (AND).
Provisional Posting Allocated	No details can be amended	Allocation marker, description, due date, and analysis codes can all be amended. Analysis codes can be prevented from being changed with the Amend in Account Allocation field in Analysis Dimensions (AND).
Permanent Posting	No details can be amended	Allocation marker, description, due date, and analysis codes can all be amended. Analysis codes can be prevented from being changed with the Amend in Account Allocation field in Analysis Dimensions (AND).

A Typical Prima Nota Usage Example

SunSystems Provisional Postings facility ensures the integrity of your data and reports. It is therefore important that transactions remain as provisional postings until they are definitive. Once you have produced definitive daybook or tax listings, the provisional postings become permanent and no further amendments are possible.

You can use the following set of typical procedures as a basis from which to devise your own:

- Amend **Ledger Sequences (LEQ)** so that the **Registration Date** field shows the date at the start of the registration period. This date is then independent of the calendar date and is concurrent with the accounting period used in Ledger Entry (LEN).
- Increment the registration date as required for sequence number codes until all transactions have been registered to the required registration period.
- Run statutory reports so that you can check the accuracy of data in the rough book. Note that if you are using Daybook Listing (DYL), or Tax Reporting (TXR), you should check that the **Final/Definitive Request** field is set to `No`.
- Use Recall Provisional Journals (PRJ) and Ledger Entry (LEN) to amend incorrect provisional postings.

- Post all provisional entries for the required registration period, entry date range, as permanent postings by running Daybook Listing (DYL), or Tax Reporting (TXR), with the **Final/Definitive Request** field set to **Yes**
- Run statutory reports to produce the necessary civil and fiscal reports. The reports produced are fixed and final, and the Prima Nota for the relevant registration period is closed.

Italian Accounting Glossary

- Fiscal Reports - Libri Bollati

  An Italian statutory report, usually at transaction level, showing daily ledger activity. An example is the Libro Giornale (q.v.).
- Definitive Request

  A field in Daybook Listing. When set to Yes, provisional transactions are posted as permanent transactions. In Daybook Listing they are also numbered when they are permanently posted to the ledger.
- Final Print

  A field in the document format reporting dialog which is used by Tax Reporting. If this option is set, provisional postings included on the report are changed to permanent postings. If transaction sequence numbers are required on hard posting only, these numbers are also assigned at this stage.
- IVA Reports

  Italian value added tax reports.
- Libro Giornale

  The statutory report which shows daily transaction activity. Transactions must be shown in ascending registration date and entry sequence.
- Prima Nota

  The Italian phrase for a daybook, regarded as a provisional or rough ledger. Literally, the ledger in which a transaction is first recorded. This is a book of prime entry.
- Protocollo

  An incremental number, generated without gaps in the sequence, applied during the registration of provisional transactions i.e. to the Prima Nota. Protocollo must be used for sales, purchases, and credit notes, and can additionally be used for other transactions which can be grouped as required. For sales transactions, invoice number may double as protocollo number, or there may be two distinct sequences.
- Registration Date

  The date on which a transaction is entered as a provisional transaction, i.e. registered to the Prima Nota. This may be the actual entry date, or transactions may be grouped to a weekly, ten-day, or even monthly Registration Date.
- Registration Details

  The details that must be recorded against each provisional, Prima Nota, transaction. These consist of a registration (entry) date and, typically, an incremental protocollo number which, for sales and purchases, is sometimes prefixed with a code.
- Provisional Posting Function

The SunSystems function that equates with Prima Nota accounting. You can post a transaction as provisional and then change it to a permanent posting at a later stage.

- Statutory Reports

  In the context of rough book processing, statutory reports are those reports produced by the functions Daybook Listing, and Tax Reporting.

Using Financials as a Broker Ledger

SunSystems can be used as a Broker ledger. It includes facilities that allow it to meet the following fundamental processing requirements of a ledger in this environment:

- Pay as Paid Processing which ensures that funds are only released to an underwriter (or client) when the corresponding funds have been received from the client (or underwriter).

and

- Principal to Principal Processing, whereby SunSystems holds information on client transactions regarding the underwriter(s) with whom the debit/credit value for a given business transaction actually lies, and in which proportions (or vice versa).

Pay As Paid

Pay as Paid processing is required in a Broker ledger because the business entity is acting as an intermediary between two other parties. It is receiving funds from one party and then remitting these funds to a third party. In this situation it is vital that the funds have been received from one party before they are paid to the other party. For example, in a simple case the broker receives a premium from a client and then (and only then) pays this premium to the policy underwriter.

This means that the 'credit element' of a business transaction needs to be withheld until the associated 'debit element' has been received. In Financials terms, this means some transactions must be withheld from payment until the related transactions have been matched.

To facilitate pay as paid, Financials is able to:

- identify all of the ledger transactions that make up a 'business transaction'. For example it needs to be able to identify all of the postings relating to a premium or claim. It uses an intra-transaction link reference to do this.
- distinguish between the different parties involved in the transaction, that is the client and underwriter. This is determined by the `Agency/Broker` **Account Type** set on each account using **Chart of Accounts (COA)**.
- distinguish between the cash and non-cash postings that are made to an account. This is identified by the **Posting Type** set on a journal type using **Journal Types (JNT)**.

When Financials is operating as a Broker ledger, it performs many different processing tasks automatically to ensure that the pay as paid principles are always applied, unless they are overridden.

Many of these tasks are triggered by allocation codes that are set automatically when particular allocation actions are recognised by the particular system functions.

For example, when a premium journal enters Financials, Ledger Entry (LEN) or Ledger Import (LIM) automatically sets the allocation marker on the credit transactions to Withhold to ensure they are not paid until payment is received from the client for the credit transactions. This processing is triggered in Ledger Entry (LEN) and Ledger Import (LIM) by the Releasing Collectable allocation action. Then, when cash is received from the client and matched against the debit transactions, the Withhold indicator is automatically removed from the corresponding credit transactions to release them for payment to the underwriter. This release processing is triggered by the Releasing Payable allocation action.

Principal to Principal

The purpose of the principal to principal functionality is to enable the broker to easily identify:

- for each client, the underwriters that are underwriting the premiums and claims.
- for each underwriter, their position with each client.

On larger policies, the risk is often spread across a number of underwriters, in a hierarchical structure. There may be several levels in this structure and the same underwriter may appear at more than one level. This structure can be identified on the transactions in Financials, and used as the basis for inquiries and reports. In addition, transactions can be matched and settled at different levels within this hierarchy.

The principal to principal hierarchical information must be imported from an external system using Ledger Import (LIM) as it cannot be entered or maintained directly through SunSystems.

Principal to principal information can be viewed within SunSystems using filters and control desks.

Pay as Paid processing

The topics in this section discuss Pay as Paid processing in more detail.

How is the Pay as Paid Principle Enforced?

To adhere to the Pay as Paid principle of a Broker ledger, funds must only be released to an underwriter (carrier) or client after the corresponding funds have been received from the other party. This is required because the organization is acting as an intermediary between the two other parties. It is receiving funds from one party and then remitting these funds to the other party. For example, in a simple case, ignoring commission, it receives a premium from a client and then (and only then) pays this premium to one or more underwriters of the policy.

To achieve this, the 'credit element' of a business transaction needs to be withheld from payment until the associated 'debit element' is received. At which point, the credit element must be released for payment.

The status of each transaction is identified and controlled through each stage of its processing by a combination of the allocation marker and allocation code held on each transaction. These codes are set automatically by different system functions, for example by Ledger Import (LIM) or Account Allocations (ACA). Allocation Codes,

if defined by the user, act as an extension of allocation markers to denote the particular stage of a Pay as Paid transaction.

Note: The allocation code is set to the code associated with an allocation action. The allocation action is triggered by a particular function. For example, the Import allocation code is triggered by Ledger Import (LIM) or Ledger Entry (LEN).

The Typical Pay as Paid Processing Stages

These processing stages use a premium as an example. The same processing stages apply in reverse to a claim.

Stage 1: Post the Premium

The transactions required to record the new premium are posted to Financials using Ledger Import (LIM).

Specific Pay as Paid Processing: The allocation marker is automatically set to Withheld on all of the credit transactions. The allocation code for the allocation action of Import is set on all of the transactions. Then, the allocation code for the allocation action of Releasing Collectable is set on the debit transactions.

Tx Ref	Account	Amount	Intra-Tx Link (Link Ref 2)	Allocation Marker	Allocation Action
ABC	Client	100 DR	1	Not Allocated uses the Agency/Broker Account Type on the transactions to determine whether or not it should withhold the credit transactions. It does not set the Allocation Marker on the credit transactions to Withheld if the account referenced on the linked debit transaction has an Agency/Broker Account Type of Nominal.	Releasing Collectable
ABC	Underwriter	90 CR	1	Withheld	uses the Agency/Broker Account Type on theImport
ABC	Commission	10 CR	1	Withheld	Import

Ledger Import

Stage 2: The Payment is Received

The client pays the premium and this is entered or imported as a cash receipt and posted to the client account.

Tx Ref	Account	Amount	Intra-Tx Link (Link Ref 2)	Allocation Marker	Allocation Action
CSH1	Bank	100 DR		Not Allocated	

CSH1	Client	100 CR	Not Allocated

Stage 3: The Cash Receipt is Matched against the Premium Transaction

A) The cash receipt is matched against the outstanding premium on the client account using **Account Allocations** in the usual way.

Specific Pay as Paid Processing: The Allocation code for the allocation action of Allocation is set.

Tx Ref	Account	Amount	Intra-Tx Link (Link Ref 2)	Allocation Marker	Allocation Action
ABC	Client	100 DR	1	Matched	Allocation
CSH1	Client	100 CR		Matched	Allocation

B) The corresponding credit transaction(s) are released for payment. The linked transactions are identified by the unique combination of transaction reference and intra-transaction link reference.

Note: There are rules that determine which linked transactions are released. These rules are determined by the Agency/Broker Account Type option set on the account.

Specific Pay as Paid Processing: The withheld allocation marker is removed from the linked credit transaction to release it for payment. The Allocation code for the allocation action of Releasing Payable is set.

Tx Ref	Account	Amount	Intra-Tx Link (Link Ref 2)	Allocation Marker	Allocation Action
ABC	Underwriter	90 CR	1	Not Allocated	Releasing Payable

Note: If only part of the premium is paid, the original premium is split and the cash is allocated to the split transaction as part of the matching process. The corresponding credit (underwriter) transaction is split in the same proportion and only the relevant split credit transaction is released.

Stage 4: The Payment is Generated

The underwriter transaction for the premium is selected for payment and passed to Payment Run (PYR) for payment. The payment transaction is generated and automatically matched against the premium transaction being paid.

Specific Pay as Paid Processing: The Allocation code for the allocation action of Payment is set.

Note: A payment stamp can be assigned to the transactions selected for payment, before they are passed to Payment Run (PYR). If so, the same payment stamp is saved on the payment transaction that is generated thus linking the payment to the transactions being paid.

Tx Ref	Account	Amount	Intra-Tx Link (Link Ref 2)	Allocation Mark-er	Allocation Action
PAY1	Underwriter	90 DR	1	Paid	Payment
PAY1	Bank	90 CR		Paid	Payment

How is Funding Treated?

Sometimes the Pay As Paid principles need to be broken to allow a payment to be made before the funds have been received from the other party. For example, a client may desperately need the funds from a claim and a decision has been made to pay the claim before the funds have been received from the underwriter. This is referred to as 'pure funding' and when this does occur the system assigns the Allocation Code for the Funding allocation code to identify this.

In Financials terms this occurs when an operator selects a transaction with a Withheld allocation marker for payment and overrides the withhold status.

In addition, the Funding status is set when Link Reference 1 (the billing link) is broken on a set of transactions.

Funding typically requires additional levels of authorization.

Example Funding Processing Stages

These processing stages use a claim as an example where the client is being paid before the funds are received from the underwriter. The same processing stages apply in reverse to if an underwriter is paid in advance for a premium.

Stage 1: Post the Claim

The transactions required to record the claim are posted to Financials using Ledger Import (LIM) in the normal way and the credit transactions are withheld.

Tx Ref	Account	Amount	Intra-Tx Link (Link Ref 2)	Allocation Marker	Allocation Code set for Allocation Action
ABC	Client	100 CR	1	Withheld	Import
ABC	Underwriter	90 DR	1	Not Allocated	Releasing Collectable
ABC	Commission	10 DR	1	Not Allocated	Releasing Collectable

Stage 2: The Client Payment is Generated in Advance

A) Funding takes place when a payment is generated for the client using Payment Run (PYR). The withheld allocation marker is overridden to produce payment and authorization is required to do this.

The payment transaction is automatically matched against the claim transaction being paid.

Specific Pay as Paid Processing: The Allocation codes for the allocation actions of Payment and Funding are set.

Tx Ref	Account	Amount	Intra-Tx Link (Link Ref 2)	Allocation Marker	Allocation Code set for Allocation Action
PAY1	Client	100 DR	1	Paid	Payment/Funding
PAY1	Bank	100 CR		Paid	Payment

B) The Funding allocation code is automatically set on the corresponding debit transaction to indicate that funding has taken place and it is marked as Collectable. The linked transaction is indicated by the intra-transaction link referenced.

Specific Pay as Paid Processing: The Allocation codes for the allocation actions of Releasing Collectable and Funding are set.

Tx Ref	Account	Amount	Intra-Tx Link (Link Ref 2)	Allocation Marker	Allocation Code set for Allocation Action
ABC	Underwriter	90 CR	1	Not Allocated	Releasing Collectable/ Funding

How are Re-Instatements Treated?

If a client is paying a premium in stages and the client makes a claim, a premium re-instatement may need to be charged to the client to bring the premium payments up to date so that they completely cover the period of the claim. The amount of any additional re-instatement premium that is charged to the client is deducted from the amount of claim. Therefore, it is important that the premium re-instatement posting is linked to the claim posting and that the net of these transactions is used to determine the amount to be collected from the underwriter and then paid to the client.

The Billing Link reference is used to link the claim posting and its corresponding premium re-instatement posting. This ensures that only the net of these transactions is used for settlement.

Example Re-Instatement Processing Stages

Stage 1: Post the Claim and Premium Re-instatement

The transactions required to record the claim and the premium re-instatements are posted to Financials using Ledger Import (LIM).

Specific Pay As Paid Processing: The two separate postings to the client account are given the same Billing Link reference (link reference 1). This ensures that the net of these transactions is used to determine the allocation action processing. The two postings to the underwriter account are also given a billing link reference that is the same for both postings, but differs to the one used for the postings on the client account. The transactions with a net credit balance (based on the billing link) are withheld for payment.

Tx Ref	Account	Claim or Reinstatement	Amount	Billing Link (Link Ref 1)	Allocation Marker	Allocation Code set for Allocation Action
CCC	Client	Claim	100 CR	1	Withheld	Import
CCC	Client	Reinstatement	10 DR	1	Withheld	Import
CCC	Underwriter	Claim	100 DR	2	Not Allocated	Releasing Collectable

CCC	Underwriter	Reinstatement	10 CR	2	Not Allocated	Releasing Collectable

What are True Rated Transactions?

True rated transactions are those where the exchange rate between currency values 2 and 4 is fixed.

True rated transactions only need to be identified if you are using Financials as a Broker Ledger in a Pay As Paid processing environment where the system needs to be able to distinguish between cash and non-cash transactions.

True rated transactions are identified by a true rated flag set on the transaction. This flag is set automatically by the system when a transaction is posted with a **Posting Journal Type** of `Cash`. The **Posting Journal Type** flag is set for each journal type to either `Cash Posting` or `Non-Cash Posting`. .

The true rated flag is also set by the matching processes when a cash posting is matched against other transactions on a client account. The exchange rate from the cash posting is set on the other transactions.

True rated transactions are ignored by **Ledger Revaluation** if the revaluation source is Value 2 and the target is Value 4, and the **Revalue until True Rated** option is set in **Ledger Setup (LES)**.

Special considerations also apply in Payment Run (PYR), where true rated transactions are accumulated separately if payment is made by the fourth currency.

Using Link References

To meet the Pay as Paid requirements of a Broker ledger, the system must be able to tie the releasing of funds on one side of a transaction (premium or claim), to the receipt of funds on the other. Link references are used to group ledger transactions for this purpose.

Financials uses three different types of link reference to group related ledger transactions:

- Billing Link

  This is used to link related business transactions and thereby allow for consolidation and net settlement. For example, it is used to group the transactions for a claim and any related re-instatement premiums to ensure that only the net of these transactions is settled. Billing link information must be imported from an external system using Ledger Import (LIM) as it cannot be entered or maintained directly through SunSystems.

  This is maintained in Link Reference 1 on a ledger transaction.

- Intra Transaction Link

  This is used to link the journal lines within a 'business transaction' to allow for the association between the client and underwriter lines in a journal. For example, when funds are received and matched on one side of a business transaction, the intra-transaction link is used to identify the transactions that should be released on the other side.

The intra-transaction link information must be imported from an external system using Ledger Import (LIM) as it cannot be entered or maintained directly through SunSystems.

This is maintained in Link Reference 2 on a ledger transaction.

- Accounting Link

  This is used to manually link transactions and is also used for consolidation and net settlement. For example, it is used to group transactions together for payment or statements. Accounting Link information can be imported and entered directly into SunSystems. Accounting link information is entered and maintained within SunSystems using the Accounting Link Function.

  This is maintained in Link Reference 3 on a ledger transaction.

The link references are available on many of the standard reports and inquiries.

Setting Up and Maintaining Accounting Links

The Accounting Link function is used to create and maintain accounting links to support the Pay As Paid requirements when Financials is being used as a Broker ledger.

An accounting link is used to collect together a group of related transactions that should be processed together. For example, you may want to assign an accounting link to a group of transactions that should all be paid together, or should all be included on a statement. You can use an accounting link to group together transactions that have different billing links.

A warning appears if all of the transactions with the same accounting link are not processed at the same time. If this warning is ignored, the accounting link is assumed to be redundant and is automatically removed from all of the transactions.

When you assign or amend the accounting links on transactions that contain an intra-transaction link, the accounting link is automatically updated on all of the transactions that reference the same intra-transaction link.

Note: In order for Accounting Link processing to apply, you need to have **Accounting Links Allowed** checked in **Chart of Accounts (COA)** on the **CA_DEM** form.

To access the Accounting Link function:

1. Ensure you have read the topic "Using Account Inquiry to Extract Transactions onto a Control Desk" in the Financials online help.
2. Select a **Report Process** of `Accounting Link` on the Control Desks In-Tray and click **OK** to display the **Accounting Link Functions** dialog.

Accounting Link Functions

This dialog contains the following fields:

Add New Accounting Link
Select this option to add a new accounting link to the transactions selected within the Control Desks In-Tray and then enter the accounting link to be added in `the **Accounting Link** field.

Attach to Existing Accounting Link
Select this option to attach the transactions selected within the Control Desks In-Tray to an existing accounting link and then enter details of the accounting link in the **Accounting Link** field.

Delete Selected Accounting Link
Select this option to delete the accounting link from the transactions selected within the Control Desks In-Tray.

Delete Entered Accounting Link
Select this option to delete a particular accounting link and then enter the accounting link to be deleted in the **Accounting Link** field.

Accounting Link
The accounting link to be added, attached or deleted to all of the selected transactions.

Viewing Transactions by Link Reference

You can view the transactions that reference link reference 2 and 3 using a predefined control desk and filter.

1. Open **Ledger Inquiry (LAQ)** from the main SunSystems menu.
   The Control Desk Filter form is displayed.
2. Select `Accounting Link` as the Filter Name and click **Run**.
3. Complete the selection details. A transaction must meet all of the selection criteria to be displayed:
   Note: The transaction selection fields are determined by the predefined Accounting Link filter.

   Account Code Equals
   You must enter or select the account code you are interested in, or leave this blank to select transactions regardless of the account code.

   Transaction Reference From/To
   The range of transaction references for which transactions are displayed. By default, all transaction references are selected.

   Link Reference 2 From/To
   The range of accounting links, held in link reference 2, for which transactions are displayed. By default, all link 2 references are selected.

   Link Reference 3 From/To
   The range of link reference 3 codes, for which transactions are displayed. By default, all link 3 references are selected.
4. Save your changes.
5. Click **OK** to extract the matching journal transaction details.
6. The transactions appear on the **Financials - Journal Inquiry** window.
7. Double click on a field to drill down to the related details, if they are available.

