

Getting Started with Apache OFBiz® Accounting

Sharan Foga

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Accounting

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**Getting Started with Apache OFBiz®
Accounting**

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A very special thank you and "shout out" goes to John and Perlene for their patience, motivation and continued support. This book has taken me a quite a long time to write, mainly because there have been so many topics to cover and I am sure that I wouldn't have finally managed to finish it without them.

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About This Book

Who Should Read This Book

This book is an introduction to the Apache Open for Business™ (OFBiz®) Accounting Manager application. It is written for the complete novice end user who wants to understand what is available with OFBiz 13.07 accounting “out of the box”.

No programming or technical experience is required. We take you through the accounting application explaining and highlighting the key features and functions in an easy to read non technical format.

Many of the chapters also include examples so that you can more easily understand the process and functionality.

About The Author

Sharan Foga has over 20 years experience in the IT industry including 10 years implementing ERP software. She has been involved in 3 major European Financial System implementations. Each involved assessing current accounting processes and understanding how there were linked to the various parts of a business (Sales Order Processing, Manufacturing and Inventory)

As a result she has practical viewpoint of accounting processes and how they work to support a business. She has worked to understand the fundamentals of OFBiz accounting and translate them into straightforward documentation that non-accountants can follow.

Conventions

Apache OFBiz® is the trademarked designator for the code base and the software that is the Apache Open for Business project. OFBiz (also trademarked) is the short-cut moniker adopted by the community and in common use today.

Throughout the remainder of this book, OFBiz shall mean the Apache OFBiz project code base and any relevant derivative materials.



NOTE: All the screenshots used in this book use the “Bluelight” theme as the default. This theme is no longer included by default in OFBiz 13.07 but it can be installed¹

All of the functionality described in this book relates to OFBiz release 13.07.

¹ You can install the Bluelight theme to 13.07 by copying the Bluelight theme directory (e.g. from OFBiz 12.04) into the main OFBiz directory.

Organisation of the Book

In this book we explain the components of the accounting application in detail. The Accounting Manager application is used to setup, track and manage a company's Chart of Accounts and accounting processes.

Chapter 1 begins with some basic accounting concepts. The aim is to make sure that anyone without an accounting background can still understand the key concepts. It also introduces the 5 main account types that make up a Chart of Accounts.

Chapter 2 introduces the Accounting Manager application. It gives a brief summary of the menu options available and also the five key steps required to complete the accounting setup for an organisation.

Chapter 3 focuses on the Global GL Settings and the accounts hierarchy. It discusses the master accounts structure and shows you how to add new accounts into the master template. It also highlights some key accounting settings that are stored on a global level.

Chapter 4 looks at Business Accounting Setup and the steps you need to go through to create a new Company, Fiscal Year and Chart of Accounts. It also includes a detailed description of each of the GL Account Defaults which are business rules that can be used to automate the generation and posting of accounting transactions.

Chapter 5 shows you how to manually or automatically create, update and post accounting transactions. It looks at some of the various ways of managing your accounting transaction processes including pre-validation and reconciliation. It also contains a brief description of the standard accounting reports that are currently available.

Chapter 6 focuses on Tax Setup and what is involved in setting up Tax for your company and products. As an example it takes you through the full process of creating a Tax Authority, setting a rate and then testing that the rate is correctly applied to orders and invoices.

Chapter 7 takes you through Invoice processing. It starts by highlighting the different invoices available and the accounting transactions that are generated at the various invoice statuses. It then goes on to discuss how to create manual invoices and how to trigger automatic ones.

Chapter 8 looks at Payments and Payment Groups. Payments are used to link money coming in or going out of your business to an invoice. We take you through an example of how to apply a payment and also how payments can be grouped together into Payment Groups. This chapter also covers how to print cheques to send out.

Chapter 9 goes through Fixed Assets, what they are and how to set them up. It shows you how to link your fixed asset to a depreciation method and perform a depreciation run to generate the necessary accounting transactions.

Chapter 10 introduces Billing Accounts and how they can be used by your customers to pay for products. It then goes on to show the process of managing customer payments into a Billing Account and how payments and invoices are used and integrated.

Chapter 11 goes through Agreements and the different types that are available. It takes you through three distinct examples (a Sales Agreement, a Purchase Agreement and a Commission Agreement) explaining the steps involved from agreement setup to verifying the actual result.

Chapter 12 looks at Financial Accounts and how they are used. It covers transaction reconciliation and shows how financial accounts can be used as part of your bank reconciliation process.

Chapter 13 briefly goes through Payment Gateway Configuration and Transactions options.

Tip: At the end of each chapter there is a summary that highlights the key areas that have been covered.

Appendix A includes an example accounting tutorial taking you all the relevant steps for doing the accounting setup for a business.

Appendix B goes through how you can use some of the standard OFBiz Web Tools to help you import or export Accounting data using XML.

Appendix C includes a list with definitions of some common accounting terms.

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Chapter 1: Basic Accounting Concepts

Introduction

The OFBiz Accounting Manager is a completely integrated accounting application that forms the core of the OFBiz ERP (Enterprise Resource Planning) functionality. It contains the key features needed to manage the accounting functions of your business.

Features included out-of-the-box (OOTB) are:

- General Ledger
- Accounts Receivable
- Accounts Payable
- Agreements
- Multi-currency Support
- Billing Accounts
- Fixed Asset Accounting

While OFBiz accounting may be configured to handle multiple organizations including an unlimited number of companies and an unlimited number of departments within a single company or both, this book has been written with simplicity in mind. We shall only focus on a single company with a single accounting record or chart of accounts to maintain.

Similarly, OFBiz accounting may be set up and used independently from any other OFBiz business process, standing on its own as a fully featured financial management system. In this book, however, we shall integrate with the out-of-the-box (OOTB) OFBiz e-commerce store front in an effort to show both seamless integration with other OFBiz applications and ease of use.

What is Accounting?

Before we get down to using OFBiz to run your accounting functions, a short overview of accounting principals is in order. If you are already versed in accounting terminology, feel free to skip this section.

Accounting may be defined as the “systematic recording, reporting and analysis of financial transactions for a business.” A business generally exists to make money. Accounting then is that basic business function that tracks the financial success (or failure) of a business.



NOTE: This book is not intended to provide an exhaustive introduction to the discipline of accounting. Only enough material is provided to further understanding of the OFBiz accounting implementation.

Types of Accounting

Accounting may sound confusing because of the many different terms that you may hear or come across. Here are a few :

- Cost Accounting
- Management Accounting
- Financial Accounting
- Project Accounting
- Manufacturing Accounting

An easier way to define what type of accounting a term means is by seeing if it is required because of something external (e.g. legal, tax, regulatory) or whether it is required for internal company use.

Some of these are quite specialist and way above what we will cover but the main thing to remember is that essentially there are two main accounting areas:

Internal or 'Cost Accounting'

Internal or "Cost Accounting" focuses on working out the cost of a product or service. It also helps business with decision making process.

For example:

- Can we afford to make XYZ... or;
- What happens if we change our product to include ABC...

So why would you want to work out the cost of something ?

Well essentially so that you understand what makes up that cost and how you can control that cost. Also if you can control the cost of something then you have options on how the cost can be reduced. This is really important if you are in a competitive market and need to keep your costs low.

External or ‘Financial Accounting’

External or “Financial Accounting” focuses on producing financial information based on the rules in a country or area. Examples of these are legal or tax reporting requirements.

It also helps businesses evaluate their performance (i.e. are we making a profit).

Record Keeping

To track business finances, you will need to setup your record keeping in a manner that makes sense for your particular business operations. Each business is different and understanding your business record keeping needs is paramount to a successful accounting experience.

Most accounting systems are based on the concept of an “account” - hence the term “accounting”. In accounting, accounts are a way to organize and group together similar financial information so that it may be easily recalled and processed.



NOTE: Within most accounting systems, the “general ledger” is the definitive list of accounts used to organize the book keeping records for your business.

Examples of general ledger accounts include:

- Company Cheque Account
- Company Payroll Account
- Income Received From Product Sales
- Postage Charges
- Taxes Paid

Once the list of accounts has been defined, they are typically put together in a hierarchy called the “chart of accounts”.



NOTE: A “chart of accounts” is nothing more than a listing of the names given to each account that has a financial relationship with your business.

Usually, the chart of accounts is divided into five main categories:-

- Assets
- Liabilities
- Expenses
- Income
- Equity

These categories are generally accepted world-wide as standard accounting practice and forms the basis for setting up your chart of accounts within OFBiz.

Assets

An Asset is an item of value owned by the business. A good example of an asset is a “company computer” or a “company car”. It is owned by the company, has a value (as you paid money for it) and has a use to the business.

Another example of an asset is a “company bank account”. It too is owned by the company and has a value though this value is related to the amount of money that is in it and it is used by the business to pay its bills and to receive any payments from customers.

Both of these previous examples are what we refer to as “tangible” assets. We can see them or touch them and their value is fairly straightforward.

A final example of an asset is what we call “intangible”. These are things owned by the business that cannot be touched physically. Examples include a trademark, patent or goodwill.

How can these be assets you are asking yourself?

Well take another look at our definition - an asset is something of value owned by the business.

Intellectual property is of value to a business especially if it has helped the business bring in revenue. Suppose your company has a unique design for a vacuum cleaner or a unique formula patent for life saving medicines, these are valuable and they are “intangible assets”

How many times have you bought something because it was certified as genuine?

A trademark is a unique identifier that gives customers assurance that they have a genuine and quality product.

These examples show that there are different types of assets. The ones that you can physically see and touch (Tangible) and ones that you can't (Intangible).

You may also hear the term "Current Assets". This usually refers to bank accounts and cash. These are assets that the company has on hand that are either in cash or can be easily converted to cash.



NOTE: The cash balance of a company goes up and down as payments are received and bills are paid.

Remember that every one of your assets will have an account associated with it in your Chart of Accounts that represents the value of the asset.

One final thing about you need to know about assets is that their value changes over time. This is because they get older and less useful or out of date. For example, a computer bought two years ago isn't worth the same as a new computer bought today. This reducing of the original value (or price) of the asset over time is called "Depreciation".

Each country will have specific rules about how to reduce the value of assets over time. And yes - at some point the value of the asset will become very low or even zero.

Once this happens the asset is what we normally call "written off" as it no longer has a value and technically can no longer be used by the business.

Advanced Tip: If a low rated or zero rated asset is still used by a business then it will need to be re-valued and "written up" again with a new value. The main reason behind this is that if you are using it then it must have a value!

Liabilities

Liabilities can be defined as debts that your business owes to its suppliers, banks or the government. These liabilities can be short or long term but the business has an obligation to pay them.

A very simple example of a liability is VAT.

If a company is VAT registered then it collects VAT on product sales. The VAT doesn't belong to the company it belongs to the Inland Revenue or Tax Authority (your business is collecting VAT on behalf of the government).

You then need to pay the VAT that has been collected back to the government on a regular basis (e.g. monthly or quarterly). The VAT collected will be tracked as a liability to the Inland Revenue.

Expenses

These are the costs incurred as part of doing business.

Essentially expenses are the money that the business pays to another person or company to maintain being in business. This includes things such as rent (office or warehouse), the salaries you pay any employees, your stationary and postage costs, any travel related costs.

Expenses are important because they form part of the calculation of the business taxable income. In general taxation covers income (and particularly any profit a business makes). In order to calculate the profit you need to deduct the money you've spent (i.e. expenses).

$$\text{Taxable Income} = \text{Income} - \text{Expenses}$$

Income

Income is the money that comes into your business generally as a result of selling a product or providing a service. You may also receive income from interest on accounts or shares and these too need to be tracked via an account.

Why do I need to keep track of my income?

Essentially the answer to this question is a fundamental one. Generally a business is created to make money so in order to do this you need to bring in more money than you pay out. If you don't track what money is coming in then how can you know if your business is successful or profitable.

Also understanding where your income comes from gives you valuable information about your type of customers or where your business could potentially expand.

Equity

Equity is the word used to describe the net worth of your business. It is also called “Capital” or “Owner’s Equity”.

It is made up of the investment put into the business by the owners (e.g. this is normally cash used to startup the business) plus any profits that the business makes each financial year that hasn’t been “taken out”.

What we mean here is that if the business makes a profit then the owners have the choice of withdrawing that money from the company (just like taking a withdrawal from a bank but this time the bank is the business!).

You can withdraw the money directly or you can choose to distribute the profits as a dividend to the shareholders. Either way the result is the same. The money has been removed from the business.

If on the other hand you leave the money in the business, the business has more funds to use on business activities such as research and development. (Research and Development or R&D is a general term given to the area of improving your products and services, investigating and creating new products, markets and customers.)



NOTE: There will always be regional differences in the way accounts are named and the naming conventions that apply. (e.g. everyone pays taxes, but the name and type of tax depends on where your business is located.)

The Accounting Equation

A key accounting term that you may also come across is called the “Accounting Equation”.

It is a simple mathematical formula that describes the relationship between the main accounting areas that we defined previously (Assets, Liabilities, Equity)

Assets = Liabilities + Equity

Simply put this means that the value of all your assets is equal to the total of all your liabilities plus the total equity of the company.

This may seem complicated but it isn't and like any mathematical formula it can be re-arranged - so

$$A\ ssets - E\quity = L\iabilities$$

And

$$A\ ssets - L\iabilities = E\quity$$

Out of these three variables the main two ones that we will always know are:

- What the value of our assets is and;
- What liabilities we have (i.e. how much do we owe anyone else)

The Equity figure is fairly straightforward at business startup but may become a bit more difficult to assess in isolation - so this formula gives us a simple fixed way to calculate the Equity value.

Transactions

Accounting transactions are made up of two entries: a debit and a credit (i.e. a negative value and a positive value) that always balance to zero.



NOTE: The primary concept to remember is: Money comes from somewhere and has to go to somewhere.

For example:

If you take money out of your bank account to pay a bill, the simple accounting transaction for this could be:

Cheque Account -\$100 (debit / negative value)

\$100 is taken out of your cheque account.

Electricity Bill +\$100 (credit / positive value)

\$100 is used to pay the Electricity Bill.

The order in which this transaction occurs is important. It shows that our transaction balances: (-100 from the cheque account) + (100 to the electric bill account) = 0. This transaction balances to zero.

If a transaction doesn't balance to zero then this is considered an error.



NOTE: The concept of transactions balancing to zero is also referred to as "Double Entry" because of the two parts of the transaction.

In accounting we have a general ledger and chart of accounts to represent where the money comes from and where it goes. This means that we can track every financial transaction for a company using the chart of account and we can print reports showing when and where money came in, and where and when money went out.

Now you can perhaps see the power and importance of the accounting for a business.

Accounting transactions can be entered manually (e.g. one at a time) or rules can be setup to allow transactions to be created automatically if a specific condition happens. OFBiz allows you to use both of these methods for creating transactions.

Why would I need automatically created transactions?

If you had a high volume of similar transactions coming in via a webstore it would be easier to setup some rules about the transactions rather than having to manually enter them each time.

This completes our overview of Basic Accounting Concepts.

Basic Accounting Concepts Summary

Let's do a quick review of what we have covered in this chapter.

- We have defined what accounting is and the different types of accounting that you may have already heard about
- We talked about Internal and External accounting and the reasons why they are both needed
- We discussed the key reasons why businesses need to keep records of their accounting transactions
- We described the five main account types that make up a chart of account (Assets, Liabilities, Equity, Expenses and Income) and explained in detail what they are and how they are used
- We talked briefly about the Accounting Equation and how it can be used like a mathematical formula to calculate some of the main account values
- Finally we talked about accounting transactions and the logic behind how they are used to maintain “double entry” accounting

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Chapter 2: OFBiz Accounting Manager

Basic Navigation

OFBiz Accounting Manager is just one in a suite of applications that make up OFBiz ERP (Enterprise Resource Planning). It seamlessly integrates with other OFBiz applications such as Inventory, Purchasing and Manufacturing to give your business a complete ERP solution.

If you would like to follow along with your own instance of OFBiz then ensure that you have installed the 13.07 version of OFBiz with the demo data loaded.

Access the OFBiz login page for Accounting Manager by typing the following URL into your browser address bar:

`http://localhost:8080/accounting`

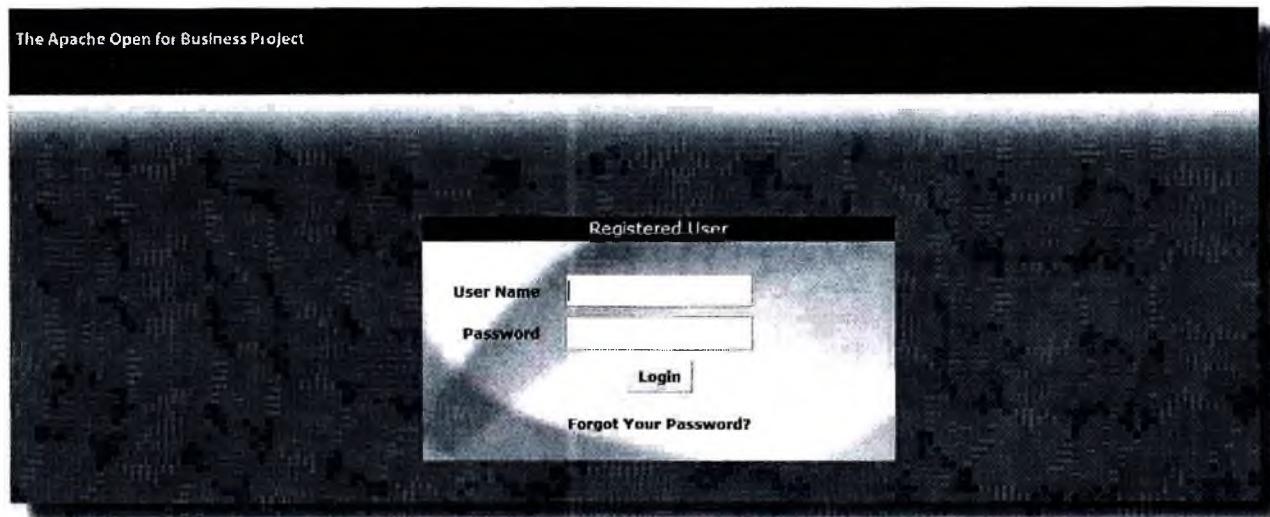


Figure 2.1: Accounting Login Screen

Login using the following:

- ↳ **User Name:** admin
- ↳ **Password:** ofbiz

Reminder: All Screenshots are done using the Bluelight theme and this is not installed by default in 13.07

A screen similar to the following screen will be displayed.

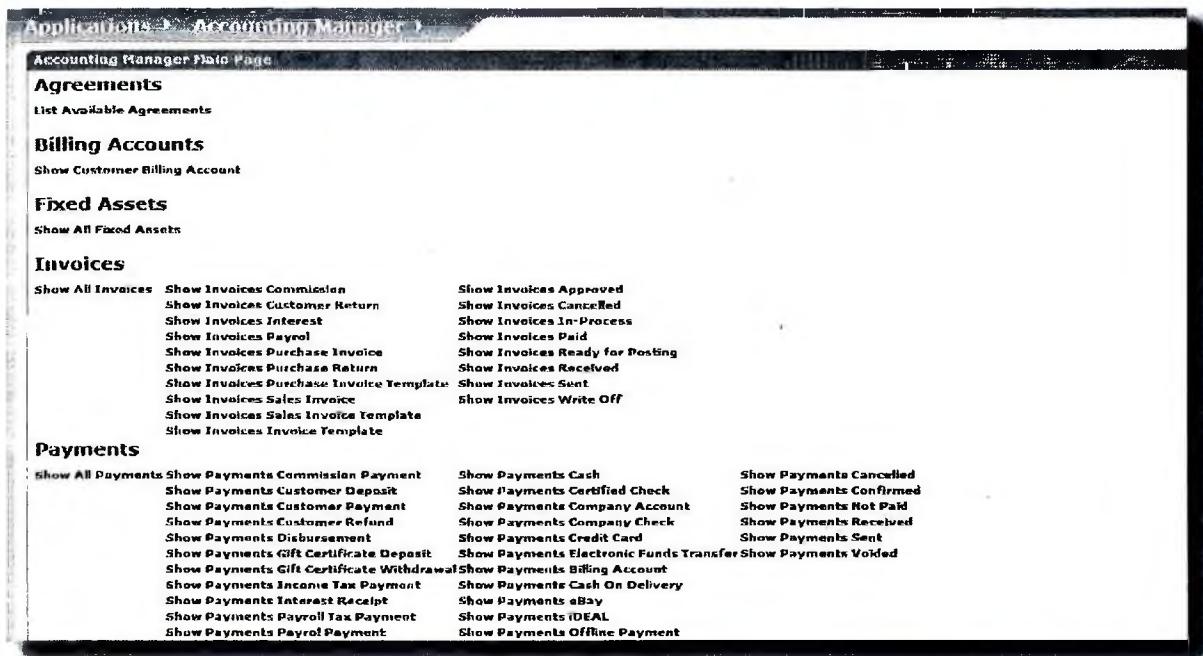


Figure 2.2: Default Accounting Manager Screen

By clicking on each of the sub menu options you will be able to access the different components that make up the accounting application.

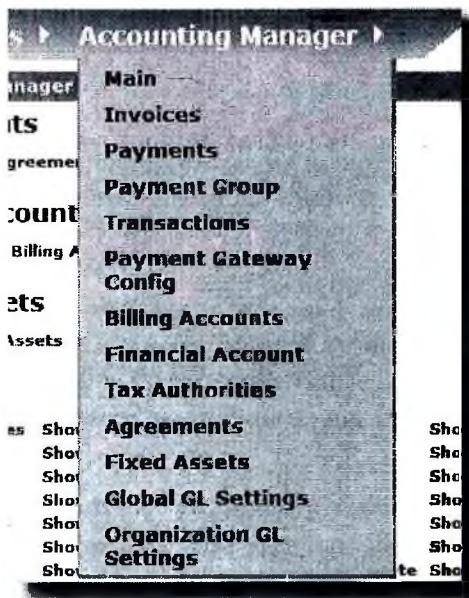


Figure 2.3: Accounting Manager Sub Menus

Below is a brief description summary of each of the sub menu options:

Main: “Main” displays the default Accounting Manager screen (as shown in Figure 2.2)

Invoices: The “Invoices” menu is used to manually create or update invoices.



NOTE: There are currently seven (7) different invoice types (Sales, Purchase, Purchase Return, Interest, Commission, Customer Return and Payroll)

This menu also allows you to locate and manage invoices. There is an option to launch the “Commission Run” process which generates Commission Invoices where a commission is due. Commissions are generally based on sales criteria.

Payments: The “Payments” menu is used to manage payments coming into your business from your customers or going out of your business as a payment to a supplier. A payment transaction is created and will need to be approved before the actual payment itself can be made.



NOTE: If you are using the OFBiz Payment Gateway then payment transactions can be authorised, captured and processed or refunded via the selected mechanism. (e.g. Paypal, Authorise.net, etc)

Payment Group: The “Payments Group” menu is used to group together incoming or outgoing payments. Payments can be selected and then added to a “Check Run” payment group (outgoing) or a “Batch of Payments” payment group (incoming).

Transactions: The “Transactions” menu is used to manage electronic or online payment transactions. Electronic transactions need to be handled via a special process to ensure they have been validated correctly. Transactions that have been sent from bank or credit card supplier must undergo several processes (currently this is Capture, Authorise). Any transactions captured or authorised will be displayed here.



IMPORTANT NOTE: The transactions sub menu is not used for creating accounting transactions

Payment Gateway Config: The “Payment Gateway Config” menu is used to create and maintain the technical setup (or configuration) used for accepting and validating electronic payments. Each payment method has specialised parameters and formats and this option allows you to manage these. (Examples payment gateways include Paypal, RBS WorldPay and Authorise.NET.)

Billing Account: The “Billing Accounts” menu is used to create and maintain billing account information. A Billing Account is a way of allowing customers to consolidate several invoices into one account that can be paid off at a later date. Customers can be allocated a billing account limit (similar to a credit limit) and orders can be made up to the value of that limit without any payment being made. Details of the orders, invoices and payments can be queried.

Financial Account: The “Financial Account” menu is used to create and maintain account information. A Financial Account is a tool similar to a bank account or credit card statement that is used for monitoring monetary transactions. Additional options to manage and reconcile transactions are also included.

Tax Authorities: The “Tax Authorities’ menu is used to create and manage tax setup. Tax details need to be maintained for your company and possibly your products and suppliers. This option allows you to specify the different tax rates and also the location where a specific tax is applicable.

Agreements: The “Agreements” menu is used to create and manage contracts or business agreements. Agreements are made between your company and other individuals or companies (e.g. customers or suppliers) and can cover many areas. Common examples include Sales Agreements allowing customers discounts if they buy over a certain amount; Commission Agreements where your Salesmen receive a percentage based on the products sold; Purchase Agreements that allow the your company favorable payment terms.

Fixed Assets: The “Fixed Assets” menu is used to create and monitor Fixed Assets. Fixed assets are items of value owned by the business that have a use to the business. Examples of Fixed Assets are company computer, cars or machinery.

Global GL Settings: The “Global GL Settings” menu is used to manage the master setup for your company. Certain configuration cover all areas such as the chart of accounts, exchange rates, financial years and specialised category setup.

Organization GL Settings: The “Organization GL Settings” is used to manage the setup for your company. This option allows you to setup new companies, business rules and chart of accounts. Using this menu you can also tailor the global setup for individual companies (e.g. subsidiaries) or business units/departments (e.g. Accounting or Manufacturing).

Accounting Setup Required

Before you can begin using OFBiz accounting some setup needs to be done. The setup needs to reflect the general ledger and accounting process from your own business so it is important that you understand how your accounting process works.

The accounting setup is made up of several distinct steps. Each step is briefly described below:

1. Create Your Company

The first step is to begin setting up your business in OFBiz. Here you will create the company that will use the accounts. You will need details such as address, bank accounts and contact names.



NOTE: This step can be simplified by using the demo data “Company” and tailoring it to your requirements.

This is covered in Chapter 4 Business Accounting Setup.

2. Setup Chart of Account and Accounting Rules

In this step you will establish your company accounting information such as the Financial Year, Company Currency, Invoice numbering sequences and an Error Journal.

This step also involves setting up your chart of accounts. As we already have a global master chart of account, this simply involves selecting the accounts you want to use from the master account. The main work here is defining the rules for mapping transactions to particular general ledger accounts used for your business.

This is covered in Chapter 4 Business Accounting Setup.

3. Tax Setup

This step involves creating an entity to represent your Tax Authority (e.g. Inland Revenue, IRS,). You will also need to setup the tax rates required for you, your products and any special customers. If tax can be exempted then this can also be defined here.

Once the tax details are setup you will need to link these rates to your company and products.

This is covered in Chapter 6 Tax Authorities.

4. Miscellaneous Setup

This is the step where you can setup any business specific accounting setup. Some possible include:

- Agreements (special terms that you have agreed with your customers or suppliers). This is covered in Chapter 11 Agreements
- Financial Accounts (e.g. bank accounts that you want to use to track your transactions). This is covered in Chapter 12 Financial Accounts.
- Billing Accounts (e.g. accounts where your customers are allowed credit up to a certain amount). This is covered in Chapter 10 Billing Accounts.
- Invoice Templates (standard invoice formats or details that you need to use over and over again). This is covered in Chapter 7 Invoices.
- Fixed Assets (creation of your business assets that need to be depreciated). This is covered in Chapter 9 Fixed Assets.

5. Test Your Accounting Setup

The final step is to test your new accounting setup with actual transactions that need to be recorded in the GL. This also includes reviewing the standard reports to ensure they are correctly representing what has occurred.

Some example basic tests could include :

- Manual Transaction and Invoice (Incoming and Outgoing)
- Automated Transaction and Invoice (Incoming and Outgoing)
- Generation of different invoice types (Sales, Purchase, Commission etc)



NOTE: Many of the chapters also include simple examples that verify the functionality of the setup. Please feel free to refer to them for ideas.

Where to Start?

If you want run through a tutorial that goes through all these main steps in detail then go to Appendix A: Accounting Tutorial and work through it.

If you want a detailed reference about each of the Accounting Manager options with examples of how they are used then please go through this manual by chapter.

Accounting Manager Summary

Let's do a quick review of what we have covered in this chapter.

- We've given you a brief introduction to OFBiz Accounting Manager and how to access it
- We have taken a look at each of the sub menus and given you an overview of what it can be used for
- To simplify the main setup required, we have broken down OFBiz accounting setup into five distinct steps with a clear description of what is covered at each stage
- We have explained how the steps link together to form the complete setup
- Finally we have given you some possible suggestions on how you could use this book for your own accounting setup

Chapter 3: Global GL Settings

What are the Global GL Settings?

The “Global GL Settings” are an abbreviation of “Global General Ledger Settings”. These are master templates that we can use to setup up our chart of accounts, default transactions or other settings that can be applied across many OFBiz modules.



Why do we need to have settings on a Global level?

This is mainly because OFBiz is an integrated system so certain areas like accounting are linked to many other modules. It also makes sense to have a central place to setup things that will be used globally.

At the time of writing, the following are available as part of the Global GL Settings:

- Chart of Accounts - a comprehensive master template for a complete chart of accounts.
- Custom Time Periods - a master list to display or setup financial periods
- Costs - a master list of any cost calculations to be used for assets or tasks
- Payment Method Type - a master list of the ways payments can be made (e.g. cash, credit card etc) and the default accounts to be used for each
- Invoice Item Type - a master list of all the transaction line types that can occur on any invoice and the default account to be used for each
- Rates - a list of rates (e.g. pay rates, overtime rates etc) that can be used for billing work, tasks or as part of salary calculations
- Foreign Exchange Rates - a master list of exchange rates to be used and dates they are valid
- GL Account Category - currently this is set to be a list of cost centres
- Cost Centers - a way to specify how to process percentage allocations between cost centres for specific accounts

The Global GL Settings menu can be found as follows:

- ↳ Select “Accounting” from the Applications drop down menu
 - ↳ Select “Global GL Settings” from the Accounting Manager drop down menu

The default screen will be similar to the one below:

Figure 3.1: Global GL Settings Default Screen

Master Template - Chart of Accounts

By default over 450 accounts are included as part of the OFBiz demo data global chart of accounts master template.

To setup a chart of accounts in OFBiz simply means that we need to select the accounts we want to use from the global chart of accounts master template.

All general ledger accounts must exist in the global template before they can be assigned to be used at the organisation level (e.g. Company)

Out of the box the global template is organised in a hierarchy of eleven (11) top level account groupings. Each grouping has a name and a number assigned to it. The groupings are organised around similar accounting categories:

Account "CODE"	Top Level Account Grouping
100000	ASSETS
200000	LIABILITIES
300000	OWNERS EQUITY AND NET WORTH
400000	SALES
500000	COST OF GOODS SOLD
600000	EXPENSE
700000	OTHER EXPENSES
800000	OTHER INCOME
820000	OTHER EXPENSE
850000	NET INCOME
900000	INCOME TAX

There are over 450 accounts in the template so grouping in this way helps us to find individual accounts.

Each account we wish to map from the global template will fall into one of these groupings and will have an account code that falls within the range for the grouping.

Let's take a look at the account organisation.

- ↳ Click “Navigate Accounts”



Figure 3.2: Navigate Accounts

This will give an expandable list of template accounts.

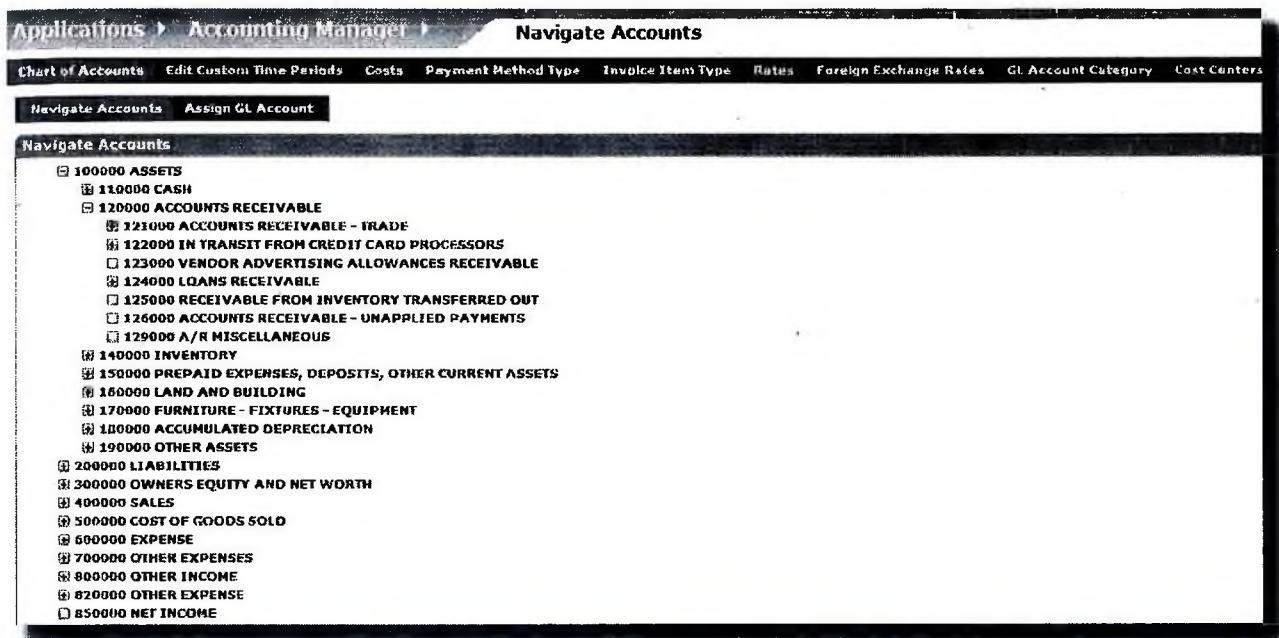


Figure 3.3: Accounts Hierarchy

Looking at the Accounts Hierarchy, you can see the full accounts structure and the convention currently in place for the account numbering.

To view an account entry

↳ Click the Account ID

The account details will be displayed in the lower part of the screen.

This screenshot shows the 'Edit GL Account' dialog box. It contains various input fields and dropdown menus. Numbered arrows point to specific fields: 1 points to the 'GL Account Id' field containing '200000'; 2 points to the 'GL Account Type Id' dropdown menu showing 'Accounts Payable'; 3 points to the 'GL Account Class Id' dropdown menu showing 'Liability'; 4 points to the 'GL Resource Type Id' dropdown menu showing 'Money'; 5 points to the 'GL Xbrl Class Id' dropdown menu; 6 points to the 'Parent GL Account Id' dropdown menu; 7 points to the 'Account Code' field containing '200000'; 8 points to the 'Account Name' field containing 'LIABILITIES'; 9 points to the 'Description' text area; 10 points to the 'Product Id' field; and 11 points to the 'External Id' field. At the bottom right is an 'Update' button.

Figure 3.4: Viewing the Account Details

Key	Comments / Meaning
1	"GL Account Id" is a unique identifier used to identify the account. NOTE: This must be entered. If using the demo data chart of accounts template then keep any new accounts within the same structure.
2	"GL Account Type Id" is GL Account Type default and is a way of translating a business transaction into an accounting transaction for automatic posting. It's like a rule that helps OFBiz create the accounting transaction for you
3	"GL Account Class Id" is a classification system and hierarchy for reporting purposes
4	"GL Resource Type Id" is a way of specifying the type of account possibly for reporting purposes (e.g. Services, Finished Goods, Labour, etc)
5	"GL Xbrl Class Id" is for indicating which accounting standards will be used. Current examples are US Generally Accepted Accounting Principles (US GAAP) or International Accounting Standards (IAS)
6	"Parent GL Account Id" is the GL Account of an account that is the next level up in the chart of accounts hierarchy
7	"Account Code" is the same as the GL Account Id. This can be amended but it is advisable not to
8	"Account Name" is the name or description of the account
9	"Description" is a long description of the account
10	"Product Id" is for specifying that only details for a specific product can be posted to this account
11	"External Id" can be used to specify your own accounting code

Suppose you wanted to change the account numbering? How could you do it?

If you are going to use the Global Template that comes with OFBiz then it is recommended that you keep the existing GL Account Id and Account Codes. You can add your own account coding using the Account name or External Id fields.

If you create and load your own Global Template then you can setup your own account numbering for the GL Account Id and Account Code at the time the template is loaded.

What about displaying the Global Template accounts in other languages?

You can change the OFBiz language and if setup then all the account fields, lookups and descriptions will be translated into the target language.



NOTE: Be aware that the Account Names will stay in English even though another language is active.

Creating a New Account

If the master template does not contain the account you need then you can easily create one.

Remember: You can also amend an existing account and change the description to the one you want.

So let's go through the process of creating a new account. The new account that we create will be added to the master template.



IMPORTANT NOTE: There isn't a "Create New Account" button on this screen so you must enter a new account using the "Navigate Accounts" screen

- ↳ Click "Navigate Accounts"



Figure 3.5: Navigate Accounts

An empty form will be displayed at the bottom of the screen

GL Account Id	Accounts Payable
GL Account Type Id	Accumulated Amortization
GL Account Class Id	Delivered Goods
GL Resource Type Id	
CI Xbrl Class Id	
Parent GL Account Id	
Account Code	
Account Name	
Description	
Product Id	
External Id	
Add	

Figure 3.6: Adding a New Account

We are going to add a new Sales Tax account. This means that it will be need to be stored under the 224000 SALES TAX COLLECTED hierarchy.

- 223000 ACCRUED PAYROLL TAXES**
- 223500 401k - PENSION EMPLOYER CONTRIBUTION**
- 224000 SALES TAX COLLECTED**
 - 224100 SALES TAX COLLECTED USA**
 - 224200 SALES TAX COLLECTED CAN**
- 225000 ACCRUED USE TAX**
- 226000 ACCRUED RETIREMENT PLAN EXPENSE**

Figure 3.7: Viewing Hierarchy Before Adding New Account

Enter the following details for our new account.

FIELD	DETAILS
GL Account Id	224300
GL Account Type Id	Current Liability
GL Account Class Id	Current Liability
GL Resource Type Id	Money
GL Xbrl Class Id	Leave Blank
Parent GL Account Code	224000 SALES TAX COLLECTED
Account Code	224300
Account Name	SALES TAX COLLECTED - NZ
Description	New Zealand Sales Tax (GST)
Product Id	Leave Blank
External Id	GST-NZ

The screenshot shows the 'Edit GL Account' interface. The form contains the following fields and their values:

- GL Account Id: 224300
- GL Account Type Id: Current Liability
- GL Account Class Id: Current Liability
- GL Resource Type Id: Money
- GL Xbrl Class Id: (dropdown menu)
- Parent GL Account Id: 224000 - SALES TAX COLLECTED [224000]
- Account Code: 224300
- Account Name: SALES TAX COLLECTED - NZ
- Description: New Zealand Sales Tax (GST)
- Product Id: (empty)
- External Id: GST - NZ

Figure 3.8: Entering New GL Account Details

↳ Click “Add”

The new account will be created.

Now let's take a look at the accounts hierarchy to confirm that:

- Our account has really been created and;
- That it has been created in the correct place

222000 PAYROLL WITHHOLDINGS
223000 ACCRUED PAYROLL TAXES
 223500 401k - PENSION EMPLOYER CONTRIBUTION
 224000 SALES TAX COLLECTED
 224100 SALES TAX COLLECTED USA
 224200 SALES TAX COLLECTED CAN
 224300 SALES TAX COLLECTED - NZ

Figure 3.9: Account Hierarchy After New GL Account Created

You can also check that the account appears in the main account listing

↳ Click “Chart of Accounts”

↳ Scroll down the Accounts List

The account should be displayed similar to the screen below.

Edit	Account Name	GL Account Type Id	GL Account Class Id	GL Resource Type Id	GL Xbrl Class Id	Parent GL Account Id
224205	SALES TAX COLLECTED CAN - NL	Current Liability	Current Liability	Money		SALES TAX COLLECTED CAN [224200]
224206	SALES TAX COLLECTED CAN - HS	Current Liability	Current Liability	Money		SALES TAX COLLECTED CAN [224200]
224207	SALES TAX COLLECTED CAN - IT	Current Liability	Current Liability	Money		SALES TAX COLLECTED CAN [224200]
224208	SALES TAX COLLECTED CAN - NU	Current Liability	Current Liability	Money		SALES TAX COLLECTED CAN [224200]
224209	SALES TAX COLLECTED CAN - OM	Current Liability	Current Liability	Money		SALES TAX COLLECTED CAN [224200]
224210	SALES TAX COLLECTED CAN - PE	Current Liability	Current Liability	Money		SALES TAX COLLECTED CAN [224200]
224211	SALES TAX COLLECTED CAN - QC	Current Liability	Current Liability	Money		SALES TAX COLLECTED CAN [224200]
224212	SALES TAX COLLECTED CAN - SK	Current Liability	Current Liability	Money		SALES TAX COLLECTED CAN [224200]
224213	SALES TAX COLLECTED CAN - YT	Current Liability	Current Liability	Money		SALES TAX COLLECTED CAN [224200]
224300	SALES TAX COLLECTED - NZ	Current Liability	Current Liability	Money		SALES TAX COLLECTED [224000]
226000	ACCRUED USE TAX	Current Liability	Current Liability	Money		ACCRUED EXPENSES [226000]
226000	ACCRUED RETIREMENT PLAN EXPENSE	Current Liability	Current Liability	Money		ACCRUED EXPENSES [226000]

Figure 3.10: Master Template Accounts List

Assigning a GL Account

The chart of accounts for the default organisation is built up by selecting or “assigning” accounts that you want to use from the global chart of accounts master template. This means that if you want to create a new account then it needs to be created in the global chart of accounts before it can be assigned to be used. Assigning links a general ledger account to a organisation, business unit or department.

Advanced Tip: It is recommended that you don't assign accounts to your Chart of Accounts here because there is no display for you to see what has already been assigned. Assigning accounts from the Global Master is best done in the Organization GL Settings menu (See Chapter 4 Business Accounting Setup)

Custom Time Periods

Time periods are a defined period of time (usually a month, quarter or year) that is used to group business transactions. It is a key part of any general accounting setup. Time periods can be used for the definition of:

- Company Financial Year
- Fiscal / Tax Periods (weeks, months, quarters)
- VAT / GST Periods
- Sales Periods

The screenshot shows the 'Edit Custom Time Periods' screen. At the top, there's a navigation bar with tabs: 'Chart of Accounts', 'Edit Custom Time Periods' (which is active), 'Payment Method Type', 'Timeline Item Type', 'Rates', 'Foreign Exchange Rates', 'GL Account Category', and 'Cost Centers'. Below the navigation bar, there's a search bar labeled 'Show Only Periods with Organization Party ID' and a 'Update' button. A message box says 'No Current Custom Time Period Selected: "Children" below have no Parent Period.' The main area is titled 'Child Periods' and contains a table with columns: ID, Parent, Org Party Id, Period Type, Nbr, Period Name, From Date, Thru Date, Delete, Set As Current, and Update. The table lists 15 rows of data. At the bottom, there's a form titled 'Add Custom Time Period' with fields for Parent, Org Party Id, Period Type, Period Number, Period Name, From Date, and Thru Date, along with an 'Add' button.

Figure 3.11: Custom Time Periods

All Time Periods are displayed here whether they are open or closed. If a Time Period has expired (i.e. the end date is in the past) then it will be displayed in "red".

There are options to:

- "Update" the period (i.e. change the start or end date)
- "Delete" the Period (remove the period)
- "Set As Current" (i.e. set a period to be the current accounting period)

This screen seems to be the legacy of some previous functionality as only the "Update" function seems to currently work. If you trying to delete a time period here, OFBiz will give you an error.



IMPORTANT NOTE: At the time of writing it is recommended that you do not create new Time Periods using this screen. There is no Date Picker functionality which means that you will have problems entering the correct date format.

Advanced Tip: If you need to re-open a closed time period then you will need to use the Webtools menu to change the "IsClosed" flag on the "CustomTimePeriod" entity

Costs

A business is designed to be profitable. This means that you need to be able to track all the costs involved in your business to ensure that you are not losing money.

So what costs are there ? Some examples are given below:

- Raw Materials Costs
- Labour Costs
- Rental Costs
- Electricity Costs
- Quality Assurance or Regulatory Costs

Direct and Indirect Costs

Costs can also be broken down into “Direct” and “Indirect” costs.

- Direct costs are costs that are easily identifiable as directly related to what you produce and sell to your customers.
- Indirect costs are costs that cannot easily be directly linked to what you sell to your customers. Included in this would be rent, electricity or general administration costs.

Fixed and Variable Costs

Variable costs are those that rise and fall based on the amount product you produce or sell. If you sell or produce a lot of products it will cost more than if you produce a smaller amount.

Fixed costs are ones that remain the same no matter how much is being produced or sold.

Before you can calculate costs you need to define a formula of how to do it and in OFBiz this is called a “Cost Component Calculation”.

If you have installed OFBiz with the demo data then two calculations will already exist under the Global GL Settings “Costs” link.

↳ Click “Costs”

A similar screen to the following will be displayed.

The screenshot shows the 'Edit Cost Calc' screen with two cost component calculations listed:

Cost Comp. Id	Description	Cost GL Account Type Id	Setting GL Account Type Id	Fixed Cost	Variable Cost	Per Mill Second	Currency	Cost Custom Method Id
1_COST_CALC	Overhead cost (5 percent of total cost) for general costs	Operating Expense	Operating Expense	0.05	0.00	0.00	American Dollar - USD	1
2_COST_CALC	Indirect cost (power supply)	Operating Expense	Operating Expense	1	2	50000	USD	2

Annotations with numbers 1 through 8 point to specific fields and controls on the form:

- 1: Description input field
- 2: Cost GL Account Type Id dropdown
- 3: Setting GL Account Type Id dropdown
- 4: Fixed Cost input field
- 5: Variable Cost input field
- 6: Per Mill Second input field
- 7: Currency dropdown
- 8: Cost Custom Method Id dropdown

Figure 3.12: Costs Default Screen

Key	Comments / Meaning
1	"Description" is a general description of the cost calculation (e.g. Overhead Cost 5 percent of total costs)
2	"Cost GL Account Type Id" is a GL Account Type default and is a way of translating a business transaction into an accounting transaction. It's like a rule that helps OFBiz create the accounting transaction for you.
3	"Offsetting GL Account Type Id" is a GL Account Type default and is a way of translating a business transaction into an accounting transaction. It's like a rule that helps OFBiz create the accounting transaction for you.
4	"Fixed Cost" is the percentage cost that you want to specify as fixed (e.g. 5% is entered as 0.05)
5	"Variable Cost" is the percentage cost that you want to specify as variable (e.g. 10% is entered as 0.10)
6	"Per Milli Second" is the duration in milliseconds that imposes the cost (e.g. For every hour that a machine runs it costs a certain amount in operating costs)
7	"Currency" is currency in which the costs are measured (e.g. USD)
8	"Cost Custom Method ID" is a drop down selection based on the "CustomMethod" entity. This can be used to link to a custom program that performs specific calculations. NOTE: That the demo data includes an example formula.

Advanced Tip: This ability to update the Cost Component Calculation also exists as part of OFBiz Manufacturing Manager application, where costs can be associated to Manufacturing Routing tasks

Let's create a new Cost Component Calculation. We will create a calculation with a fixed cost of 10% .

At the default Costs screen enter the following:

- ↳ Enter "My New Cost Component Calculation" for Description
- ↳ Select "Operating Expense" from the drop down selection for the "Cost GL Type ID"
- ↳ Leave the "Offsetting GL Account Type Id" blank
- ↳ Enter "0.10" for Fixed Cost
- ↳ Leave all other fields at their default
- ↳ Click "Submit"



NOTE: There is no "New Cost Component" link on this screen. To create a new one we simply enter the details onto the existing form.

Create New Cost Component Calc

Description	My New Cost Component Calculation
Cost GI Account Type Id	Operating Expense
Offsetting GI Account Type Id	
Fixed Cost	.10
Variable Cost	
Per Milli Second	
Currency	American Dollar - USD
Cost Custom Method Id	
Submit	

Figure 3.13: Creating a New Cost Component Calculation

Our new calculation is created and displayed in the list of calculations.

Cost Component Calc Id	Description	Cost GI Account type Id - Offsetting GI Account Type Id - Update	Fixed Cost	Variable Cost	Per Milli Second	Currency	Cost Custom Method Id	Action
GBR_COST_CALC	Overhead mill (.5 percent of total cost) for general costs	Operating Expense	0.05			USD	Formula that creates a cost component equal to a percentage of total product cost	Delete
TASK_COST_CALC	Indirect cost (power supply)	Operating Expense	1	2	60000	USD		Delete
10050	My New Cost Component Calculation	Operating Expense	0.1			USD		Delete

Figure 3.14: Newly Created Cost Component Calculation

So now that we have created this new calculation - where can it be used?

It can be used either in Product Costing or Manufacturing Task Costing. Let's take a look at both.

PRODUCT COSTING

- ↳ Select “Catalog” from the Applications drop down menu
- ↳ Locate any product (We used WG-1111 Micro Chrome Widget)
- ↳ Click “Costs”
- ↳ Scroll down to the bottom of the screen

The screenshot shows a software interface for managing product cost components. At the top, there's a header with columns: Cost Component Type Id, Cost Component Calc Id, Cost Component Calc, From Date, Thru Date, and Delete Pr. Below this is a table row labeled 'AddProductCostComponentCalc'. The form fields include: Cost Component Type Id (Materials Cost), From Date, Cost Component Calc Id (My New Cost Component Calculation) with an arrow pointing to it, Sequence Num, Thru Date, and a Submit button.

Figure 3.15: Cost Component Can be used for Product Costs

You can see that our newly created Cost Component Calculation is now available to be selected and used.

MANUFACTURING ROUTING TASK COSTING

- ↳ Select “Manufacturing” from Applications drop down menu
- ↳ Select “Routing Task” from the Manufacturing Manager drop down menu
- ↳ Select any Routing Task (We used the Default Routing Task)
- ↳ Click “Routing Task Costs”

[ID DEFAULT_TASK] Default Routing Task

The screenshot shows a software interface for adding routing task costs. It has fields for Cost Component Type Id (Materials Cost), Cost Component Calc Id (My New Cost Component Calculation) with an arrow pointing to it, From Date, Thru Date, and a Submit button.

Figure 3.16: Cost Component Can be used for Manufacturing Routing Tasks

You can see that our newly created Cost Component Calculation is also available to be selected for use as part of a manufacturing routing task costing.

Payment Method Type

A “Payment Method” is simply a way to define the ways in which payments can be made. Examples include:

- Cash
- Cheque
- Electronic Funds Transfer
- Billing Account
- Paypal
- Financial Account
- Gift Certificate



NOTE: These payment methods don't include Credit Cards as they have their own separate setup.

Each payment method can be linked to a different General Ledger account in the Chart of Accounts.

By doing this OFBiz will be able to help us create an accounting transaction based on how the payment was made. This is very useful if we want to automate the creation of accounting transactions.

Payment Method Type			
Chart of Accounts	Edit Custom Time Periods	Costs	Payment Method Type
Payment Method Type List			
Payment Method Type	Description	Default GL Account Id - Update	
CASH	Cash	122000 : IN TRANSIT FROM CREDIT CARD PROCESSORS	<input type="button" value="Update"/>
CERTIFIED_CHECK	Certified Check	122000 : IN TRANSIT FROM CREDIT CARD PROCESSORS	<input type="button" value="Update"/>
COMPANY_ACCOUNT	Company Account	122000 : IN TRANSIT FROM CREDIT CARD PROCESSORS	<input type="button" value="Update"/>
COMPANY_CHECK	Company Check	122000 : IN TRANSIT FROM CREDIT CARD PROCESSORS	<input type="button" value="Update"/>
CREDIT_CARD	Credit Card	122000 : IN TRANSIT FROM CREDIT CARD PROCESSORS	<input type="button" value="Update"/>
EFT_ACCOUNT	Electronic Funds Transfer	122000 : IN TRANSIT FROM CREDIT CARD PROCESSORS	<input type="button" value="Update"/>
EXT_BILLACT	Billing Account	122000 : IN TRANSIT FROM CREDIT CARD PROCESSORS	<input type="button" value="Update"/>
EXT_COD	Cash On Delivery	122000 : IN TRANSIT FROM CREDIT CARD PROCESSORS	<input type="button" value="Update"/>
EXT_EBAY	eBay	122000 : IN TRANSIT FROM CREDIT CARD PROCESSORS	<input type="button" value="Update"/>
EXT_IDEAL	IDEAL		<input type="button" value="Update"/>
EXT_OFFLINE	Offline Payment	122000 : IN TRANSIT FROM CREDIT CARD PROCESSORS	<input type="button" value="Update"/>

Figure 3.17: Default Accounts for Payment Method Types



NOTE: You can override the payment type account at the organisation level. If no override is specified then the default account (122000) will be used.

We are not going to create a new Payment Method type but we will show you where these entries are brought through on a company level and also how to override them.