Splitting Linked Transactions

One of the requirements of a Broker Ledger in a Pay As Paid environment is to only release transactions for payment when the corresponding cash has been received from the relevant third party. For example, to only pay an underwriter an amount due for a new policy, once the premium has been paid by the client.

To achieve this, Financials uses an intra-transaction reference to identify the set of ledger transactions that make up a particular business transaction (claim or premium). This reference is maintained on each ledger transaction in the group in the **Link Reference 2** field.

The Pay As Paid principle must be applied if a transaction within a linked set of transactions is split. When one of the linked transactions is split, the remaining transactions in the set are automatically split in the same proportions. For example, if a client only pays half of an outstanding premium, the premium posting is split manually to reflect this. When this split is posted, the system automatically splits the corresponding underwriter and commission transactions in same proportion, that is, in half.

In some cases not all of the linked transactions are split, or the linked transactions are grouped prior to being split.

If, subsequently, one of the split transactions is split further, the system splits the related transactions in the same way. To achieve this it assigns a Split Link Reference to each set of split transactions to enable them to be grouped together for further processing, if required.

This processing is best illustrated using an example. Different colors are used to identify the related transactions and links.

Stage 1: A new premium is sold, resulting in the following new journal posting. All the transactions in the journal have the same transaction reference and intra-transaction reference.

Tx Ref	Account	Amount	Intra-Tx Ref (Link Ref 2)	Split Link Ref
ABC	Client	100 DR	1	
ABC	Underwriter	90 CR	1	
ABC	Commission	10 CR	1	

Stage 2: The client pays only GBP 50 of the outstanding premium and this is posted to the client account using **Ledger Entry**. The same intra-transaction link reference is assigned to the cash posting.

Tx Ref	Account	Amount	Intra-Tx Ref (Link Ref 2)	Split Link Ref
ABC	Client	50 CR	1	

Stage 3: The original client premium posting is split in Account Allocations (ACA) to record the part payment, resulting in the following new set of transactions on the client account. A split link reference is assigned to each split transaction.

Tx Ref	Account	Amount	Intra-Tx Ref (Link Ref 2)	Split Link Ref
ABC	Client	50 DR	1	1

Tx Ref	Account	Amount	Intra-Tx Ref (Link Ref 2)	Split Link Ref
ABC	Client	50 DR	1	2

Stage 4: The system automatically splits the other postings with the same Transaction Reference/Intra-Transaction Reference. The appropriate split link reference is assigned to each split transaction to group each set of related split transactions.

Tx Ref	Account	Amount	Intra-Tx Ref (Link Ref 2)	Split Link Ref
ABC	Underwriter	45 CR	1	1
ABC	Underwriter	45 CR	1	2
ABC	Commission	5 CR	1	1
ABC	Commission	5 CR	1	2

Stage 5: The client cash receipt is matched to the outstanding premium.

Tx Ref	Account	Amount	Intra-Tx Ref (Link Ref 2)	Split Link Ref	Allocation Marker
ABC	Client	50 DR	1	1	Allocated
ABC	Client	50 DR	1	2	Not Allocated
ABC	Client	50 CR	1		Allocated

Splitting Linked Transaction Exceptions

In general, when a transaction is split the system automatically splits any transactions that contain the same intra-transaction link in the same proportions. However, there are some exceptions to this rule, as follows:

- Any linked transactions that have been fully matched and marked as True Rated are not split.
- Any revaluation postings that contain the same intra-transaction link reference are accumulated by Allocation Marker and only the total by Allocation Marker is split. The Allocation Marker on the revaluation postings are taken from the revalued transactions.

The Agency/Broker Account Type on the original split transaction, and on each of the linked transactions, also determines whether or not the linked transactions are split.

Agency/Broker Account Type on Split Transaction	Split processing
Client	Split all linked transactions, regardless of the Agency/Broker Account Type.
Carrier	Split all linked transactions, regardless of the Agency/Broker Account Type.

Agency/Broker Account Type on Split Transaction	Split processing
Other	If linked transactions exist for BOTH the Client and Carrier account types, do not split any of these linked transactions. If linked transactions exist for the Client but not for the Carrier, split any linked Client transactions. If linked transactions exist for the Carrier but not for the Client, split any linked Carrier transactions. If linked transactions do not exist for either the Client or Carrier, split these linked transactions (for Other and Nominal account types).
Nominal	Do no split any linked transactions.

Splitting Linked Transaction Exceptions

In general, when a transaction is split the system automatically splits any transactions that contain the same intra-transaction link in the same proportions. However, there are some exceptions to this rule, as follows:

- any linked transactions that have been fully matched and marked as True Rated are not split.
- any revaluation postings that contain the same intra-transaction link reference are accumulated by Allocation Marker and only the total by Allocation Marker is split. The Allocation Marker on the revaluation postings are taken from the revalued transactions.

The Agency/Broker Account Type on the original split transaction, and on each of the linked transactions, also determines whether or not the linked transactions are split.

Agency/Broker Account Type on Split Transaction	Split processing
Client	Split all linked transactions, regardless of the Agency/Broker Account Type.
Carrier	Split all linked transactions, regardless of the Agency/Broker Account Type.
Other	If linked transactions exist for BOTH the Client and Carrier account types, do not split any of these linked transactions. If linked transactions exist for the Client but not for the Carrier, split any linked Client transactions. If linked transactions exist for the Carrier but not for the Client, split any linked Carrier transactions. If linked transactions do not exist for either the Client or Carrier, split these linked transactions (for Other and Nominal account types).
Nominal	Do no split any linked transactions.

Breaking Accounting Links

Link Reference 1 (Billing Link) and Link Reference 3 (Accounting link) can be broken by the matching functions, if the appropriate level of authorization is received. This might be necessary where:

- some, but not all, of the linked transactions need to be included on a statement
- some, but not all, of the linked transactions need to be selected for payment
- cash is received where some postings are not within the cash amount.

Authorization may be required to break Link Reference 1 but is not required to break Link Reference 3. Although if Link Reference 3 is broken on a set of transactions a warning is produced. In addition, if the overall debit / credit position changes from a debit to a credit, within the client account for a particular underwriter, a warning about 'Funding' is displayed although authorization is not required.

Linked Transaction Match Releasing Rules

In a Pay As Paid processing environment, an Agency/Broker Account Type is set on each account using Chart of Accounts (COA).

When a transaction is matched that contains an intra-transaction link, the following rules are applied to determine whether or not the withheld status should be removed from these linked transactions. These rules are determined by the Agency/Broker Account Type on both the original matched transaction and the linked transactions.

Agency/Broker Account Type on Matched Transaction	Releasing rules applied to transactions with the same intra-transaction link
Client	Release all withheld linked transactions.
Carrier	If linked transactions exist for the client, only release these withheld client transactions. Otherwise, release all other withheld linked transactions.
Other	If linked transactions exist for BOTH the client and carrier, do not release any transactions. If linked transactions exist for EITHER the client or carrier (but not both), release any linked withheld client or carrier postings as appropriate. If linked transactions do not exist for either the client or carrier, release any linked withheld transactions.
Nominal	Do no release any linked transactions.

Principal to principal processing

The topics in this section discuss principal to principal processing in more detail.

Recording the Principal to Principal Hierarchy

A policy may be underwritten by several different underwriters to spread the risk and the risks may placed in a hierarchical structure. These individual underwriters and this hierarchical structure can be recorded on the detailed claim or premium transactions, posted to the client or underwriter accounts, to enable inquiries, reports and other Financials functions to be carried out based on this information.

Each financial transaction can contain up to 20 hierarchy codes and these define the hierarchical principal to principal structure for the business transaction. These hierarchical codes can only be loaded into Financials using Ledger Import (LIM).

The hierarchy codes from 1 to 20, in order, are used to build the structure.

Hierarchy column 1 always identifies the top level in the structure. For postings to a client account, this top level is always the client account. For postings to an underwriter account, this top level is always the underwriter account.

Hierarchy column 2 identifies the next level down in the structure which identifies the underwriter with overall ownership for the risk. Where this risk has been spread, column 3 identifies the next level of subsidiary underwriters, and so on down the hierarchy.

When the risk for a policy has been spread across a number of underwriters, the value of a claim is posted to the client as several transactions, one for each underwriter identifying the amount of the claim covered by that underwriter. The transactions contain the hierarchy codes required to build the risk structure.

This is best illustrated with an example.

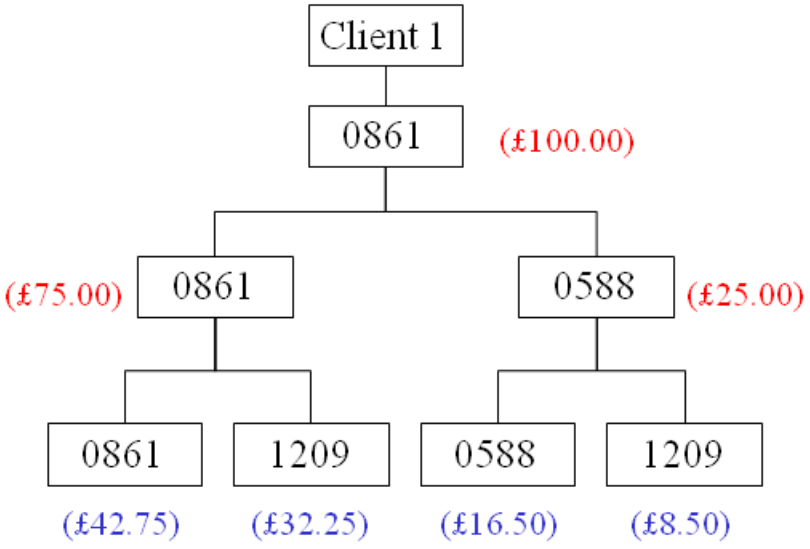
Client 1 has made a claim for GBP100 on a policy that was underwritten by several underwriters. The following transactions are posted to reflect the claim. They include four hierarchy columns, containing the codes shown below.

Tx Ref	Posting Ref	Account	Amount	Hierarchy Column 1	Hierarchy Column 2	Hierarchy Column 3	Hierarchy Column 4
ABC	1	Client 1	42.75 DR	Client 1	0861	0861	0861
ABC	2	Client 1	32.35 DR	Client 1	0861	0861	1209
ABC	3	Client 1	16.50 DR	Client 1	0861	0588	0588
ABC	4	Client 1	8.50 DR	Client 1	0861	0588	1209

These hierarchy columns details on the transactions are interpreted to build the structure illustrated below.

The claim for Client 1 has been underwritten by three different underwriters: 0861, 1209, and 0588. Underwriter 0861 has overall ownership for the total risk of GBP100. One quarter of this risk (GBP 25) has been underwritten in total by underwriter 0588. This amount, in turn, has been further underwritten by underwriter 1209. Underwriter 1209 has also underwritten part (GBP 32.25) of the remaining (GBP 75) risk owned by underwriter 0861.

The values displayed in blue are those entered on the claim transactions that were input to Ledger Import. The values displayed in red are the consolidated values that are calculated by Financials for various processes, reports and inquiries and represent the total risk owned by different underwriters, at different levels of the risk structure.



Using the Hierarchy to Produce Consolidated Payments

A policy may be underwritten by several different underwriters to spread the risk. The risks may be placed with these underwriters in a hierarchical structure. These individual underwriters and this hierarchical structure can be recorded on the detailed claim or premium transactions, posted to the client and underwriter accounts. The structure details can be used to consolidate the transactions and these consolidated values can be viewed on inquiries and reports.

The hierarchy structure details can also be used to produce consolidated payments, at different levels in the hierarchy. For example, if a claim has been split across several underwriters all of whom have paid, a consolidated payment could be produced for the client. If however only one of the underwriters has paid, a claim payment could be produced for the client that only paid the amount that had been received from this underwriter.

The transactions are selected for payment based on the hierarchy column codes, as well as the other transaction details. The transactions are selected using a control desk filter and then passed to Payment Run (PYR). Payment Run (PYR) includes an optional Consolidate Hierarchy flag as one of the consolidation options.

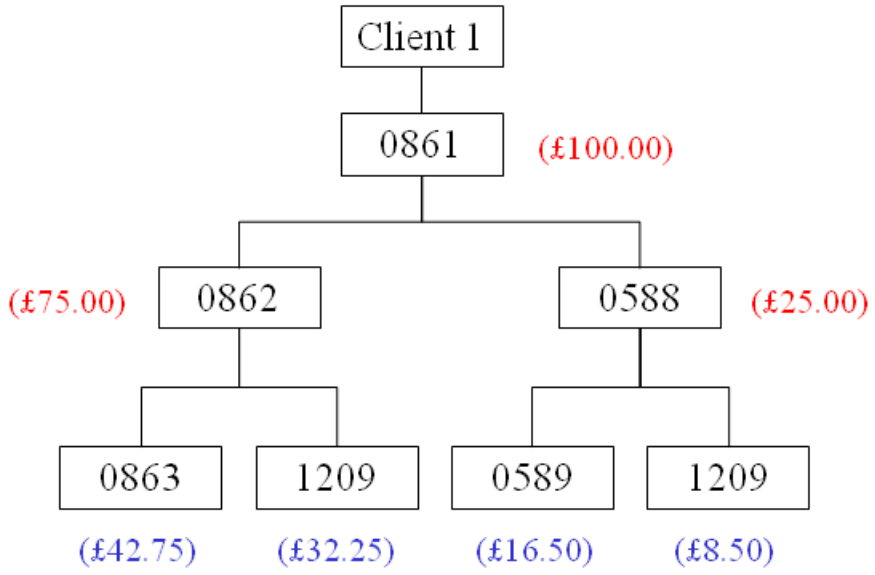
This is best illustrated with a worked example.

The following claim transactions were posted to Client account 1 for transaction 123.

Tx Ref	Post-ing Ref	Account	Amount	Hierarchy Column 1	Hierarchy Column 2	Hierarchy Column 3	Hierarchy Column 4
123	1	Client 1	42.75 DR	Client 1	0861	0862	0863
123	2	Client 1	32.35 DR	Client 1	0861	0862	1209
123	3	Client 1	16.50 DR	Client 1	0861	0588	0589

123	4	Client 1	8.50 DR	Client 1	0861	0588	1209

The hierarchy structure built by these hierarchy codes is as follows:



The following payments could be produced for the client from the hierarchy, when the different selection criteria and consolidation choices identified below are made in Payment Run (PYR):

No Consolidation

Payment Run Selection: Select all postings for Client 1 for transaction reference 123, no selection by hierarchy codes, no hierarchy consolidation flag.

Result: Four payments are produced.

Top Level Consolidation

Payment Run Selection: Select all postings for Client 1 for transaction 123, elect to consolidate the hierarchy.

One payment is produced for GBP 100.

Intermediate Level Consolidation

Payment Run Selection: Select all postings for Client 1 for transaction 123, select 0862 for Hierarchy column 3, and elect to consolidate the hierarchy.

One payment is produced for GBP 75.

Lowest Level Consolidation

Select all postings for Client 1 for transaction reference 123, select 0863 for Hierarchy column 4, and elect to consolidate the hierarchy.

One payment is produced for GBP 42.75.

Chapter 12: Fixed asset administration

The SunSystems Fixed Asset Register is a fully integrated SunSystems module.

This means that as you enter ledger transactions in Financials to record asset acquisitions, or disposals, the asset values and asset quantities are updated accordingly.

Understanding the Fixed Asset Register

The SunSystems Fixed Asset Register is a fully integrated SunSystems module.

This means that as you enter ledger transactions in Financials to record asset acquisitions, or disposals, the asset values and asset quantities are updated accordingly. Depreciation can be calculated automatically and the depreciation transactions are posted automatically to the relevant Profit & Loss and Balance Sheet accounts in SunSystems Financials.

Up to 11 different valuations can be maintained for each asset, one in the 'actuals' asset record and a further ten in the 'budget' ledgers. This means that up to 11 alternative depreciation methods can be applied to each asset. You can also use the budget ledgers for budgeting, forecasting, taxation values, and so on.

In a multi-currency environment, the asset valuations can be maintained in up to three currencies: base, transaction and second base/reporting currency. This enables you to value and depreciate assets using different depreciation methods, in different currencies, based on separate book value and asset life details.

You can maintain comprehensive details about your assets. The Fixed Asset Register allows you to hold descriptive details of the assets, along with associated acquisition, disposal, depreciation, and other relevant information. All of the core data for an asset is defined in the asset record. Further information such as insurance valuations, and maintenance data can be held as asset notes.

A number of standard reports are available for the production of audit trail and historic asset information.

You can use any of the three Financials report writers: Financial Analysis, Financial Statements and Financial Tables, and Report Designer in SunSystems Reporting Services, to design your own asset reports.

What asset details are maintained?

In the Fixed Asset Register, you define each of your assets using Asset Records (FAS). Each asset is identified by a unique asset code. In addition, each asset may have a unique lookup code which can be used for easy access during Ledger Entry (LEN).

A large amount of information can be held for each asset, the majority of which is optional.

Asset Details

The following types of information can be maintained for an asset using Asset Records (FAS):

Asset Accounting and General Details

Each asset is linked to two main depreciation accounts: a balance sheet account and a profit and loss account. These are the accounts to which the standard depreciation for the asset is posted to by default during the Depreciation Calculation (FDC).

You can also link two advanced depreciation accounts (balance sheet and profit and loss) to the asset. These are the accounts to which the advanced depreciation for the asset is posted by default when you run Calculate Advanced Depreciation (FAA).

Global Analysis Codes

You can assign up to ten analysis dimensions to an asset in the asset register, in the same way you can assign analysis dimensions to chart of accounts code, suppliers and customers. For example, you may want to group assets by location, or asset category.

Depreciation Details

For each asset valuation, you identify the depreciation method to be used to depreciate the asset. You can determine the start and end depreciation periods, and specify the number of days depreciation to be charged in the first period.

Depending on the depreciation method being used, you can set the depreciation percentage and a final value. If a depreciation table is being used, you can identify the depreciation table code and column to be used.

In a multi-currency environment, you can maintain the asset values in a second, transaction currency, and use a different method of depreciation, if required.

Asset Values

SunSystems Fixed Assets maintains the following values for each asset valuation: gross value, accumulated depreciation and net value. These values are calculated by the system from the transactions posted to the asset.

These values are always maintained in the base currency. They can also be maintained in a transaction currency, and a second base or reporting currency.

Asset Quantity

You can enter multiple units as a single asset when making fixed asset postings, for example, when purchasing 100 chairs but recording these as a single asset. Use the **Memorandum Amount** field in **Ledger Entry (LEN)** to record the number of units.

After posting a transaction to an asset code with an asset quantity, you can see the updated asset quantity for that asset in Asset Records (FAS).

Additional Asset Information

In addition to the main asset details defined using Asset Records (FAS), the following additional information can be maintained for an asset:

Asset Notes

Asset Note Setup (FAS) enables you to record a large amount of extra information about the asset. This is divided into sections for general description and maintenance information, purchase details, partial disposal details, insurance details, finance details, and user defined details. An asset can have any number of asset notes attached to it. A large amount of descriptive text can also be recorded on an asset note.

Asset Budgets

Up to ten budget valuations can be maintained for each asset, in addition to the 'actual' ledger valuation. Asset Budgets Details (FAB) allows you to maintain up to ten alternative asset valuations, and apply different depreciation methods on these valuations.

Asset Analysis Posting Presets

Asset Posting Presets can be used to predefine the analysis codes entered on transactions posting to an asset. Different analysis code combinations can be preset for an asset, and these are maintained in asset subcodes.

Asset subcodes (analysis code combinations) can contain a factor. More than one subcode can apply to a transaction and the factor is used to apportion the original transaction value across the subcode analysis combinations. So for example, a total depreciation amount for an asset can be allocated over a number of departments/cost centres, which are predefined using this option.

Note: Financials ledger transactions are used to update assets, and these can contain up to ten additional transaction level analysis dimensions.

What asset values are maintained?

SunSystems Fixed Assets maintains the following values for each asset, for each asset valuation:

Gross Value

The gross value is the original cost of the asset plus any additions, revaluations, or disposals.

It is calculated from all of the transactions posted to the asset with an asset indicator of Initial or Value.

Accumulated Depreciation

The accumulated depreciation is the total depreciation posted to the asset. This is the total of the depreciation calculated and posted automatically by Depreciation Calculation (FDC) or Asset Disposal (FAD), and any depreciation entered and posted manually using Ledger Entry (LEN) or **Ledger Import**.

It is calculated from all of the transactions posted to the asset with an asset indicator of Depreciation.

Net Value

The net value is the gross value less the accumulated depreciation.

Note: It is important to note that the net value may be less than the final value if depreciation is posted manually or if the gross value is reduced by posting a disposal. Such exception conditions are shown on the Asset Status Listing (FAT).

Final Value

A final value can be entered for an asset. This is the scrap or residual value which is used in the depreciation calculations. This value is entered on Asset Records (FAS) for an asset.

Note: A second final value can be defined for an asset, if the Japanese straight line depreciation method applies.

You can view the asset values for an asset using Asset Records (FAS). You cannot update the gross, accumulated depreciation and net asset values directly. You must enter ledger transactions to update them.

Transactions are posted to assets using Financials Ledger Entry (LEN) or Ledger Import (LIM). In addition to posting to the chart of account code referenced, these transactions can also identify an asset code, asset subcode, and asset indicator. This asset indicator determines whether the transaction values should update the gross value or depreciation value for the asset.

Note: You can alter the final value but should not do so once depreciation has been calculated for the asset.

The asset values are always maintained in the base currency but can also be maintained in up to two additional currencies: transaction currency and second base/reporting currency.

How are the asset values updated?

All of the transactions relating to a fixed asset are entered using either the Financials Ledger Entry (LEN) or Ledger Import (LIM) functions. For example, you might use Ledger Entry (LEN) to manually record asset acquisitions, revaluations, and disposals.

You can also use Ledger Entry (LEN) to enter manually calculated depreciation values, if required. Although these can be calculated and posted automatically using Depreciation Calculation (FDC).

Asset Indicator

An asset indicator is included on all ledger transactions that post to an asset in the Fixed Assets Register. The indicator determines whether the transaction value is used to update the gross or depreciation value for the asset.

Note: In a multi-currency environment, the same indicator is used for all of the currency values on the transaction.

The following asset indicators are available:

- Unused - no asset details are updated for the ledger entry.
- Asset Value - the transaction amount(s) update the gross value(s) of the asset.

  You should not use the Value indicator with assets whose depreciation method is set to Table Depreciation.
- Depreciation - the transaction amount(s) update the accumulated depreciation value(s) for the asset. **Note:** It is not normally recommended to enter depreciation amounts in ledger entry, except under certain circumstances.
- Initial - this indicator treats the transaction as though the posting is made to the start depreciation period set in Asset Records (FAR), regardless of the current period in Ledger Entry (LEN). Subsequently, Depreciation Calculation (FDC) works out the depreciation due from the start period to the current period. This is compared with any depreciation accumulated so far. If you are using depreciation tables you must use this indicator.

All of the normal journal balancing controls apply to the transactions. However, when you post the journal, the transactions are posted simultaneously to the chart of accounts code in Financials and to the asset in the Fixed Asset Register.

Note: The asset values can be recalculated from all of the asset transactions by Ledger Cleardown (LCL).

What are asset budgets?

The Fixed Asset Register, like Financials, allows you to maintain up to ten separate budgets for an asset, in addition to the actual details. Each budget asset register is identified with a code between B and K.

You can maintain budget values for all of the assets you have defined in the actual asset register using Asset Records (FAS). The budget asset register operates in the same way as the actuals asset register.

You must use Change Budget (CBG) to access a budget ledger. You can then enter budget transactions using Ledger Entry (LEN) or Ledger Import (LIM) to set up the asset budget values, record asset additions, revaluations and disposals.

You can also use Depreciation Calculation (FDC) to depreciate the budget values and generated depreciation budget transactions to update the asset budget records and the depreciation accounts in Financials.

There are many different uses for asset budgets, including:

- budgeting purposes
- forecasting future depreciation
- experimenting with alternative depreciation methods and policies
- maintaining taxation values.

How are assets analyzed?

You can use Global Analysis to analyze assets at two levels:

- asset code level
- asset transaction level

You can use Analysis Structure (ANS) to assign up to 10 different analysis dimensions to each of these analyzable entities.

Note: Asset transactions are the same as ledger transactions. They are entered using Ledger Entry (LEN) or Ledger Import (LIM) and reference additional asset details.

Analyzing Assets

To analyze each asset, use Asset Records (FAS) to enter an appropriate analysis code for each analysis dimension assigned to assets, if required. These codes are held against the asset itself and can be used to analyze assets.

For example, to report on assets by asset category you can define an analysis dimension called Asset Group, set up all of the asset group codes, and assign the analysis dimension to the asset entity. Enter the appropriate category code on each asset and use this code to select assets by category for reporting purposes.

Analyzing Asset Transactions

Up to 10 analysis dimensions can be entered on a ledger transaction, including the transactions that update assets.

To analyze these asset transactions, you can use Asset Posting Presets (FAS) to identify the default transaction analysis codes you require for postings to the asset, and you can also use Business Rules to subsequently validate or set the transaction analysis codes.

An asset posting preset identifies a combination of analysis code you wish to assign to transactions posting to the asset. Each posting preset is identified by a subcode, for the asset. Set up different posting preset subcodes to define different combinations of analysis codes for the asset. The transaction analysis codes appear as defaults during Ledger Entry (LEN) when a transaction references an asset code and subcode.

Note: The Asset Register Report (REPFAG) shows the asset posting preset details.

Apportioning Analysis

You can define a number of asset subcodes, or posting presets, for an asset and apportion the total depreciation for the asset across these different analysis codes using a predefined factor. The factor is specified on each posting preset subcode and is used to apportion the depreciation calculated in Depreciation Calculation (FDC).

For example, if four posting preset subcodes have been defined for an asset code and you want to split the depreciation equally over these subcodes, you can enter the depreciation factor as 1.000 for each subcode.

During asset disposal, the disposal transactions generated are also split according to the asset posting presets factors for each asset.

How are assets depreciated?

Depreciation can be calculated automatically in Depreciation Calculation (FDC).

It uses the depreciation method, the related asset details, and the current asset values to calculate the latest depreciation amounts for a selection of assets.

The range of assets to be depreciated is specified both by asset code, and/or asset analysis subcode. You can identify the period for which the depreciation is calculated and choose to report and/or post the depreciation amounts. The balance sheet account and profit & loss account to be updated is identified. The depreciation accounts specified for an asset in Asset Records (FAS) override the depreciation accounts you identify in Depreciation Calculation (FDC).

You can consolidate the depreciation transactions to minimize the number of postings. This consolidation can be done by asset code, and/or by any of the asset analysis codes.

Note: Depreciation journals can be entered manually in Ledger Entry (LEN). These depreciation transactions must contain the Depreciation asset indicator.

Changing the Method of Depreciation

You can change the method or rate of depreciation for a given asset, part way through its life.

The Fixed Asset Register caters for this using Depreciation Tables (FDT). The depreciation table should be defined with entries that reflect the depreciation that has been generated to date. The new depreciation rates can be defined for future years.

If you are not using depreciation tables and you change the method of depreciation during the life of the asset, SunSystems recalculates the historic depreciation according to the new method and posts an adjustment depreciation transaction.

Depreciation Timing Rules

Depreciation timing rules can be applied to the depreciation calculations. This is required where depreciation is not spread evenly over each period in the year. The apportionment rules for the depreciation calculations is defined in Depreciation Timing Rules (FDU).

For example, if you have 13 accounting periods in a financial year the first 12 periods reflecting calendar months and the final thirteenth period holding year end adjustments, you only want to calculate depreciation for the 12 operational periods.

Depreciation timing rules allow you to specify the number of operational periods in your financial year and to specify how the annual depreciation charge should be split across these periods. You can also use this to account for periods of, for example, four or five weeks.

How are asset disposals handled?

Asset disposal can be carried out manually by posting all of the relevant journals in Ledger Entry (LEN). However, the SunSystems Fixed Asset Register can automatically post the relevant Profit & Loss and Balance Sheet transactions, so that you need only enter the sale proceeds.

Note: Do not remove the asset static data if sales proceeds are to be posted after disposal. The asset sale proceeds posting does not need to contain an asset marker.

Assets are marked for disposal by setting the asset status to Ready to Disposal. You can do this for a range of assets using Asset Disposal Selection (FAE). If you are disposing of a single asset, you can mark it for disposal manually. Use Asset Records (FAS) to change the asset status to Ready for Disposal.

Asset Disposal (FAD) generates the relevant postings, reports the postings, and optionally removes the asset code from the transaction.

Asset Part Disposals

If you are using asset quantities, you can dispose of part of an asset's quantity using Asset Part Disposal (FAF). The relevant postings are generated and reported; the asset quantity is reduced appropriately, and the asset remains active (unless the entire quantity of the asset is disposed of).

Fixed Asset multi-currency processing

The four asset values maintained for an asset: gross value, accumulated depreciation, net value and final value, can all be held in up to three different currencies for the asset, depending on the business unit and ledger setup options.

Base Currency

The asset values are always maintained in the base currency. These values can be viewed in the **Value 1 Depreciation** tab in **Asset Records (FAS)**. The base currency is defined in Business Unit Setup.

Transaction Currency

Each ledger transaction can contain a transaction currency value. This value may be optional or mandatory, depending on the **Other Currency Post Rule** setting in **Business Unit Setup**.

The transaction value can be used in the Fixed Assets Register to record the asset posting values in a second currency. In SunSystems modules the transaction currency is not usually a predefined currency, it can vary from one transaction to another. However, when it is used for an asset the currency code must be preset and all of the transaction currency values for the asset must be entered in this currency. This is because the asset values are calculated in this currency from the transaction values, so a single currency must be used to establish meaningful values.

The currency is identified in the **Asset Currency Code** field in the **Value 2 Depreciation** tab in **Asset Records (FAS)**. The **Value 2 Depreciation** tab also displays the asset values calculated in this transaction currency.

A different depreciation method can be used to calculate the depreciation in this currency. The depreciation method and other depreciation details are also identified in the **Value 2 Depreciation** tab in **Asset Records (FAS)**.

Second Base/Reporting Currency

The asset values can be maintained in the second base or reporting currency defined for the ledger, if the **Value 3 Post Rule** is not set to `Not Defined` in **Business Unit Setup**, and the **Assets in Second Base/Reporting Currency** option is set in **Ledger Setup (LES)**.

You can set the **Reporting Conversion Control** option for an asset in **Asset Records (FAS)** to determine whether or not the second base or reporting currency value is required on postings for a particular asset.

The second base or reporting currency values are calculated from the base or transaction currency values, depending on the pivot currency. They are displayed in the **Value 3 Balances** tab on **Asset Records (FAS)**.

Multi-Currency Depreciation

Depreciation is calculated for an asset on the base currency values using the Base Depreciation Method identified for the asset in Asset Records (FAS). It is calculated on the transaction currency values for the asset using the Transaction Depreciation Method identified for the asset. It is calculated on the second base/reporting currency values using the Reporting Depreciation Method for the asset.

If a transaction depreciation method is not chosen for the asset, depreciation is not calculated for the transaction currency value. If a reporting depreciation method is not chosen for the asset, depreciation is not calculated for the second base/reporting currency value.

If a fourth currency is defined in Business Unit Setup (BUA), the system is able to calculate translated fourth currency equivalent values using the currency information available. However, assets cannot be maintained in a fourth currency.

Suppressing Accounts from Ledger Revaluation

Accounts to which depreciation is posted should be suppressed from Ledger Revaluation (LER). This is because the depreciation methods may be different for base currency, transaction currency, and second base/reporting currency and therefore the conversion rate, being contrived, has no relevance in a revaluation.

Setting up the Asset Register

The Fixed Asset Register processing environment is determined in Business Unit Setup and Ledger Setup (LES) settings. These determine the multicurrency environment and posting rules, the current period, maximum number of periods, and so on.

The following Ledger Setup (LES) options apply specifically to the asset register and allow you to set overall processing rules to the register, and control transaction sequencing.

1. Select **Ledger Setup (LES)** from the main SunSystems menu.
2. Specify this information in the General section:

   Timing Rule Code

   This is the depreciation timing rule to be used for assets in the asset register. Depreciation timing rules allow you to apportion the depreciation calculated by Depreciation Calculation (FDC), across the accounting periods in the year by a predetermined ratio. If a timing rule is not set, the annual depreciation

is divided evenly over the number of periods in the year as specified in the **Maximum Number Periods** field in **Business Unit Setup**.

Exclude Final Value from Calculation

If this option is chosen, by default the final value of an asset is excluded from the depreciation calculations. This can be overridden on particular assets.

Assets in Second Base/Reporting Currency

If this option is chosen, asset values are held in both base currency and second base/reporting currency. This can be set for particular assets using the **Reporting Conversion Control** setting in **Asset Records (FAS)**.

Note: If the **Value 3 Currency Type** in **Business Unit Setup** is defined as `Second Base Currency`, then a Value 3 amount must always be present.

Use Asset Quantity

If this option is chosen, asset quantities can be recorded when making fixed asset postings to the ledger.

3 Specify this information in the Sequence Dimensions section:

The Sequence Dimension details are required if you want to generate and assign sequence numbers to transactions automatically.

Asset Disposal

This is the sequence number code, defined in Ledger Sequences (LEQ), of the number sequence you want to apply to system journals generated by Asset Disposal. A '-' hyphen indicates that you do not want to apply a sequence number to these system generated journals. Two full stops (periods) '..' indicates that you want to copy the sequence number from the original source transaction.

Depreciation Calculation

This is the sequence number code, defined in Ledger Sequences (LEQ), of the number sequence you want to apply to system journals generated by Depreciation Calculation. A '-' hyphen indicates that you do not want to apply a sequence number to these system generated journals. Two full stops (periods) '..' indicates that you want to copy the sequence number from the original source transaction.

Depreciation methods

The SunSystems Fixed Asset Register provides six main depreciation methods and two enhanced methods, as follows:

Straight Line

Depreciation is calculated on the basis that each period should be charged the same amount of depreciation, over the asset's life. Assets are allowed a life of up to 100,000 years.

When start and end periods have been specified, `Period Depreciation = (Rval / Rlife) x Depreciation Timing Rule ratio for the period`

When an end period is not specified but a percentage is given, then the percentage is used to calculate an end period. The same formula is applied.

Sum of Digits

This method applies a reducing fraction to the remaining value of the asset.

```
Period Depreciation = ( Rval * Rlife )/ Slife
```

Declining Balance

Using this method a constant percentage is used to calculate the depreciation on the reducing book value of the asset.

```
Period Depreciation = Rval * Dp% /Periods per year
```

Manual

Period depreciation is posted manually using Ledger Entry (LEN) or Ledger Import (LIM). An asset indicator of Depreciation must be used to ensure the transaction updates the accumulated depreciation value(s) for the asset.

Depreciation Table

Depreciation is posted according to Depreciation Tables (FDT). The table states the percentages to be applied for each year of the asset's life.

Japanese

```
Period Depreciation = Erv / Erl
```

Uses the same calculation as Straight Line for its normal life and Erv/Erl for its extended life.

The depreciation method for an asset is defined in Asset Records (FAS) and the depreciation values are calculated periodically by Depreciation Calculation (FDC).

You can determine how depreciation calculation treats a final asset value recorded for the asset, and how it calculates the depreciation in the first depreciation period.

Assets can be maintained in up to three currencies: base currency, transaction currency and second base/reporting currency. Different depreciation methods and/or percentages can be used to calculate the depreciation in the base currency, transaction currency, and second base/reporting currency.

Advanced Depreciation

Advanced Depreciation is one of the elements of enhanced depreciation. If you are using straight line depreciation, you can multiply the ordinary depreciation amount by a factor during selected years of the asset's life. Both the multiplication factor and the term in years for which advanced depreciation applies are defined on each asset record using Asset Records (FAS). If you run Advanced Depreciation Calculation (FAA) in the last period of the year, the advanced depreciation amounts are posted to separate accounts, also defined in Asset Records (FAS).

Reduction Depreciation

Reduction Depreciation is one of the elements of enhanced depreciation. If you are using straight line depreciation, you can specify a percentage by which an asset's standard depreciation amount is to be reduced for a specific year. The reduction percentage is registered on the asset record in Asset Records (FAS). If you run Asset Reduction Depreciation Calculation (FAR) in the last period of the year, the reduction depreciation amounts are posted to the asset's standard depreciation accounts.

In any year, for a specific asset you can choose to use advanced depreciation or reduction depreciation, but never both in the same year. You do not have to use either.

What is Japanese Straight Line Depreciation

The Japanese depreciation method is specific to Japanese accounting requirements. In effect, there are two final values used in the depreciation calculation. The first is the final value as per the other available depreciation methods. This is referred to as the calculation final value. Once the asset value reaches this final value, another procedure for calculating depreciation takes over, and depreciation is calculated until the asset reaches the second final value, known as the posting final value.

When using the Japanese depreciation method, it is important to note the following:

- If an end period depreciation is entered rather than a depreciation percentage, then it must relate to the period in which Final Value is reached. In other words, the period in which normal depreciation ends.
- Transactions with an asset indicator of Value are irrelevant to this depreciation method, and therefore should not be used.
- This depreciation method ignores the **Exclude Final Value from Depn** field in Ledger Setup (LES).
- This depreciation method does not work in conjunction with the depreciation from a given day facility.

What are the Elements of Enhanced Depreciation?

In certain countries, financial legislation allows companies to implement a number of additional accounting elements and calculations over normal straight line depreciation, known collectively as "Enhanced depreciation".

This Help topic describes the various elements of enhanced depreciation that you can configure in SunSystems, as follows:

- Full Year Depreciation in the First Year
- First Year Percentage Reduction in Depreciation Rate
- Advanced Depreciation
- Selecting Assets for Advanced Depreciation
- Reduction in Depreciation for a Given Year
- Manually Posting Depreciation Amounts.

Note: In order to use advanced depreciation, fixed assets must be set up with a depreciation percentage (for each of the relevant currency values), and the End Period must be left blank for the asset. The Depreciation Method must be Straight Line.

Enhanced Depreciation - Full Year Depreciation in First Year

In Italy, depreciation is normally applied in complete years, even if it is posted periodically (for example, monthly) for reporting purposes. This means that when an asset is purchased or capitalised part way through a year, a whole accounting year's worth of depreciation is calculated, and posted in the remaining periods, starting from the Start Period of depreciation defined on each asset in Asset Records (FAS).

For example, an asset is purchased in period 03/2006, with four years' depreciation of 120 euros per year. The periodical depreciation postings start in 03/2006 for a whole year's amount, so it is divided by 10 periods (up to and including 12/2006) giving 12 Euros per month.

To enable you to apply depreciation in complete years in SunSystems, an option is available to calculate the full year's depreciation value during the first year and distribute it across the remaining 'eligible' periods that year. The **Full Year Depreciation in the First Year** check box in **Ledger Setup (LES)** applies to all the assets in the business unit.

'Eligible' periods are those specified in Depreciation Timing Rule (FDU) and identified in Ledger Setup (LES), and as per normal SunSystems functionality, the relative distribution within those periods is also specified in the depreciation timing rule. If there is no depreciation timing rule identified in Ledger Setup (LES), then depreciation is distributed equally over the number of periods as identified in Business Unit Setup.

Enhanced Depreciation - First Year Percentage Reduction in Depreciation Rate

Independently of the acquisition date of the fixed asset, you can use the % First Year Reduction options on the Value 1, 2 and 3 Depreciation tabs of **Asset Records (FAS)**, to specify the percentage reduction for the first year of depreciation on each individual asset, in the different value currencies.

Example

Italian law allows for 50% of the normal depreciation value for the first year. In this case, the remaining 50% is depreciated after the last scheduled period.

- Fixed asset bought on 01/03/06
- Fixed asset gross value: EUR 1000
- Standard depreciation rate: 20%
- 50% reduction in depreciation rate for first year.

Year	2006	2007	2008	2009	2010	2011
Ordinary Depreciation, Euros	100	200	200	200	200	100
Remaining Asset Value, Euros	900	700	500	300	100	0

In this example, the normal yearly depreciation would have ended in 2010 (considering the asset depreciates for a full year in its first year). With the 50% depreciation in the first year, the depreciation ends in 2011.

Enhanced Depreciation - Advanced Depreciation

Advanced Depreciation, also sometimes called 'anticipated depreciation', is the multiplication of the ordinary depreciation amount by a factor during selected years of the asset's life. Both the multiplication factor and the advanced depreciation term of years are defined on each asset record using Asset Records (FAS).