- ↳ Select “Organization GL Settings” from the Applications drop down menu

Figure 3.18: Organizational GL Settings Default Screen

- ↳ Click “Setup”
- ↳ Click “GL Account Defaults”
- ↳ Click “Payment Method Id/GL Account ID”

A screen similar to the one below should be displayed.

Payment Method Type	GL Account Id	Default GL Account Id	Remove
Cash	UNDEPOSITED RECEIPTS [112000]	122000 :	Remove
Certified Check	UNDEPOSITED RECEIPTS [112000]	122000 :	Remove
Company Account	GENERAL CHECKING ACCOUNT [111100]	122000 :	Remove
Company Check	UNDEPOSITED RECEIPTS [112000]	122000 :	Remove
Electronic Funds Transfer	GENERAL CHECKING ACCOUNT [111100]	122000 :	Remove
Billing Account	CUSTOMER CREDIT [213000]	122000 :	Remove
Cash On Delivery	UNDEPOSITED RECEIPTS [112000]	122000 :	Remove
eBay	UNDEPOSITED RECEIPTS [112000]	122000 :	Remove
Offline Payment	UNDEPOSITED RECEIPTS [112000]	122000 :	Remove
PayPal	ACCOUNTS RECEIVABLE - PAYPAL [122500]	122000 :	Remove
RSS WorldPay	ACCOUNTS RECEIVABLE - PAYPAL [122500]	122000 :	Remove
Financial Account	GENERAL CHECKING ACCOUNT [111100]	122000 :	Remove
Gift Certificate	ACCOUNTS RECEIVABLE [120000]	122000 :	Remove

Figure 3.19: Organization Payment Method and GL Account Settings

You will see that default account in all these cases is 112000 UNDEPOSITED RECEIPTS. This is taken from the Global GL Settings for Payment Method.

You will also see that there are some entries that have other accounts specified - these are the overrides.

- ↳ Look at the entry for “Electronic Funds Transfer”

This entry doesn't have the same account as the rest and it means that OFBiz will use the override account instead of the default account.

To create an override

- ↳ Click the “Remove” link adjacent to the entry you want to override

A screenshot of a web-based application interface. At the top, there are tabs for 'GL Account Type Defaults', 'Product GL Accounts', 'Product Category GL Account', 'FinAccount Type GL Account', and 'Sales Inv'. Below these tabs, there is a sub-menu with items like 'Payment Method Id/GL Account ID', 'Variance Reason GL Accounts', 'Credit Card Type GL Account', and 'TaxAuthority GL Account'. The main content area shows a table with columns: 'Payment Method Type', 'GL Account Id', and 'Default GL Account Id'. The first row shows 'Cash' in the first column, 'UNDEPOSITED RECEIPTS [1112000]' in the second column, and '1220001' in the third column. To the right of the 'Default GL Account Id' column, there is a 'Remove' button, which is circled in red.

Figure 3.20: Removing the Payment Method Default Account

The entry will actually be removed from this screen.

We actually need to remove the default to create our override. Now let's add the override.

- ↳ Select the “Payment Method Type” from the drop down selection
- ↳ Select the “Gl Account Id” to be used instead of the global default
- ↳ Click “Save”

A screenshot of a 'Payment Method Assign Account Type' form. At the top, there is a header with tabs for 'GL Account Type Defaults', 'Product GL Accounts', 'Product Category GL Account', 'FinAccount Type GL Account', and 'Sales Inv'. Below the tabs, there is a sub-menu with items like 'Payment Method Id/GL Account ID', 'Variance Reason GL Accounts', 'Credit Card Type GL Account', and 'TaxAuthority GL Account'. The main content area has a title 'For: Your Company Name Here [Company]'. Below the title, there is a section titled 'Payment Method Assign Account Type'. It contains two dropdown menus: one for 'Payment Method Type' (set to 'Cash') and one for 'GL Account Id' (set to '111100 - GENERAL CHECKING ACCOUNT [111100]'). At the bottom of the form is a 'Save' button.

Figure 3.21: Creating a Payment Method Override GL Account

The new override will be added. While we are here let's take a quick look at the equivalent Credit Card to GL Account mappings.

Remember: We mentioned that the Credit Card mappings to GL Accounts are not included as part of the Payment Method Type setup

↳ Click “Credit Card Type GL Account”

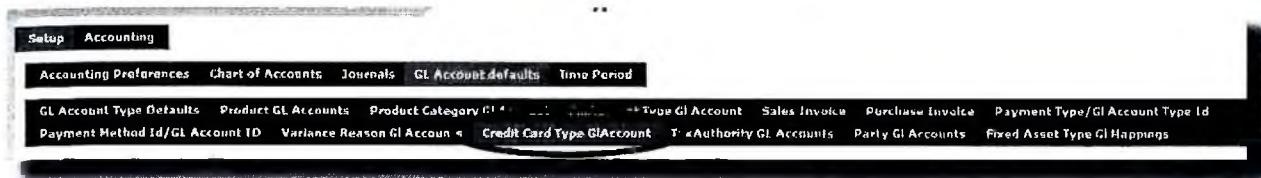


Figure 3.21: Selecting Credit Card GL Account Defaults

A screen similar to the following will be displayed.

Card Type	GL Account ID	Update
T_AMERICANEXPRESS	122100 - ACCOUNTS RECEIVABLE - AMEX [122100]	[Update]
T_DINERSCLUB	122100 - ACCOUNTS RECEIVABLE - AMEX [122100]	[Update]
T_DISCOVER	122200 - ACCOUNTS RECEIVABLE - DISCOVER [122200]	[Update]
T_VISA	122300 - ACCOUNTS RECEIVABLE - MASTER CARD / VISA [122300]	[Update]
T_MASTERCARD	122300 - ACCOUNTS RECEIVABLE - MASTER CARD / VISA [122300]	[Update]
AmericanExpress	122100 - ACCOUNTS RECEIVABLE - AMEX [122100]	[Update]
DinersClub	122100 - ACCOUNTS RECEIVABLE - AMEX [122100]	[Update]
Discover	122200 - ACCOUNTS RECEIVABLE - DISCOVER [122200]	[Update]
VISA	122300 - ACCOUNTS RECEIVABLE - MASTER CARD / VISA [122300]	[Update]
starCard	122300 - ACCOUNTS RECEIVABLE - MASTER CARD / VISA [122300]	[Update]

Figure 3.22: Credit Card Type Account Defaults

You will see that this screen is similar to the Payment Method Type where each different card type (e.g. VISA, AMEX, etc) can be mapped to a specific General Ledger Account.

This completes the overview of the Global GL Settings Payment Method Types.

Invoice Item Types

An “Invoice Item Type” is another way to describe the different type of individual line items that appear on an invoice.

For example an invoice is usually made up of:

- A header - which contains details of the supplier, customer, invoice date etc
- Line items - which are the products, taxes, discounts etc on the invoice
- A summary - which summarises the totals, taxes and discounts

The invoice item types can refer to any of these three areas on an invoice. They can also be broken down into specific categories that allow us to classify or report on the total or frequency of that type.

Some examples of Invoice Item Types are:

- Type of Product (Standard, Digital, Service)
- Shipping or Handling Charges
- Promotions (Discounted Products, Free Products)
- Discounts (Product Discount, Invoice Discount, Early Payment)
- Returned Items (Faulty, Replacement)

OFBiz allows us to setup a code for each of the different line item types that can appear on an invoice. We can then link each item type to a specific General Ledger account.

By doing this OFBiz will be able to help us create an accounting transactions based on the item types that appear on the invoice. This is very useful if we want to automate the creation of accounting transactions.

There are also different types of invoices: For example

- Sales Invoices - used when a customer buys a product from you
- Purchase Invoices - used when you buy something from a supplier
- Return Invoices - generated if a customer returns something to you or you return something to your supplier (e.g. if it's faulty)

OFBiz currently includes these invoice types but has some additional ones:

- Commission Invoice - used for paying commissions to your Sales people
- Payroll Invoice - used for paying your employee salaries
- Interest Invoice - used for recording interest income from investments or services

The default Invoice Item Types screen is as follows:

Invoice Item Type List		Invoice Item Type List	
		GL Account - Update	
Invoice Item Type	Description	GL Account	Action
COMM_INV_ADJ	Commission Invoice Adjustment	601400 : SALES COMMISSION ADJUSTMENTS	<input type="button"/> Update
COMM_INV_ITEM	Commission Invoice Line Item	601300 : SALES COMMISSIONS	<input type="button"/> Update
CRT_RETURN_ADJ	Customer Return Adjustment		<input type="button"/> Update
CRT_ADD_FEATURE_ADJ	Return Additional Feature	423000 : CUSTOMER RETURNS - ADJUSTMENTS	<input type="button"/> Update
CRT_DISCOUNT_ADJ	Return Discount	423000 : CUSTOMER RETURNS - ADJUSTMENTS	<input type="button"/> Update
CRT_DPROD_ITEM	Return Digital Good Item	421000 : CUSTOMER RETURNS - PRODUCTS	<input type="button"/> Update
CRT_FDPROD_ITEM	Return Finished/Digital Good Item	421000 : CUSTOMER RETURNS - PRODUCTS	<input type="button"/> Update
CRT_FEE_ADJ	Return Fee	423000 : CUSTOMER RETURNS - ADJUSTMENTS	<input type="button"/> Update
CRT_FPROD_ITEM	Return Finished Good Item	421000 : CUSTOMER RETURNS - PRODUCTS	<input type="button"/> Update
CRT_MAN_ADJ	Return Manual Adjustment	423000 : CUSTOMER RETURNS - ADJUSTMENTS	<input type="button"/> Update

Figure 3.23: Invoice Item Type Account Defaults



NOTE: This screen does not allow us to create any new Invoice Item Types although at the time of writing there were 146 different types which is quite comprehensive.

Let's take a look at where these entries are brought through on a company level and also see how to override them.

- ↳ Select “Organization GL Settings” from the Applications drop down menu

Available Internal Accounting Organizations		Available Internal Accounting Organizations		
Companies				
Your Company Name Here		<input type="button"/> Setup	<input type="button"/> Accounting	<input type="button"/> Import/Export

Figure 3.24: Organizational GL Settings Default Screen

- ↳ Click “Setup”
- ↳ Click “GL Account Defaults”
- ↳ Click “Sales Invoice”

A screen similar to the one below should be displayed.

Description	Default GL Account Id	Override GL Account Id	Active To Description
Invoice Adjustment	410000		DISCOUNTS ON SALES
Invoice Header Adjustment	410000		DISCOUNTS ON SALES
Invoice Item Adjustment	409000		MISCELLANEOUS SALES
Invoice Additional Feature(Sales)	410000		DISCOUNTS ON SALES
Invoice Discount(Sales)	410000		GENERAL SALES
Invoice Digital Good Item(Sales)	401000		GENERAL SALES
Invoice Finished/Digital Good Item(Sales)	401000		GENERAL SALES
Invoice Finished Good Item(Sales)	401000		GENERAL SALES
Invoice Interest Charge	810000		INTEREST INCOME ON FINANCE CHARGES OR CUSTOMER ACCOUNTS
Invoice Miscellaneous Charges(Sales)	409000		MISCELLANEOUS SALES
Invoice Product-Feature Item(Sales)	401000		GENERAL SALES
Invoice Product Item(Sales)	401000		GENERAL SALES
Invoice Promotion(Sales)	410000		DISCOUNTS ON SALES
Invoice Sales Tax(Sales)			MISCELLANEOUS SALES
Invoice Shipping and Handling(Sales)	409000		GENERAL SALES
Invoice Service Product Item(Sales)	401000		MISCELLANEOUS SALES
Invoice Surcharge(Sales)	409000		GENERAL SALES
Invoice Time-Entry Item(Sales)	401000		MISCELLANEOUS SALES
Invoice Warranty(Sales)	409000		GENERAL SALES
Invoice Work-Effort Item(Sales)	401000		MISCELLANEOUS SALES

Figure 3.25: Sales Invoice Item Types

You will see that none of our Invoice Item Types have an override GL Account Id. This means that all the account defaults are coming from the Global GL Settings Invoice Item Type.



IMPORTANT NOTE: You will see that there is no account for the Invoice Item Tax. This is because the GL accounts for tax are now controlled by the Tax Authorities setup.

Let's create a temporary override.

- ↳ Select “Invoice Adjustment” from the Invoice Item Type drop down selection
- ↳ Select “400000 - Sales” from the “Override Revenue GL Account ID” drop down selection
- ↳ Click “Save”

Assign Sales Invoice type to Revenue GL Account Number

Invoice Item Type	Invoice Adjustment	←
Override Revenue GL Account Id	400000 - SALES [400000]	←
Save		←

Figure 3.26: Creating a Sales Invoice Item Type Override

Now take a look at the screen.

Description	Default GL Account Id	Override GL Account Id	Active GL Description	Remove
Invoice Adjustment	410000	400000	SALES	
Invoice Header Adjustment				
Invoice Item Adjustment	410000		DISCOUNTS ON SALES	

Figure 3.27: Viewing the New Override

You will see that:

- The new override (400000 SALES) is being displayed.
- A “Remove” link has been added to the end of the line

To remove the override

- ↳ Click “Remove”

The override is removed and the default account is once again taken from the setup in the Global GL Settings.

Did you notice that these Invoice Items Types only refer to the Sales Invoice?

This is because there is a separate GL Account Default for setting up the Purchase Invoice Item Types. Let's take a look at it.

- ↳ Click “Purchase Invoice”

The following screen will be displayed.

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The screenshot shows a web-based application interface for managing purchase invoice item types. At the top, there is a navigation bar with various links: GL Account Type Defaults, Product GL Accounts, Product Category GL Account, FinAccount Type GL Account, Sales To GL Account, Purchase Invoice, Payment Type/GL Account Type Id, Payment Method Id/GL Account ID, Variance Reason GL Accounts, Credit Card Type GL Account, Tax Authority GL Accounts, and Fixed Asset Type GL Mappings.

The main area is titled "For: Your Company Name Here [Company]". Below this, a sub-section titled "Assign Purchase Invoice Type to Revenue GL Account Number" is shown. It includes fields for "Invoice Purchase Item Type" (set to "Invoice Additional Feature (Purchase)"), "Invoice Override Expense GL Account Id" (set to "410000 - DISCOUNTS ON SALES [410000]"), and a "Save" button.

Below these fields is a table with the following columns: Description, Default GL Account Id, Invoice Override Expense GL Account Id, and Active GL Description. The table lists 21 different purchase invoice item types, each with its corresponding default account ID and active GL description. For example, "Purchase Invoice Header Adjustment" has a Default GL Account Id of 516100 and an Active GL Description of PURCHASE ORDER ADJUSTMENTS.

Description	Default GL Account Id	Invoice Override Expense GL Account Id	Active GL Description
Purchase Invoice Header Adjustment	516100		PURCHASE ORDER ADJUSTMENTS
Purchase Invoice Item Adjustment	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Additional Feature(Purchase)	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Discount(Purchase)	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Digital Good Item(Purchase)	140000		INVENTORY
Invoice Finished/Digital Good Item(Purchase)	140000		INVENTORY
Invoice Finished Good Item(Purchase)	140000		INVENTORY
Invoice Fixed Asset Product Item	650000		STATIONERY AND SUPPLIES
Invoice Inventory Product Item	650000		STATIONERY AND SUPPLIES
Invoice Miscellaneous Charges(Purchase)	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Product-Feature Item(Purchase)	140000		INVENTORY
Invoice Product Item(Purchase)	140000		INVENTORY
Invoice Promotion(Purchase)	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Sales Tax(Purchase)	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Shipping and Handling(Purchase)	510000		FREIGHT IN
Invoice Service Product Item(Purchase)	140000		INVENTORY
Invoice Supplies (to Expense) Product Item	650000		STATIONERY AND SUPPLIES
Invoice Surcharge(Purchase)	516100		PURCHASE ORDER ADJUSTMENTS

Figure 3.28: Purchase Invoice Item Type Defaults

All of these default accounts are being taken from the Global GL Settings Invoice Item Types setup. Override accounts can be added and removed in the same way as for the Sales Invoice Item Types.



NOTE: Be aware that some of the Invoice Purchase Item Type from the drop down selection may not exactly match the Description displayed on the screen. For example at the time of writing Invoice Adjustment = Purchase Invoice Header Adjustment.

Finally let's take a look at where an Invoice Item Type is actually used in an OFBiz invoice using the demo data.

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Invoices” from the Application Manager drop down menu
- ↳ Click “Find”

Find Invoice

Search Options:

- Invoice ID: Contains [] Ignore Case
- Description: Contains [] Ignore Case
- Invoice Type: []
- From Party ID: []
- To Party ID: []
- Billing Account ID: []
- Invoice Date: Equals [] Less Than []
- Reference Number: Contains [] Ignore Case

Search Results

Invoice ID	Type	Date	Status	From Party	To Party	Total	Outstanding amount
8010	Sales Invoice	9/17/09	Approved	Your Company Name Here [Company]	Customer, Demo [DemoCustomer]	\$179.97	
8009	Sales Invoice	8/17/09	Paid	Your Company Name Here [Company]	Customer, Demo [DemoCustomer]	\$127.09	
8008	Purchase Invoice	8/13/09	Ready for Posting	Purchase Order Invoice	Demo Supplier [DemoSupplier]	Your Company Name Here [Company]	\$48.00
8005	Purchase Invoice	7/11/09	Ready for Posting	Another Invoice	Demo Supplier [DemoSupplier]	Your Company Name Here [Company]	\$59.99

Figure 3.29: List of Invoices

- ↳ Click on the “Invoice ID” of any invoice (We used 8010)
The invoice detail will be displayed.

Invoice Overview

For: [8010]

Header

Invoice Type: Sales Invoice
Description: Your Company Name Here [Company]
From Party ID: Your Company Name Here [Company]
Role Type Id:
Invoice Date: 2009-09-17
Total: \$179.97
Reference Num:

Status

Applied Payments: \$0.00 / Total: \$179.97

Item No	Product Id	Description	Total	Payment Id	Amount Applied
---------	------------	-------------	-------	------------	----------------

Roles

Party Id	Name	Role Type Id	Percentage	Date Time Performed
----------	------	--------------	------------	---------------------

Terms

Term Type Id	Item No	Term Value	Term Days	Tax Value	Description	UOM
Term Type Id	Due Date	Amount	Paid Amount	Outstanding Amount		
	2009-09-17 23:59:59.000	\$179.97	\$0.00	\$179.97		

Items

Item No	Invoice Item Type	Override GL Account Id	Override Org Inventory Party Id	Item Id	Product Id	Product Feature Id	Parent Invoice Item Id	UOM Seq Id	Taxable Flag	Quantity	Unit Price	Description	Tax Authority Party	Tax Auth Geo ID	Tax Authority Rate Seq Id	Sales Opportunity Id Id	Order Total
00001	Invoice Finished Good Item (Sales)	SCCSWG-1111								3	\$59.99	Nano Chrome Widget					\$179.97

Figure 3.30: Invoice Item Type on an Invoice

You will see the Invoice Item Type displayed under the “Items” section of the invoice.
This completes the overview of the Global GL Settings Invoice Item Types.

Rates

Rates are used to create a “pay rate” or “charge amount” that can be used in the calculation of a task, employee salary or a service that involves people.

This is closely linked to the OFBiz Human Resources Manager application but is also used across multiple OFBiz applications (Manufacturing, Asset Maintenance, Project Tasks, Timesheet Entry etc) where person related work tasks are required.

Rate Description	Period Type Id	Party Id	Rate Amount	Comments / Meaning
Average Pay Rate	Rate amount per month		\$2,000.00	
Average Pay Rate	Rate amount per month		\$2,300.00	
Discounted Rate	Rate amount per Hour		\$55.00	
Overtime Rate	Rate amount per Hour		\$125.00	
Standard Rate	Rate amount per Hour		\$55.00	

Figure 3.31: Rates Default Screen

Key	Comments / Meaning
Rate Type Id	This is the type of rate (e.g. Discounted Rate, Overtime Rate)
Rate Amount	This is the rate amount (e.g. 50)
Party Id	If entered then this is the Party ID for which the pay rate is valid
Work Effort Id	If entered then this is the Task (Work Effort) that the pay rate is applicable for
Period Type Id	This is the Time Period related to the rate (e.g. per hour, per month)
Rate Currency Uom Id	This is the Currency for the rate amount (e.g. USD)
Empl Position Type Id	This is an Employee Position or Level for which the rate is applicable

We can setup and maintain different pay rates and charges based on different time periods, a specific person, a particular task or their position in the company.

At the time of writing the demo data includes the following:

- A monthly pay rate of \$2000 for a Programmer
- An average employee monthly pay rate of \$2300
- A standard employee pay rate of \$95 per hour
- A discounted employee rate of \$55 per hour
- A standard employee overtime rate of \$125 per hour



NOTE: If you intend to use the OFBiz Human Resource Manager or need to track labour costs as part of manufacturing production or service delivery then you will need to setup the rate details here.

Foreign Exchange Rates

Foreign exchange rates are used to convert from one currency to another. A business will usually want to work in one main currency (e.g. GBP) but will allow transactions in other currencies (e.g. EUR, USD).

These currencies will need to be converted to the main currency at some point in order to generate financial reports (e.g. Balance Sheet or Income Statement) and most importantly to adhere to Tax Authority regulations.

From Currency	To Currency	Purpose	Rate	From
EUR	USD		1.5	2001-01-01 00:00:00.000
USD	EUR		0.7	2001-01-01 00:00:00.000
USD	USD		1	2001-01-01 00:00:00.000

Figure 3.32: Foreign Exchange Rates Default Screen

Key	Comments / Meaning
From Currency	This is the Currency Code that you want to convert from
To Currency	This is the Currency Code that you want to convert to
Purpose	This is a selection field to specify whether the conversion is for Internal or External purposes. It can be left blank and the conversion still can be specified
Rate	This is the conversion rate to be used
From Date	This is the start date and time from which the rate is valid
Thru Date	This is the end date and time to which the rate was valid

OFBiz currently allows you to input to three different rates for the same currency using the “Purpose” field. With this you can specify whether the conversion is to be used internally, externally or leave the field blank.



IMPORTANT NOTE: Foreign exchange rates cannot be removed or deleted. Existing rates are expired when a new exchange rate for the same currency conversion and purpose is entered.

In OFBiz currency conversion will be done automatically if you have specified a rate although you do have the opportunity to override this if you have a more accurate conversion.

GL Account Category

A “General Ledger Account Category” (or GL Account Category) is a generic term to describe the way you can segment or classify accounts. Categories can be setup and then linked to the required accounts.

Another way to think about it is that it is like adding an extra tag to an account so that you can easily retrieve that account to do any additional reporting or processing.

In OFBiz at the time of writing, the GL Account Category has been used to implement cost centre functionality for the Chart of Accounts.



NOTE: A cost centre is a defined area or part of the organisation where costs can be allocated. If a department or person in your organisation has a budget where they need to track their operating costs or spending then this can also be a cost centre.

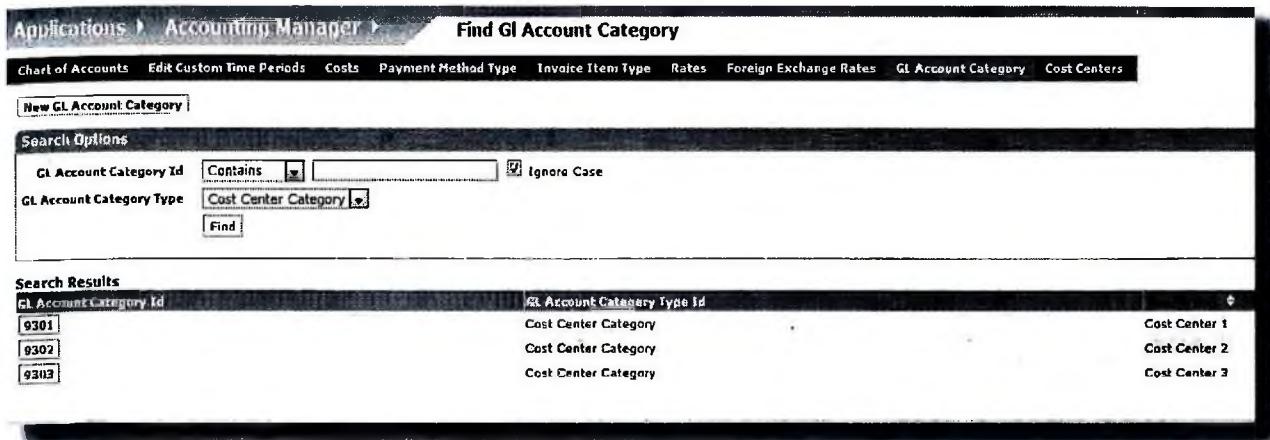


Figure 3.33: GL Account Category Default Screen

Advanced Note: At the time of writing, only one type of GL Account Category exists (Cost Center Category). If you want to create new Category Types then it needs to be done via the WebTools menus using Entity Data Maintenance and the GLAccountCategoryType entity

Let's take a look at one of these entries.

- ↳ Click the “GL Account Category” link for one of the entries (We used 9301)

A screen similar to the one will be displayed.

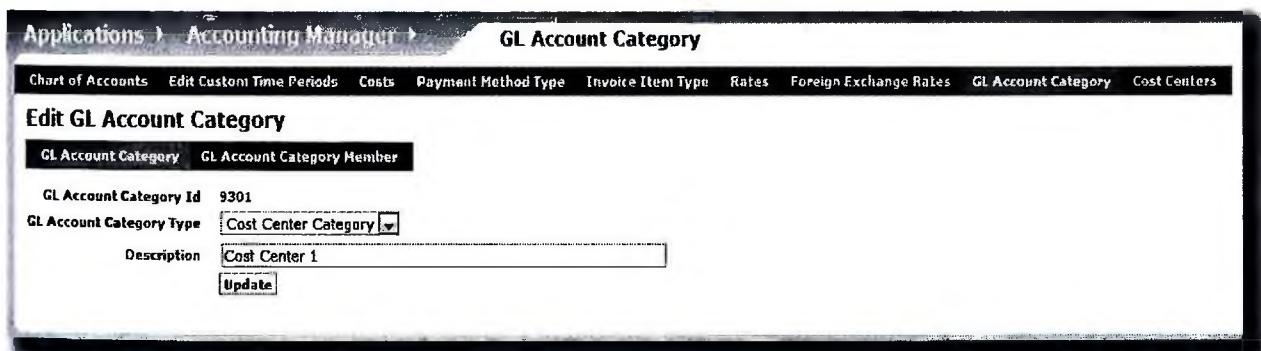


Figure 3.34: GL Account Category Detail

- ↳ Click “GL Account Category Member”

The screenshot shows the 'Edit GL Account Category Member' screen. At the top, there's a navigation bar with links like 'Chart of Accounts', 'Edit Custom Time Periods', 'Costs', etc. Below that is a sub-navigation bar with 'Edit GL Account Category Member'. The main area contains a table with three rows of account information:

GL Account Id	GL Account Category Id	From Date	Thru Date - Amount Percentage - Update	Delete Link
112000-UNDEPOSITED RECEIPTS	Cost Center 1	2009-07-08 11:54:03.800	<input type="text"/> <input type="button" value="50"/> <input type="button" value="Update"/> <input type="button" value="Delete"/>	<input type="button" value="Update"/> <input type="button" value="Delete"/>
140000-INVENTORY	Cost Center 1	2009-05-08 11:54:03.800	<input type="text"/> <input type="button" value="50"/> <input type="button" value="Update"/> <input type="button" value="Delete"/>	<input type="button" value="Update"/> <input type="button" value="Delete"/>
516100-PURCHASE ORDER ADJUSTMENTS	Cost Center 1	2009-06-08 11:54:03.800	<input type="text"/> <input type="button" value="50"/> <input type="button" value="Update"/> <input type="button" value="Delete"/>	<input type="button" value="Update"/> <input type="button" value="Delete"/>

Below the table, there's a form for adding new entries:

GL Account Category Id: 9301
GL Account Id: 100000
From Date:
Thru Date:
Amount Percentage:

Figure 3.35: Accounts Linked to GL Account Category (Cost Centre)

This shows us:

- Which accounts from our Chart of Accounts have been linked to this GL Account Category (or Cost Centre).
- The date that the link was made
- The percentage of the costs that will be allocated to this GL account Category (Cost Centre)

We can add any new accounts to be allocated and remove or update existing ones.