For example, Italian law allows the doubling of the ordinary depreciation amount during the first three years of the asset life (or one year if the asset is purchased 'used'), using advanced depreciation. This can be combined with the percentage reduction in the first year, as described above.

Advanced depreciation must be managed as a different type of transaction to ordinary depreciation, and the two amounts are summed to give the total depreciation. As in normal fixed asset management, the total accumulated depreciation can never be greater than the gross asset value. Thus in the last year of depreciation, if the asset's residual (net) value is less than the total depreciation amount for the year, the ordinary depreciation is calculated first, and then the advanced depreciation only consists of the remaining value. Moreover, if the net value is less than the ordinary depreciation amount, then only the ordinary depreciation is posted and there is no advanced depreciation in the last year.

Example

Under Italian Law, advanced depreciation must be of the same value as ordinary depreciation per year for each asset, that is, the total depreciation is double the ordinary depreciation (except for the final year when it may be less, as described above). In Asset Records (FAS) you can specify the factor of advanced versus ordinary depreciation, so for Italy this should be set to 1.

- Fixed asset bought on 01/01/06
- Fixed asset gross value: EUR 1000
- Standard depreciation rate: 22%
- 50% of the depreciation value for the first year
- In this example, the asset is allowed double depreciation for the first 3 years, summing ordinary depreciation and advanced depreciation.

Year	2006	2007	2008
Ordinary Depreciation, Euros	110	220	220
Advanced Depreciation, Euros	110	220	120
Total Yearly Depreciation, Euros	220	440	340
Remaining Asset Value, Euros	780	340	0

In order to use advanced depreciation in SunSystems, you must set the **Apply Advanced Depreciation** option in **Ledger Setup (LES)**. In **Asset Records (FAS)**, on each individual asset record you must identify the advanced depreciation balance sheet and profit and loss accounts (which are separate from the ordinary depreciation accounts), the term in number of years (Term of Years), the start year (Apply From), and the Factor as described above.

You can use Asset Advanced Depreciation Calculation (FAA) to calculate advanced depreciation at year end, after all ordinary depreciation methods have been posted. The advanced depreciation can only be posted in the last period of the year. By setting the **Post Transactions** option to **No** on the **Asset Advanced Depreciation Calculation (FAA)** form, you can run advanced depreciation calculations without posting to the ledger. You

can view the calculation results report, and try different scenarios to help you decide whether to include a group of assets or not for the definitive calculation. When you post the definitive advanced depreciation calculation, a journal is posted with Journal Type SYSTM and Journal Source DPANT, to the advanced depreciation Balance Sheet and Profit and Loss accounts. The asset indicator on the balance sheet account journal line is Depreciation (D).

In any given year, you can run the advanced depreciation calculation as many times as you wish without posting, however, you can only post the result once per year for each asset, and it must be within the last period of the year.

Asset Disposal and Advanced Depreciation

For asset disposal during the useful life of a fixed asset, the net value of the asset is calculated as follows:

```
net value = gross value - ordinary depreciation - advanced depreciation
```

and for completeness:

```
gross value = acquisition price + revaluation - debasement
```

The net value of the asset must be compared with the sale price obtained (0 if the asset is written off completely and not sold). The difference between the two values constitutes a capital loss or a capital gain, for example, if the net value is greater than the sale price then the difference is a capital loss.

If the asset is disposed of on a date part way through the year, the net value assumes the total accumulated depreciation to that date. Since advanced depreciation is only calculated at year end, there is no advanced depreciation amount calculated for that year for the asset being disposed.

Enhanced Depreciation - Selecting Assets for Advanced Depreciation

It is not mandatory to use advanced depreciation, and you can decide whether or not to apply the rule for each individual year of an asset's useful life (as long as it is within the time frame defined by the Term of Years specified for each asset in Asset Records (FAS). Normally, this decision is applied to whole groups or categories of fixed assets, and you can use one of the analysis dimensions available on the **Analysis** tab of **Asset Records (FAS)**to categorize the assets into groups. If you decide not to apply the rule for a specific year for a certain group of fixed assets, the decision only affects the assets in that group for that year, which means the following year the group can be included again on the advanced depreciation calculation. However, if the advanced depreciation is not applied during a certain year, the corresponding amount is not recovered in the following years.

In **Asset Records (FAS)**, the relevant Apply Current Year check box for each asset (on each currency Value tab) displays whether or not the asset is due to be included in the advanced depreciation calculation for the current year. By default it is unchecked for all assets. If you want to include assets in advanced depreciation, you can either check the check box for individual assets, or you can run Asset Advanced Depreciation Selection (FDA) to select many assets to be included in the current year's calculation. This checks the Apply Current Year check boxes for all of the assets you select that are within the time frame defined by the Apply From and Term of Years options in Asset Records (FAS). Asset Advanced Depreciation Selection (FDA) also allows you to select assets by an analysis code, for example, the asset type or category.

Asset Advanced Depreciation Selection (FDA) must be run before Asset Advanced Depreciation Calculation (FAA) in any year, as you need to ensure the appropriate assets have their Apply Current Year check box checked before calculating advanced depreciation.

Enhanced Depreciation - Reduction in Depreciation for a Given Year

In some circumstances you might need to reduce the standard depreciation percentage of an asset for a given year. When a reduction depreciation is applied to an asset for a certain year, there can be no advanced depreciation for the asset in that year. Standard depreciation is posted during all the periods of the year (normally 12), and then in the last period the reduction depreciation is posted as a separate transaction, with Journal Type SYSTM and Journal Source DPRED, to the normal depreciation Balance Sheet and Profit and Loss accounts. The asset indicator on the balance sheet account journal line is Depreciation (D).

Example

Italian law allows for the reduction of the standard depreciation percentage in any given year. This is intended for an asset that is not 100% utilized in active production for the year. In this case the standard depreciation amount is reduced by an appropriate percentage.

- Fixed asset bought on 01/01/06
- Fixed asset gross value: EUR 1000
- Standard depreciation rate: 22%
- 50% of the depreciation value for the first year
- In this example, the asset is allowed advanced depreciation for the first 3 years
- In 2007, a 20% reduction is applied, so the ordinary depreciation amount for 2007 is 80% * EUR 220 = EUR 176
- In 2008, a new reduction is not required, so both the standard depreciation and the advanced depreciation are calculated.

Note: When the standard depreciation is reduced for an asset in a certain year, the advanced depreciation is not calculated for the asset that year.

Year	2006	2007	2008	2009
Ordinary Depreciation, Euros	110	176	220	164
Anticipated Depreciation, Euros	110	0	220	0
Total Yearly Depreciation, Euros	220	176	440	164
Remaining Asset Value, Euros	780	604	164	0

In Asset Records (FAS), on each currency Value tab, the relevant % Current Year Reduction option determines the percentage reduction in standard depreciation rate for the current year. You can either set this for individual assets, or run Asset Reduction Depreciation Selection (FDR) to specify the percentage on a number of assets, grouped by asset code, or analysis code, or both. On each asset with a current year reduction percentage applied, the relevant Apply Current Year check box is unchecked so that advanced depreciation is not applied to that asset for the year.

In the last period of the year, after specifying the reduction percentages on assets, run the Asset Reduction Depreciation Calculation (FAR) function. You can select whether or not to post the calculation, and in either case a report is generated with the results of the calculation.

Enhanced Depreciation - Manually Posting Depreciation Amounts

You can post a manual adjustment for standard, advanced, and reduction depreciation with specific journal types for each. You must first create the journal types you require using Journal Types (JNT), and specify **Asset Depreciation Type** as an appropriate journal type:

- Standard (default)
- Advanced
- Reduction.

Depreciation journal types can be used for Ledger Entry (LEN), unless the **Prohibit Use in Ledger Entry** check box is selected in Journal Types (JNT). And for Ledger Import (LIM), unless the **Prohibit Use in Ledger Import** check box is selected in Journal Types (JNT). When you enter a journal with these journal types, you must also enter the relevant asset code and the Asset Indicator of Depreciation (D) on the balance sheet account line.

How is the Final Asset Value Treated?

Use **Exclude Final Value from Depn** in **Ledger Setup (LES)** to determine how the final asset value that can be maintained for an asset, and how it is treated in the depreciation calculations.

If the **Exclude Final Value from Depn** option is set in **Ledger Setup (LES)**, by default the final value is used as the base line below which depreciation is not calculated. In other words, the depreciation calculation is based on the full gross value, but stops once the final value is reached. The final depreciation transaction is adjusted to ensure that the net book value is equal to the final value.

If this option is not set, by default the final value is deducted from the gross value before calculating the depreciation. In other words, the depreciation calculation is based on the difference between the gross value and the final value.

This method of treating final values applies to the following depreciation methods:

- Straight Line
- Sum of Digits
- Declining Balance.

To reverse the default, ledger setup selection, for a particular asset, select the **Final Value Calculation** field in **Asset Records (FAS)** and **Asset Budget Details (FAB)**.

Note: The override also works in reverse, in that you can leave the **Exclude Final Value from Depn** field blank, and override this setting for individual assets.

Using the Final Values in Japanese Straight Line Depreciation Calculations

If you are using Japanese Straight Line depreciation, you can enter two final values in Asset Records (FAS). One final value is used to determine the annual depreciation charge. The other is the value to which depreciation will continue to be posted; this must not be greater than the other final value.

Note: The Japanese Straight Line depreciation method ignores the **Exclude Final Value from Depn** selection in **Ledger Setup (LES)**.

Depreciating the Active Days in the Start Period

The standard procedure in SunSystems for calculating straight line depreciation in the first period, is to generate a full period's depreciation. However, you have the option to charge a portion of the period's depreciation, which relates to the number of days in the first period for which the asset is active or live.

On the asset, you determine the number of days in the start period, and then nominate the number of days for which the asset is active in the period. In other words, you identify the ratio of active days to the total number of days in the period. For example, if you purchased an asset on 20 April, which is during a thirty day period, you might charge ten days of depreciation in the first period.

Between the first and last period in the life of the asset, depreciation is calculated as normal.

The balance of the depreciation remaining from the first period is posted in the final period. With the example given earlier, ten days of depreciation would be charged in period one, for an asset purchased on 20 April. The final 20 days would be charged in the final period.

If you enter a first period and a depreciation percentage, the last period in the life of the asset is calculated as usual and one extra period added. If you enter a first period and a final period, it is assumed that you have taken account of the two part periods.

Note: You cannot use this facility in conjunction with the Japanese Straight Line depreciation method.

Setting Up a Depreciation Table

If the depreciation method for an asset is set to Table Depreciation in Asset Records (FAS), the depreciation calculation for the asset is based on a depreciation table. The table states the percentages to be applied for each year of the asset's life. This provides a flexible method of specifying depreciation.

Depreciation tables are particularly useful if you need to change the method or rate of depreciation for a given asset, part way through its life. A depreciation table can be defined with entries that reflect the depreciation that has been generated to date. The new depreciation rates can be defined for future years.

Depreciation tables can be printed on the Depreciation Tables Report.

Calculating Depreciation Using Tables

Using a depreciation table, the appropriate percentage is selected by taking the year for which depreciation is being calculated, subtracting the start depreciation year, and adding one year. The gross value of the asset

is multiplied by the appropriate percentage to give the total depreciation for the financial year. Any discrepancies between the historic depreciation and what should have been calculated, are reported during Depreciation Calculation (FDC).

Note: There are limitations when reporting depreciation using tables. The depreciation must be posted at least once during each financial year.
Note: For assets configured with table depreciation, the depreciation calculation only posts amounts that are applicable to the current financial year. If, for some reason, less than the full year's depreciation was posted in the previous year, the unposted amount is not added to this year's depreciation calculation. In this circumstance you can either leave it as an unposted amount (thus causing a residual value at the end of the asset's useful life), or manually post the depreciation difference for the asset.

Depreciation Tables (FDT)

You must create the **Table Code** in **Depreciation Table Headings (FDH)** before creating the **Depreciation Tables (FDT)**.

1. Open **Depreciation Tables (FDT)** from the main SunSystems menu.
2. Specify this information:

   Table Code
   A code to identify the depreciation table.

   Table Column
   A column number to identify this particular set of depreciation rules.

   Set of 30 Years
   A single block within a column covers 30 years of an asset's life. If you want to specify depreciation details for assets with a life of, for example, 60 years, you must use two blocks: one for the first 30 years and one for the second 30 years. You can define up to nine blocks of 30 years each.

   Heading
   The table heading code that contains the depreciation table headings to be used. This is defined using **Depreciation Table Headings (FDH)**.

   Year 1-30 Percentages
   The appropriate depreciation percentages for each year within the 30 year block. Zero is a valid amount.

3. Save your changes.

Printing the Depreciation Table

The Depreciation Table Report lists the depreciation table details.

Defining Depreciation Table Headings

Table depreciation is one of the depreciation methods available in Asset Records (FAS). For each table defined in Depreciation Tables (FDT) you can define up to six lines of descriptive headings for the depreciation table details.

You must create the **Table Code** in **Depreciation Table Headings (FDH)** before creating the depreciation tables.

Note: The depreciation table headings are linked to the depreciation table via the Table Code. Enter the same Table Code on both forms to connect the headings to the appropriate table.

Depreciation Table Headings (FDH)

1 Select **FDH - Depreciation Table Headings** from the main SunSystems menu.

2 Specify this information:

Table Code

This code identifies the depreciation table and is shown on the depreciation table report.

Description 1-6

The heading you would like on the top of each page of the report. You cannot leave all of the headings blank. To centre a heading, insert spaces at the start of the line.

3 Save your changes.

Printing the Depreciation Table Headings

The Depreciation Table Headings Report lists the depreciation table heading details.

Setting Up Depreciation Timing Rules

Depreciation Timing Rules (FDU) allows you to apportion the depreciation calculated by Depreciation Calculation over the periods in the year, using a predetermined ratio.

For example, if you have 13 accounting periods in a financial year, the first 12 periods reflecting calendar months and the final thirteenth period holding year end adjustments, you only want to calculate depreciation for the 12 operational periods.

Depreciation timing rules allow you to specify the number of operational periods in your financial year and to specify how the annual depreciation charge should be split across these periods. You can also use this to account for periods of, for example, four or five weeks.

If a timing rule is not used, the annual depreciation is divided evenly over the number of periods in the year.

Note: The number of periods in a year is specified in the **Maximum Number Periods** field in **Business Unit Setup**.

Depreciation Timing Rules (FDU)

1 Open **Depreciation Timing Rules (FDU)** from the main SunSystems menu.

2 Specify this information:

Timing Rule Code
The code that uniquely identifies the timing rule.

Name
A name for the timing rule.

Operating Periods
The number of periods for which depreciation are calculated during a financial year. This is normally 12, i.e. monthly accounting periods. This value cannot exceed the maximum number of periods specified in **Business Unit Setup (BUA)**.

Period Ratio 1-60
The proportion of the total depreciation to allocate to each period. This field defaults to zero. Leave as zero if no amount is to be apportioned to a period.

3 Save your changes.

Printing the Depreciation Timing Rules

The Depreciation Timing Rules Report lists the depreciation timing rule details.

Setting Up the Elements of Enhanced Depreciation

This topic describes the steps required to set up the various elements of enhanced depreciation in the SunSystems asset register, and the typical year end steps to run the enhanced depreciation elements.

Setting Up the Asset Register for Enhanced Depreciation

1 Open **Ledger Setup (LES)** from the main SunSystems menu.

2 Click the **General** tab and select these check boxes:

- **Full Year Depreciatn in 1st Yr**
- **Apply Advanced Depreciation**.

3 Open **Chart of Accounts (COA)** from the main SunSystems menu.

4. Create the profit and loss account and the balance sheet account to be used for Advanced Depreciation postings.
5. Open **Asset Records (FAS)**from the main SunSystems menu.
6. Click the **General** tab.
   a. Specify the advanced depreciation accounts (as created in step 4) for every fixed asset subject to advanced depreciation.
   b. verify that **End Period** is blank
7. Click the **Value 1 Depreciation** tab.
   a. Ensure that the depreciation method is specified as `Straight Line`.
   b. Ensure that the percentage field has been populated.
   c. Specify the information in the Advanced Depreciation Settings and Reduction Settings sections as necessary for Base currency and any other currency required.

      For example, under Italian depreciation rules you might set the following options:
      - Apply From: enter the year in which the depreciation starts for this asset.
      - Term of Years: enter 3 for new assets or 1 for assets bought used.
      - Factor: enter 1.
      - % First Year Reduction: enter 50.
8. If your business unit requires depreciation to be posted also in currency values 2 and 3, then open **Asset Records (FAS)** from the main SunSystems menu. Specify the information on the **Value 2 Depreciation** and **Value 3 Depreciation** tabs following the same guidelines as step 7 above.

Running the Enhanced Depreciation Elements at Year End

1. Ensure that normal depreciation has been run for the last period of the year.
2. Select the assets which require a reduction depreciation using Asset Reduction Depreciation Selection (FDR).
3. Run the Asset Reduction Depreciation Calculation (FAR) function. You can initially run it with the **Post Transactions** option set to `No`, to verify the calculation report before posting the definitive reduction depreciation journal.
4. Run the Asset Advanced Depreciation Selection (FDA), using a process mode of Reset to select the assets for inclusion in the advanced depreciation calculation, according to the relevant Apply From and Term of Years settings in Asset Records (FAS).
5. Run the Asset Advanced Depreciation Selection (FDA function), using a process mode of Exclusion to select the assets that you want to exclude from the current year's advanced depreciation calculation, which would otherwise be included under normal circumstances.
6. Run the Asset Advanced Depreciation Calculation (FAA) function. You can initially run it with the **Post Transactions** option set to `No`, to verify the calculation report before posting the definitive advanced depreciation journal.

Setting up Asset records

An asset record holds the static information about each asset. It also contains the gross value, net book value and accumulated depreciation for the asset. Each asset record is identified by a unique asset code.

The structure of your asset codes is important. There are many functions within the fixed asset register that allow you to choose a range of asset codes, so it is useful if similar assets are grouped together. This can be done with asset classes, with asset analysis, with structured asset codes, or any combination of these. You may choose to have a certain type of asset beginning with a specific code, for example, the asset codes for cars might begin with the letters 'CAR'. This can aid reporting and speed up identification of specific assets, however, if you need to group together many assets that share similar attributes or depreciation parameters, then you are recommended to use asset classes, as described below.

In a multi-currency environment, the asset values can be held in a transaction currency as well as the base currency. They can also be maintained in the second base or reporting currency for the business unit, if the **Assets in Second Base/Reporting Currency** option is set in Ledger Setup (LES). Depreciation can, therefore, be calculated in different currencies and using different depreciation schemes in order to meet local accounting requirements.

Additional information can be maintained for each asset using asset notes and asset posting presets.

You can set up asset budgets to maintain different valuations for the asset and apply different depreciation methods for budgeting, forecasting or reporting purposes. For example, you may want to analyze the effect of changing the depreciation method or life of an asset, or maintain a current cost valuation.

Using Asset Classes

Use asset classes to group together similar assets that share certain data, such as depreciation method, percentage and accounts. For example, you might create an asset class 'VEH' for all vehicles, assuming the same depreciation parameters apply to all the different types of vehicle. You can create any number of asset classes using Fixed Asset Class (FAC), and assign the relevant class to each asset record. This has two important benefits:

- When creating new assets that pertain to an asset class, the default asset data fields for that class are automatically copied to the asset record being created. This avoids the need to repeatedly enter the same data for several assets, hence saving time and reducing manual errors.
- Similar assets that are grouped together by asset class can be quickly selected for queries or reporting, and for asset processes such as depreciation, disposal, and so on. Similarly, classifying assets can enhance the readability of reports, for example, when summarizing by asset class.

Analyzing Your Assets

An asset record can contain up to ten analysis dimension codes. These can be used to analyze the assets into ten different categories. In addition, up to ten other analysis dimension codes can be entered on each ledger transaction posted to an asset code. The transaction analysis codes can be preset for an asset using asset posting preset subcodes. Several asset subcodes can be defined for an asset to contain alternative transaction analysis code requirements.

Setting up an asset record

Use Asset Records (FAS) to set up an asset record.

The Asset Records form contains these tabs:

- General
- Analysis
- Value 1 Depreciation
- Value 2 Depreciation
- Value 3 Depreciation
- Value 4 Depreciation

Asset Records (FAS)

1. Select Asset Records (FAS) from the main SunSystems menu.
2. Specify this information:

   Asset Code

   The code that uniquely identifies the asset.

   Asset Quantity
   To record asset quantities in Ledger Entry (LEN), you must define this configuration:
   - Select the field **Asset Quantity** on the **General** tab in Ledger Setup (LES)
   - Ensure **Non-Currency Value Post Rule** on the **Memo Value** tab of Business Unit Setup (BUA) is not set to `0-Undefined`
   - Ensure the **Memorandum** field on the **Security** tab of the **Journal Types (JNT)** dialog is not set to `0-Undefined`. The field is available when the `Journal Type (with Posting Rules) (JDX)` form is used.

   Asset Class
   Select a code that identifies the class of asset, as defined in Fixed Asset Class (FAC). When you select an asset class, the relevant fields are automatically copied from the asset class to this asset record, for example, the depreciation method, percentage and depreciation accounts. If any of the relevant fields have previously been entered on the asset record, you must confirm you want to overwrite them with the defaults specified on the asset class.
   Leave blank if this asset does not pertain to an asset class or if you have not defined any asset classes.

   Status
   Note: This status code is not the same as the **Asset Status** code on the **General** tab.

   Description
   The full name or description of the data item or record. This is used to identify it on reports and inquiries.

   Short Heading
   The short heading, which is used where space is limited. If this is blank it defaults to the first characters of the description.

Lookup Code
A lookup code can be used to find a record, as an alternative to the record code. It is often set to a shortened version of the description. It is particularly useful if a record is often referred to using different codes. For example, the Chart of Accounts code for Fuel Expenses is `75201` and the Lookup Code is set to `FUELEXP`.

3 Specify the information on each tab in the **Fixed Asset Records** dialog.
4 Save your changes.

General

1 Click the **General** tab in the **Asset Recods (FAS)** dialog.
2 Specify this information:

Asset Status
The current status of the asset. Select an option from:

- `Active` - the asset is actively in use.
- `Suspended/Held` - indicates that you no longer want to use the asset. Whenever the asset code is used in Ledger Entry (LEN), Ledger Import (LIM), or Asset Status Report, you are warned if the asset has been suspended. Asset Disposal (FAD) and Depreciation Calculation (FAA) both ignore suspended assets.
- `Ready for Disposal` - the asset is to be highlighted for disposal in Asset Disposal (FAD). You cannot post transactions to assets with this status.

3 Specify this information in the Disposal section:

Part Disposed
This is set if part of the asset quantity has been disposed of using Asset Part Disposal (FAF).

Disposed
This is set if the asset has been disposed of using Asset Disposal (FAD).

Part Disposal Period
The period for part disposal of this asset. If you leave the part disposal period blank, it is updated when disposing of part of the asset quantity using Asset Part Disposal (FAF).

Disposal Period
The period for disposal of this asset. If you leave the disposal period blank, it is updated when disposing of the asset using Asset Disposal (FAD).

4 Specify this information in the Register Overrides section:

Final Value Calculation

This is set to override the **Exclude Final Value From Depn** in the Assets section in **Ledger Setup (LES)**.

Reporting Conversion Control

Select the currency control option to be used for postings to this asset in the reporting currency. Three options are available:

- `Ledger Default` - uses the **Value 3 Currency Post Rule** value on the **Value 3** tab in **Business Unit Setup (BUA)** to determine whether or not reporting currency values are required on transactions posting to the asset.
- `Mandatory` - make the reporting currency value mandatory on transactions posting to this asset.
- `Prohibited` - prevent a reporting currency value being entered on transactions for this asset.

Note: If the **Value 3 Currency Type** on the **Value 3** tab in **Business Unit Setup** is set to `Second Base Currency`, then Value 3 must always be present.

5 Specify this information in the Depreciation Accounts section:

Balance Sheet

The balance sheet account for depreciation postings for this asset. If this is left blank, the account entered in Depreciation Calculation (FDC) is used.

Profit and Loss

The profit and loss account for depreciation postings for this asset. If this is left blank, the account entered in Depreciation Calculation (FDC) is used.

6 Specify this information in the Advanced Depreciation Accounts section:

Balance Sheet

The balance sheet account for advanced depreciation postings for this asset. If this is left blank, the account entered in Asset Advanced Depreciation Calculation (FAA) is used.

Profit and Loss

The profit and loss account for advanced depreciation postings for this asset. If this is left blank, the account entered in Asset Advanced Depreciation Calculation (FAA) is used.

7 Specify this information in the Depreciation Period section:

Start Period

The period in which depreciation should commence for the asset.

End Period

The projected final depreciation period for the asset. You can leave this blank if the life of the asset is determined by the depreciation method.

Last Period

This displays the last period in which the asset was depreciated either by Depreciation Calculation (FAA), or manually using Ledger Entry (LEN) or Ledger Import (LIM).

8 Specify this information in the Data Access Group section:

Data Access Group Code

9 Save your changes.

Analysis

1 Click the **Analysis** tab in the **Asset Records (FAS)** dialog.

2 Specify this information:

Analysis Codes 1 to 10

Up to ten analysis dimensions can be assigned to asset records using Analysis Structure (ANS). These analysis dimensions are listed and an analysis code can be entered for each dimension to analyze the asset.

3 Save your changes.

Value 1 Depreciation

All of the asset values displayed on this tab are expressed in the base currency and cannot be updated. The base currency is defined in Business Unit Setup.

1 Click the **Value 1 Depreciation** tab in the **Asset Records (FAS)** dialog.

2 Specify this information in the Asset Balances section:

Base Gross Value

The original value of the asset, including any additions, revaluations, or disposals. This is the sum of all transactions with asset indicators of Initial or Value. The value reflects changes made in **Ledger Entry (LEN)**, **Ledger Import (LIM)** or **Asset Disposal (FAD)**.

Base Advanced Value

The total advanced depreciation for the asset. It displays the advanced depreciation calculated and posted by **Asset Advanced Depreciation Calculation (FAA)**, and also posted by **Ledger Entry (LEN)** and **Ledger Import (LIM)** against the asset using a journal type that has its Asset Depreciation Type set to Advanced. This amount excludes standard depreciation and reduction depreciation.

Base Depreciation Value

The standard accumulated depreciation for the asset. It displays the sum of all depreciation calculated and posted by **Depreciation Calculation (FDC)**, and also posted by **Ledger Entry (LEN)** and **Ledger Import (LIM)** against the asset using a journal type that has its Asset Depreciation Type set to either Standard or Reduction. This amount includes reduction depreciation, but excludes advanced depreciation, which is displayed in the field below.

Base Net Value

The gross value of the asset less the accumulated depreciation. This reflects changes made by **Depreciation Calculation (FDC)**, **Ledger Entry (LEN)**, **Ledger Import (LIM)** or **Asset Disposal (FAD)**.

3 Specify this information in the Depreciation Settings section:

Base Depreciation Method

The depreciation method to be used by **Depreciation Calculation (FDC)**. There are several depreciation methods available. If this is set to No Depreciation, depreciation is not calculated automatically for the asset.

Base Percentage

For depreciation methods Declining Balance, Straight Line or Japanese Straight Line, this is the percentage rate used to calculate the amount of depreciation deducted. For Straight Line or Japanese Straight Line, you can either enter a percentage rate here, or leave blank and enter the end of the depreciation period in the **End Period** field on the **General** tab, but not both.

Note: It is not possible to enter a percentage of 100, therefore if you need to set up an asset to depreciate completely in one year, use the **Start Period** and **End Period** fields on the **General** tab, and leave the percentage blank.

Base Final Value

The final value of the asset in base currency, if applicable. It may be scrap or residual value. If using Japanese Straight Line depreciation method, this is the first Final Value used to determine the annual depreciation amount and is referred to as the calculation final value.

Base Posting Final Value

This is used by the Japanese depreciation method only. It is the posting final value for the asset in base currency. This is the second final value, and is the cutoff point for the additional depreciation calculation required by the Japanese depreciation method.

Base Table Code

The depreciation table to use if the depreciation method is Table Depreciation. These tables are defined **Depreciation Tables (FDT)**.

Base Table Column

If the Table Depreciation method is used, this is the column of the table of rates to be used to depreciate the asset.

Base Days for First Period

This field relates to the feature, available for Straight Line depreciation, that allows you to start to depreciate an asset part way through the first period. Enter the number of days in the first period in the life of the asset. For example, if the first period of depreciation relates to a month of thirty-one days, enter 31. Alternatively, if you want the first depreciation amount to be calculated for a whole period, leave this blank. You must leave this option blank if the **Full Year Deprctn in 1st Year** check box is checked on the **Ledger Setup (LES)**.

Base Active Days

The number of days for which the asset is active within the start period. This is required if depreciation should only be charged for this number of days, for the first period in the life of the asset. For example, if the asset is purchased on the 29th of the month, and should only be depreciated for two days in the first period, enter 2. Alternatively, if you want the first depreciation amount to be calculated for a whole period, leave this blank. You must leave this option blank if the **Full Year Deprctn in 1st Year** check box is checked on the **Ledger Setup (LES)**.

4 Specify this information in the Advanced Depreciation Settings section:

Base Apply From
The first fiscal year in which advanced depreciation is to be calculated for the asset.

Base Factor

The amount by which SunSystems must multiply the standard depreciation amount in order to calculate the advanced depreciation amount. For example, enter 1 if advanced depreciation is the same amount as the standard depreciation, (thus doubling the total depreciation).

Base Last Year Posted

Displays the year in which the previous advanced depreciation posting was made for this asset.

5 Specify this information in the Reduction Settings section:

Base % First Year Reduction

The percentage by which both the standard depreciation and advanced depreciation are reduced in the first year of depreciation.

Base % Current Year Reduction

The percentage by which the standard depreciation rate is reduced for the current year when running Asset Reduction Depreciation Calculation (FAR). Enter a percentage for this asset, or use Asset Reduction Depreciation Selection (FDR) to enter a reduction percentage on a number of assets. Leave this option blank if you do not want a reduction in depreciation for the asset in the current year. You cannot run reduction depreciation in the same year as advanced depreciation for an asset.

Base Reduction Last Year

Displays the year in which the previous reduction depreciation posting was made for this asset.

6 Save your changes.

Value 2 Depreciation

The asset value can be maintained and depreciated in a second currency. This is entered as the transaction currency on ledger transactions. The transaction currency is identified in the **Asset Currency Code** field and all of the values displayed on this tab are expressed in this currency. If depreciation is calculated, it is also calculated in this currency.

1 Click the **Value 2 Depreciation** tab in the **Asset Records (FAS)** dialog.

2 Specify this information in the Asset Balances section:

Transaction Gross Value

The original value of the asset, including any additions, revaluations, or disposals. This is the sum of all transactions with asset indicators of Initial or Value. The value reflects changes made in Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD).

Trans Advanced Value

The total advanced depreciation for the asset. It displays the advanced depreciation calculated and posted by Asset Advanced Depreciation Calculation (FAA), and also posted by Ledger Entry (LEN) and Ledger Import (LIM) against the asset using a journal type that has its Asset Depreciation Type set to Advanced. This amount excludes standard depreciation and reduction depreciation.

Transaction Depreciation Value

The standard accumulated depreciation for the asset. It displays the sum of all depreciation calculated and posted by Depreciation Calculation (FDC), and also posted by Ledger Entry (LEN) and Ledger Import (LIM) against the asset using a journal type that has its Asset Depreciation Type set to either Standard or Reduction. This amount includes reduction depreciation, but excludes advanced depreciation, which is displayed in the field below.

Transaction Net Value

The gross value of the asset less the accumulated depreciation. This reflects changes made by Depreciation Calculation (FDC), Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD).

Asset Currency Code

The transaction currency code for this asset, which is used as the transaction currency for the asset in Ledger Entry (LEN) and Ledger Import (LIM).

3 Specify this information in the Depreciation Settings section:

Trans Depreciation Method

The depreciation method to be used by Depreciation Calculation (FDC). There are several methods available. If this is set to No Depreciation, depreciation is not calculated automatically for the asset.

Transaction Percentage

For depreciation methods Declining Balance, Straight Line or Japanese Straight Line, this is the percentage rate used to calculate the amount of depreciation deducted. For Straight Line or Japanese Straight Line, you can either enter a percentage rate here, or leave blank and enter the end of the depreciation period in the **End Period** field on the **General** tab, but not both.

Transaction Final Value

The final value of the asset in the asset currency. It may be scrap or residual value. If using Japanese Straight Line depreciation method, this is the first Final Value used to determine the annual depreciation amount.

Trans Posting Final Value

This is used by the Japanese depreciation method only. It is the posting final value for the asset in transaction currency. This is the second final value, and is the cutoff point for the additional depreciation calculation required by the Japanese depreciation method.

Transaction Table Code

The depreciation table to use if the depreciation method is Table Depreciation. These tables are defined in Depreciation Tables (FDT).

Transaction Table Column

If the Table Depreciation method is used, this is the column of the table of rates to be used to depreciate the asset.

Trans Days for First Period

The number of days in the first period in the life of the asset. This field relates to the feature, available for Straight Line depreciation, which allows you to start to depreciate an asset part way through the first

period. You cannot set this option if the **Full Year Depreciatn in 1st Yr** check box is checked on the**Ledger Setup (LES)**.

Transaction Active Days

The number of days for which the asset is active within the number of days in start period, which you wish depreciation to be calculated in the first period in the life of the asset. You cannot set this option if the **Full Year Depreciatn in 1st Yr** check box is checked on the **Ledger Setup (LES)**.

4 Specify this information in the Advanced Depreciation Settings section:

Trans Apply From

The first fiscal year in which advanced depreciation is to be calculated for the asset.

Trans Term of Years

The whole number of years for which advanced depreciation can be applied to the asset.

Trans Factor

The amount by which SunSystems must multiply the standard depreciation amount in order to calculate the advanced depreciation amount. For example, enter 1 if advanced depreciation is the same amount as the standard depreciation, (thus doubling the total depreciation).

Trans Apply Current Year

This check box determines whether or not the asset is to be included in the advanced depreciation calculation for the current year. Check the check box to include the asset in the calculation. Normally, this should be checked if the current year is within the time frame defined by the **Trans Apply From** and the **Trans Term of Years** options. Alternatively, leave the check box blank to exclude the asset from the calculation. You can also use Asset Advanced Depreciation Selection (FDA) to check or to uncheck this check box for a number of assets. You cannot run advanced depreciation in the same year as reduction depreciation for an asset.

Trans Last Year Posted

Displays the year in which the previous advanced depreciation posting was made for this asset.

5 Specify this information in the Reduction Settings section:

Trans % First Year Reduction

The percentage by which both the standard depreciation and advanced depreciation are reduced in the first year of depreciation.

Trans % Current Year Reduction

The percentage by which the standard depreciation rate is reduced for the current year when running Asset Reduction Depreciation Calculation (FAR). Enter a percentage for this asset, or use Asset Reduction Depreciation Selection (FDR) to enter a reduction percentage on a number of assets. Leave this option blank if you do not want a depreciation reduction for the asset in the current year. You cannot run reduction depreciation in the same year as advanced depreciation for an asset.

Trans Reduction Last Year

Displays the year in which the previous reduction depreciation posting was made for this asset.

6 Save your changes.

Value 3 Depreciation

All of the values displayed on this tab are expressed in the second base or reporting currency identified in Business Unit Setup.

Note: If Value 3 is defined as Second Base Currency and not Reporting Currency, then the rate between Value 1 and Value 3 is fixed, so the options on the **Value 3 Depreciation** tab are disabled. This is to prevent alternative depreciation rates from being entered, which would result in a different stream of values, thus contravening the fixed rate rules.

1. Click the **Value 3 Depreciation** tab in the **Asset Records (FAS)** dialog.
2. Specify this information in the Asset Balances section:

   Report Gross Value

   The original value of the asset, including any additions, revaluations, or disposals, expressed in the second base or reporting currency.

   Report Depreciation Value

   The standard accumulated depreciation for the asset, expressed in the second base or reporting currency.

   Report Advanced Value

   The total advanced depreciation for the asset, expressed in the second base or reporting currency.

   Report Net Value

   The gross value of the asset less the accumulated depreciation, expressed in the second base or reporting currency.

3. Specify this information in the Depreciation Settings section:

   Reporting Depreciation Method

   The depreciation method to be used by Depreciation Calculation (FDC). There are several methods available. If this is set to No Depreciation, depreciation is not calculated automatically for the asset.

   Reporting Currency Percentage

   For depreciation methods Declining Balance, Straight Line or Japanese Straight Line, this is the percentage rate used to calculate the amount of depreciation deducted. For Straight Line or Japanese Straight Line depreciation methods, you can either enter a percentage rate here, or leave blank and enter the end of the depreciation period in the **End Period** field on the **General** tab, but not both.

   Reporting Currency Final Value

   The final value of the asset in the reporting currency. It may be scrap or residual value. If using the Japanese Straight Line depreciation method, this is the first Final Value used to determine the annual depreciation amount.

   Report Curr Post Final Value

   This is used by the Japanese depreciation method only. It is the posting final value for the asset in the reporting currency. This is the second final value, and is the cutoff point for the additional depreciation calculation required by the Japanese depreciation method.

Reporting Currency Table Code

The depreciation table to use if the depreciation method is Table Depreciation. These tables are defined in Depreciation Tables (FDT).

Reporting Currency Table Col

If the Table Depreciation method is used, this is the column of the table of rates to be used to depreciate the asset.

Report Curr Days First Period

The number of days in the first period in the life of the asset. This field relates to the feature, available for Straight Line depreciation, which allows you to start to depreciate an asset part way through the first period. You cannot set this option if the **Full Year Depreciatn in 1st Yr** check box is checked on the **Ledger Setup (LES)** dialog.

Reporting Currency Active Days

The number of days for which the asset is active within the number of days in the start period, which you wish depreciation to be calculated in the first period in the life of the asset. You cannot set this option if the **Full Year Depreciatn in 1st Yr** check box is checked on the **Ledger Setup (LES)** dialog.

4 Specify this information in the Advanced Depreciation Settings section:

Report Apply From

The first fiscal year in which advanced depreciation is to be calculated for the asset.

Report Term of Years

The whole number of years for which advanced depreciation can be applied to the asset.

Report Factor

The amount by which SunSystems must multiply the standard depreciation amount in order to calculate the advanced depreciation amount. For example, enter 1 if advanced depreciation is the same amount as the standard depreciation, (thus doubling the total depreciation).

Report Apply Current Year

This check box determines whether or not the asset is to be included in the advanced depreciation calculation for the current year. Check the check box to include the asset in the calculation. Normally, this should be checked if the current year is within the time frame defined by the **Report Apply From** and the **Report Term of Years** options. Alternatively, leave the check box blank to exclude the asset from the calculation. You can also use Asset Advanced Depreciation Selection (FDA) to check or to uncheck this check box for a number of assets. You cannot run advanced depreciation in the same year as reduction depreciation for an asset.

Report Last Year Posted

Displays the year in which the previous advanced depreciation posting was made for this asset.

5 Specify this information in the Reduction Settings section:

Report % First Year Reduction

The percentage by which both the standard depreciation and advanced depreciation are reduced in the first year of depreciation.

Report % Current Year Reduction

The percentage by which the standard depreciation rate is reduced for the current year when running Asset Reduction Depreciation Calculation (FAR). Enter a percentage for this asset, or use Asset Reduction Depreciation Selection (FDR) to enter a reduction percentage on a number of assets. Leave this option blank if you do not want a depreciation reduction for the asset in the current year. You cannot run reduction depreciation in the same year as advanced depreciation for an asset.

Report Reduction Last Year

Displays the year in which the previous reduction depreciation posting was made for this asset.

6 Save your changes.

Value 4 Depreciation

All the values displayed on this tab are expressed in the 4th currency identified in Business Unit Setup.

1 Click the **Value 4 Depreciation** tab in the **Asset Records (FAS)** dialog.

2 Specify this information:

Value 4 Gross Value
The original value of the asset, including any additions, revaluations, or disposals, expressed in the 4th currency.

Value 4 Depreciation Value
The standard accumulated depreciation for the asset, expressed in the 4th currency.

Value 4 Advanced Value
The total advanced depreciation for the asset, expressed in the 4th currency.

Value 4 Net Value
The gross value of the asset less the accumulated depreciation, expressed in the 4th currency.

4th Currency Code
The 4th currency code for this asset.

3 Save your changes.

Asset Notes

You can enter additional information for an asset as asset notes. From the **Action** menu select **Asset Notes**, or click **Asset Notes**, to access the Asset Notes Setup function.