Cost Centers

The “Cost Centers” setup is closely linked with the GL Account Categories as mentioned in the previous section.

Reminder: A cost centre is a defined area or part of an organisation where costs (direct or indirect) can be allocated.

By default OFBiz will allocate and post 100% of any accounting value to the specified General Ledger account. Setting up Cost Centres allows you to split the amount across different areas using a percentage calculation.

For example:

- You want to buy something that costs £90.
- Three different departments will contribute to buying it.
- Each department will pay £30.

OFBiz will allow you to setup the percentage that each cost centre will contribute so that you can view and track how much each department has contributed or spent.

Organization Party Id	GL Account Id	Account Code	Account Name	Cost Center 1	Cost Center 2	Cost Center 3
Your Company Name Here [Company]	112000	112000	UNDEPOSITED RECEIPTS	50 %	20 %	30 %
Your Company Name Here [Company]	140000	140000	INVENTORY	50 %	20 %	30 %
Your Company Name Here [Company]	516100	516100	PURCHASE ORDER ADJUSTMENTS	50 %	20 %	30 %

Figure 3.36: Cost Centres and Percentage Account Allocation



NOTE: You can only change the percentage allocation in this screen. If you want to add other accounts then it can be done via the GL Account Categories setup

Let's go and take a quick look at where we can see the allocation split that this setup triggers.

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Organization GL Settings” from the Accounting Manager drop down menu

Figure 3.37: Organization GL Settings Default Screen

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- ↳ Click “Accounting”
- ↳ Click “Reports”
- ↳ Click “Cost Centers”

A screen similar to the following will be displayed.

GL Account Id	Account Code	Account Name	Posted Balance - (USD)	Cost Center 1 - (USD)	Cost Center 2 - (USD)	Cost Center 3 - (USD)
111100	111100	GENERAL CHECKING ACCOUNT	-30			
112000	112000	UNDEPOSITED RECEIPTS	266.56	133.28	53.312	79.968
120000	120000	ACCOUNTS RECEIVABLE	0			
122300	122300	ACCOUNTS RECEIVABLE - MASTER CARD / VISA	265.32			
126000	126000	ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS	-266.56			
146000	186000	ACCUMULATED DEPRECIATION - DATA PROCESSING EQUIP	600			
210000	210000	ACCOUNTS PAYABLE	100			
216000	216000	ACCOUNTS PAYABLE - UNAPPLIED PAYMENTS	-50			
224153	224153	SALES TAX COLLECTED USA - UT	-13.52			
401000	401000	GENERAL SALES	-279.8			
410000	410000	DISCOUNTS ON SALES	28			
675200	678500	DEPRECIATION - DATA PROCESSING EQUIPMENT	-600			

Figure 3.38: Cost Center Report

- ↳ Take a look at the 112000 UNDEPOSITED RECEIPTS entry

We can see that this had a total 266.56 USD posted to it and that:

- 133.28 USD (50%) has been allocated to Cost Center 1
- 53.312 USD (20%) has been allocated to Cost Center 2
- 79.968 USD (30%) has been allocated to Cost Center 3



NOTE: If you haven't processed any sales from the OFBiz e-commerce store using the demo data then you may not have any entries showing in the 112000 UNDEPOSITED RECEIPTS account

This completes the overview of the Global GL Settings

Global GL Settings Summary

Let's do a quick review of what we have covered in this chapter.

- We have gone through each of the options of the GL Settings menu to explain its functionality and use.
- We described the Master Accounting Template that OFBiz uses
- We talked about the account hierarchy and structure
- We added a new account and showed where this account would be visible
- We looked at Custom Time Periods and what they are used for
- We took a look at Cost Calculations and how to set them up
- We looked at Payment Method Types and described what they are and how to link them to a GL account
- We looked at Invoice Item Types and gave some examples of how they can be used to track different types of product
- We briefly looked at Rates and where they were used
- We also looked at Foreign Exchange Rates and how to set these up
- Finally we looked at GL Account Categories and the implementation of Cost Centres

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Chapter 4:

Business

Accounting Setup

What is Business Accounting Setup?

“Business Accounting Setup” is a general term that simply means how you configure an accounting system for your own business. In OFBiz this is done using the “Organization GL Settings” option.

So what Accounting setup or configuration do we need ?

The key ones are briefly described below:

- Chart of Accounts - this is the complete accounting ledger or list of accounts that a company uses (sometimes also referred as the General Ledger or GL)
- Financial Periods - this is a fixed period that normally corresponds to a tax period or year
- Tax Settings - this is where any tax related setup such as Sales Taxes is done (NOTE: This is covered separately in Chapter 6 Tax Authorities)
- General Account Defaults - these are rules that we can specify to allow OFBiz to automatically generate accounting transactions for us

Tip: The Organization GL Settings are linked to the Global GL Settings and settings are defaulted from the Global ones but can be overridden at this level.

The Organization GL Settings menu can be found as follows:

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Organization GL Settings” from the Accounting Manager drop down menu

A screen similar to the one below will be displayed.

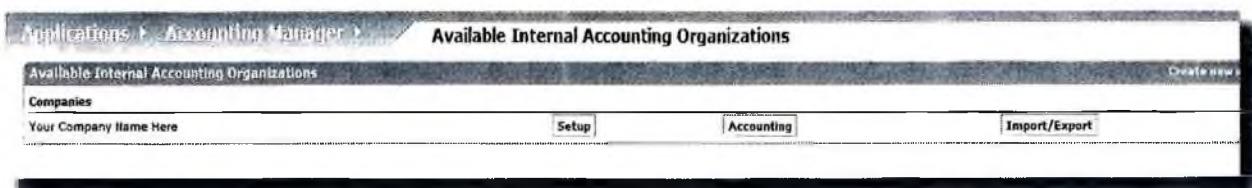


Figure 4.1: Default Screen for Organization GL Settings

This screen shows a list of organisations that accounting settings can be configured for. If you have installed the demo data then only the default company “Company” will be displayed.

When you do your own accounting setup you have the choice of either using the default “Company” for your organisation or to setup a completely new organisation of your own.

Tip: To appear on this screen the company must be setup in the Party Manager application and linked to the ‘Internal Organization’ role. It then needs to be created as an “Accounting Company”. This is all covered later in this Chapter.

You will notice that there are three links are associated with “Company”. These are:

- Setup - which is what we will cover in this chapter
- Accounting - which is covered in a separate chapter (Chapter 5 Accounting Transactions)
- Import/Export - which is a specific piece of functionality that allows you to import or export invoices at an organizational level

So let's take a look at the Setup options.

↳ Click “Setup”

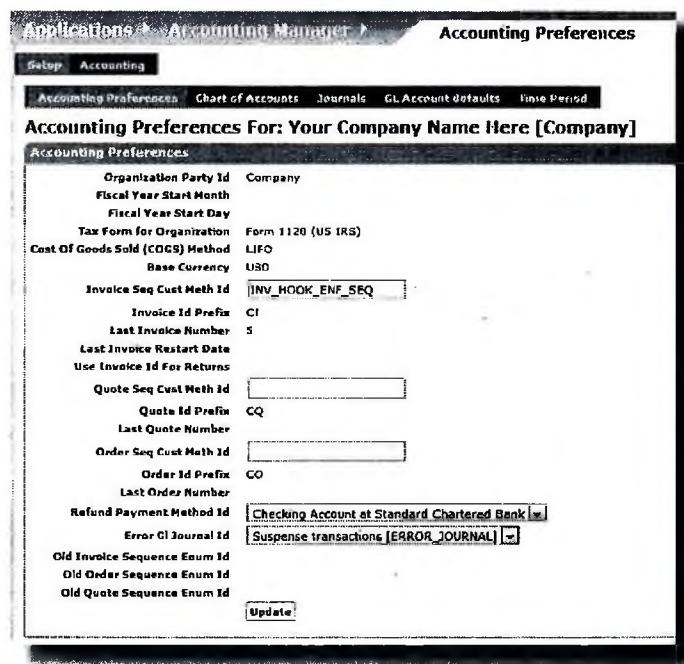


Figure 4.2: Accounting Preferences



NOTE: The first time the Accounting Preferences configuration is done for a new company all the fields are open and editable. Once an initial configuration has been done then only certain fields will be open for editing.

As “Company” is already setup in the demo data we have a reduced number of fields available for editing. The following table gives a detailed overview of each of the fields and their uses.

Field	Comments / Meaning
Organization Party ID	This is the organisation identifier (usually numeric) taken from Party Manager when the organisation is created. (e.g. Company)
Fiscal Year Start Month	This is the starting month of the organisation's Financial Year and is numeric (e.g. 04 = April)
Fiscal Year Start Day	This is the day the organisation's Financial Year starts and is numeric (e.g. 01 = 1st of the month)
Tax Form for Organization	This is the name of the Tax Form (similar to Tax Return) used for the organisation. (e.g. Form 1120 from the US IRS) (NOTE: New forms can be added to the “Enumeration” entity using Enumeration ID = ACTGPREF_TAXFORM)
Cost of Goods Method (COGS)	This is the way that Products or Goods will be valued. NOTE: There are several formulas including First In First Out (FIFO), Average Cost and Last in First Out (LIFO)
Base Currency	This is the main organisation and accounting currency
Invoice Seq Custom Method ID	This setting allows you to specify whether you want the invoice numbering to be reset back to 1 at the beginning of each financial year. By default there are no gaps in the invoice numbering sequence.
Invoice Prefix	This is used to specify the prefix for each invoice (e.g. INV...)
Last Invoice Number	This is the last invoice number created for this organisation.
Last Restart Date	This is the date the invoice sequence was restarted
Use Invoice ID for Returns	This flag allows the invoice numbering sequence to be used for returns
Quote Seq Cust Method ID	This setting allows you to specify whether there should be any gaps in the quote numbering sequence. NOTE: Many organisations may not need this sequence to be enforced as strictly as invoices.
Quote ID Prefix	This is used to specify the prefix for each quote.(e.g. QTE...)
Last Quote Number	This is the last quote number created for this organisation.
Order Seq Cust Method ID	This setting allows you to specify whether there should be any gaps in the order numbering sequence. NOTE: Many organisations may not need this sequence to be enforced as strictly as the invoice

Field	Comments / Meaning
Order ID Prefix	This is used to specify the prefix for each order. (e.g. ORD...) IMPORTANT NOTE: There is also a setting in the Webstore that controls order prefixes, if both are setup then the prefix will be a combination of both.
Last Order Number	This is the last order number created for this organisation.
Refund Payment Method ID	This is the default method used for paying refunds.
Error GI Journal ID	This is the journal account that will be used to hold any accounting transactions that cannot post because of errors.
Old Invoice Sequence Enum ID	This is an old setting that was used when the ENUM entity (rather than the Custom Method entity) was used for Invoice numbering that has been included for continuity.
Old Order Sequence Enum ID	This is an old setting that was used when the ENUM entity (rather than the Custom Method entity) was used for Order numbering that has been included for continuity.
Old Quote Sequence Enum ID	This is an old setting that was used when the ENUM entity (rather than the Custom Method entity) was used for Quote number that has been included for continuity.

Tip: Use 'INV_HOOK_ENF_SEQ' to enforce an invoice sequence with no gaps. Use 'INV_HOOK_RES_YR' to reset invoice numbering to '1' at the beginning of each financial year.

In order to give you a better understanding of how to setup an organisation we will do an example.

- We will create a new Party to represent our company
- We will then setup the Accounting Preferences

Later in this book we can continue to use our newly created company for other setup.

Creating a New Organisation Party

The first step is to create a party that represents our business or organisation. This is done in Party Manager.



NOTE: Party Manager is the application where we create all the entities (companies, people, groups, departments) that we deal with in the course of doing business.

To access Party Manager

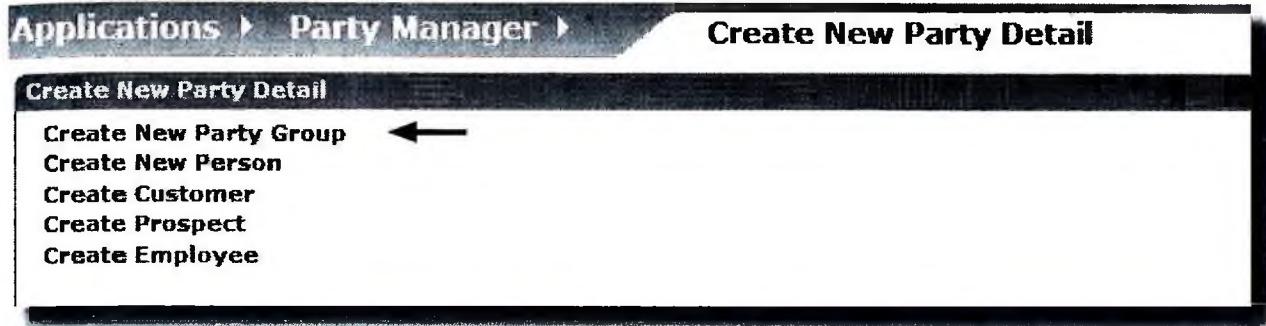
- ↳ Select “Party” from the Applications drop down menu

A screen similar to the one below will be displayed.

Figure 4.3: Party Manager Default Screen

Let's create our new company.

- ↳ Click “Create New”

**Figure 4.4: Create New Party**

The company we are creating is not an individual (person, customer, prospect or employee). It is an organisation and in OFBiz this is called a “Party Group” (i.e. a group of people).

- ↳ Click “Create New Party Group”

A screen similar to the one below will be displayed.

Edit Group Information	
Group Name	<input type="text" value="My New Test Company"/> Required ←
Group Name Local	<input type="text"/>
Office Site Name	<input type="text"/>
Annual revenue	<input type="text"/>
Number of employees	<input type="text"/>
Ticker symbol	<input type="text"/>
Comments	<input type="text"/>
Logo Image Uri	<input type="text"/>
Description	<input type="text"/>
Preferred Currency Uom Id	American Dollar - USD
External Id	<input type="text"/>
<input type="button" value="Save"/> ← <input type="button" value="Cancel/Done"/>	

Figure 4.5: Creating a New Party Group

- ↳ Enter “My New Test Company” in the Group Name
- ↳ Click “Save”

A screen similar to the following will be displayed.

Getting Started with Apache OFBiz® Accounting

The screenshot shows the 'View Party Profile' page for a newly created party group. The party ID is 10000 and the group name is 'My New Test Company'. The page displays various sections including 'Party Group Information', 'User Name(s)', 'Party Attribute(s)', 'AVS (Override CC Fraud Screening)', 'Party Content', 'Attach Content', 'Notes', 'Visits', and 'Sitelinks'. Each section contains descriptive text and links for further action.

Figure 4.6: Newly Created Party Details

The new Party Group has been created but we need to add a specific role to it - to let OFBiz know that it is an organisation that will have an accounting setup. To do this:

- ↳ Click “Roles”

The screenshot shows the 'View Party Roles' page. In the 'Member Roles' section, there is an 'Add To Role' button and an 'Add To Main Role' section. Within 'Add To Main Role', a dropdown menu is set to 'Internal Organization' and an 'Add' button is highlighted with a red arrow. The URL in the browser's address bar is <http://localhost:8080/ofbiz/applications/PartyManager/roles>.

Figure 4.7: Adding the Internal Organization Role

- ↳ Select “Internal Organization” for the Role Type Id
- ↳ Click “Add”

The internal organization role will be added to our new Party Group.



Figure 4.8: Internal Organization Role Added

Now this is done we can begin the Accounting setup.

Setting Up Accounting Preferences

Let's go back to Organization GL Settings;

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Organization GL Settings” from the Accounting Manager drop down menu

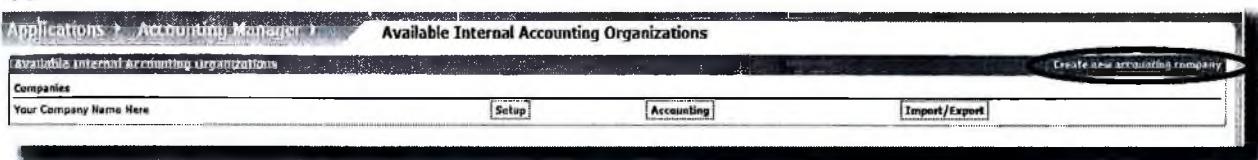


Figure 4.9: Available Internal Organizations

You will notice that our new company doesn't appear yet. That's because we need to create another link.

- ↳ Click “Create new accounting company”

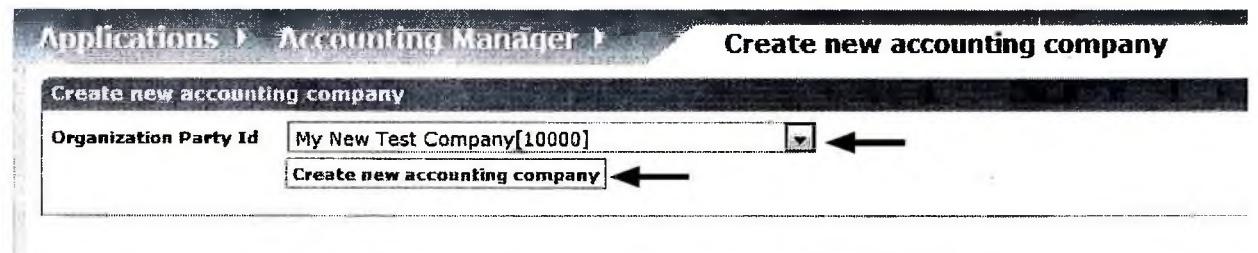


Figure 4.10: Create New Accounting Company

- ↳ Select “My New Test Company” for the Organization Party Id
- ↳ Click “Create new accounting company”

The Accounting Preferences screen for the new company will be displayed.

The screenshot shows the 'Accounting Preferences' page for 'My New Test Company [10000]'. The page has tabs for 'Setup' and 'Accounting'. Under 'Accounting Preferences', there are several dropdown menus and input fields. Three arrows point to specific fields: 'Invoice Id Prefix' (highlighted in red), 'Quote Id Prefix' (highlighted in green), and 'Add' (highlighted in blue).

Setting	Value
Organization Party Id	10000
Fiscal Year Start Month	01-Jan
Fiscal Year Start Day	1
Tax Form for Organization	Form 1040 (US IRS)
Cost Of Goods Sold (COGS) Method	Average Cost
Base Currency	American Dollar - USD
Invoice Seq Cust Meth Id	
Invoice Id Prefix	
Last Invoice Number	
Last Invoice Restart Date	
Use Invoice Id For Returns	
Quote Seq Cust Meth Id	
Quote Id Prefix	
Last Quote Number	
Order Seq Cust Meth Id	
Order Id Prefix	
Last Order Number	
Refund Payment Method Id	
Error GL Journal Id	
Old Invoice Sequence Enum Id	Enforced Sequence (no gaps, per organization)
Old Order Sequence Enum Id	Enforced Sequence (no gaps, per organization)
Old Quote Sequence Enum Id	Enforced Sequence (no gaps, per organization)
Add	

Figure 4.11: Accounting Preferences for New Accounting Company

- ↳ Enter the details (NOTE: In our example we left the defaults and entered only prefixes e.g. INV for Invoices, ORD for Orders and QTE for Quotes)
- ↳ Click “Add”

Our new Accounting Preferences have now been created. The next step is to create a chart of accounts for this company.

Creating a Chart of Accounts

As mentioned in the previous chapter (Chapter 3 Global GL Settings) OFBiz comes with a Master Template for a very comprehensive chart of accounts. This means that it is very likely that the range of accounts that you need may already exist in the Master Template.

The complete list can be found in under ‘Global GL Defaults’ under the ‘Accounting’ tab.

Some important points to note are that:

- You do not need to use all the accounts defined in this Master Template
- You can create your own additional accounts if you don't want to use the ones in the Master Template
- You can load your own chart of accounts by using the XML data templates used for loading the demo data. (See Appendix B)

So what is a Chart of Accounts?

A Chart of Accounts is used to define the list of accounts that will be actively used by your business.

For example the Global Chart of Accounts Master Template may contain a hundred different accounts but only twenty are relevant to your business. This means that you only need to create assignments to the twenty accounts that you actively want to use.

The Chart of Accounts is a mixture of business needs (i.e. being able to track the information you need for your business) and tax requirements (i.e. legal or government requirements necessary for operating a business). The type of Chart of Accounts that you setup will be dependent on your business type.

As mentioned above, the Chart of Accounts is built up by selecting the accounts that you want to use from the Global Chart of Accounts Master Template. This means that if you want to create a new account then you need to first create it in the Global Chart of Accounts and then link (or assign) it to the Chart of Accounts for your organisation.

Tip: It may be a lot simpler and easier to look for accounts in the Master Template that you can rename and use.

In order to give you a better understanding of how to create a Chart of Accounts for a new organisation we will do an example.

- We will create a new Chart of Accounts for our new company

We will use the new company (My New Test Company) that we created in the previous section.

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Organization GL Settings” from the Accounting Manager drop down menu

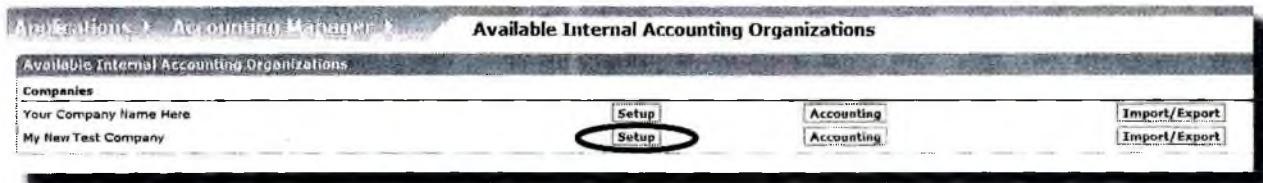


Figure 4.12: Organization GL Settings Default Screen

- ↳ Click “Setup” for My New Test Company
- ↳ Click “Chart of Accounts”

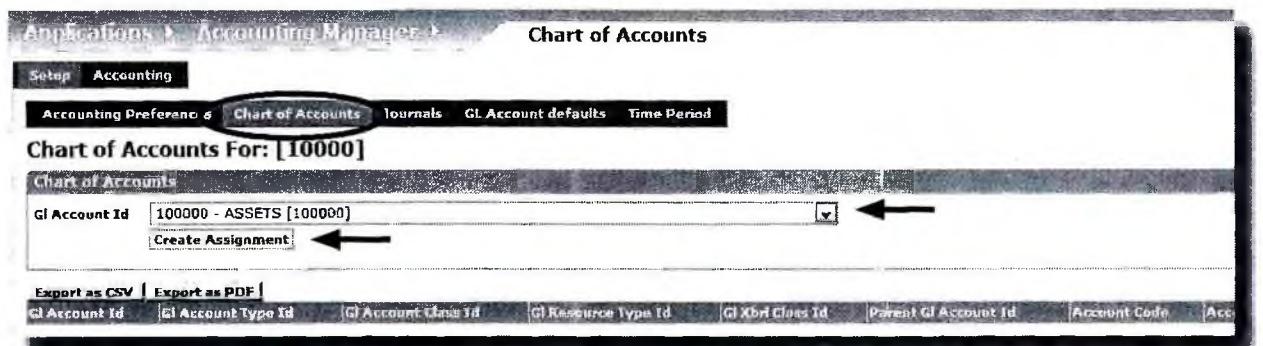


Figure 4.13: Empty Chart of Accounts

Reminder: A Chart of Accounts is made up of accounts from 5 main areas: Assets, Income, Expenses, Liabilities, Equity

Let's add an account.

- ↳ Select “10000 Assets” from the GL Account Id drop down selection
- ↳ Click “Create Assignment”

The newly assigned account will be displayed in the lower part of the screen.

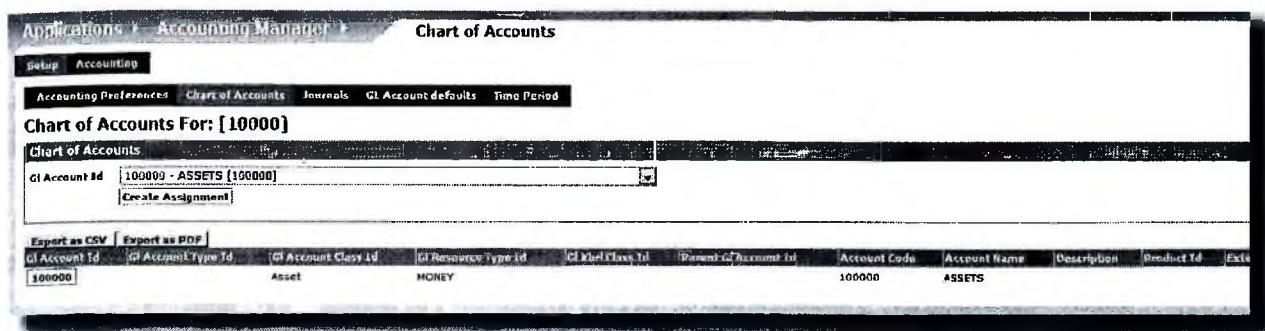


Figure 4.14: First Account Added to Chart of Accounts

- ↳ Add the accounts from the following table in the same way.