When you have entered or amended the notes, you are returned to the Asset Records function.

Asset Posting Presets

You can use asset posting preset subcodes to assign up to ten transaction analysis codes to an asset transaction. You can define several different subcodes. The subcode presets are also used by Depreciation Calculation (FDC) and Asset Disposal (FAD) to analyze the transactions generated for the asset.

From the **Action** menu select **Asset Posting Presets**, or click **Asset Posting Presets**, to access Asset Posting Presets Setup. You can use this to define the asset preset subcodes for the asset.

Note: You can only access this function from **Asset Records (FAS)**.

When you have entered or amended the presets, you are returned to the Asset Records (FAS) function.

Printing the Asset Details

The Asset Record Report lists the asset details.

Setting up Asset Classes

An asset class is used to group together assets that fit into the same logical category, that depreciate with the same method and percentage. Each asset class record is identified by a unique asset class code. Create asset classes using Fixed Asset Class (FAC), then use Asset Records (FAS) to assign the appropriate asset class to each asset record.

As a way of categorizing assets, asset classes are more comprehensive than using fixed asset analysis codes, because an asset class holds some of the defining information about the assets within the class. For example, a FURNITURE asset class might be created to group together many different asset records for desks, chairs and cupboards, and so on, that all depreciate at 20% per year with the straight line method, and whose depreciation amounts are all posted to the same furniture depreciation account.

In the asset class record, define the depreciation method, percentage and accounts for the class, in the different currency values as necessary. Then, when you assign the class to an asset in Asset Records (FAS), the depreciation method, percentage and accounts are automatically entered on the asset record being created or modified. If any of those fields have already been entered on an asset record being modified, they are not overwritten unless you confirm you want to override them.

Note: Asset Class can be used in conjunction with Asset Quantity and Asset Analysis in the asset records.

The **Fixed Asset Class** form contains the following:

- Header Information
- General
- Value 1 Depreciation
- Value 2 Depreciation
- Value 3 Depreciation

Fixed Asset Class (FAC)

1 Open Fixed Asset Class (FAC) from the main SunSystems menu.

2 Specify this information:

Asset Class Code
The code that uniquely identifies the asset class.

Lookup Code
A lookup code can be used to find a record, as an alternative to the record code. It is often set to a shortened version of the description. It is particularly useful if a record is often referred to using different codes. For example, the Chart of Accounts code for Fuel Expenses is **75201** and the Lookup Code is set to **FUELEXP**.

Status
Each static data record contains a status code that determines the current processing status of the record. A status is assigned to each static reference record, for example to every account, asset, customer and supplier. It determines the current processing status of the record.

- Open - this status is set automatically when you add a new record, for example, if you create a new account. Open items are available for input, inquiry, processing and reporting.
- Hidden - a record with a hidden status does not appear on any inquiries but is available for input, processing and reporting.
- Suspended/Held - a suspended record.
- Closed/Completed - a closed record cannot be used for input or processing. For example, you cannot post transactions to a closed account or analysis code.

You can alter the status of a record at any time. You must use the options on the Action menu to change the status.

Description
The full name or description of the data item or record. This is used to identify it on reports and inquiries.

Short Heading
The short heading, which is used where space is limited. If this is blank it defaults to the first characters of the description.

3 Specify the information on each tab in the **Fixed Asset Class** dialog.

4 Save your changes.

General

1 Click the **General** tab in the **Fixed Asset Class (FAC)** dialog.

2 Specify this information in the Overrides section:

Final Value Calculation

This is set to override the **Exclude Final Value** from the Calculation setting in **Ledger Setup (LES)**.

Reporting Conversion Control

Select the currency control option to be used for postings to assets of this class in the reporting currency. Three options are available:

- Ledger Default

  Use the **Value 3 Currency Post Rule** option in **Business Unit Setup** to determine whether or not reporting currency values are required on transactions posted to assets of this class.
- Mandatory

  Make the reporting currency value mandatory on transactions posted to assets of this class.
- Prohibited

  Prevent a reporting currency value being entered on transactions posted to assets of this class.

Note: If the **Value 3 Currency Type** in **Business Unit Setup** is set to `Second Base Currency`, then Value 3 must always be present.

3 Specify this information in the Depreciation Accounts section:

Balance Sheet
The balance sheet account for depreciation postings for assets of this class. If this is left blank on an asset record, the account entered in Depreciation Calculation (FDC) is used.

Profit and Loss
The profit and loss account for depreciation postings for assets of this class. If this is left blank on an asset record, the account entered in Depreciation Calculation (FDC) is used.

4 Specify this information in the Advanced Depreciation Accounts section:

Balance Sheet

The balance sheet account for advanced depreciation postings for assets of this class, if advanced depreciation is being used.

Profit and Loss
The profit and loss account for advanced depreciation postings for assets of this class, if advanced depreciation is being used.

5 Save your changes.

Value 1 Depreciation

1 Click the **Value 1 Depreciation** tab in the **Fixed Asset Class (FAC)** dialog.

2 Specify this information:

Value 1, the base currency, is defined in Business Unit Setup.

Base Depreciation Method

The depreciation method to be used by Depreciation Calculation (FDC). There are several depreciation methods available. If this is set to No Depreciation, depreciation is not calculated automatically for the asset.

Base Percentage

For depreciation methods Declining Balance, Straight Line or Japanese Straight Line, this is the percentage rate used to calculate the amount of depreciation deducted.

Note: It is not possible to enter a percentage of 100, therefore if you need to set up assets to depreciate completely in one year, use the **Start Period** and **End Period** fields on the **General** tab of the **Asset Records (FAS)**, and leave the percentage blank.

Base Table Code

The depreciation table to use if the depreciation method is Table Depreciation. These tables are defined **Depreciation Tables Setup (FDT)**.

Base Table Column

If the Table Depreciation method is used, this is the column of the table of rates to be used to depreciate assets of this class.

Base Factor
The amount by which you must multiply the standard depreciation amount in order to calculate the advanced depreciation amount. For example, enter 1 if advanced depreciation is the same amount as the standard depreciation (thus doubling the total depreciation).

3 Save your changes.

Value 2 Depreciation

1 Click the **Value 2 Depreciation** tab in the **Fixed Asset Class (FAC)** dialog.

2 Specify this information:

Asset values can be maintained and depreciated in a second currency. This is entered as the transaction currency on ledger transactions. If depreciation is calculated, it is also calculated in this currency.

Trans Depreciation Method

The depreciation method to be used by Depreciation Calculation (FDC). There are several methods available. If this is set to No Depreciation, depreciation is not calculated automatically in the transaction currency for assets of this class.

Transaction Percentage

For depreciation methods Declining Balance, Straight Line or Japanese Straight Line, this is the percentage rate used to calculate the amount of depreciation deducted.

Transaction Table Code

The depreciation table to use if the depreciation method is Table Depreciation. These tables are defined Depreciation Tables Setup (FDT).

Transaction Table Column

If the Table Depreciation method is used, this is the column of the table of rates to be used to depreciate assets of this class.

Trans Factor
Note: Only relevant if you are using advanced depreciation.
The amount by which SunSystems must multiply the standard depreciation amount in order to calculate the advanced depreciation amount. For example, enter 1 if advanced depreciation is the same amount as the standard depreciation (thus doubling the total depreciation).

3 Save your changes.

Value 3 Depreciation

1 Click the **Value 3 Depreciation** tab in the **Fixed Asset Class (FAC)** dialog.
2 Specify this information:

Value 3, the reporting currency, is defined in Business Unit Setup.

Note: If Value 3 is defined as Second Base Currency and not Reporting Currency, then the rate between Value 1 and Value 3 is fixed, so the options on the **Value 3** tab are disabled. This is to prevent alternative depreciation rates from being entered, which would result in a different stream of values, thus contravening the fixed rate rules.

Reporting Depreciation Method

The depreciation method to be used by the Depreciation Calculation (FDC). There are several methods available. If this is set to No Depreciation, depreciation is not calculated automatically in the reporting currency for assets of this class.

Reporting Currency Percentage

For depreciation methods Declining Balance, Straight Line or Japanese Straight Line, this is the percentage rate used to calculate the amount of depreciation deducted.

Reporting Currency Table Code

The depreciation table to use if the depreciation method is Table Depreciation. These tables are defined in Depreciation Tables Setup (FDT).

Reporting Currency Table Col

If the Table Depreciation method is used, this is the column of the table of rates to be used to depreciate assets of this class.

Report Factor
Note: Only relevant if you are using advanced depreciation.
The amount by which SunSystems must multiply the standard depreciation amount in order to calculate the advanced depreciation amount. For example, enter 1 if advanced depreciation is the same amount as the standard depreciation (thus doubling the total depreciation).

3 Save your changes.

Entering Asset Notes

You can hold data about assets to supplement the information recorded in Asset Records (FAS). An asset record can have any number of asset note records linked to it. Asset notes are tied to asset records by the asset code.

For example, one note record holds details of the original asset as purchased, while subsequent note records hold details of enhancements or part disposals. The original asset record is unaffected by the addition of new notes.

Asset notes are used for information only. You can leave all fields blank, apart from asset code. You can display the details on the asset notes in reference reports.

Entering Asset Notes

An asset note is defined using Asset Notes Presets which can only be accessed from Asset Records (FAS).

The following steps are required:

1. Select **Asset Records (FAS)** from the main SunSystems menu.
2. Enter or Query the asset for which you want to add notes.
3. From the **Action** menu select **Asset Notes**, or click the **Asset Notes** button, to display the **Asset Note Setup** dialog.
4. You can then add, amend or delete notes for the asset, as required.

Asset Note Setup

Asset Note Setup contains the following:

- Header Information
- General
- Asset Purchase
- Insurance
- Disposal
- Asset Finance
- User Details.

Asset Note Setup

1. Select Asset Records (FAS) from the main SunSystems menu.
2. From the **Action** menu select **Asset Notes**, or click the **Asset Notes** button, to display the **Asset Note Setup** dialog.
3. Specify this information:

   Asset Code

   The code that uniquely identifies the asset. The name of the asset appears alongside.

   Status
   The status of the note, which is set from the **Actions** menu.

   Asset Note Code
   A code to identify this asset note.

   Short Heading
   The short heading, which is used where space is limited. If this is blank it defaults to the first characters of the description.

Lookup Code
A lookup code can be used to find a record, as an alternative to the record code. It is often set to a shortened version of the description. It is particularly useful if a record is often referred to using different codes. For example, the Chart of Accounts code for Fuel Expenses is **75201** and the Lookup Code is set to **FUELEXP**.

4 Specify the information on each tab in the **Asset Note Setup** dialog.
5 Save your changes.

General

1 Click the **General** tab in the **Asset Note Setup** dialog.
2 Specify this information in the Identification section:

Serial Number
A serial number for the asset or enhancement.

Description 1-10
Up to 10 additional text fields to hold descriptive information on the asset. The description you enter appears on the Asset Notes Report.

3 Specify this information in the Maintenance section:

Maintenance Frequency
The frequency with which maintenance is required on the asset.

Maintenance Description
The type of maintenance required.

Location - Address
The address code that identifies the location of the asset. Address codes are defined using Addresses (ADD).

Location - Employee
An employee code, for example of the person responsible for the asset. Employee codes are defined using Employees (EMP).

4 Save your changes.

Asset Purchase

1 Click the **Asset Purchase** tab in the **Asset Note Setup** dialog.
2 Specify this information:

Asset Purchase Date
The date the asset was purchased, or another relevant date.

Asset Purchase Price

The asset purchase price, or another relevant value.

Commission Date

A commission date, or another relevant date.

Asset Purchase Price Currency

The currency of the asset purchase price, or other value entered.

Supplier Code

The code that identifies the organization that supplied the asset. Suppliers are defined using Supplier (SUS).

3 Save your changes.

Insurance

1 Click the **Insurance** tab in the **Asset Note Setup** dialog.

2 Specify this information:

Insurance Value

The insured value, or other relevant value information.

Insurance Due Period

An insurance due period, or other relevant period information.

Insurance Details

Other relevant insurance details.

Insurance Frequency

The frequency with which the insurance is renewed.

Insurance Premium

The insurance premium paid, or another relevant value.

Insurance Premium Currency

The currency of the insurance premium, or other value entered. Currency codes are defined using Currency Codes (CNC).

Insurance Supplier

The code that identifies the insurance broker or company. Suppliers are defined using Supplier (SUS).

Insurance Value Currency

The currency of the insurance value, or other value entered. Currency codes are defined using Currency Codes (CNC).

3 Save your changes.

Disposal

1 Click the **Disposal** tab in the **Asset Note Setup** dialog.
2 Specify this information:

Decommission Date

A decommission date, or other relevant date information.

Disposal Date

A disposal date, or other relevant date information.

Disposal Price

A disposal price, or other relevant value information.

Disposal Price Currency

The currency of the disposal price, or other value entered. Currency codes are defined using Currency Codes (CNC).

Disposal Reference

A disposal reference.

Disposal Customer

The code that identifies the customer to whom the asset will be disposed. Customers are defined using Customers (CUS).

3 Save your changes.

Asset Finance

1 Click the **Asset Finance** tab in the **Asset Note Setup** dialog.
2 Specify this information:

Finance Agreement Number

The number of the finance agreement that applies to the asset, if any.

Finance Supplier

The code that identifies the finance company. Suppliers are defined using Supplier (SUS).

Finance Agreement Start Date

The start date for the finance agreement, or another relevant date.

Finance Agreement End Date

The end date for the finance agreement, or another relevant date.

Finance Value

The value of the finance agreement.

Finance Value Currency

The currency of the finance value, or other value entered. Currency codes are defined using Currency Codes (CNC).

3 Save your changes.

User Details

1 Click the **User Details** tab in the **Asset Note Setup** dialog.
2 Specify this information:

User Date

Up to 10 additional user defined dates for the asset.

User Value

Up to 10 additional user defined values for the asset.

Currency

The currency of each of the user defined values entered. Currency codes are defined using Currency Codes (CNC).

User Period

Up to 10 additional user defined periods for the asset.

3 Save your changes.

Printing the Asset Notes

The Asset Notes Report lists the notes entered for an asset, or groups of assets.

Presetting the Asset Posting Analysis Codes

Asset Posting Presets are used to assign up to 10 default transaction analysis codes to the transactions being posted to an asset. You can create a number of alternative analysis code default combinations for a single asset, using an asset subcode to identify each. For example, to assign different analysis code combinations depending on whether you are posting an addition or revaluation transaction for the asset.

When you enter a transaction in Ledger Entry (LEN) and reference a valid asset code/subcode combination, the transaction analysis codes identified for the subcode appear as default analysis codes for the transaction.

The posting presets are also used to assign analysis codes to the transactions generated by Depreciation Calculation (FDC) and Asset Disposal (FAD) and to apportion the total value generated by these functions, if required.

You can also use Business Rules to set or validate analysis codes on the asset transactions generated by Depreciation Calculation (FDC) and Asset Disposal (FAD). To do this, create an Event Profile that checks for a Function Code of Asset Depreciation Calculation, or Asset Disposal, and use a Call Point of either 00015 Populate or 00016 Validate Analysis on System Generated Transactions. The analysis codes validated and set by Business Rules take precedence over those set in the Asset Posting Presets.

The Asset Register Report shows asset analysis details.

Apportioning the Depreciation using Asset Analysis details

A factor can be entered for a posting preset subcode. This is used to apportion the depreciation value calculated by Depreciation Calculation (FDC), or Asset Disposal (FAD). It enables the total depreciation for the asset to be apportioned across several posting preset analysis code combinations. The factor determines the amount of the total depreciation calculated, that is apportioned to each analysis preset subcode for the asset.

For example, you can apportion the depreciation for buildings to each department based on the floor area used by each department. A posting preset subcode would be defined for each department. It would identify the appropriate department's analysis code in the relevant analysis dimension. It would also contain the factor to be used to apportion the total depreciation for the department, that is the floor space ratio.

Creating Asset Posting Presets

An asset posting preset is defined using Asset Posting Presets which can only be accessed from Asset Records (FAS).

These steps are required:

1. Select Asset Records (FAS) from the main SunSystems menu.
2. Enter or Query the asset for which you want to define posting presets.
3. From the **Action** menu, select **Posting Presets**, or click the **Asset Posting Presets** button, to display the **Asset Posting Presets** dialog.
4. You can then add, amend or delete asset posting presets for the asset, as required.

Asset Posting Presets

1. Specify this information:

   Asset Code

   The code that identifies the asset you want to analyze. The asset is defined using Asset Records (FAS).

   Asset Subcode

   The asset subcode used to uniquely identify the posting presets, analysis code combination, for the asset.

Description

Factor

The proportion of the total asset depreciation to be apportioned to this subcode. The depreciation is calculated in Depreciation Calculation (FDC) and is split across all of the subcodes for the asset, using this factor. It is recorded against the analysis codes identified.

If the factor is left blank, the factor is assumed to be zero and the depreciation is not analyzed to this subcode.

Lookup Code

Analysis

Analysis Dimensions 1-10

The description of each analysis dimension that has been assigned to ledger transactions using Analysis Structure (ANS).

Analysis Codes 1-10

For each dimension, an analysis code can be entered. The analysis codes must have been defined for the appropriate dimension using Analysis Codes (ANC). If this asset/subcode combination is referenced on a transaction, the analysis codes entered here are assigned to the transaction.

To avoid any confusion or conflict we recommend that you do not use the following characters in analysis codes. If you are using Asset Posting Presets and any of these characters have been used in analysis codes, asset value transactions cannot be posted: * % ^ ( ) . [ ] _

2 Save your changes.

Printing the Asset Posting Presets

The Asset Posting Presets Report lists the asset subcode, posting preset details entered for an asset, or groups of assets.

Setting up Asset Budgets

Asset Budget Details (FAB) is used to set up a budget asset, in a budget ledger. Budget assets contain the same information as the 'actual' assets set up using Asset Records (FAS), but they are held in a separate budget ledger. So, a budget asset still contains all of the static data available, such as asset status, depreciation periods and posting accounts, gross value, accumulated depreciation and net book value. The budget asset values can be held in the three currencies available: base currency, transaction currency and second base/reporting currency. However, the details do not have to be the same, so you can define a budget asset that uses different depreciation methods and currencies to the equivalent 'actual' asset. Therefore, by specifying a particular asset within a budget ledger, you are able to maintain a set of information on the asset alongside the actual information, for example, for the purpose of forecasting.

There are ten budget ledgers available and they are identified by the budget codes B to K corresponding to the budget facility in SunSystems Financials. Transactions can be posted to asset budgets using Ledger Entry and Ledger Import.

Budget data can be reported alongside actual data using the Financials report writers. You might use several budget ledgers to maintain different budget asset valuations or requirements, for example, one for taxation planning, one for forecasting, and so on.

Note: The budget ledger must have been defined in Financials.

Asset Budget Details (FAB)

Asset Budget Details (FAB) contains the following:

- Header Information
- General
- Analysis
- Value 1 Depreciation
- Value 2 Depreciation
- Value 3 Depreciation.

Asset Budget Details (FAB)

1. Open Asset Budget Details (FAB) from the main SunSystems menu.
2. Specify this information:

   Asset Code

   The code that uniquely identifies the asset. The asset must have been defined using **Asset Records (FAS)**.

   Budget Code

   The letter from B to K that identifies the budget ledger in which the asset details will be maintained.

   Asset Quantity

   The asset quantity.

   Asset Class Code

   Select a code that identifies the class of asset, as defined in **Fixed Asset Class (FAC)**. When you select an asset class, the relevant fields are automatically copied from the asset class to this asset budget record, for example, the depreciation method, percentage and depreciation accounts. If any of the relevant fields have previously been entered on the asset budget record, you must confirm you want to overwrite them with the defaults specified on the asset class.

   Leave blank if this asset budget record does not pertain to an asset class or if you have not defined any asset classes.

3. Specify the information on each tab in the **Asset Budget Details** dialog.
4. Save your changes.

General

1 Click the **General** tab in the **Asset Budget Details (FAB)** dialog.

2 Specify this information in the Asset Status section:

Asset Status

The current status of the asset. These options are available:

- `Active` - the asset is actively in use.
- `Suspended/Held` - indicates that you no longer want to use the asset. Whenever the asset code is used in Ledger Entry (LEN), Ledger Import (LIM), or Asset Status Report, you are warned if the asset has been suspended. Asset Disposal (FAD) and Depreciation Calculation (FDC) both ignore suspended assets.
- `Ready for Disposal` - the asset is to be highlighted for disposal in Asset Disposal. You cannot post transactions to assets with this status.

3 Specify this information in the Disposal section:

Disposed

This is set by **Asset Disposal** when the asset has been disposed of.

Disposal Period

The period for disposal of this asset. If you leave the disposal period blank, Asset Disposal (FAD) updates it when disposing of an asset.

4 Specify this information in the Register Overrides section:

Final Value Override

This is set to override the **Exclude Final Value** from Depreciation Calculation setting in **Ledger Setup (LES)**.

Reporting Conversion Control

Displays the value of the **Reporting Conversion Control** option specified for this asset in **Asset Records (FAS)**. You cannot change this option here.

5 Specify this information in the Depreciation Accounts section:

Balance Sheet

The balance sheet account for depreciation postings for this asset. If this is left blank, the default account in Depreciation Calculation is used.

Profit and Loss

The profit and loss account for depreciation postings for this asset. If this is left blank, the default account in Depreciation Calculation is used.

6 Specify this information in the Advanced Depreciation Accounts section:

Balance Sheet

The balance sheet account for advanced depreciation postings for this asset. If this is left blank, the account entered in Calculate Advanced Depreciation (FAA) is used.

Profit and Loss

The profit and loss account for advanced depreciation postings for this asset. If this is left blank, the account entered in Calculate Advanced Depreciation (FAA) is used.

7 Specify this information in the Depreciation Period section:

Start Period

The period in which depreciation should commence for the asset.

End Period

The projected final depreciation period for the asset. You can leave this blank if the life of the asset is determined by the depreciation method.

Last Period

This is the last period in which the asset was depreciated either by Depreciation Calculation (FDC), or manually using Ledger Entry (LEN) or Ledger Import (LIM). This is a display only field.

8 Specify this information in the Data Access Group section:

Data Access Group Code

9 Save your changes.

Analysis

1 Click the **Analysis** tab in the **Asset Budget Details (FAB)** dialog.

2 Specify this information:

Analysis Codes 1 to 10

Display only. Analysis Codes can be entered on asset records using Asset Records (FAS). The same asset analysis is automatically applied to the asset budget records you create. The codes entered on the corresponding asset record are displayed here for information.

3 Save your changes.

Value 1 Depreciation

All of the asset budget record values displayed on this tab are expressed in the base currency and cannot be updated. The base currency is defined in Business Unit Setup.

1 Click the **Value 1 Depreciation** tab in the **Asset Budget Details (FAB)** dialog.

2 Specify this information in the Asset Balances section:

Base Gross Value

The original value of the asset budget record, including any additions, revaluations, or disposals. This is the sum of all transactions with asset indicators of Initial or Value. The value reflects changes made in Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD).

Base Depreciation Value

The standard accumulated depreciation for the asset budget record. It reflects the depreciation calculated and posted by Depreciation Calculation (FDC), Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD). It is the sum of all transactions posted to the asset with an asset indicator of Depreciation. This amount includes reduction depreciation, but excludes advanced depreciation, which is displayed in the field below.

Base Advanced Value

The total advanced depreciation for the asset budget record. It displays the advanced depreciation calculated and posted by Asset Advanced Depreciation Calcuation (FAA), and also posted by Ledger Entry (LEN) and Ledger Import (LIM) against the asset using a journal type that has its Asset Depreciation Type set to Advanced. This amount excludes standard depreciation and reduction depreciation.

Base Net Value

The gross value of the asset budget record less the accumulated depreciation. This reflects changes made by Depreciation Calculation (FDC), Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD).

3 Specify this information in the Depreciation Settings section:

Base Depreciation Method

The depreciation method to be used by Depreciation Calculation (FDC). There are several methods available. If this is set to `No Depreciation`, depreciation will not be calculated automatically for the asset.

Base Percentage

For depreciation methods Declining Balance, Straight Line or Japanese Straight Line, this is the percentage rate used to calculate the amount of depreciation deducted. For Straight Line or Japanese Straight Line, you can either enter a percentage rate here, or leave blank and enter the end of the depreciation period in the **End Period** field on the **General** tab, but not both.

Base Final Value

The final value of the asset budget record in the asset currency. It may be scrap or residual value. If using Japanese Straight Line depreciation method, this is the first Final Value used to determine the annual depreciation amount.

Base Posting Final Value

This is used by the Japanese depreciation method only. It is the posting final value for the asset in base currency. This is the second final value, and is the cutoff point for the additional depreciation calculation required by the Japanese depreciation method.

Base Table Code

The depreciation table to use if the depreciation method is Table Depreciation.

Base Table Column

If the Table Depreciation method is selected, this is the column of the table of rates to be used to depreciate the asset.

Base Days for First Period

The number of days in the first period in the life of the asset. This field relates to the feature, available for Straight Line depreciation, which allows you to start to depreciate an asset part way through the first

period. You cannot set this option if the **Full Year Depreciatn in 1st Yr** check box is checked on the **Ledger Setup (LES)**.

Base Active Days

The number of days for which the asset is active within the number of days in start period. This is required if depreciation should only be charged for this number of days, for the first period in the life of the asset. You cannot set this option if the **Full Year Depreciatn in 1st Yr** check box is checked on the **Ledger Setup (LES)**.

4 Specify this information in the Advanced Depreciation Settings section:

Base Apply From

The first fiscal year in which advanced depreciation is to be calculated for the asset.

Base Term of Years

The whole number of years for which advanced depreciation can be applied to the asset.

Base Factor

The amount by which SunSystems must multiply the standard depreciation amount in order to calculate the advanced depreciation amount. For example, enter 1 if advanced depreciation is the same amount as the standard depreciation, (thus doubling the total depreciation).

Base Apply Current Year

This check box determines whether or not the asset is to be included in the advanced depreciation calculation for the current year. Check the check box to include the asset in the calculation. Normally, this should be checked if the current year is within the time frame defined by the **Base Apply From** and the **Base Term of Years** options. Alternatively, leave the check box blank to exclude the asset from the calculation. You can also use Asset Advanced Depreciation Selection (FDA) to check or to uncheck this check box for a number of assets. You cannot run advanced depreciation in the same year as reduction depreciation for an asset.

Base Last Year Posted

Displays the year in which the previous advanced depreciation posting was made for this asset.

5 Specify this information in the Reduction Settings section:

Base % First Year Reduction

The percentage by which both the standard depreciation and advanced depreciation are reduced in the first year of depreciation.

Base % Current Year Reduction

The percentage by which the standard depreciation rate is reduced for the current year when running Asset Reduction Depreciation Calculation (FAR). Enter a percentage for this asset, or use Asset Reduction Depreciation Selection (FDR) to enter a reduction percentage on a number of assets. Leave this option blank if you do not want a reduction in depreciation for the asset in the current year. You cannot run reduction depreciation in the same year as advanced depreciation for an asset.

Base Reduction Last Year

Displays the year in which the previous reduction depreciation posting was made for this asset.

6 Save your changes.

Value 2 Depreciation

An asset budget record can be depreciated using a second depreciation method. A separate set of asset values are maintained, and they can be calculated and maintained in a different currency, if required. All of the values displayed on this tab are expressed in the currency chosen as the Asset Currency Code.

1 Click the **Value 2 Depreciation** tab in the **Asset Budget Details (FAB)** dialog.

2 Specify this information in the Asset Balances section:

Transaction Gross Value

The original value of the asset, including any additions, revaluations, or disposals. This is the sum of all transactions with asset indicators of Initial or Value. The value reflects changes made in Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD).

Transaction Depreciation Value

The standard accumulated depreciation for the asset budget record. It reflects the depreciation calculated and posted by Depreciation Calculation (FDC), Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD). It is the sum of all transactions posted to the asset with an asset indicator of Depreciation. This amount includes reduction depreciation, but excludes advanced depreciation, which is displayed in the field below.

Trans Advanced Value

The total advanced depreciation for the asset budget record. It displays the advanced depreciation calculated and posted by Asset Advanced Depreciation Calculation (FAA), and also posted by Ledger Entry (LEN) and Ledger Import (LIM) against the asset using a journal type that has its Asset Depreciation Type set to Advanced. This amount excludes standard depreciation and reduction depreciation.

Transaction Net Value

The gross value of the asset less the accumulated depreciation. This reflects changes made by Depreciation Calculation (FDC), Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD).

Asset Currency Code

The currency code for the asset budget record, which is used as the transaction currency for the asset in Ledger Entry (LEN) and Ledger Import (LIM). Currency codes are defined using Currency Codes (CNC).

3 Specify this information in the Depreciation Settings section:

Trans Depreciation Method

The depreciation method to be used by Depreciation Calculation (FDC). There are several methods available. If this is set to `No Depreciation`, depreciation is not calculated automatically for the asset.

Transaction Percentage

For depreciation methods Declining Balance, Straight Line or Japanese Straight Line, this is the percentage rate used to calculate the amount of depreciation deducted. For Straight Line or Japanese Straight Line, you can either enter a percentage rate here, or leave blank and enter the end of the depreciation period in the **End Period** field on the **General** tab, but not both.

Transaction Final Value

The final value of the asset in the asset currency. It may be scrap or residual value. If using Japanese Straight Line depreciation method, this is the first Final Value used to determine the annual depreciation amount.

Trans Posting Final Value

This is used by the Japanese depreciation method only. It is the posting final value for the asset in transaction currency. This is the second final value, and is the cutoff point for the additional depreciation calculation required by the Japanese depreciation method.

Transaction Table Code

The depreciation table to use if the depreciation method is Table Depreciation.

Transaction Table Column

If the Depreciation Table method, this is the column of the table of rates to be used to depreciate the asset.

Trans Days for First Period

The number of days in the first period in the life of the budget asset. This field relates to the feature, available for Straight Line depreciation, which allows you to start to depreciate an asset part way through the first period. You cannot set this option if the **Full Year Depreciatn in 1st Yr** check box is checked on the **Ledger Setup (LES)**.

Transaction Active Days

The number of days for which the asset budget record is active within the number of days in start period, which you wish depreciation to be calculated in the first period in the life of the asset budget record. You cannot set this option if the **Full Year Depreciatn in 1st Yr** check box is checked on the **Ledger Setup (LES)**.

4 Specify this information in the Advanced Depreciation Settings section:

Trans Apply From

The first fiscal year in which advanced depreciation is to be calculated for the asset.

Trans Term of Years

The whole number of years for which advanced depreciation can be applied to the asset.

Trans Factor

The amount by which SunSystems must multiply the standard depreciation amount in order to calculate the advanced depreciation amount. For example, enter 1 if advanced depreciation is the same amount as the standard depreciation, (thus doubling the total depreciation).

Trans Apply Current Year

This check box determines whether or not the asset is to be included in the advanced depreciation calculation for the current year. Check the check box to include the asset in the calculation. Normally, this should be checked if the current year is within the time frame defined by the **Trans Apply From** and the **Trans Term of Years** options. Alternatively, leave the check box blank to exclude the asset from the calculation. You can also use Asset Advanced Depreciation Selection (FDA) to check or to uncheck this

check box for a number of assets. You cannot run advanced depreciation in the same year as reduction depreciation for an asset.

Trans Last Year Posted

Displays the year in which the previous advanced depreciation posting was made for this asset.

5 Specify this information in the Reduction Settings section:

Trans % First Year Reduction
The percentage by which both the standard depreciation and advance depreciation are reduced in the first year of depreciation.

Trans % Current Year Reduction

The percentage by which the standard depreciation rate is reduced for the current year when running Asset Reduction Depreciation Calculation (FAR). Enter a percentage for this asset, or use Asset Reduction Depreciation Selection (FDR) to enter a reduction percentage on a number of assets. Leave this option blank if you do not want a depreciation reduction for the asset in the current year. You cannot run reduction depreciation in the same year as advanced depreciation for an asset.

Trans Reduction Last Year

Displays the year in which the previous reduction depreciation posting was made for this asset.

6 Save your changes.

Value 3 Depreciation

All of the values displayed on this tab are expressed in the second base or reporting currency identified in **Business Unit Setup**.

Note: If Value 3 is defined as Second Base Currency and not Reporting Currency, then the rate between Value 1 and Value 3 is fixed, so the options on the Value 3 tab are disabled. This is to prevent alternative depreciation rates from being entered, which would result in a different stream of values, thus contravening the fixed rate rules.

1 Click the **Value 3 Depreciation** tab in the **Asset Budget Details (FAB)** dialog.

2 Specify this information in the Asset Balances section:

Report Gross Value

The original value of the asset, including any additions, revaluations, or disposals. This is the sum of all transactions with asset indicators of Initial or Value. The value reflects changes made in Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD).

Report Depreciation Value

The standard accumulated depreciation for the asset. It reflects the depreciation calculated and posted by Depreciation Calculation (FDC), Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD). It is the sum of all transactions posted to the asset with an asset indicator of Depreciation.

Report Advanced Value

The total advanced depreciation for the asset, expressed in the second base or reporting currency.

Report Net Value

The gross value of the asset less the accumulated depreciation. This reflects changes made by Depreciation Calculation (FDC), Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD).

3 Specify this information in the Depreciation Settings section:

Reporting Depreciation Method

The depreciation method to be used by the Depreciation Calculation (FDC). There are several methods available. If this is set to `No Depreciation`, depreciation is not calculated automatically for the asset.

Reporting Currency Percentage

For depreciation methods Declining Balance, Straight Line or Japanese Straight Line, this is the percentage rate used to calculate the amount of depreciation deducted. For Straight Line or Japanese Straight Line, you can either enter a percentage rate here, or leave blank and enter the end of the depreciation period in the **End Period** field on the **General** tab, but not both.

Reporting Currency Final Value

The final value of the asset in the reporting currency. It may be scrap or residual value. If using the Japanese Straight Line depreciation method, this is the first final value used to determine the annual depreciation amount.

Report Curr Post Final Value

This is used by the Japanese depreciation method only. It is the posting final value for the asset in the reporting currency. This is the second final value, and is the cutoff point for the additional depreciation calculation required by the Japanese depreciation method.

Reporting Currency Table Code

The depreciation table to use if the depreciation method is Table Depreciation. These tables are defined in Depreciation Tables Setup (FDT).

Reporting Currency Table Col

If the Depreciation Table method is used, this is the column of the table of rates to be used to depreciate the asset.

Report Curr Days First Period

The number of days in the first period in the life of the asset. This field relates to the feature, available for Straight Line depreciation, which allows you to start to depreciate an asset part way through the first period. You cannot set this option if the **Full Year Depreciatn in 1st Yr** check box is checked on the **Ledger Setup (LES)**.

Reporting Currency Active Days

The number of days for which the asset is active within the number of days in the start period, which you wish depreciation to be calculated in the first period in the life of the asset. You cannot set this option if the **Full Year Depreciatn in 1st Yr** check box is checked on the **Ledger Setup (LES)**.

4 Specify this information in the Advanced Depreciation Settings section:

Report Apply From

The first fiscal year in which advanced depreciation is to be calculated for the asset.

Report Term of Years

The whole number of years for which advanced depreciation can be applied to the asset.

Report Factor

The amount by which SunSystems must multiply the standard depreciation amount in order to calculate the advanced depreciation amount. For example, enter 1 if advanced depreciation is the same amount as the standard depreciation, (thus doubling the total depreciation).

Report Apply Current Year

This check box determines whether or not the asset is to be included in the advanced depreciation calculation for the current year. Check the check box to include the asset in the calculation. Normally, this should be checked if the current year is within the time frame defined by the **Report Apply From** and the **Report Term of Years** options. Alternatively, leave the check box blank to exclude the asset from the calculation. You can also use Asset Advanced Depreciation Selection (FDA) to check or to uncheck this check box for a number of assets. You cannot run advanced depreciation in the same year as reduction depreciation for an asset.

Report Last Year Posted

Displays the year in which the previous advanced depreciation posting was made for this asset.

5 Specify this information in the Reduction Settings section:

Report % First Year Reduction

The percentage by which both the standard depreciation and advanced depreciation are reduced in the first year of depreciation.

Report % Current Year Reduction

The percentage by which the standard depreciation rate is reduced for the current year when running Asset Reduction Depreciation Calculation (FAR). Enter a percentage for this asset, or use Asset Reduction Depreciation Selection (FDR) to enter a reduction percentage on a number of assets. Leave this option blank if you do not want a depreciation reduction for the asset in the current year. You cannot run reduction depreciation in the same year as advanced depreciation for an asset.

Report Reduction Last Year

Displays the year in which the previous reduction depreciation posting was made for this asset.

6 Save your changes.

Value 4 Depreciation

1 Click the **Value 4 Depreciation** tab in the **Asset Budget Details (FAB)** dialog.

2 Specify this information:

Value 4 Gross Value

The original value of the asset, including any additions, revaluations, or disposals. This is the sum of all transactions with asset indicators of Initial or Value. The value reflects changes made in Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD).

Value 4 Depreciation Value
The standard accumulated depreciation for the asset. It reflects the depreciation calculated and posted by Depreciation Calculation (FDC), Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD). It is the sum of all transactions posted to the asset with an asset indicator of Depreciation.

Value 4 Advanced Value
The total advanced depreciation for the asset, expressed in the second base or reporting currency.

Value 4 Net Value

The gross value of the asset less the accumulated depreciation. This reflects changes made by Depreciation Calculation (FDC), Ledger Entry (LEN), Ledger Import (LIM) or Asset Disposal (FAD).

4th Currency Code
The 4th currency code.

Clearing Down Fixed Assets

Asset transactions are cleared down by Ledger Cleardown (LCL). Ledger Cleardown (LCL) can also be used to recalculate the depreciation values for an asset, based on the transaction details.

The cleardown process uses the asset indicator on each asset related transaction to determine how to treat each transaction. The asset indicator can be set to Value, Depreciation or Initial. It can recalculate the gross value, net value and depreciation held on the assets, from the asset transactions using the asset indicator.

Recalculating Values

The ledger transactions associated with each asset are optionally used to recalculate the total gross value, depreciation and net value for the assets. If these recalculated values are different to the current asset values, the current values are replaced.

Clearing Transactions

The transactions for an asset are only cleared down when the asset is fully depreciated. Fully depreciated means that the net book value is equal to the final value. In a multi-currency environment, this applies to the net value held in each currency.

Asset Disposal (FAD) removes fully depreciated assets.

Chapter 13: Ledger Conversion

Ledger Conversion (LCN) transfers ledger, archive and budget transactions from an existing, source business unit to another new, target business unit.

It allows you to generate additional currency values, swap existing currency values and/or change the pivot currency in the target business unit.

Ledger Conversion (LCN) copies or converts all of the transactions in the source business unit according to conversion rules you specify. It does not create or modify any of the static data in either business unit. This means the static data must exist in the target business unit before you use Ledger Conversion (LCN). You need to create and set up the new business unit, and define the static data.

The Ledger Conversion Alternatives

Ledger Conversion (LCN) allows you to swap or generate currency values, and/or change the pivot currency. This means there are three separate conversion scenarios available:

- swap or generate values without changing the pivot
- swap or generate values and change the pivot
- only change the pivot currency, without changing the use of the value fields.

Generating Values

Ledger Conversion (LCN) can generate new values in the target business unit by applying a conversion rate to the chosen value on each transaction in the source database. For example, you could create euro values as Value 3 by applying a rate to the base currency values.

Memo values cannot be generated, they can only be established using a swap.

To maintain the financial integrity of the target business unit, Ledger Conversion (LCN) ensures the generated transactions balance and generates any balancing transactions required. This balancing can be carried out in the target business unit, at one of three different levels: By Total, By Year, and By Period. The balancing transactions can be generated as permanent or provisional postings, depending on the ledger settings.

Note: You can only perform one generate task in a ledger conversion run.

Swapping Values

Ledger Conversion (LCN) allows you to swap values from one value position in the source business unit to another value position in the target business unit. For example, you might swap EUR values from Value 1 in the source business unit to Value 3 in the target database.

The following rules apply to the type of swaps you can perform:

- Value 1 can be swapped freely to Value 3 or the memo value
- Value 2 can be swapped to Value 1 or Value 3, providing the Value 2 source amounts are all held in the same currency
- Value 2 can be swapped freely to the memo value
- Value 3 can be swapped freely to Value 1 and the memo value
- Value 1 or Value 3 can only be swapped to Value 2 if you are not using the Fixed Assets module because assets use Value 2 in a different way to Financials accounts
- memo values can only be swapped to Value 4.