Field	Account Type
110000 CASH	ASSET
111100 GENERAL CHECKING ACCOUNT	ASSET
120000 ACCOUNTS RECEIVABLE	ASSET
140000 INVENTORY	ASSET
210000 ACCOUNTS PAYABLE	LIABILITY
224000 SALES TAX	LIABILITY
310000 CAPITAL	EQUITY
400000 SALES	INCOME
500000 COST OF GOODS SOLD	EXPENSE
601100 WAGES - EMPLOYEES	EXPENSE
650000 STATIONERY AND SUPPLIES	EXPENSE

When you have finished your screen should look similar to the following:

GL Account Id	GL Account Type Id	GL Account Class Id	GL Resource Type Id	GL Chart Class Id	Parent GL Account Id	Account Code	Account Name	Description	Product
100000		Asset	MONEY		100000		ASSETS		
110000	Current Asset	Cash and Equivalent	MONEY		110000		CASH		
111000	Current Asset	Cash and Equivalent	MONEY		111000		GENERAL CHECKING ACCOUNT		
120000	Accounts Receivable	Current Asset	MONEY		100000	120000	ACCOUNTS RECEIVABLE		
140000	Inventory	Inventory Asset	MONEY		100000	140000	INVENTORY		
230000	Accounts Payable	Current Liability	MONEY		200000	210000	ACCOUNTS PAYABLE		
224000	Current Liability	Current Liability	MONEY		220000	224000	SALES TAX COLLECTED		
310000	Owner's Equity	Owners Equity	MONEY		300000	310000	CAPITAL		
400000		Revenue	MONEY			400000	SALES		
500000		Cost of Goods Sold Expense	MONEY			500000	COST OF GOODS SOLD		
601100		Selling, General, and Administrative Expense	MONEY		601000	601100	WAGES - EMPLOYEES		
650000		Selling, General, and Administrative Expense	MONEY		600000	650000	STATIONERY AND SUPPLIES		

Figure 4.15: Completed Chart of Accounts

The new Chart of Accounts can be exported to CSV or PDF formats using the screen links.

Now that we have created a Chart of Accounts - what if we wanted to delete it or remove an account?

Accounts are not deleted from the Chart of Accounts - they are simply no longer selected to be used. It is important that you do not remove accounts that are active and have already been used for transactions. Even if the net balance of the account is zero then from an audit perspective then you should not be removing accounts.

Advanced Tip: You should only try to remove accounts that have never been used. To un-assign accounts, use Entity Data Maintenance on the Webtools menu and find the "GIAccountOrganization" entity. Delete the relevant record to remove the link.

Journals

A Journal can be defined as the “recording of an accounting transaction”.

If you have loaded the demo data then by default OFBiz has created a Journal called “ERROR_JOURNAL”. This “ERROR_JOURNAL” is referenced in the Accounting Preferences setup for “Company”.

Quote Id Prefix	CQ
Last Quote Number	
Order Seq Cust Meth Id	
Order Id Prefix	CO
Last Order Number	
Refund Payment Method Id	Checking Account at Standard Chartered Bank
Error Gl Journal Id	Suspense transactions [ERROR_JOURNAL]
Old Invoice Sequence Enum Id	
Old Order Sequence Enum Id	
Old Quote Sequence Enum Id	
Update	

Figure 4.16: Error Journal in “Company” Accounting Preferences

In this case the “ERROR_JOURNAL” is used to store details of any transaction that fail and cannot be posted to a general ledger account.



NOTE: Transactions falling into error can be as the result of incomplete setup or an invalid transaction (e.g. a transaction that should never occur).

When we created our new company (My New Test Company) we didn't include an Error Journal for it so let's do that now.

- We are going to create a new Error Journal
- We will then link it to the Accounting Preferences for our new company

To create the new journal

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Organization GL Settings” from the Accounting Manager drop down menu
- ↳ Click “Setup” for My New Test Company
- ↳ Click “Journals”

To enter the Journal details

- ↳ Enter “My Test Journal” in the Gl Journal Name field
- ↳ Click “Submit”

The screenshot shows a web-based accounting application interface. At the top, there's a navigation bar with tabs: Setup, Accounting, Accounting Preferences, Chart of Accounts, Journals, GL Account defaults, and Time Period. Below this, a title reads "Journals For: My New Test Company [10000]". A sub-section titled "Journals" contains a form. In the form, there is a text input field labeled "GL Journal Name" containing the value "My New Test Journal". Below the input field is a "Submit" button. Two black arrows point from the right side of the image towards the "Submit" button and the "GL Journal Name" input field respectively.

Figure 4.17: Creating a New Journal

The new Journal will be displayed.

This screenshot shows the same accounting application interface after the journal has been created. The title "Journals For: My New Test Company [10000]" is still at the top. Below it, the "Journals" section now lists the newly created journal. The table row for the journal includes the "GL Journal Id" (10000), the "GL Journal Name" ("My New Test Journal"), and three empty buttons for "Is Printed", "Posted Date", and "Remove".

Figure 4.18: Newly Created Journal

Next we need to add this Journal to the Accounting Preferences setup for My New Test Company.

- ↳ Click “Accounting Preferences”
- ↳ Select the newly created Journal for “Error Gl Journal Id”
- ↳ Click “Update”

Applications ▶ Accounting Manager ▶ Accounting Preferences

Setup Accounting

Accounting Preferences Chart of Accounts Journals GL Account defaults Time Period

Accounting Preferences For: My New Test Company [10000]

Accounting Preferences

Organization Party Id	10000
Fiscal Year Start Month	1
Fiscal Year Start Day	1
Tax Form for Organization	Form 1040 (US IRS)
Cost Of Goods Sold (COGS) Method	Average Cost
Base Currency	USD
Invoice Seq Cust Meth Id	<input type="text"/>
Invoice Id Prefix	IT
Last Invoice Number	
Last Invoice Restart Date	
Use Invoice Id For Returns	
Quote Seq Cust Meth Id	<input type="text"/>
Quote Id Prefix	QT
Last Quote Number	
Order Seq Cust Meth Id	<input type="text"/>
Order Id Prefix	OT
Last Order Number	
Refund Payment Method Id	<input type="text"/>
Error GL Journal Id	<input type="text" value="My New Test Journal [10000]"/> ←
Old Invoice Sequence Enums Id	Enforced Sequence (no gaps, per organization)
Old Order Sequence Enum Id	Enforced Sequence (no gaps, per organization)
Old Quote Sequence Enum Id	Enforced Sequence (no gaps, per organization)
Update	←

Figure 4.19: Adding the Journal to Accounting Preferences

This completes the Journal setup.

GL Account Defaults

“GL Account Defaults” is an abbreviation for “General Ledger Account Defaults”. These are an important part of OFBiz accounting setup. You can think of them as rules you can setup that allow OFBiz to automatically generate accounting transactions.

Reminder: Accounting transactions are made up of a Debit and a Credit Entry

The GL Account defaults help to map which accounts are used to generate a part of the transaction. This means that certain mappings will be used to generate the Debit (or DR) entry and others used to generate the Credit (or CR) entry.

At the time of writing, the GL Account Defaults are made up of 13 different setup rules as follows:

- GL Account Type Defaults
- Product GL Accounts
- Product Category GL Accounts
- FinAccount Type GL Account
- Sales Invoice
- Purchase Invoice
- Payment Type / GL Account Type Id
- Payment Method Id / GL Account Id
- Variance Reason GL Accounts
- Credit Card Type GL Account
- Tax Authority GL Accounts
- Party GL Accounts
- Fixed Asset Type GL Mappings

We will go through each one in turn and describe how they are used.

To access the GL Account Defaults

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Organization GL Settings” from the Accounting Manager menu
- ↳ Click “Setup” for Your Company Name Here
- ↳ Click “GL Account defaults”

The default screen displayed is the “GL Account Type Defaults”.

GL Account Type	GL Account Id	GL Account Name	Action
Accounts Payable	100000	100000 - ASSETS [100000]	Remove
Accounts Receivable	210000	210000 ACCOUNTS RECEIVABLE 210000	Remove
Accounts Payable - Unapplied Payments	216000	216000 ACCOUNTS PAYABLE - UNAPPLIED PAYMENTS 216000	Remove
Accounts Receivable - Unapplied Payments	126000	126000 ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS 126000	Remove
Cost of Goods Sold	500000	500000 COST OF GOODS SOLD 500000	Remove
Commissions Payables	221000	221000 ACCRUED COMMISSIONS DUE 221000	Remove
Customer Credits	213000	213000 CUSTOMER CREDITS 213000	Remove
Customer Deposits	213300	213300 SPECIAL ORDER DEPOSITS 213300	Remove
Interest Income Receivables	121000	121000 ACCOUNTS RECEIVABLE TRADE - INTEREST RECEIVABLE 121000	Remove
Inventory	140000	140000 INVENTORY 140000	Remove
Payable from Inventory Transferred In	215000	215000 PAYABLE FOR INVENTORY TRANSFERRED IN 215000	Remove
Receivable from Inventory Transferred Out	125000	125000 RECEIVABLE FROM INVENTORY TRANSFERRED OUT 125000	Remove
Inventory Item Value Adjustment	515000	515000 WRITE DOWNS BELOW COST 515000	Remove
Operating Expense	600000	600000 EXPENSE 600000	Remove
Prepaid Expenses	130000	130000 PREPAID EXPENSES, DEPOSITS, OTHER CURRENT ASSETS 130000	Remove
Profit Loss	850000	850000 NET INCOME 850000	Remove
Raw Materials Inventory	141000	141000 RAW MATERIALS INVENTORY 141000	Remove

Figure 4.20: GL Account Type Defaults

GL Account Type Defaults

The “GL Account Type Defaults” is used to specify the default account that certain types of transactions are posted to.

Each transaction coming through your accounting system will have a type (e.g. Accounts Payable, Accounts Receivable, Commission, Purchase Price Variance, Inventory) that describes what the transaction is for. This allows us to map which general ledger account the transaction will use.

An accounting transaction is made up of two parts - a Debit Entry and a Credit Entry that balance each other. This GL Account Type Default is used to create one side of the accounting transaction that is triggered when you “receive a payment”.

How the GL Account Type is used is best shown by an example.

A very simple description of an online Sales Order Process could be as follows:

- Customer Orders a Product (and Creates a Sales Order)
- Customer Pays for Product (via Credit Card, Internet Banking etc)
- Vendor confirms Payment has been made and Dispatches the Product to the Customer

Let's focus on the first part step of 3 in more detail.

- The Vendor has checked their bank statement and seen that the Customer has paid
- In OFBiz Order Manager they will look up the relevant Sales Order and then click the “Receive Payment” link to log the payment in the system
- The “Receive Payment” link is a trigger for an “automatic” OFBiz accounting transaction
- The transaction that is triggered is called “Incoming Payment”
- The accounting entries generated by the Incoming Payment transaction are:

DR 112000 Undeposited Receipts
CR 120000 Accounts Receivable

The CR (or Credit) entry for the Incoming Payment transaction is created by this GL default (GL Account Type Default) using the mapping for “Accounts Receivable” which, if you are using the demo data, will go the account 120000 Accounts Receivable.

The DR (or Debit) entry for the Incoming Payment transaction is created by a different GL Account default (which we cover later on in this chapter) the “Payment Method Id / GL Account Id” mapping. This tells us how the payment was made (e.g. Cash, Bank Transfer, Cheque etc). If using the demo data then Cash is setup to map to the account “112000 Undeposited Receipts”.

To create a new GL Account Type Default mapping:

- ↳ Select the “GL Account Type” (e.g. Accounts Payable) from the drop down selection
- ↳ Select the “GL Account Id” (e.g. 2100000 ACCOUNTS PAYABLE) from the drop down selection
- ↳ Click “Save”

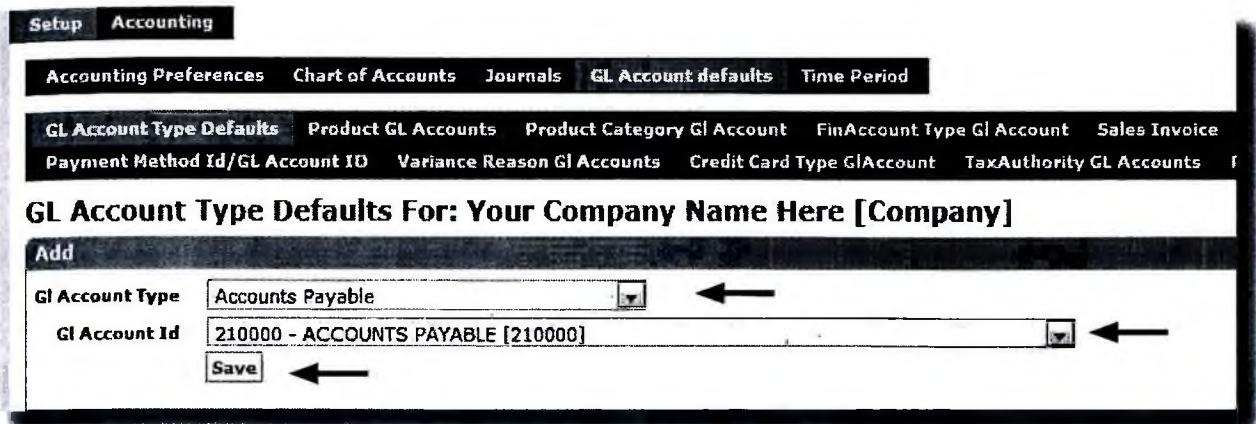


Figure 4.21: Adding a New GL Account Type Default

The new GL Account Type Default mapping is added to the lower part of the screen.

Advanced Tip: At the time of writing there are currently 59 different GL Account Types that come as part of the demo data with OFBiz which should be enough to manage the vast majority of business transactions. If you need to create new ones then they can be added using the Entity Data Maintenance on the WebTools menu and the "GLAccountType" entity

Mappings can be removed by clicking the remove link adjacent to the entry.

GL Account Type Id	GL Account Id	Remove
Accounts Payable	210000 ACCOUNTS PAYABLE 210000	Remove
Accounts Receivable	120000 ACCOUNTS RECEIVABLE 120000	Remove
Accounts Payable - Unapplied Payments	216000 ACCOUNTS PAYABLE - UNAPPLIED PAYMENTS 216000	Remove
Accounts Receivable - Unapplied Payments	126000 ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS 126000	Remove
Cost of Goods Sold	500000 COST OF GOODS SOLD 500000	Remove
Commissions Payables	221100 ACCRUED COMMISSIONS DUE 221100	Remove
Customer Credits	213000 CUSTOMER CREDITS 213000	Remove
Customer Deposits	213300 SPECIAL ORDER DEPOSITS 213300	Remove

Figure 4.22: Removing a GL Account Type Mapping

This completes the overview of the GL Account Type.

Product GL Accounts

The “Product GL Account” is used to map the default account to be used for a specific “Product” and “Account Type” combination. This is useful if you wanted to separate out your transactions for products based on the type of transaction.

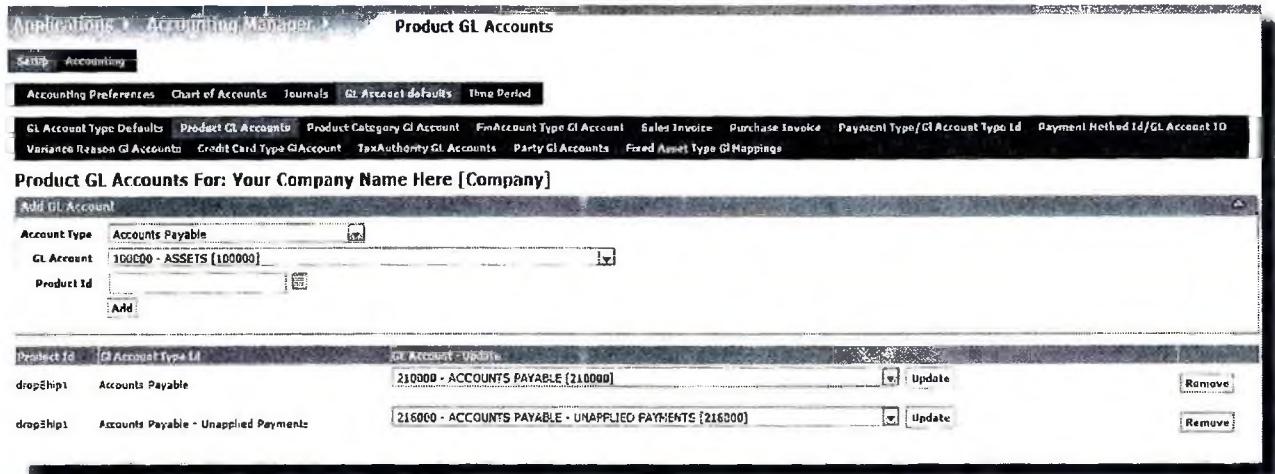


Figure 4.23: Product GL Accounts

It could be used for tracking product transactions at a more detailed level such as :

- Tracking Accounts Receivable by Product in the General Ledger
- Tracking Cost of Goods by Product (or Product Variation) in the General Ledger
- Tracking Commissions paid by Product in the General Ledger

An example could be that you dropship some products and want to track the dropship products in a separate account to your own dispatched products.

You would setup your Chart of Account with the hierarchy level you need:

E.g.

Level 1: Accounts Receivable

 Level 2 Accounts Receivable - My Own Products

 Level 2: Accounts Receivable - Drop Ship Products

In this GL Account Default you only need to include entries for the Drop Ship products that you want to go into the separate account. Why?

This is because OFBiz uses a lot of override functionality and this default acts as an override to the previous one we looked at - "the GL Account Type."

So if you specify in the "GL Account Type" default that the main Accounts Receivable account is "Accounts Receivable - My Own Products" and a different Accounts Receivable account in this default (Product GL Account) when we have a particular Product and Account Type combination, then it will override the main one.

Reminder: The CR (or Credit) entry for the Incoming Payment transaction is created by this GL default (GL Account Type) using the mapping for "Accounts Receivable" which if using the demo data will go the account 120000 Accounts Receivable

This Product GL Account would override the CR entry for the Incoming Payment account if a mapping existed for "Accounts Receivable" and the transaction was for the specific product.



NOTE: There is some duplicate functionality and this mapping setup for the "Product GL Account" can also be done in Catalog Manager because it is related to a Product.

Figure 4.24: Catalog Manager Product GL Accounts Screen

Entries created in “Product GL Accounts” in Catalog Manager will be visible in Accounting Manager and entries created in Accounting Manager will be visible in Catalog Manager screens.

This completes the overview of the Product / GL Account Type defaults.

Product Category / GL Account Type

The “Product Category GL Account” is used to map the default account to be used for a specific “Product Category” and “Account Type” combination. This is useful if you wanted to separate out your transactions for groups of products based on the type of transaction.



NOTE: This is similar to the Product GL Account default but this one allows you to categorise products into groups rather than having to specify a particular Product ID

Product Category GL Account

Setup Accounting

Accounting Preferences Chart of Accounts Journals GL Account Details Time Period

GL Account Type Defaults Product GL Accounts Product Category GL Account FinAccount Type GL Account Sales Invoice Purchase Invoice Payment Type/GL Account Type Id Payment Method Id/GL Account Id Variance Reason GL Accounts Credit Card Type GL Account Tax Authority GL Accounts Party GL Accounts Fixed Asset Type GL Mappings

Product Category GL Account For: Your Company Name Here [Company]

Add Category GL Account

Account Type: Account's Payable

GL Account: 100000 - ASSETS (100000)

Product Category ID:

Add

Figure 4.25: Product Category GL Account Screen

To create a new mapping

- ↳ Select the “Account Type” from the drop down selection (NOTE: In other screens this field is called the ‘GL Account Type Id’.....)
- ↳ Select the “GL Account” to map it to from the drop down selection
- ↳ Enter or use the look up the “Product Category Id”
- ↳ Click “Add”

The new mapping will be displayed in the list at the bottom of the screen

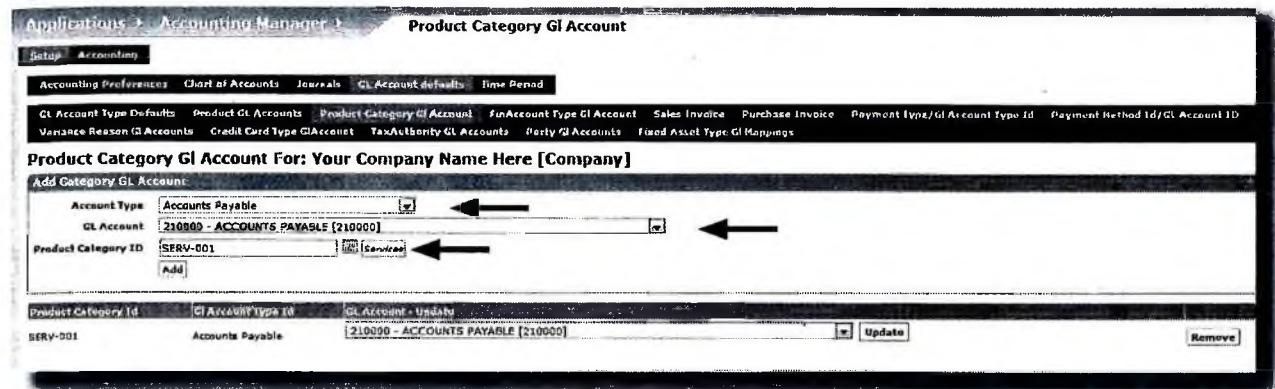


Figure 4.26: Adding a New Product Category GL Account

In this example we have added a mapping for all the products in the “SERV-001” category.

This completes the overview of the Product Category / GL Account Type defaults.

FinAccount Type GL Account

The “FinAccount Type GL Account” or “Financial Account Type / GL Account Type” is used to map an account to a specific type of Financial Account.

Financial Accounts are covered in detail in Chapter 12 Financial Accounts



NOTE: A Financial Account is a tool similar to an online bank account statement that is used for tracking and monitoring monetary transactions.

At the time of writing there are ten (10) different types of Account:

- Bank Account
- Credit Card Account
- Deposit Account
- Equity Line Account
- Investment Account

- Loan Account
- Gift Certificate Account
- Replenish Account
- Store Credit Account
- Service Credit

To access this account default:

- ↳ Click “FinAccount Type Gl Account”

If you have installed the demo data then the default screen will look similar to the one below:

Figure 4.27: Financial Account to GL Account

To add a new mapping:

- ↳ Select “Fin Account Type Id” from the drop down selection
- ↳ Select “GL Account Id” from the drop down selection
- ↳ Click “Add”

The new mapping is added to the lower part of the screen.



NOTE: This mapping is by Financial Account Type which means you can only specify one account per type. If you have more per type that you want to track in separate GL accounts then you will need to create specific override accounts when you create the Financial Account. (See Chapter 12 Financial Accounts)

So how is this mapping used?

This mapping is triggered whenever you use a Financial Account as part of a transaction. So if you order a product and pay for it using a Financial Account, this mapping will be used. Also if you make a payment to top up your Financial Account then this mapping will be used.

Sales Invoice



NOTE: Sales Invoice is closely related to a setting called “Invoice Item Types” that is configured in the Global GL Settings menu (See Chapter 3 Global GL Settings for details)

Reminder: An “Invoice Item Type” is another way to describe the different type of individual line items that appear on an invoice

The “Sales Invoice” is used to specify which account the different types of individual line items from a customer (or sales) invoice should be mapped to.

For example an invoice is usually made up of:

- A header - which contains the details of the supplier, customer, invoice date etc
- Line items - which are the products, taxes, discounts etc
- A summary - which summarises the totals, taxes and discounts

OFBiz allows us to setup a code for each of the different line item types and then link them to a specific General Ledger account.

By default the settings created in the Global GL Settings “Invoice Item Types” will be displayed. The Sales Invoice GL default allows you to override the default account from the global settings.

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Sales Invoice

Sales Invoice For: Your Company Name Here [Company]

Description	Default GL Account Id	Override GL Account Id	Active GL Description
Invoice Adjustment	410000		DISCOUNTS ON SALES
Invoice Header Adjustment			
Invoice Item Adjustment	410000		DISCOUNTS ON SALES
Invoice Additional Feature(Sales)	409000		MISCELLANEOUS SALES
Invoice Discount(Sales)	410000		DISCOUNTS ON SALES
Invoice Digital Good Item(Sales)	401000		GENERAL SALES
Invoice Finished/Digital Good Item(Sales)	401000		GENERAL SALES
Invoice Finished Good Item(Sales)	401000		GENERAL SALES
Invoice Interest Charge	810000		INTEREST INCOME ON FINANCE CHARGES OR CUSTOMER ACCOUNTS
Invoice Miscellaneous Charges(Sales)	400000		MISCELLANEOUS SALES
Invoice Product/Feature Item(Sales)	401000		GENERAL SALES
Invoice Product Item(Sales)	401000		GENERAL SALES
Invoice Promotion(Sales)	410000		DISCOUNTS ON SALES
Invoice Sales Tax(Sales)			
Invoice Shipping and Handling(Sales)	409000		MISCELLANEOUS SALES
Invoice Service Product Item(Sales)	401000		GENERAL SALES
Invoice Surcharge(Sales)	409000		MISCELLANEOUS SALES
Invoice Time-Entry Item(Sales)	401000		GENERAL SALES
Invoice Warranty(Sales)	409000		MISCELLANEOUS SALES
Invoice Work-Effort Item(Sales)	401000		GENERAL SALES

Figure 4.28: Sales Invoice Defaults

Looking at the screen above, you will see that there are no overrides showing so let's create one.

- We will change the default account for the “Invoice Additional Feature (Sales)” entry.

To change the default account

- ↳ Select “Invoice Additional Feature (Sales)” from the Invoice Item Type drop down selection
- ↳ Select “401000 GENERAL SALES” from the Override Revenue GL Account Id drop down selection
- ↳ Click “Save”

The line will be updated similar to the screen shown below.

Description	Default GL Account Id	Override GL Account Id	Active GL Description
Invoice Adjustment	410000		DISCOUNTS ON SALES
Invoice Header Adjustment			
Invoice Item Adjustment	410000		DISCOUNTS ON SALES
Invoice Additional Feature(Sales)	409000	401000	GENERAL SALES
Invoice Discount(Sales)	410000		DISCOUNTS ON SALES

Figure 4.29: Overriding a Sales Invoice Default

Did you notice that when you selected the “Override Revenue GL Account” that you had a limited selection of accounts to choose from?

This is because OFBiz limits you to only the accounts that have been classified as “Revenue”.

You may also have noticed that the “Discounts on Sales” account is not available to be selected although it is displayed as the default account. It cannot be selected because its GL Account Class Id = “Cost of Goods Sold Expense” and not “Revenue”.