The Ledger Conversion Reports

Ledger Conversion (LCN) produces up to three reports:

- an error report, showing either instances where a required conversion rate is missing, or exceptions such as a missing account code, accounts or assets not open for posting certain values, or other detected errors. When at least one error is reported, the other two reports are not produced.
- a transaction listing of the source business unit transactions.
- a transaction listing of the resulting target business unit transactions.

Ledger Conversion (LCN) is a powerful utility that can potentially generate and post a large number of transactions. Therefore, a Validate Only option is provided that checks the ledger conversion processing. This option produces the error report but does not generate or post transactions to the target business unit.

Once errors have been resolved, you can run Ledger Conversion (LCN) again to perform the conversions and generate the target business unit transactions.

Preparing for Ledger Conversion

Ledger Conversion (LCN) is a powerful and flexible conversion utility that can process and convert all of the transactions in a source business unit to create new transactions in a target business unit.

You must fully understand your conversion requirements before you use Ledger Conversion (LCN) and ensure you define the correct conversion rules.

Note: Ledger Conversion (LCN) requires a large amount of disk space to run. Please ensure that at least four times the size of the source business unit database is available.

In addition, there are a number of steps you need to carry out in both the source and target business units before you run Ledger Conversion (LCN), which include:

- preparing the source business units
- preparing the target business units
- checking the account and asset conversion controls.

Preparing the source business unit

Complete these steps to prepare the source business unit for ledger conversion.

1. Ensure all journals awaiting posting are posted, for example import files, and held journals.
2. Set up a journal type for the balancing postings.
3. Back up the business unit.

Preparing the target business unit

Complete these steps to prepare the target business unit for ledger conversion.

1. Open Business Unit Administration (BUA) from the main SunSystems menu.
2. Create and set up a new business unit.
3. Define the static data for the business unit. In particular you should set up:
   - Chart of accounts codes
   - Analysis dimensions and codes, if they are required
   - Currency codes and rates.

   Note: You may be able to use the **Copy** option in **Business Unit Administration (BUA)** to set up the static data for the new business unit by copying it from an existing business unit. However, you must be very careful, especially in a multi-currency environment if the new business unit requires a different pivot currency. This is because the currency rates are always defined 'from' the pivot currency. If you are copying a business unit you must select the **Suppress Ledger Transactions** check box as these are processed by the conversion.
4. Set up a journal type for the balancing postings.

   Note: You might want to set up a journal preset to assign analysis codes to the new transactions.

Checking the account and asset conversion controls

Currency posting rules are set for each currency value on a business unit to determine how the value is used.

Account currency posting rules

These rules can be overridden for an account using the **Conversion Code Control** and **Report Conversion Control** options in **Chart of Accounts (COA)**.

If the option is set to `Prohibited`, the appropriate value is not generated on the transactions for the account. Therefore, you must ensure that the currency posting rules are set correctly on the target business unit and on the accounts. The system reports this on the error report.

Note: This restriction only applies to transactions being generated by Ledger Conversion (LCN), not to those being swapped and does not prevent any other values on the transactions being converted.

Asset currency posting rules

If you want to introduce Value 3 values into the new business unit for fixed assets, you must ensure the following options are set correctly to allow the use of Value 3 in the new business unit:

- the assets identified in the Second Base/Reporting Currency option in **Business Unit Setup (BUS)** must be set up in **Ledger Setup (LES)**.
- **Reporting Conversion Control** in **Fixed Asset Records (FAS)** and Fixed Asset Budgets (FAS) must be set to `Ledger Default` or `Mandatory` and not `Prohibited`.

If the option is set to `Prohibited` for an asset and Ledger Conversion (LCN) cannot swap or generate the value, it is reported on the Ledger Conversion (LCN) error report.

Note: This does not prevent any other values on the transactions being converted.

Running Ledger Conversion

A ledger conversion is completed in four stages. You must complete the prerequisites before running ledger conversion using Ledger Conversion (LCN).

Running ledger conversion

Ledger conversion is run as four linked stages:

- Stage 1: Define the ledger conversion source and target business units and requirements.
- Stage 2: Confirm the target business unit structure.
- Stage 3: Set the journal type and balancing requirements.
- Stage 4: Select the ledger transaction data to be converted.

Ledger conversion prerequisites

- Ensure you have created and setup the target business unit, and backed up both the source and target business unit databases.
- Ensure no users are logged into either business unit.

Note: Ledger Conversion (LCN) requires a large amount of disk space to run. Please ensure that at least four times the size of the source business unit database is available.

Ledger Conversion (LCN)

Note: The first time you run **Ledger Conversion (LCN)** you should set the **Validate Only** option to identify any conversion errors. You can repeat these steps any number of times with the **Validate Only** option set.

Then, when you are ready to post the conversion transactions you should rerun **Ledger Conversion (LCN)** without this option.

1. Select **Ledger Conversion (LCN)** from the main SunSystems menu.

   The **Ledger Conv Stg 1 Define Source/Target** dialog is displayed.

2. Identify the **Source Business Unit** and click **OK**.

   This is the business unit to be used as the basis of the ledger conversion. The transactions posted to this business unit are used as the basis for the **Ledger Conversion**.

   Note: The transactions and static data held in this business unit are not updated in any way.

   The source business unit includes these fields:

   Value 1 Currency/Pivot

   The Value 1, base currency set for the source business unit is displayed automatically. If this is the pivot currency it is indicated alongside.

   Value 2 Pivot

   If Value 2 is set as the pivot currency this is indicated. The value 2 currency can vary from one transaction to another, so a currency code is not displayed.

   Value 3 Currency/Pivot

   If a Value 3, second base or reporting, currency is defined for the source business unit it is displayed automatically. If this is the pivot currency, this is indicated alongside.

   Memo Value

   If the Memo Value is in use for the source business unit this is identified.

3. Identify the **Target Business Unit** and click **OK**.

   The business unit into which Ledger Conversion (LCN) generates and posts new transactions. This business unit must have been defined and static data must have been setup.

4. Identify the target conversion value requirements and click **OK**.

   If a currency value is not being used for the target business unit, you are not able to enter the Source or Currency values. A currency value is not in use if the relevant Currency Post Rule is set to `Undefined` in Business Unit Setup (BUA).

   - 1 to swap the Value 1 source values into the appropriate target value.
   - 2 to swap the Value 2 source values into the appropriate target value.
   - 3 to swap the Value 3 source values into the appropriate target value.
   - M to swap the Memo source values into the equivalent target value.
   - + to generate the values using the rates defined for the currency code specified. You can only generate Value 1 and Value 3 values.
   - - to blank out the existing values in the target business unit.

   You must enter one of the following codes to define the conversion requirements for each of the available Source values on the target business unit:

   Ledger Conversion (LCN) uses the source and target business unit definitions to predict your requirements. For example, if EUR is defined as the Value 1 currency on the source business unit and as the Value 3 currency on the target business unit, the system assumes you want to swap Value 1 into Value 3 and sets the flag accordingly. You can override any of the system's default settings.

For each value 1/2/3/Memo value on the target business unit, the Source Value identifies the value on the source business unit ledger transactions to be swapped into, or used to generate, the equivalent target business unit ledger transactions.

Specify this information, clicking **OK** after each value entered:

Currency

The Value 1 and Value 3 currency codes are displayed from the target business unit setup.

If either of these currencies is different to the Value 1 and Value 3 currencies used in the source business unit, the system checks to ensure that currency conversion codes exist to convert from the source currencies to the target currencies, via the pivot. An error message appears if these codes have not been defined.

Value 1/2/3 Pivot

The pivot currency set for the business unit is indicated alongside the relevant currency. This is set using Business Unit Setup (BUA).

Validate Only

Set this option to validate the ledger conversion rules and produces a report of any errors. This option does not generate or post any transactions to the target business unit.

5 Click **Next** to validate these choices.

The **Ledger Conv Stg 2 Confirm New Structure** dialog is displayed.

6 Check the ledger conversion processing details are correct. Click **Next** to proceed. Or, click **Previous** to redefine the target conversion requirements.

7 Define the journal posting and balancing requirements in the **Ledger Conv Stg 3 Balancing Options** dialog. Specify this information:

Journal Type

The journal type to be used for the transactions generated by **Ledger Conversion**. This journal type must be defined in both the source and target business units. Journal types are defined using **Journal Types (JNT)**.

Balancing Option

Determines the level at which the generated journal transactions must balance. Three options are available:

- Period - the transactions generated for each accounting period must balance.
- Year - the transactions generated for each accounting year must balance.
- Total - the transactions must balance overall.

The option you choose here determines the number of balancing transactions that may be generated. For example, if you choose Period, a balancing transaction is generated for each accounting period that does not balance.

Posting Type

If provisional postings are optional for the target business unit, you can choose to post the transactions as provisional or permanent postings.

8 Click **Next** to proceed. Alternatively, click **Previous** to redefine the requirements.

9 Select the ledger files you want to convert in the **Ledger Conv Stg 4 Data Selection** dialog.

Include Tables to Process

Set this option to process the appropriate type of Financials data. The data files are processed in the order they appear on the window. If more than one budget file exists you can choose whether or not to convert these individually. However, if several archive files exist you must either convert them all, or not convert them at all, in the same run.

If the static data required to convert a particular type of data does not exist in the target business unit, you cannot select the data type. For example, if the currency code rates have not been defined.

If you are rerunning **Ledger Conversion** and you have successfully converted a data type, you can choose to reconvert the data type. For example, if you have already successfully converted the ledger transactions and now want to convert the budget transactions in a second run, you can select the **Ledger File** option again. In this case, a warning message is displayed.

%Complete

The percentage of source transactions that have been converted. This appears while the **Ledger Conversion** is processing to indicate its progress.

Error Count

The number of errors identified during the **Ledger Conversion** process. For example, if an account code, currency code or currency rate does not exist in the target business unit.

Click **Process** to begin the ledger conversion process.

10 Click **OK** for each entry then click **Process** to begin the conversion process.

11 Save your changes.

Defining the Ledger Conversion Source and Targets

Use the Ledger Conversion (LCN) function to swap or generate ledger, budget and archive transactions from a source business unit into a target business unit. This allows you to manipulate the use of the currency and memo transaction values. For example, you could swap the base currency values from one business unit into the second base values in the new business unit, and vice versa.

Note: The usage of Ledger Conversion (LCN) is restricted to values 1, 2, and 3, and the memo value.

Ledger Conversion (LCN) generates and posts transactions to the target business unit, based on the conversion rules you define.

There are four stages in the ledger conversion process and this is the first. Once you have entered the source and target details,proceed to the next stage.

Confirming the new business unit structure

There are four stages in the Ledger Conversion (LCN) process and this is the second.

The **Ledger Conv Stg 2 Confirm New Structure** dialog interprets the source and target definitions you define on the **Ledger Conv Stg 1 Define Source/Target** dialog. It identifies the conversion processes that Ledger

Conversion (LCN) will perform. Where a value is being generated it also indicates the source value from which the generated value in the target is derived.

If the details displayed in **Ledger Conv Stg 2 Confirm New Structure** are correct, proceed to **Ledger Conv Stg 3 Balancing Options**. If not, you can return to the **Ledger Conv Stg 1 Define Source/Target** dialog to make corrections.

Setting the ledger conversion balancing options

There are four stages in the Ledger Conversion (LCN) process and this is the third.

Note: This window does not appear if you select the **Validate Only** option in the **Ledger Conv Stg 1 Define Source/Target** dialog.

Ledger Conversion (LCN) ensures that the transactions it generates balance in each of the currency values in use. If they do not balance, it generates and posts balancing transactions.

Use the **Ledger Conv Stg 3 Balancing Options** dialog to determine the level at which the generated ledger conversion transactions must balance. It also allows you to identify the journal type to be used for any balancing transactions. If provisional postings are optional in Ledger Setup (LES), you can also determine whether the transactions are posted as provisional or permanent postings.

Note: All of the boxes on this window are greyed out if, either no value is being generated, or if the value to be generated does not require balancing as defined in Business Unit Setup (BUA).

When you have entered the journal type and balancing requirements, proceed to the next step.

Selecting the Ledger Conversion Data

There are four stages in the Ledger Conversion (LCN) process and this is the fourth and final stage.

Use the options in the **Ledger Conv Stg 4 Data Selection** dialog to identify the type of Financials data to be converted by Ledger Conversion (LCN). Three types of transactions can be converted, providing they exist in the source business unit:

- Ledger - the current financial postings
- Ledger Archive - the cleared down financial postings
- Budget - the budget transactions.

The system identifies each budget and archive file that exists in the source business unit, and these files must have been created in the target business unit.

You must identify the types of data you wish to convert and then click **Process** to convert the transactions in each file. The source transactions for each data type are used as the basis for generating new transactions in the target business unit.

Each data type is processed separately. If errors are found that prevent one type of data being processed, this does not prevent the others being processed.

Note: If the **Validate Only** option is set in the **Ledger Conv Stg 1 Define Source/Target** dialog, the ledger conversion error report is produced and no transactions are posted.

You do not have to convert the archived or budget ledger transactions in the same run but they do need to be converted before the ledger is used. The exception is that any budget defined in Business Unit Setup (BUA) must be processed at the same time as the main ledger. If for any reason any of these budgets should fail, the main ledger must also be rerun.

Checking the Conversion Results

When you have run Ledger Conversion (LCN) you must check the results to ensure the target business unit transactions have been created correctly.

The following steps are recommended:

1. Ensure the text `Process Successfully Completed` appears at the bottom of both of the Ledger Conversion reports for each data file processed.
2. Run a dummy Ledger Cleardown (LCL) to update the account balances and asset balances.
3. Run a Trial Balance (TBL) on both the source and target business units to check the completeness and accuracy of the conversion process.
4. Delete and recreate the balance file using Ledger Balances Update (LBU).

   Note: If you use Ledger Conversion (LCN) to generate a new currency value for a business unit, for example to introduce a second base currency, and have transferred your profit or loss to retained earnings manually in a journal, the trial balance for the new year may not balance in the newly generated currency. This is the result of currency exchange rate differences.

Rerunning Ledger Conversion

Ledger Conversion (LCN) contains a Validate Only option that allows you to run the conversion process without posting the conversion transactions. This is extremely useful because it allows you to identify any errors before you generate and post transactions to the target business unit.

You can run **Ledger Conversion (LCN)** any number of times with the **Validate Only** option set until you have corrected all of the errors.

Once you have corrected the identified errors, you can rerun **Ledger Conversion (LCN)** to generate and post the transactions.

You may want to run it several times to convert the ledger transactions, archive transaction and budget transactions separately. The ledger conversion function remembers the settings you entered until the conversion process is complete.

Note: If you want to restart the process with an entirely new set of conversion rules, you must delete the target business unit and start again.

What is ledger conversion balancing?

The Ledger Conversion (LCN) function ensures that any transactions it generates for the target business unit balance, in each of the currency values. It ensures that the total of the transaction debit and credit amounts, for a currency value, net to zero and if not generates a balancing journal posting to post the amount of the imbalance.

These balancing checks are only carried out on the ledger transactions that are generated for the target business unit. The budget and archive transactions are not checked. The ledger transactions produced from a 'swap' are also not checked.

Balancing Options

You can choose the level at which the generated transactions must balance. Three options are available:

- Period - the transactions for each accounting period must balance.
- Year - the transactions for each accounting year must balance.
- Total - all of the transactions must balance.

If you choose to balance by period or year, the transactions are grouped accordingly and the total debit and credits are checked at this level.

Balancing Adjustments

If the generated transactions do not balance in a particular currency, but do in another currency, this is almost certainly caused by a currency conversion rounding difference.

The system generates a balancing journal that posts the imbalance to the Balancing account for the currency value defined for the target business unit.

Note: A balancing account is defined for each value type in Business Unit Setup (BUA).

You choose the journal type to apply to the balancing journal and it is given a journal source of SYSTM. The processing date is used as the entry date and transaction date. Any preset analysis codes assigned to the journal are also applied, but no other presets.

Note: If you want to apply transaction sequence numbers to the target business unit transactions the appropriate sequence number code must be assigned to the journal type you choose.
Note:

How does ledger conversion perform the conversion?

The function Ledger Conversion (LCN) carries out a number of different conversion tasks, depending on the conversion rules you specify. It performs these in the following order:

1. It performs any value swaps required, for example to swap Value 1 into Value 3.
2. It generates any values required, for example to generate Value 1 from the Value 3.
3. If the relationship between the pivot and currency changes, it recalculates the rates.

Conversion Swap Processing

To swap values between Value 1 and Value 3, the currency codes are fixed and must be the same. So, the source and target currency codes are the same and a currency conversion is not required. For example, to swap source Value 1 (EUR) into target Value 3 (EUR).

To swap values from Value 2 into either Value 1 or Value 3, the source Value 2 amounts must all be held in the same currency. So, again the source and target currency codes are the same and a currency conversion is not required.

The number of decimal places for a currency value in the target business unit can be different to the number of decimal places defined in the source business unit. If this is the case, a warning is displayed and you can choose to continue or stop the processing.

Transferring or Converting the Rates

Ledger Conversion (LCN) deals with rates in the following manner:

Scenario	Treatment of Rates
swap currencies	move the rates with the transactions
swap currencies and change pivot	recalculate the rates
change pivot only	recalculate the rates
generate values only	retrieve the rates from the daily or period rates defined
move a value to Memo	remove any rates

Any invalid or missing currency rates are identified on the error report.

Note: Where the rates are recalculated, tolerance limits are not applied.

Recalculating the Rates

If the relationship between the pivot and the transaction currency changes, the rates are recalculated for every transaction.

For example,

1. If the pivot changes, for example from Value 1 on the source business unit to Value 3 on the target business unit, but is still attached to the same currency, the rates are not recalculated.
2. If the pivot is attached to Value 1 in both the source and target business units, but the currency code for Value 1 changes to USD then this does constitute a change of pivot currency and the rates are recalculated.

Generating Values

To generate new transactions, Ledger Conversion (LCN) first looks up the pivot currency, and where possible uses the pivot currency as the basis for generating the new value.

If the target value to be generated is base (Value 1), and the target pivot is Value 2, then the target Value 2 (pivot) is used.

If the target value to be generated is base, and the target pivot is Value 3, then the source base currency is used.

If the target value to generated is Value 3, and the target pivot is either Value 1 or Value 2, the target pivot currency is used.

If the target value to be generated is Value 3, and the target pivot is also Value 3, then the target base currency is used.

If the target value to be generated is base and the target pivot is also base, then the source base currency is used.

Reconciling a trial balance ledger total in a generated base currency

If you use Ledger Conversion (LCN) to generate a new currency value, for example second base currency, and you have manually posted a journal to transfer the profit or loss to retained earnings, then when you produce a trial balance for the new year it may not balance in the newly generated currency.

The trial balance ledger total in the newly generated currency is the difference between:

- the total profit or loss calculated as the total of each individually converted profit and loss transaction for the year, where the transactions were converted using the period or daily rate for each transaction

and

- the total profit or loss calculated from the manually entered 'profit and loss transfer to retained earnings journal' at the rate for the period in which this journal was entered.

This difference is caused by a combination of:

- fluctuations in the daily or periodic currency exchange rates that were used by Ledger Conversion (LCN) to generate the new currency value for each transaction

and

- the manual adjustment that was made to transfer the profit and loss to retained earnings in the balance sheet.

In this situation you must post a manual journal adjustment for this difference, to the prior year profit and loss account and retained earnings accounts, in the new currency only.

An Example

At the end of a financial year, the Profit & Loss accounts show an outstanding balance in the base currency for the year of 59,412,425.15.

In period 13, a journal is posted to transfer this 'profit' amount, in the base currency, from the 'Prior Year's Profit/Loss' account into the 'Retained Earnings' balance sheet account.

Ledger Conversion (LCN) is run to generate a second base currency from the base currency. It converts all the transactions posted to each period in the year.

It calculates a total value for all of the profit and loss transactions, in the second base currency, of 15,372,595.23. The second base currency values are calculated using the period rates for each transaction.

It converts the profit transfer journal value using the period 13 rate only and calculates a value of 14,912,518.71.

The difference of 460,076.52 appears as the Ledger Total on the Trial Balance when it is run for period 1 in the new financial year.

To balance the trial balance in the second base currency, you must post a journal for this amount in the second base currency only, to the profit and loss and retained earnings accounts for the prior year.