You can see the GL Account Class Id by looking at the Chart of Accounts.

310000	Owner's Equity	Owners Equity	MONEY	300000	310000	CAPITAL
336000	Owner's Equity	Retained Earnings	MONEY	330000	336000	RETAINED EARNINGS
400000		Revenue	MONEY	400000	400000	SALES
401000		Revenue	MONEY	400000	401000	GENERAL SALES
409000		Revenue	MONEY	400000	409000	MISCELLANEOUS SALES
410000		Cost of Goods Sold Expense	MONEY	400000	410000	DISCOUNTS ON SALES
421000		Contra Revenue	MONEY	420000	421000	CUSTOMER RETURNS - PRODUCTS

Figure 4.30: Viewing Accounts with GL Account Class = Revenue

The Global Master Template doesn't have any of this account restriction.



NOTE: The only mapping that seems out of place here is “Invoice Sales Tax (Sales)”. It is blank because Sales Tax is setup using Tax Authorities.

So where are the Sales Invoice mappings used?

Let's do another example to show you. A very simple description of an online Sales Order Process could be as follows:

- Customer Orders a Product (and Creates a Sales Order)
- Customer Pays for Product (via Credit Card, Internet Banking etc)
- Vendor confirms Payment has been made and Dispatches the Product to the Customer

Let's focus on the first part step of 3 in more detail.

- The Vendor has checked their bank statement and seen that the Customer has paid
- In OFBiz Order Manager they will look up the relevant Sales Order and then click the “Quick Ship Entire Order” link to log the dispatch of the order in the system
- The “Quick Ship Entire Order” link is a trigger for an “automatic” OFBiz accounting transaction
- The transaction that is triggered is called “Sales Invoice”
- The accounting entries generated by the Sales Invoice transaction are:

DR 120000 Accounts Receivable

DR 410000 Discounts on Sales

DR 400000 Sales

CR 220000 Sales Tax Collected

CR 400000 Sales

The DR (Debit) entry for Accounts Receivable is created using the mapping defined in the GL Account Type Default

The DR (Debit) entry for Discounts on Sales are for promotions related to the whole order rather than at line level.

The DR (Debit) entry for Sales is used for item promotion (line items) where the product cost is simply reversed.

The CR (Credit) entry Sales Tax Collected account may vary depending on your tax setup but comes from the “Tax Authority GL Accounts”. The demo data will post to tax accounts by US state.

The CR (Credit) entry for Sales is created using the mapping defined [here](#) in the Sales Invoice defaults.

This completes the overview of the “Sales Invoice” defaults.

Purchase Invoice



NOTE: Purchase Invoice is closely related to a setting called “Invoice Item Types” that is configured in the Global GL Settings menu (See Chapter 3 Global GL Settings for details)

Reminder: An “Invoice Item Type” is another way to describe the different type of individual line items that appear on an invoice

The “Purchase Invoice” is used to specify which account the different types of individual line items from a purchase (or supplier) invoice should be mapped to.

For example an invoice is usually made up of:

- A header - which contains the details of the supplier, customer, invoice date etc
- Line items - which are the products, taxes, discounts etc
- A summary - which summarises the totals, taxes and discounts

OFBiz allows us to setup a code for each of the different line item types and then link them to a specific General Ledger account.

By default the settings created in the Global GL Settings, Invoice Item Types will be displayed. The Purchase Invoice GL default allows you to override the default account from the global settings.

Description	Default GI Account Id	Invoice Override Expense GI Account Id	Active GI Description
Purchase Invoice Header Adjustment	518100	410000	DISCOUNTS ON SALES
Purchase Invoice Item Adjustment	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Additional Feature(Purchase)	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Discoun[Purchase]	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Digital Good item(Purchase)	140000		INVENTORY
Invoice Finished/Digital Good Item(Purchase)	140000		INVENTORY
Invoice Finished Good Item(Purchase)	140000		INVENTORY
Invoice Fixed Asset Product Item	650000		STATIONERY AND SUPPLIES
Invoice Inventory Product Item	650000		STATIONERY AND SUPPLIES
Invoice Miscellaneous Charge(Purchase)	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Product-Feature Item(Purchase)	140000		INVENTORY
Invoice Product Item(Purchase)	140000		INVENTORY
Invoice Pricematch(Purchase)	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Sales Tax(Purchase)	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Shipping and Handling(Purchase)	510000		FREIGHT IN
Invoice Service Product Item(Purchase)	140000		INVENTORY

Figure 4.31: Purchase Invoice Defaults

As an example we have already created an override on the “Purchase Invoice Header Adjustment”.

Let's go through the process to remove it.

- ↳ Click the “Remove” link

The override has been removed.

Description	Default GI Account Id	Invoice Override Expense GI Account Id	Active GI Description
Purchase Invoice Header Adjustment	516100		PURCHASE ORDER ADJUSTMENTS
Purchase Invoice Item Adjustment	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Additional Feature(Purchase)	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Discoun[Purchase]	516100		PURCHASE ORDER ADJUSTMENTS
Invoice Digital Good item(Purchase)	140000		INVENTORY

Figure 4.32: Purchase Invoice Default Removed



NOTE: The only mapping that seems out of place here is “Invoice Sales Tax (Purchase)”. This is NOT an adjustment as shown but is setup using Tax Authorities.

Similar to the Sales Invoice, the Purchase Invoice limits the accounts selection to expense accounts.

- ↳ Click on the drop down list for the “Invoice Override Expense GI Id”

For: Your Company Name Here [Company]

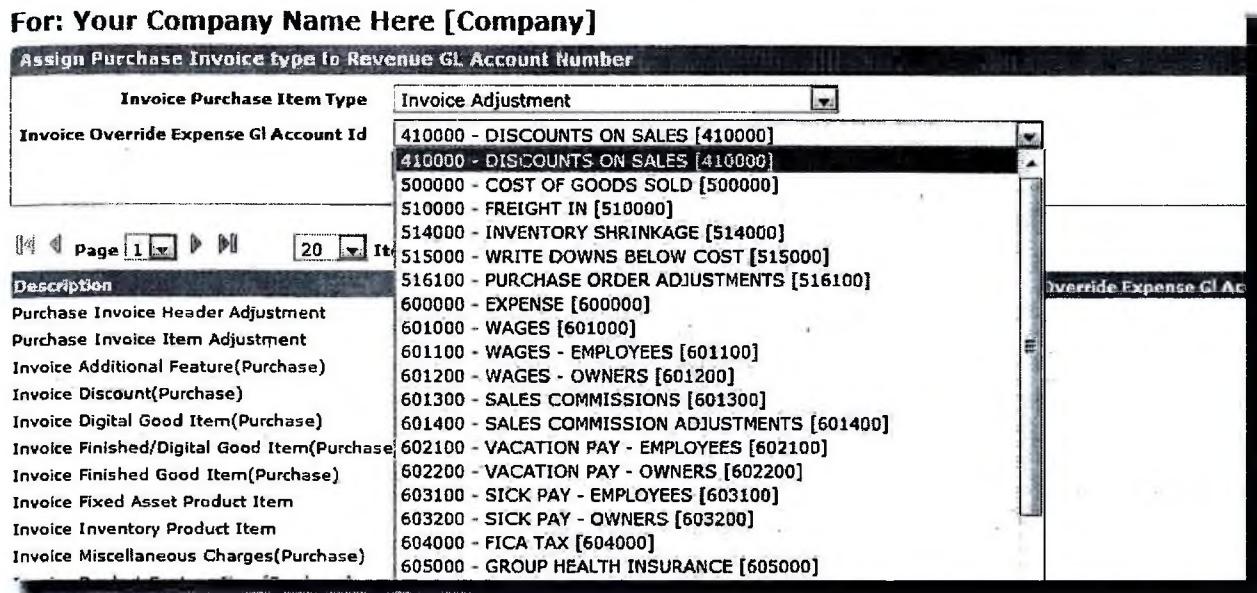


Figure 4.33: Purchase Expense Accounts

The only account that isn't an expense one is "410000 DISCOUNTS ON SALES".

Perhaps this is a bug as it does seem a bit strange that a Sales Discount account is available for a Purchase Order mapping. Normally Purchase Order discounts and variance are tracked under the Cost of Goods Sold.

So where are the Purchase Invoice mappings used?

These mappings are used to generate the accounting transaction entries for a Purchase Invoice.

Let's do an example. A simple description of an online Purchase Order Process could be as follows:

- You order a Product from a Supplier (using a Purchase Order)
- The Supplier delivers the product and sends an invoice for you to pay (the Purchase Invoice)

Let's focus on the second step in more detail.

Your warehouse has received a shipment from the Supplier with the Products you ordered

- In OFBiz the you will look up the Purchase Order in Order Manager and click “Receive Purchase Order”
- The “Receive” or “Quick Receive Purchase Order” link is a trigger for an “automatic” OFBiz accounting transaction
- The transaction that is triggered is called “Purchase Invoice”



NOTE: If the Purchase Invoice is not automatically generated, change the Invoice Status to “Ready” to generate the accounting transactions (See Chapter 7 Invoices for more details)

The accounting entries generated by the Purchase Invoice transaction are:

DR 140000 Inventory
DR 220000 Sales Tax Collected
CR 210000 Accounts Payable

The DR (Debit) entry for Inventory is created using the mapping defined in the GL Account Type defaults.



NOTE: There will be an Inventory entry for each product line on the Purchase Invoice.

The DR (Debit) entry Sales Tax Collected account may vary depending on your tax setup but comes from the “Tax Authority GL Accounts”. The demo data will post to tax accounts by US state.

The CR (Credit) entry for Accounts Payable is created using the mapping defined in the GL Account Type defaults.

This completes the overview of the Purchase Invoice.

Payment Type / GL Account Type

The “Payment Type GL Account Type Id” is used to translate (or map) the different types of payment transactions types to a GL Account Type default.

Reminder: The GL Account Type Default was the first General Ledger account default that we looked at in this chapter and it is used frequently in conjunction with other GL defaults

A “Payment Type” is just a way to categorise transactions. Examples could be as follows:

- Commission Payments
- Customer Payments
- Vendor (or Supplier) Payments
- Customer Refunds
- Customer Prepayments or Deposits

These Payment Types can then be mapped to the required Account Type (**not** general ledger account) in the Chart of Accounts.

For Example:

- Customer Payments are mapped to Accounts Receivable
- Vendor (or Supplier) Payments are mapped to Accounts Payable

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The screenshot shows the Apache OFBiz Accounting Manager interface. The top navigation bar includes links for Applications, Accounting Manager, Setup, Accounting, Accounting Preferences, Chart of Accounts, Journals, GL Account Defaults, Time Period, GL Account Type Details, Product GL Accounts, Product Category GL Account, FinAccount Type GL Account, Sales Invoice, Purchase Invoice, Payment Method Id/GL Account ID, Variance Reason GL Accounts, Credit Card Type GL Account, Tax Authority GL Accounts, Party GL Accounts, and Fixed Asset Type GL Mappings. The main content area is titled "Payment Type & GL Account Type ID". It displays a table with two columns: "Payment Type" and "GL Account Type". The "Payment Type" column lists various payment types like Commission Payment, Customer Deposit, etc. The "GL Account Type" column lists corresponding ledger accounts like Commissions Payables, Customer Deposits, etc. Each row has a "Remove" button to its right.

Figure 4.34: Payment Type / GL Account Type

These “Payment Types” are also the descriptions of the payment focussed OFBiz “automatic” accounting transactions that are triggered by certain processes throughout the system.

It is the “GL Account Type” and **not** the “Payment Type” itself that has a direct mapping to a General Ledger account.



NOTE: A Payment Type / GL Account Type mapping cannot be updated. You will need to remove it and then re-create it. If you try to update an existing entry you will get an “duplicate key” error message.

Payment Method Id GL Account Type ID

A “Payment Method” is simply a way to define the ways in which payments can be made.

Reminder: This GL account default has a Master Template in the Global GL Settings so details entered here are overrides to the master setup.

Examples include:

- Cash
- Cheque
- Electronic Funds Transfer
- Billing Account

Each payment method can be linked to a different General Ledger account in the Chart of Accounts. By doing this OFBiz will be able to help us create an accounting transaction based on how the payment was made.

The screenshot shows the 'Payment Method Id/GL Account ID' configuration page within the Accounting Manager. The top navigation bar includes links for Applications, Accounting Manager, Setup, Accounting, Accounting Preferences, Chart of Accounts, Journals, GL Account Defaults, Time Period, GL Account Type Defaults, Product GL Accounts, Product Category GL Account, FinAccount Type GL Account, Sales Invoice, Purchase Invoice, Payment Type/GL Account Type Id, Payment Method Id/GL Account ID, Variance Reason GL Accounts, Credit Card Type GL Account, Tax Authority GL Accounts, Party GL Accounts, and Fixed Asset Type GL Mappings.

The main form is titled 'For: Your Company Name Here [Company]'. It has a section for 'Payment Method Assign Account Type' where 'Billing Account' is selected from a dropdown menu. Below this, a dropdown menu shows 'GL Account Id: 100000 - ASSETS [100000]' and a 'Save' button.

A large table lists various payment methods and their corresponding GL accounts and default GL account IDs. The columns are: Payment Method Type, GL Account Id, Default GL Account Id, and Remove button. Some rows have a 'Save' button next to the GL Account Id.

Payment Method Type	GL Account Id	Default GL Account Id	
Cash	UNDEPOSITED RECEIPTS [112000]	122000 :	<input type="button" value="Remove"/>
Certified Check	UNDEPOSITED RECEIPTS [112000]	122000 :	<input type="button" value="Remove"/>
Company Account	GENERAL CHECKING ACCOUNT [111100]	122000 :	<input type="button" value="Remove"/>
Company Check	UNDEPOSITED RECEIPTS [112000]	122000 :	<input type="button" value="Remove"/>
Electronic Funds Transfer	GENERAL CHECKING ACCOUNT [111100]	122000 :	<input type="button" value="Remove"/>
Billing Account	CUSTOMER CREDITS [213000]	122000 :	<input type="button" value="Remove"/>
Cash On Delivery	UNDEPOSITED RECEIPTS [112000]	122000 :	<input type="button" value="Remove"/>
eBay	UNDEPOSITED RECEIPTS [112000]	122000 :	<input type="button" value="Remove"/>
Offline Payment	UNDEPOSITED RECEIPTS [112000]	122000 :	<input type="button" value="Remove"/>
PayPal	ACCOUNTS RECEIVABLE - PAYPAL [122300]	122000 :	<input type="button" value="Remove"/>
RBS WorldPay	ACCOUNTS RECEIVABLE - PAYPAL [122200]	122000 :	<input type="button" value="Remove"/>
Financial Account	GENERAL CHECKING ACCOUNT [111100]	122000 :	<input type="button" value="Remove"/>
Gift Certificate	ACCOUNTS RECEIVABLE [120000]	122000 :	<input type="button" value="Remove"/>
Money Order	UNDEPOSITED RECEIPTS [112000]	122000 :	<input type="button" value="Remove"/>
Personal Check	UNDEPOSITED RECEIPTS [112000]	122000 :	<input type="button" value="Remove"/>

Figure 4.35: Payment Method Type / GL Account



NOTE: These payment methods don't include Credit Cards as these are setup separately

Variance Reason GL Accounts

A “Variance” is difference in what was expected. This is mainly used in recording products that have been ordered and need to be booked into stock.

Another example of where variances can occur is when you do a full inventory of your stock and find that in some locations you have more products than recorded in your inventory system. This is because the number of products can vary and these differences can be caused by a number of reasons.

For example

- Products may have been damaged (and cannot be sold)
- Products were lost or stolen
- Products were found (hidden behind something)
- Under or over supply of a product from an Supplier (e.g. You ordered 10 but 11 are delivered...)

If there are variances in the number of products in stock then this affects the value of your inventory and inventory is a an account in your Chart of Accounts.

The “Variance Reason GL Accounts” is used to map any stock differences to a particular general ledger account. This means that you will be able to track how much inventory was lost or recovered and the way they were lost or recovered.

The screenshot shows the 'Variance Reason GL Accounts' configuration screen. At the top, there's a navigation bar with tabs like 'Help', 'Accounting', 'Variance Reason GL Accounts', 'Chart of Accounts', 'Journals', 'GL Account Defaults', and 'Date Period'. Below the tabs are several dropdown menus and buttons for filtering: 'GL Account Type Defaults', 'Product GL Accounts', 'Product Category GL Account', 'Fiscal Account Type GL Account', 'Sales Invoice', 'Purchase Invoice', 'Payment Type/GL Account Type Id', 'Payment Method Id/GL Account Id', 'Variance Reason GL Accounts', 'Credit Card Type GL Account', 'Tax Authority GL Accounts', 'Party GL Accounts', and 'Fixed Asset Type GL Mappings'. The main area is titled 'Variance Reason GL Accounts For: Your Company Name Here [Company]'. It contains a table with columns for 'Variance Reason Id' (dropdown), 'GL Account Id - Update' (dropdown), and 'Remove' (button). The rows represent different variance reasons: 'Damaged' (GL Account: 100000 - ASSETS [100000]), 'Lost' (GL Account: 514000 - INVENTORY SHRINKAGE [514000]), 'Stolen' (GL Account: 514000 - INVENTORY SHRINKAGE [514000]), 'Found' (GL Account: 511000 - INVENTORY SHRINKAGE [511000]), and 'Sample (Giveaway)' (GL Account: 625000 - OTHER ADVERTISING / PROMOTION [625000]). Each row has an 'Update' button next to the GL Account dropdown.

Figure 4.36: Payment Method Type / GL Account

Credit Card Type GL Accounts

The “Credit Card Type / GL Account” is used to map different types of credit card to a specific general ledger account.

This type of mapping is useful if you need to track the amounts to be collected from different credit card agents.

The screenshot shows the SAP Business Accounting setup interface with the following details:

- Header:** Setup > Accounting > Credit Card Type GL Account For: Your Company Name Here [Company]
- Card Type:** AmericanExpress
- GL Account ID:** 100000 - ASSETS (100000)
- Table:** A list of mappings between Card Types and GL Accounts, each with an Update button and a Remove button.

Card Type	GL Account ID - Update	Remove
CCT_AMERICANEXPRESS	122100 - ACCOUNTS RECEIVABLE - AMEX (122100)	[Update] [Remove]
CCT_DINERSCLUB	1223100 - ACCOUNTS RECEIVABLE - AMEX (122100)	[Update] [Remove]
CCT_DISCOVER	122200 - ACCOUNTS RECEIVABLE - DISCOVER (122200)	[Update] [Remove]
CCT_VISA	122300 - ACCOUNTS RECEIVABLE - MASTER CARD / VISA (122300)	[Update] [Remove]
CCT_MASTERCARD	122300 - ACCOUNTS RECEIVABLE - MASTER CARD / VISA (122300)	[Update] [Remove]
AmericanExpress	122100 - ACCOUNTS RECEIVABLE - AMEX (122100)	[Update] [Remove]
DinersClub	122100 - ACCOUNTS RECEIVABLE - AMEX (122100)	[Update] [Remove]
Discover	122200 - ACCOUNTS RECEIVABLE - DISCOVER (122200)	[Update] [Remove]
Visa	122300 - ACCOUNTS RECEIVABLE - MASTER CARD / VISA (122300)	[Update] [Remove]
MasterCard	122300 - ACCOUNTS RECEIVABLE - MASTER CARD / VISA (122300)	[Update] [Remove]

Figure 4.37: Credit Cards / GL Account



NOTE: Please note that at the time of writing there appeared to be some duplication of entries (e.g. “Visa” and “CCT_VISA”)

Tax Authority GL Accounts

The “Tax Authority / GL Account” is used to map different Tax Authorities to different general ledger accounts.

Reminder: A Tax Authority is an organisation representing the government of a state or country that imposes a financial levy on business transactions.

Normal business rules require you to keep track of the amounts collected or paid to different tax authorities. This mapping ensures that money collected or paid to various tax authorities (e.g. through Sales Orders, Purchase Orders etc) can be separated into specific accounts.

The OFBiz demo data comes with entries to show an example of how this can be setup using the some of the US States as separate Tax Authorities.

Applications > Accounting Mainpage > Edit Tax Authority GL Accounts

Setup Accounting

Accounting Preferences Chart of Accounts Journals GL Account defaults Time Period

GL Account Type Defaults Product GL Accounts Product Category GL Account FinAccount Type GL Account Sales Invoice Purchase Invoice Payment Type/ GL Account Type Id
Payment Method Id/ GL Account ID Variance Reason GL Accounts Credit Card Type GL Account TaxAuthority GL Accounts Party GL Accounts Fixed Asset Type GL Mappings

Edit Tax Authority GL Accounts For: Your Company Name Here [Company]

Add TaxAuthority GL Account

Tax Authority Geo	Tax Authority Party	GL Account ID - Add
[CA] California	State of California Board of Equalization [CA_BOE]	[224106 - SALES TAX COLLECTED USA - CA [224106]] <input type="checkbox"/> Update <input type="checkbox"/> Delete
[CAN] Canada	Canada Tax Authority [CAN_TAXMAN]	[224209 - SALES TAX COLLECTED CAN - ON [224209]] <input type="checkbox"/> Update <input type="checkbox"/> Delete
[NY] New York	New York Department of Taxation and Finance [NY_DTF]	[224140 - SALES TAX COLLECTED USA - NY [224140]] <input type="checkbox"/> Update <input type="checkbox"/> Delete
[ON] ON	Ontario Sales Tax (VAT) Authority [ON_TAXMAN]	[224209 - SALES TAX COLLECTED CAN - ON [224209]] <input type="checkbox"/> Update <input type="checkbox"/> Delete
[TX] Texas	Texas Sales Tax Authority [TX_TAXMAN]	[224151 - SALES TAX COLLECTED USA - TX [224151]] <input type="checkbox"/> Update <input type="checkbox"/> Delete
[USA] United States	United States of America - Internal Revenue Service [USA_IRS]	[224106 - SALES TAX COLLECTED USA - CA [224106]] <input type="checkbox"/> Update <input type="checkbox"/> Delete
[UT] Utah	Utah Sales Tax Authority [UT_TAXMAN]	[224153 - SALES TAX COLLECTED USA - UT [224153]] <input type="checkbox"/> Update <input type="checkbox"/> Delete
[UT-UTAH] Utah County	Utah County, Utah Sales Tax Authority [UT_UTAH_TAXMAN]	[224153 - SALES TAX COLLECTED USA - UT [224153]] <input type="checkbox"/> Update <input type="checkbox"/> Delete
[NA] Not Applicable	[NA]	[224000 - SALES TAX COLLECTED [224000]] <input type="checkbox"/> Update <input type="checkbox"/> Delete

Figure 4.38: Tax Authorities / GL Account



IMPORTANT NOTE: Unlike the other GL Account defaults you cannot add a Tax Authority / GL mapping through these screens. It needs to be done via “Tax Authorities” menu.

How to add a new Tax Authority mapping is shown below.

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Tax Authorities” from the Accounting Manager drop down menu

Tax Auth Geo ID	Tax Authority Party	Require Tax Id For Exemption	Tax Id Format Pattern	Include Tax In Price	Action
California [CA] [CA]	State of California Board of Equalization [CA_BOE]	N		N	Edit
Canada [CA] [CA]	Canada Tax Authority [CAN_TAXMAN]	N		N	Edit
New York [NY] [NY]	New York Department of Taxation and Finance [NY_DTF]	N		N	Edit
OH [OH] [OH]	Ontario Sales Tax (VAT) Authority [OH_TAXMAN]	Y		N	Edit
Texas [TX] [TX]	Texas Sales Tax Authority [TX_TAXMAN]	N		N	Edit
United States [US] [USA]	United States of America - Internal Revenue Service [USA_IRS]	N		N	Edit
Utah [UT] [UT]	Utah Sales Tax Authority [UT_TAXMAN]	N		N	Edit
Utah County [UT-UTAH] [UT-UTAH]	Utah County, Utah Sales Tax Authority [UT_UTAH_TAXMAN]	N		N	Edit
Not Applicable [NA] [NA]	[NA]	N		N	Edit

Figure 4.39: Tax Authorities

- ↳ Click “Edit” adjacent to the Tax Authority you want to update
- ↳ Click “GL Accounts”

GL Account	Organization Party	Action
SALES TAX COLLECTED USA - NY 224140	Your Company Name Here [Company]	Delete

Figure 4.40: Tax Authorities GL Accounts

- ↳ Delete the existing entry
- ↳ Add add new mapping using Organisation Party ID = “Company”

When you return to the “Tax Authority / GL Account” default this new mapping will now be displayed in the list.

Party GL Account

The “Party / GL Account” mapping allows you to map of different types of transactions for a Party to separate general ledger accounts.

Reminder: In OFBiz a Party can be a person (e.g. employee, customer, etc) or an organisation (e.g. customer, supplier, tax authority, bank etc)

You can use the “Party Role” as further criteria for defining the transaction.



Figure 4.41: Party GL Accounts

So what could this be useful for?

One possible use could be a way of implementing a type of subledger functionality in OFBiz. Subledger functionality is where a higher level account can be split into lower levels. In this case these lower levels can be by Party.

An example could be that a business may want to use the general ledger to track the Accounts Receivable (AR) by customer so the Chart of Accounts would be setup something like as follows:

```
120000 Accounts Receivable
  120010 Accounts Receivable - Customer A
  120020 Accounts Receivable - Customer B
  120030 Accounts Receivable - Customer C
```

- This has the main Account Receivable account at the top of the hierarchy and three sub accounts below it.
- Entries for Customers A, B and C would be setup with a role of “Bill From Customer” as this is a role associated with the customer when the Sales Invoice is generated.
- When a transaction matching the criteria is processed in the system then these mappings will control where it is posted to.
- In the case of Customer A any “Accounts Receivable” transactions with role “Bill To Customer” will be posted to “120010” instead of the standard “120000”

Fixed Asset Type GL Mapping

The “Fixed Asset Type GL Mapping” are used to specify which accounts will be used for certain Fixed Asset transactions.

Reminder: You can find out more detail about Fixed Assets and how they are used in Chapter 9 Fixed Assets

So how is this mapping used?

This mapping allows us to tailor our setup based on either the individual asset number itself or the type of asset (e.g. computer hardware).

Fixed Asset Type Id	Fixed Asset Id	Asset GL account	Accumulated depreciation GL account	Depreciation GL account	Profit GL account	Loss GL account
Computer Hardware	NA	172000 - DATA PROCESSING EQUIPMENT {172000}	186000 - ACCUMULATED DEPRECIATION - DATA PROCESSING EQUIP {186000}	675200 - DEPRECIATION - DATA PROCESSING EQUIPMENT {675200}	814000 - GAIN ON SALE OF FIXED ASSETS {814000}	

Figure 4.42: Fixed Asset Type GL Mappings

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When any accounting transactions need to be created for a specific asset (e.g. DEMO_VEHICLE_01) or type of asset (e.g. computer hardware) then OFBiz will use these accounts as the default.



IMPORTANT NOTE: At the time of writing there appears to be a bug in the lookup for the “Loss GL Account”. OFBiz limits the range of accounts that can be selected to be only in the 601000 - 650000 range and the default Asset Loss account is 823000.

Time Periods

Time Periods are a defined period of time (usually a month, quarter or year) that is used to group business transactions. It is a key part of any general accounting setup. Time Periods can be used for the definition of :

- Company Financial Year
- Fiscal / Tax Periods (weeks, months, quarters)
- VAT / GST Periods
- Sales Periods

Custom Time Period Id	Parent Period Id	Period Type Id	Period Num	Period Name	From Date	Thru Date	Close
6011	[6010] 2010: 2010-01-01 - 2011-01-01	Fiscal Quarter	2	2010/Q1	2010-01-01	2010-04-01	<input checked="" type="button"/> Close
6012	[6010] 2010: 2010-01-01 - 2011-01-01	Fiscal Quarter	3	2010/Q2	2010-04-01	2010-07-01	<input checked="" type="button"/> Close
6013	[6010] 2010: 2010-01-01 - 2011-01-01	Fiscal Quarter	4	2010/Q3	2010-07-01	2010-10-01	<input checked="" type="button"/> Close
6014	[6010] 2010: 2010-01-01 - 2011-01-01	Fiscal Quarter	5	2010/Q4	2010-10-01	2011-01-01	<input checked="" type="button"/> Close
6010		Fiscal Year	1	2010	2010-01-01	2011-06-30	<input checked="" type="button"/> Close
6016	[6015] 2011-2020: 2011-01-01 - 2020-01-01	Fiscal Quarter	2	2011/Q1	2011-01-01	2011-04-01	<input checked="" type="button"/> Close
6017	[6015] 2011-2020: 2011-01-01 - 2020-01-01	Fiscal Quarter	3	2011/Q2	2011-04-01	2011-07-01	<input checked="" type="button"/> Close
6018	[6015] 2011-2020: 2011-01-01 - 2020-01-01	Fiscal Quarter	4	2011/Q3	2011-07-01	2011-10-01	<input checked="" type="button"/> Close
6019	[6015] 2011-2020: 2011-01-01 - 2020-01-01	Fiscal Quarter	5	2011/Q4	2011-10-01	2012-01-01	<input checked="" type="button"/> Close
6015		Fiscal Year	1	2011-2020	2011-01-01	2020-01-01	<input checked="" type="button"/> Close

Figure 4.43: Time Periods Default Screen

The default screen shows a list of all time periods.

The ones displayed in red are ones where the “Thru Date” is before the current date.

Tip: You can think of it as a reminder telling you that these periods should be closed.

Time Periods can work like a hierarchy where you can create a “Parent Period” (e.g. a Financial Year) and then “Individual Periods” (e.g. Quarters or Months) that are linked to the parent period.



NOTE: Once created, you cannot edit a Time Period here. To edit it you will need to go to Custom Time Periods in Global GL Settings.

Let's create a new Time Period. We will create one for the period 1st March 2014 - 31st May 2014.

Using the area at the bottom of the screen labelled “New”

- ↳ Select “6015” from the Parent Period ID drop down selection
- ↳ Select “Fiscal Quarter” from the Period Type Id drop down selection
- ↳ Enter “1” as the Period Num
- ↳ Enter “My First Fiscal Quarter” as the Period Name
- ↳ Use the date picker to enter (1st March 2014) for the From Date
- ↳ Use the date picker to enter (1st June 2014) for the Thru Date (NOTE: Even though we want our time period to end on 31st May 2014 the test used is based on “less than” and not “equal to”)
- ↳ Select “No” for the Is Closed
- ↳ Click “Create”

New	
Parent Period Id	[6015] 2011-2020: 2011-01-01 - 2020-01-01
Period Type Id	Fiscal Quarter
Period Num	1
Period Name	My First Fiscal Quarter
From Date	01/03/2014
Thru Date	01/06/2014
Is Closed	No
	Create

Figure 4.44: Creating a New Time Period

The new Time Period is displayed in the list.

	Custom Time Period Id	Parent Period Id	Period Type Id	Period Num	Period Name	From Date	Thru Date	Action
6016	[6015] 2011-2020: 2011-01-01 - 2020-01-01		Fiscal Quarter	2	2011/Q1	2011-01-01	2011-04-01	<input type="button" value="Close"/>
6017	[6015] 2011-2020: 2011-01-01 - 2020-01-01		Fiscal Quarter	3	2011/Q2	2011-04-01	2011-07-01	<input type="button" value="Close"/>
6018	[6015] 2011-2020: 2011-01-01 - 2020-01-01		Fiscal Quarter	4	2011/Q3	2011-07-01	2011-10-01	<input type="button" value="Close"/>
6019	[6015] 2011-2020: 2011-01-01 - 2020-01-01		Fiscal Quarter	5	2011/Q4	2011-10-01	2012-01-01	<input type="button" value="Close"/>
10000	[6015] 2011-2020: 2011-01-01 - 2020-01-01		Fiscal Quarter	1	My First Fiscal Quarter	2014-03-01	2014-06-01	<input type="button" value="Close"/>
6015			Fiscal Year	1	2011-2020	2011-01-01	2020-01-01	<input type="button" value="Close"/>

Figure 4.45: Newly Created New Time Period

Time Periods can also be closed.

Many businesses have a “monthly closing” where they have to ensure all the transactions for a particular month have been fully recorded in their accounting system. They then “close” that month so that no further transactions can be included in it.

This is important because this can affect how you are taxed on any business income or how you record any GST or VAT for a particular month.

To close a Time Period

- ↳ Click “Close” adjacent to the period that you wish to close

Once closed the period will appear in the “Close Time Periods” section of the screen.

Closed Time Periods						
Custom Time Period Id	Parent Period Id	Period Type Id	Period Num	Period Name	From Date	Thru Date
10000	[6015] 2011-2020: 2011-01-01 - 2020-01-01	Fiscal Quarter	1	My First Fiscal Quarter	2014-03-01	2014-06-01

Figure 4.46: Closed Time Period

When a Time Period is closed it triggers an automatic accounting transaction.

The transaction type that is triggered is called “Period Closing”. The accounting entries generated are:

DR 850000 Profit Loss (based on the GL Account Type mapping for “Profit Loss”)

CR 336000 Retained Earnings (based on the GL Account Type mapping for “Retained Earnings”)



NOTE: Both sides of this accounting transaction use the same GL Account Type default mapping. If you do not have the mappings for "Profit Loss" and "Retained Earnings" then the transaction will not post and will be put into the **ERROR_JOURNAL** as an unposted transaction.

Let's go and have a look at what OFBiz has posted.

- ↳ Click "Accounting"
- ↳ Click "Accounting Transactions"
- ↳ Click "Search"

Acctg Trans Id	Transaction Date	Acctg Trans Type	Fiscal Gl Type	Invoice ID	Payment Id	Work Effort Id	Shipment Id	Is Posted	Posted Date	PDF
10040	2014-05-31 23:59:59.000	Period Closing	Actual					Y	2014-05-10 01:47:14.031	PDF
10057	2014-04-19 20:21:30.628	Payment Applied	Actual	10005	10032			Y	2014-04-19 20:21:30.654	PDF
10036	2014-04-19 20:21:30.490	Outgoing Payment	Actual		10042			Y	2014-04-19 20:21:30.581	PDF
10035	2014-04-19 19:29:39.729	Purchase Invoice	Actual	10005				Y	2014-04-19 19:29:35.916	PDF
10034	2014-04-19 19:26:21.048	Shipment Receipt	Actual				10006	Y	2014-04-19 19:26:21.851	PDF

Figure 4.47: Locating the Period Closing Transaction

To view the details

- ↳ Click on the Acctg Trans Id (In our case this will be 10040)

A screen similar to the following will be displayed.

The screenshot shows the 'Edit Transaction' screen for a 'Period Closing' transaction. The transaction details include:

- Acctg Trans Id:** 10040
- Transaction Type:** Period Closing
- GI Journal Id:**
- Fin Account Trans Id:**
- Party Id:**
- Transaction Date:** 2014-05-31 23:59:59.000
- Is Posted:** Y
- Inventory Item Id:**
- Invoice ID:**
- Receipt Id:**
- Shipment Id:**
- Their Acctg Trans Id:**
- Voucher Ref:**
- Description:**
- Created Date:**
- Last Modified Date:**
- Fiscal Crt Type:** Actual
- Group Status:**
- Role Type Id:**
- Scheduled Posting Date:**
- Posted Date:** 2014-05-31 01:47:14.031
- Physical Inventory Id:**
- Payment Id:**
- Work Effort Id:**
- Fixed Asset Id:**
- Voucher Date:**

View Transaction Entries:

Accts Trans Entry Seq Id	GI Account Type	GI Account Id	Description	Voucher Ref	Party Id	Product Id	Reconcile Status	Summary ?	Debit Credit Flag	Orig Amount	Amount
00001	Retained Earnings	336000 RETAINED EARNINGS					Not Reconciled	C		\$901.80	\$901.80
00002	Profit Loss	850000 NET INCOME					Not Reconciled	D		\$901.60	\$901.60

Figure 4.48: Viewing the Period Closing Transaction Details

You can now clearly see the two parts of the accounting transaction.

This completes our review of the Business Accounting Setup options.

Business Accounting Setup Summary

Let's do a quick review of what we have covered in this chapter.

- We have discussed OFBiz Business Accounting Setup
- We have gone through each of the “Setup” options on the Organization GL Settings menu explaining its functionality and use
- We described the Accounting Preferences in detail and what can be setup using them
- We showed you the steps of how to create a new organisation and how to link it to an Accounting Preferences template
- We talked about how to create a Chart of Accounts for an organisation and did an example
- We took a look at Journals and talked about how the Error Journal is used in OFBiz
- We described in depth each of the GL Account Defaults using examples of how they are used to trigger various automatic accounting transactions
- We talked about the link between some of the GL Account Defaults and the Global GL Settings that we covered in Chapter 3
- Finally we looked at Time Periods (e.g. Financial Year etc) , how they are used and did some examples to create a new one as well as doing a Period Close

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Chapter 5:

Accounting

Transactions

What are Accounting Transactions?

“Accounting Transactions” are the way we record details in a Chart of Accounts. We have already covered some to this in Chapter 1 Basic Accounting Concepts, where we talked about:

- How we need to keep financial records for a business for legal and tax reasons
- That accounting systems are based on the concept of an account
- That accounting transactions are made of two entries, a debit and a credit (i.e. a negative value and a positive value) that always balance to zero.

Reminder: The main concept to remember is that: Money comes from somewhere and has to go to somewhere

In this Chapter we will show you:

- How to create “accounting transactions” including validating and editing them
- How to create and use the “Account Reconciliations” functions
- How to run the various “Accounting Reports”

In OFBiz Accounting Transactions are managed through the “Organization GL Settings” menu which can be found as follows:

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Organization GL Settings” from the Accounting Manager drop down menu

A screen similar to the following will be displayed.

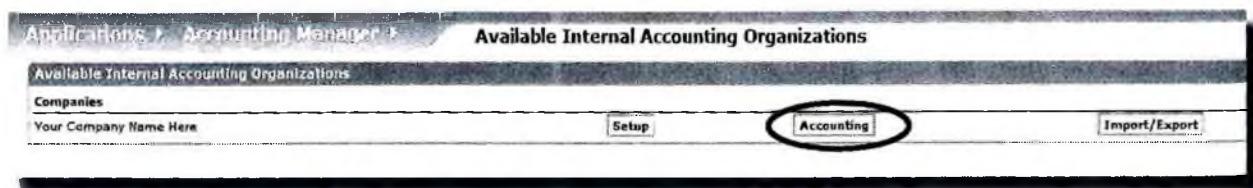


Figure 5.1: Default Screen for Organization GL Settings

The screen shows a list of organisations that have an accounting setup. If you have installed the demo data then only the default company “Company” will be displayed.

↳ Click “Accounting”

The following default screen will be displayed.

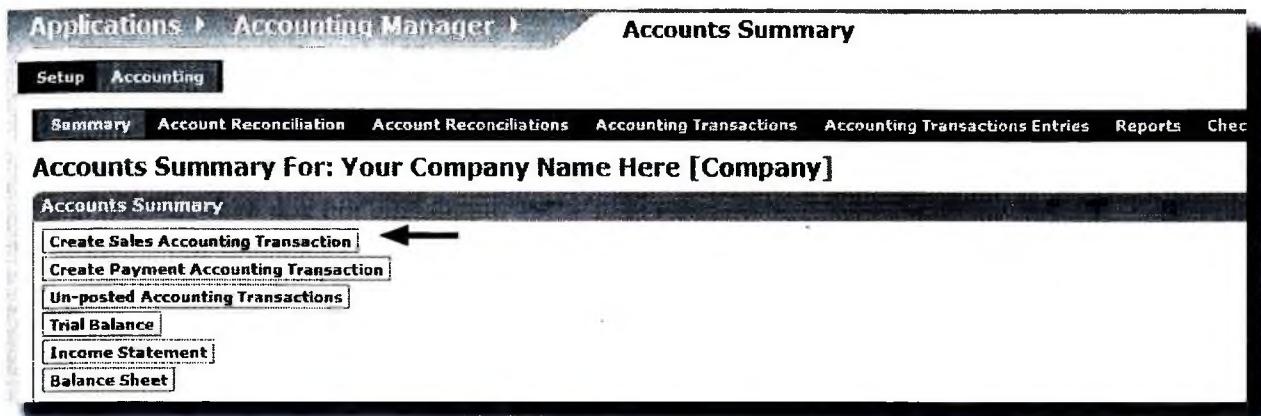


Figure 5.2: Default Accounting Summary Screen

This summary screen includes some common links for creating transactions or running reports.

Manually Creating Accounting Transactions

Let's take a quick look at these links.

↳ Click “Create Sales Accounting Transaction”

This will display a screen similar to the one below:

This screenshot shows the 'Quick Create an Accounting Transaction' screen under the 'Accounting Manager' application. At the top, there are tabs for 'Setup' and 'Accounting'. Below them is a horizontal menu with links: 'Summary', 'Account Reconciliation', 'Account Reconciliations', 'Accounting Transactions' (which is highlighted in blue), 'Accounting Transactions Entries', 'Reports', and 'Checks'. A large title bar reads 'Quick Create an Accounting Transaction For: Your Company Name Here [Company]'. The main area is titled 'Quick Create an Accounting Transaction' and contains various input fields: 'Acctg Trans Type' (set to 'Sales'), 'Party ID', 'Invoice ID', 'Product Id', 'Shipment Id', 'Debit GI Account Id' (set to '120000 - ACCOUNTS RECEIVABLE [120000]'), 'Credit GI Account Id' (set to '400000 - SALES [400000]'), 'Amount', 'Transaction Date', 'Description', 'Fiscal GI Type' (set to 'Actual'), 'Role Type Id', 'Payment Id', 'Work Effort Id', and 'Fixed Asset Id'. There is also a 'Create' button at the bottom.

Figure 5.3: Creating a Sales Accounting Transaction

This screen is used to create manual accounting transactions. Normally all the fields will be either blank or will default to the first entry in our Chart of Accounts.

We are creating a Sales Accounting Transaction so OFBiz has:

- Defaulted the Accounting Transaction Type to “Sales”
- Looked through our “Business Accounting Setup” rules and found some default accounts to use

Tip: The default accounts are taken from the GL Account Defaults setup for “Sales” and “Accounts Receivable”

Before we can create the transaction, there are some details missing, for example we need a transaction amount, a date and possibly a short description of what the transaction is for.

Let's add the missing detail:

- ↳ Enter “55” for the Amount
- ↳ Use the date picker to select the current date for Transaction Date
- ↳ Enter “My First Manual Accounting Transaction” in Description
- ↳ Click “Create”

The screenshot shows the 'Quick Create an Accounting Transaction' dialog box. It contains the following fields:

- Acctg Trans Type: Sales
- Party ID: (empty)
- Invoice ID: (empty)
- Product Id: (empty)
- Shipment Id: (empty)
- Debit GL Account Id: 120000 - ACCOUNTS RECEIVABLE [120000]
- Credit GL Account Id: 400000 - SALES [400000]
- Amount: 55
- Transaction Date: 12/05/2014 02:47:05
- Description: My First Manual Accounting Transaction
- Create button

Arrows from the text on the left indicate where to click: one arrow points to the 'Amount' field, another to the 'Transaction Date' field, and a third to the 'Description' field.

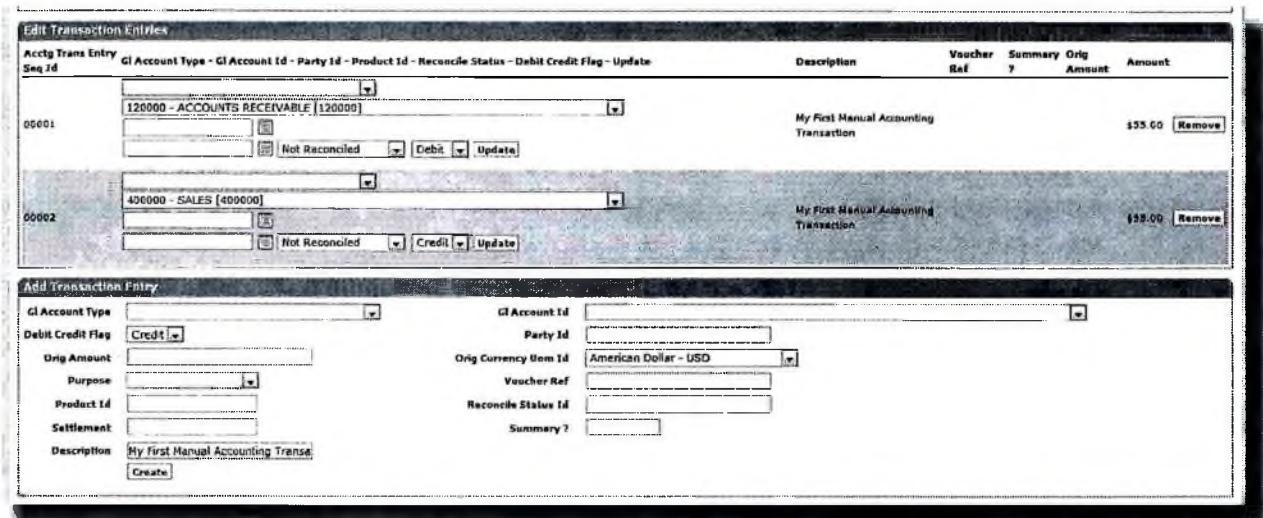
Figure 5.4: Entering Missing Sales Transaction Details

The transaction is created and OFBiz displays the detailed Accounting Transaction screen.

A range of additional fields are displayed in the lower part of the screen including the two parts (Debit and Credit) that make up the accounting transaction that we are going to create.

We also have the option to update our entry or add some additional lines into the same transaction.

 NOTE: As long as the accounting transaction balances to zero, it can contain as many lines as you want



Seq Id	GI Account Type - GI Account Id - Party Id - Product Id - Reconcile Status - Debit Credit Flag - Update	Description	Voucher Ref	Summary	Orig Amount	Amount	
00001	120000 - ACCOUNTS RECEIVABLE [120000]	Not Reconciled	Debit	My First Manual Accounting Transaction		\$55.00	<input type="button" value="Remove"/>
00002	400000 - SALES [400000]	Not Reconciled	Credit	My First Manual Accounting Transaction		\$55.00	<input type="button" value="Remove"/>

GI Account Type	Debit Credit Flag	GI Account Id
Orig Amount	Credit	Party Id
Purpose		Orig Currency Item Id
Product Id		Voucher Ref
Settlement		Reconcile Status Id
Description	My First Manual Accounting Transa	Summary ?
<input type="button" value="Create"/>		

Figure 5.5: Detailed Transaction Details

Although our transaction has been created, it hasn't been posted to the Chart of Accounts. You can check this as follows:

- ↳ Go back to the Accounting Summary.
- ↳ Click "Un-posted Accounting Transactions"



Setup Accounting

Summary Account Reconciliation Account Reconciliations Accounting Transactions Accounting Transactions Entries Reports Charts

Accounts Summary For: Your Company Name Here [Company]

Accounts Summary

-
-
- 
-
-
-

Figure 5.6: Accounts Summary

This will list all the transactions that haven't yet been posted.

Un-posted Accounting Transactions								
Un-posted Accounting Transactions For: Your Company Name Here [Company]								
(Un-posted Accounting Transactions)								
Acctg Trans Id	Transaction Date	Acctg Trans Type	Fiscal Gl Type	Invoice Id	Payment Id	Party Id	Work Effort Id	Shipment Id
10041	2014-05-12 02:47:03.000	Sales	Actual					

Figure 5.7: Un posted Accounting Transaction

You will see that our newly created transaction is in the list with two links - “Verify Transaction” and “Post Transaction”.

- “Verify Transaction” allows us to check that the transaction contains no errors (i.e. that it is ready for posting). OFBiz performs this validation based on the Business Accounting Setup rules that we have defined.
- “Post Transaction” posts the transaction to the Chart of Accounts (or General Ledger) but only if it contains no errors.

Tip: Post Transaction performs a Verify function before it posts



NOTE: If you “Verify” the transaction and it is successful there is no message, OFBiz just displays the detailed accounting transaction screen.

Let's post our transaction.

- ↳ Click “Post Transaction”

The transaction will be posted to the Chart of Accounts and will display a screen similar to the following.

The screenshot shows the 'View Transaction' details for a transaction with ID 10041. The transaction type is Sales. It was posted on 2014-05-13 at 01:28:38.077. The description is 'My First Manual Accounting Transaction'. The transaction entries table shows two entries: one for Accounts Receivable (120000) and one for Sales (400000).

Acctg Trans Entry Seq Id	Gl Account Type	Gl Account Id	Description	Voucher Ref	Party Id	Product Id	Reconcile Status	Summary?	Debit	Credit	Flag	Orig Amount	Amount
00001	L20000 ACCOUNTS RECEIVABLE		My First Manual Accounting Transaction				Not Reconciled		0			\$55.00	
00002	400000 SALES		My First Manual Accounting Transaction				Not Reconciled			C		\$55.00	

Figure 5.8: Posted Accounting Transaction

If you go back and click the “Un-posted Transactions” link again you will see that our transaction is no longer listed.

OTHER WAYS TO CREATE MANUAL ACCOUNTING TRANSACTIONS

There are many ways to manually create accounting transactions. Let's take a look at another one.

- ↳ Click “Accounting Transactions”

The screenshot shows the 'Create an Accounting Transaction' screen. It includes fields for Acctg Trans Id, Fiscal Gl Type, Is Posted, Payment Id, Work Effort Id, From Date, Transaction Type, Gl Journal Id, Invoice ID, Product Id, Shipment Id, and Thru Date. There are also 'Create an Accounting Transaction' and 'Search' buttons.

Figure 5.9: Accounting Transaction Default Screen

Notice that there are two links for manually creating accounting transactions:

- Create an Accounting Transaction
- Quick Create an Accounting Transaction

“Quick Create an Accounting Transaction” displays a screen with a reduced set of fields required used to create a transaction and detail lines in one easy step.

The screenshot shows the 'Quick Create an Accounting Transaction' interface. The main form has the following fields:

- Acctg Trans Type: Amortization
- Party ID: [dropdown]
- Invoice ID: [dropdown]
- Product Id: [dropdown]
- Shipment Id: [dropdown]
- Fiscal GL Type: Actual
- Role Type Id: [dropdown]
- Payment Id: [dropdown]
- Work Effort Id: [dropdown]
- Fixed Asset Id: [dropdown]
- Debit GL Account Id: 10000G - ASSETS [100000]
- Credit GL Account Id: 10000G - ASSETS [100000]
- Amount: [input field]
- Transaction Date: [dropdown]
- Description: [input field]
- Create: [button]

Figure 5.10: Quick Create Accounting Transaction Screen

You may notice that this screen is exactly the same one we used to a “Create a Sales Accounting Transaction”. The only difference was that OFBiz had already defaulted in some of the fields based on our Business Accounting Setup.

To create a manual transaction

- ↳ Use the drop down selection to select the “Acctg Trans Type” (Accounting Transaction Type)
- ↳ Use the drop down selection to select the “Fiscal GL Type”
- ↳ Enter the “Transaction Amount”
- ↳ Enter a “Transaction Date”
- ↳ Click “Create”

"Create an Accounting Transaction" displays a detailed screen that contains some additional fields but it doesn't allow you to create the transaction in one step.

Using this method, you will need to create the transaction header and then the individual transaction detail lines.

Figure 5.11: Create Accounting Transaction Header



NOTE: Some fields in the Accounting Transaction Header are mandatory. (Currently these are Acctg Trans Type, Transaction Date and Fiscal GL Type)

Once the header has been created a detailed screen is displayed that allows you to add each of the transaction detail lines.

Reminder: We have already seen the accounting transaction line screen before when we reviewed our first Sales Accounting Transaction.

Accounting Transaction details are added using the lower part of the screen. To add a new entry

- ↳ Select “Debit” or “Credit”
- ↳ Enter the “Original Amount”
- ↳ Use the drop down selection to select a “GL Account ID”
- ↳ Click “Create”

Figure 5.12: Adding Accounting Transaction Details

The new accounting entry is created.

Figure 5.13: Accounting Entry Created

We have only created one entry and in order for this accounting transaction to balance we will need to create a “Debit” transaction for \$25 to balance it against or it will be flagged as an error.

Duplicating Transactions

Another way to create an accounting transaction is to copy it from an existing one.

- ↳ Scroll up to the top of the screen

Just below the menu bar you will see some links.

Edit Transaction

For: Your Company Name Here [Company]

Duplicate Accounting Transaction **Revert Accounting Transaction** **PDF** **Complete transaction fields** **Verify Transaction** **Post Transaction**

Figure 5.14: Accounting Links

We have already covered two of these “Verify Transaction” and “Post Transaction” earlier in this chapter.

Let's take a look at another two, "Duplicate Accounting Transaction" and "Revert Accounting Transaction".

“Duplicate Accounting Transaction” creates another transaction with the same entries as the current one.

- ↳ Click “Duplicate Accounting Transaction”



NOTE: It may not be obvious that the new transaction has been created but you can check it using the “Accounting Transactions” link

- ↳ Click “Accounting Transactions”

You will see that another transaction is created with exactly the same details.

Applications > Accounting Manager > Accounting Transactions

Setup Accounting

General Accounting Account Transactions Accounting Transactions Accounting Transactions Related Payables Checks

Accounting Transactions For: Your Company Name Here [Company]

Accounting Transactions

Create an Accounting Transaction Quick Create an Accounting Transaction Un-posted Accounting Transactions

Acctg Trans Id	Fiscal Gl Type	Transaction Type	Credit Memo
Is Posted		Gl Journal Id	Invoice ID
Payment Id		Invoice ID	Product Id
Work Effort Id		Shipment Id	Shipment Id
From Date		Thru Date	
Search			

Accounting Transactions

Export as CSV Export as PDF

Acctg Trans Id	Transaction Date	Acctg Trans Type	Fiscal Gl Type	Invoice ID	Payment Id	Work Effort Id	Shipment Id	Is Posted	Posted Date	Post Transaction	Post Transaction
10046	2014-05-12 21:30:28,869	Credit Memo	Actual					N			
10045	2014-05-12 12:00:00,000	Credit Memo	Actual					N			

Figure 5.15: Viewing Duplicated Accounting Transactions

Reverting Accounting Transactions

Another way to create an accounting transaction is to “Revert” an existing one. This reverses the entries in an accounting transaction.



NOTE: You need to maintain a full audit trail in accounting so reversal of wrong entries is preferred over deleting them. The benefits are that the effect is the same and you have a clear record of which transactions were created.

Let's revert a transaction.

- ↳ Select the newly duplicated transaction
- ↳ Click “Revert Accounting Transaction”

The screenshot shows the Apache OFBiz Accounting Manager interface. The top navigation bar includes links for Applications, Accounting Manager, Setup, and Accounting. Below this is a secondary navigation bar with links for Summary, Account Reconciliation, Account Recconciliations, Accounting Transactions, Accounting Transactions Entries, Reports, and Checks. The main title is "Accounting Transactions". A sub-section title "Accounting Transactions For: Your Company Name Here [Company]" is displayed. The main content area contains several input fields and dropdown menus for creating a transaction, including "Acctg Trans Id", "Fiscal Gl Type", "Is Posted", "Payment Id", "Work Effort Id", "From Date", "Transaction Type" (set to "Credit Memo"), "Gl Journal Id", "Invoice ID", "Product Id", "Shipment Id", and "Thru Date". Below these is a "Search" button. At the bottom of the page, there is a section titled "Accounting Transactions" with two export options: "Export as CSV" and "Export as PDF". A table lists three accounting transactions:

Acctg Trans Id	Transaction Date	Acctg Trans Type	Fiscal Gl Type	Invoice ID	Payment Id	Work Effort Id	Shipment Id	Is Posted	Posted Date	Action
10047	2014-05-13 21:44:50.400	Credit Memo	Actual					N		Post Transaction
10048	2014-05-13 21:30:28.889	Credit Memo	Actual					N		Post Transaction
10045	2014-05-12 12:00:00.000	Credit Memo	Actual					N		Post Transaction

Figure 5.16: Viewing Reverted Accounting Transaction

Taking a look, you will see that our original transaction still exists but that another accounting transaction has been created as a reversal of it (so negating its effect).

Miscellaneous Accounting Transactions Functions

There are two accounting transaction options that we haven't covered, "Pdf" and "Complete Transaction Fields".

The "Pdf" option is easy - it simply provides a way for you to get a PDF version of the accounting transaction details.

The "Complete Transaction Fields" is a bit more interesting. This is in fact linked to your Business Accounting Setup and all those GL Account Type Defaults we discussed in Chapter 4 Business Account Setup. What this does is allow you to check if there are any defaults already existing for the transaction you are about to create.

So how does it work?

Let's do an example.

- We are going to create an Accounting Transaction and then use the "Complete Transaction Fields" link to help us with the accounts

- ↳ Click "Create an Accounting Transaction"

The screenshot shows the SAP ERP interface for Accounting Manager. At the top, there are tabs for Applications, Accounting Manager, and Accounting Transactions. Below these are sub-tabs: Summary, Account Reconciliation, Account Reconciliations, Accounting Transactions (which is selected), Accounting Transactions Entries, Reports, and Checks. The main title is "Accounting Transactions For: Your Company Name Here [Company]". Underneath, there's a section titled "Accounting Transactions" with fields for "Acctg Trans Id", "Fiscal Gl Type", "Is Posted", "Payment Id", "Work Effort Id", "From Date", "Transaction Type", "Gl Journal Id", "Invoice ID", "Product Id", "Shipment Id", and "Thru Date". There are also "Quick Create an Accounting Transaction" and "Un-posted Accounting Transactions" buttons. A "Search" button is at the bottom left of the form area.

Figure 5.17: Create a New Accounting Transaction

- ↳ Select "Internal" for the "Acctg Trans Id"
- ↳ Use the Current Date for the "Transaction Date"
- ↳ Select "Actual" for the "Fiscal Type Id"
- ↳ Click "Create"

Getting Started with Apache OFBiz® Accounting

Summary Account Reconciliation Account Reconciliations Accounting Transactions Accounting Transactions Entries Reports Checks

Create an Accounting Transaction For: Your Company Name Here [Company]

Acctg Trans Type: Internal GL Journal Id: Transaction Date: 13/05/2014 12:11:28 Is Posted: Description:

Fiscal GL Type: Actual Group Status: Role Type Id: Scheduled Posting Date: Posted Date: Physical Inventory Id: Payment Id: Work Effort Id: Fixed Asset Id: Their Acctg Trans Id: Voucher Date:

Inventory Item Id: Invoice ID: Product Id: Shipment Id: Receipt Id: Voucher Ref:

Create

Figure 5.18: Create Accounting Transaction Header

Next we are going to add a transaction entry in the lower part of the screen.

In the “Add Transaction Entry” section

- ↳ Select “Accounts Receivable” from the GL Account Type drop down selection
- ↳ Select “Credit” from the Debit Credit Flag drop down selection
- ↳ Enter “33” in the Orig Amount
- ↳ Click “Create”

Add Transaction Entry

GL Account Type: Accounts Receivable Debit Credit Flag: Credit Orig Amount: 33 Purpose: Product Id: Settlement: Description:

GL Account Id: Party Id: Orig Currency Uom Id: American Dollar - USD Voucher Ref: Reconcile Status Id: Summary?:

Create

Figure 5.19: Create Accounting Transaction Entry



NOTE: Have you noticed that we haven't included a “GL Account Id” for the transaction entry? ...This is because we want OFBiz to tell us what the default one is!

The entry is created but it still does not have a GL Account linked to it.

Acctg Trans Entry Seq Id	Description	Voucher Ref	Summary ?	Orig Amount	Amount
00001	Accounts Receivable			\$33.00	\$33.00
	<input type="button" value="Not Reconciled"/>	<input type="button" value="Credit"/>	<input type="button" value="Update"/>		

Figure 5.20: Newly Created Accounting Transaction Entry

We are going to use the “Complete Transaction Fields” link to default in our GL Account.

- ↳ Scroll up to the top of the screen
- ↳ Click “Complete Transaction Fields”
- ↳ Go back and look at the transaction entry

Acctg Trans Entry Seq Id	Description	Voucher Ref	Summary ?	Orig Amount	Amount
00001	120000 - ACCOUNTS RECEIVABLE [120008]			\$33.00	\$33.00
	<input type="button" value="Not Reconciled"/>	<input type="button" value="Credit"/>	<input type="button" value="Update"/>		

Figure 5.21: Complete Transaction Fields

You will see that it now has a GL Account associated with it. (120000 ACCOUNTS RECEIVABLE). This has come from the “GL Account Type Defaults.”

Let's go back to the GL Account Defaults to check it.

- ↳ Click “Setup”
- ↳ Click “GL Account Defaults”
- ↳ Click “GL Account Type Defaults”

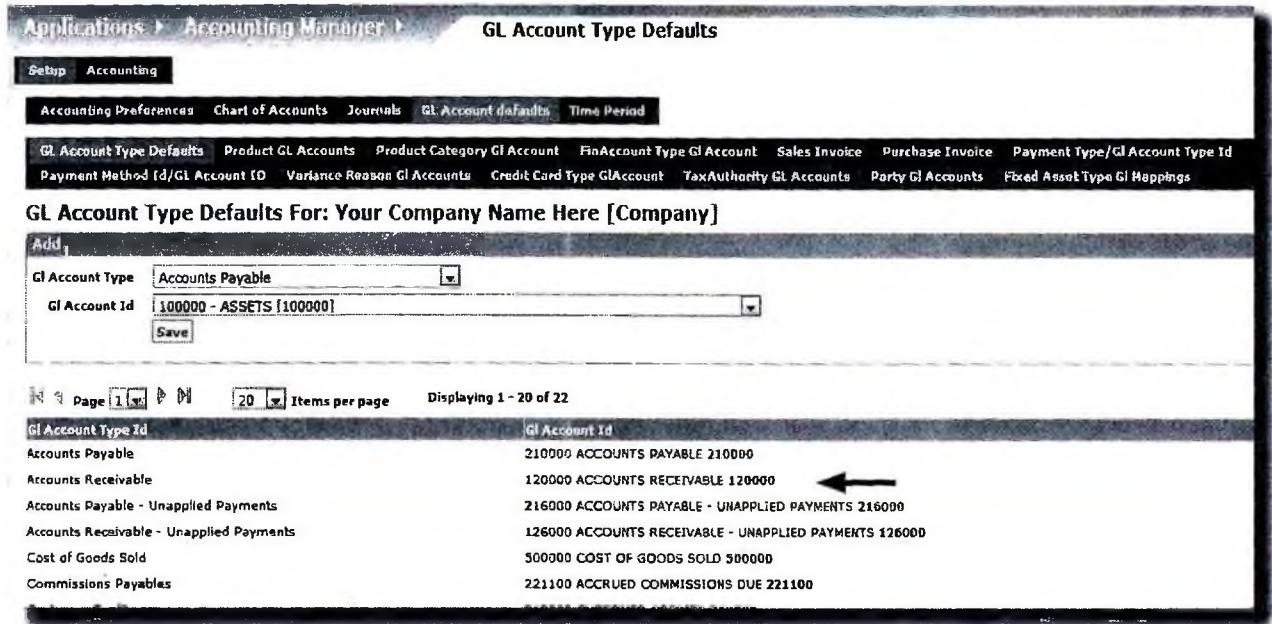


Figure 5.22: GL Account Type Defaults

Our defaulted entry has come from this setup.

Now you can see one of the ways in which the Business Accounting setup and the creation of the accounting transactions are linked.

Accounting Reconciliation

Accounting involves tracking a lot of numbers. We need to create transactions with values of products we have sold to customers, or bought from suppliers. We also need to keep track of how much taxes we need to pay and also how much is in our own bank accounts.

If we make a mistake along the way, it could be difficult to track it down. To help us manage and validate that the correct amounts are being put in the right accounts we can put in place a “Reconciliation Process”.

This process involves

- Reviewing the transactions that are put into or taken out of an account and confirming that they are correct
- Ensuring that the account balance correctly reflects the transactions that have occurred

OFBiz includes a Reconciliation Process “Out of the Box” (OOTB).

Let's take a look at how it works.

- ↳ Click “Accounting”
- ↳ Click “Account Reconciliation”

A screen similar to the following will be displayed.

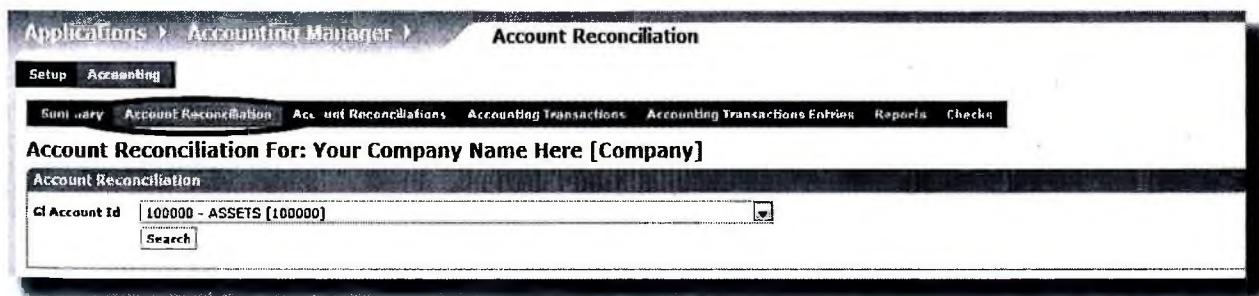


Figure 5.23: Account Reconciliation Default Screen

Initially no transactions are displayed. This is because we need to select an account where there are some transactions (either posted or un-posted).

We will use the account called “112000 UNDEPOSITED RECEIPTS” for our example.

- ↳ Select “112000 UNDEPOSITED RECEIPTS” from the GL Account ID drop down selection
- ↳ Click “Search”

Depending on what transactions you have processed in your version of OFBiz you may have different details but essentially the screen should look similar to the one below.

Acctg Trans Id	Acctg Trans Entry Seq Id	Gl Account Id	Party Id	Product Id	Organization Party Id	Amount	Select
10047	00001	112000			Company	25	<input type="checkbox"/>
10046	00001	112000			Company	25	<input type="checkbox"/>
10045	00001	112000			Company	25	<input type="checkbox"/>
10029	00001	112000			Company	266.56	<input type="checkbox"/>
2014	00001	112000			Company	20	<input type="checkbox"/>

Figure 5.24: Viewing Transactions for an Account

A list of transactions currently in this particular account is displayed along with their values.

We can view each of the transactions further by clicking on the “Acctg Trans Id” for a specific line.

Tip: This screen doesn't show if a transaction is posted or un-posted but we can tell when we look at the transaction detail. An unposted transaction will allow us to edit it but a posted one will not.

For our example we are going to say that we have verified that three out of the five transactions in this account as correct so are going to create a reconciliation for only those three.

If later on we can reconcile the other transactions in this account, we can create another reconciliation.

To create the reconciliation

- ↳ Check the boxes adjacent to the entries that you want to reconcile
- ↳ Click “Create Account Reconciliation”

Account Reconciliation							
Acctg Trans Id	Acctg Trans Entry Seq Id	Gl Account Id	Party Id	Product Id	Organization Party Id	Amount	Select
10047	00001	112000			Company	25	<input checked="" type="checkbox"/>
10046	00001	112000			Company	25	<input checked="" type="checkbox"/>
10045	00001	112000			Company	25	<input checked="" type="checkbox"/>
10029	00001	112000			Company	266.56	<input type="checkbox"/>
8014	00001	112000			Company	20	<input type="checkbox"/>

Figure 5.25: Selecting Transactions to Reconcile

A Reconciliation record is created.

Edit Account Reconciliation				
Setup	Accounting			
Summary Account Reconciliation Account Reconciliations Accounting Transactions Accounting Transactions Entries Reports Checks				
For: Your Company Name Here [Company]				
Edit Account Reconciliation				
Gl Reconciliation Id	10007			
Gl Reconciliation Name	Reconciliation at date 2014-05-14			
Description	<input type="text"/>			
Created Date	<input type="text"/> <input type="button" value="..."/>			
Last Modified Date	<input type="text"/> <input type="button" value="..."/>			
Gl Account Id	112000			
Status	Reconciled <input type="button" value="▼"/>			
Organization Party Id	Company			
Reconciled Balance	-25			
Opening Balance	<input type="text"/>			
Reconciled Date	14/05/2014 23:51:54 <input type="button" value="..."/>			
<input type="button" value="Update"/>				
Edit Account Reconciliation				
Gl Reconciliation Id	Acctg Trans Id	Acctg Trans Entry Seq Id	Reconciled Amount	Last Updated Stamp
10007	10045	00001	25	2014-05-14 23:51:55.004
10007	10046	00001	25	2014-05-14 23:51:54.986
10007	10047	00001	25	2014-05-14 23:51:54.915

Figure 5.26: Newly Created Reconciliation



NOTE: That the Account Reconciliation gives us details of the Reconciled Balance for the account as well as the date and time that the reconciliation was done.

To see all Account Reconciliations for a specific GL account

- ↳ Click “Account Reconciliations”
- ↳ Select “112000 UNDEPOSITED RECEIPTS” from the GL Account ID drop down selection
- ↳ Click “Search”

The Account Reconciliation that we have just created should be displayed.

GL Reconciliation Id	GL Reconciliation Name	Description	Created By User Login	Last Modified By User Login	GL Account Id	Organization Party Id	Reconciled Balance
140007	Reconciliation at date 2014-05-14 23:31:54.838		admin	admin	112000	Company	-25

Figure 5.27: List of Account Reconciliations for an Account

This screen will list all the Account Reconciliations for an account, the reconciled balance and the user that performed the reconciliation.

Tip: This Accounts Reconciliations screen contains key information that helps find out who reconciled what and when.

Let's go back and take a look at the transactions available for reconciliation in our 112000 UNDEPOSITED RECEIPTS account.

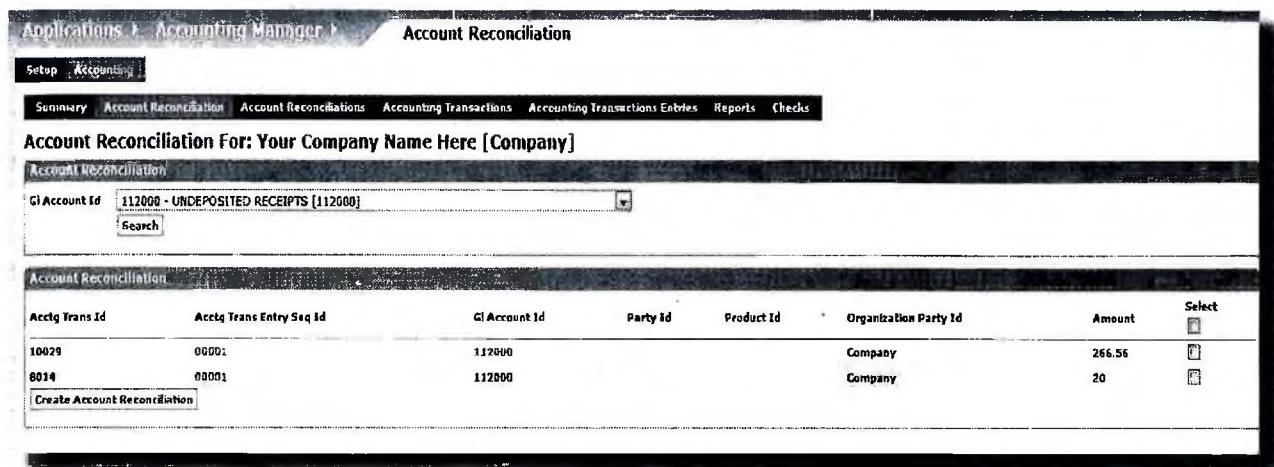


Figure 5.28: Transactions Available for Reconciliation

Taking a look, we can see that the three transactions we used for our Account Reconciliation are no longer showing. This is because they have been reconciled.

The remaining entries can be used as part of another reconciliation.

This completes the overview of Accounts Reconciliation.

Accounting Reports

OFBiz comes with a set of standard Accounting reports. Each can be exported to CSV or PDF. An overview of each reports follows:

TRIAL BALANCE REPORT

The Trial Balance report is used to verify that the total debits match the total credits in your accounts. If there is an imbalance it means that a transaction hasn't been recorded correctly.

To run the Trial Balance Report

- ↳ Click “Accounting”
- ↳ Click “Reports”
- ↳ Click “Trial Balance”

The screenshot shows the "Trial Balance" report page within the "Accounting Manager". The top navigation bar includes links for Summary, Account Reconciliations, Accounting Transactions, Accounting Transaction Details, Reports, and Charts. Below the navigation is a secondary menu with options like Trial Balance, Transaction Totals, Income Statement, Cash Flow Statement, Balance Sheet, Comparative Income Statement, Comparative Cash Flow Statement, and Comparative Balance Sheet. A sub-menu for Trial Balance is open, showing choices for Unaccounted Trial Balance, Inventory Valuation, and Cost Centers. The main content area is titled "For: Your Company Name Here [Company]" and contains a detailed table of account balances. The table has columns for Account Code, Account Name, Opening Balance, Dr, Cr, and Ending Balance. At the bottom of the table, it shows a debit balance of \$3,132.67 and a credit balance of \$3,132.67. The table also includes buttons for "Export as CSV" and "Export as PDF".

Account Code	Account Name	Opening Balance	Dr	Cr	Ending Balance
111000	CASH	\$0.00	\$0.00	\$141.25	-\$141.25
111200	GENERAL CHECKING ACCOUNT	\$31,263.22	\$0.00	\$50.00	\$31,213.22
112000	UNDEPOSITED RECEIPTS	\$20.00	\$266.56	\$0.00	\$286.56
120000	ACCOUNTS RECEIVABLE	\$159.56	\$370.32	\$315.32	\$214.96
122100	ACCOUNTS RECEIVABLE - MASTER CARD / VISA	\$127.09	\$315.32	\$0.00	\$442.41
126000	ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS	\$0.00	\$315.32	\$581.08	-\$266.56
140000	INVENTORY	\$1,936.40	\$502.83	\$0.00	\$2,439.25
210000	ACCOUNTS PAYABLE	\$240.00	\$241.25	\$136.25	\$263.00
214000	UNINVOICED ITEM RECEIPTS	\$0.00	\$0.00	\$346.60	\$346.60
216000	ACCOUNTS PAYABLE - UNAPPLIED PAYMENTS	\$0.00	\$191.25	\$241.25	\$50.00
224153	SALES TAX COLLECTED USA - UT	\$5.00	\$0.00	\$13.52	\$19.32
336000	RETAINED EARNINGS	\$0.00	\$9.00	\$901.80	\$901.80
100000	SALES	\$299.55	\$0.00	\$55.00	\$354.95
401000	GENERAL SALES	\$0.00	\$0.00	\$329.80	\$329.80
410000	DISCOUNTS ON SALES	\$12.00	\$28.00	\$0.00	\$40.00
050000	NET INCOME	\$0.00	\$901.80	\$0.00	\$901.80

Figure 5.29: Trial Balance Report

This report also shows details of account opening and ending balances.



NOTE: Only accounts that have a balance will be displayed so if the account balance is zero it will not be shown.

TRANSACTIONS TOTAL REPORT

The Transaction Totals report lists all the transaction totals for an account. It also contains the split of posted and unposted transactions.

To run the Transactions Total report

- ↳ Click “Accounting”
- ↳ Click “Reports”
- ↳ Click “Transaction Totals”

Transaction Totals							
Month							
From Date	01/01/2010 00:00:00						
Thru Date	15/05/2014 00:30:57						
Fiscal Gl Type	Actual						
<input type="button" value="Submit"/> Please enter From and Thru date in fields above							
Export as CSV Export as PDF							
Posted Totals							
Account Code	Account Name	Opening D	Opening C	Dr	Credit	Closing D	Closing C
110000	CASH	\$0.00	\$0.00	\$0.00	\$141.25	\$0.00	\$141.25
111100	GENERAL CHECKING ACCOUNT	\$0.00	\$0.00	\$0.00	\$50.00	\$0.00	\$50.00
112000	UNDEPOSITED RECEIPTS	\$0.00	\$0.00	\$266.36	\$0.00	\$266.36	\$0.00
120000	ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$370.32	\$315.32	\$370.32	\$315.32
122300	ACCOUNTS RECEIVABLE - MASTER CARD / VISA	\$0.00	\$0.00	\$315.32	\$0.00	\$315.32	\$0.00
126000	ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS	\$0.00	\$0.00	\$315.32	\$581.88	\$315.32	\$383.88
140000	INVENTORY	\$0.00	\$0.00	\$502.85	\$0.00	\$502.85	\$0.00
186000	ACCUMULATED DEPRECIATION - DATA PROCESSING EQUIP	\$0.00	\$0.00	\$600.00	\$0.00	\$600.00	\$0.00
210000	ACCOUNTS PAYABLE	\$0.00	\$0.00	\$241.25	\$156.25	\$241.25	\$156.25
214000	UNINVOICED ITEM RECEIPTS	\$0.00	\$0.00	\$0.00	\$346.60	\$0.00	\$346.60
216000	ACCOUNTS PAYABLE - UNAPPLIED PAYMENTS	\$0.00	\$0.00	\$191.25	\$241.25	\$191.25	\$241.25
224153	SALES TAX COLLECTED USA - UT	\$0.00	\$0.00	\$0.00	\$13.52	\$0.00	\$13.52
400000	SALES	\$0.00	\$0.00	\$0.00	\$55.00	\$0.00	\$55.00
401000	GENERAL SALES	\$0.00	\$0.00	\$0.00	\$329.80	\$0.00	\$329.80
410000	DISCOUNTS ON SALES	\$0.00	\$0.00	\$28.00	\$0.00	\$28.00	\$0.00
675200	DEPRECIATION - DATA PROCESSING EQUIPMENT	\$0.00	\$0.00	\$0.00	\$600.00	\$0.00	\$600.00
					\$2,830.87		\$2,830.87
UnPosted Totals							
Account Code	Account Name	Opening D	Opening C	Dr	Credit	Closing D	Closing C
112000	UNDEPOSITED RECEIPTS	\$0.00	\$0.00	\$25.00	\$50.00	\$25.00	\$50.00
120000	ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$66.00	\$33.00	\$66.00	\$33.00
400000	SALES	\$0.00	\$0.00	\$0.00	\$22.00	\$0.00	\$22.00
					\$91.00		\$103.00

Figure 5.30: Transactions Total Report



NOTE: This report shows opening Debit and Credit balances, Debit and Credit Movements and Closing Debit and Credit Balances

INCOME STATEMENT REPORT

The Income Statement (also known as the Profit and Loss Statement or “P&L”) is a report that lists the income, net profit (or loss) for a business.

In general the net profit (or loss) is equal to the total income minus the total expenses.

To run the Income Statement Report

- ↳ Click “Accounting”
- ↳ Click “Reports”
- ↳ Click “Income Statement”

Income Statement		
		Export as CSV Export as PDF
Revenues		
Expenses		
Account Code	Account Name	Balance
400000	SALES	\$55.00
401000	GENERAL SALES	\$329.80
	TOTAL REVENUES	\$384.80
Account Code	Account Name	Balance
410000	DISCOUNTS ON SALES	\$28.00
675200	DEPRECIATION - DATA PROCESSING EQUIPMENT	-\$600.00
	TOTAL EXPENSES	-\$572.00
Income	Account Name	Balance
Account Code	Account Name	Balance
	TOTAL INCOME	\$0.00
Total		
Total		
TOTAL CONTRA REVENUE		\$0.00
Cost Of Good Sold		\$28.00
Total Net Sales		\$384.80
Gross Margin		\$356.80
Operating Expenses		\$0.00
Depreciation		-\$600.00
Income From Operations		\$356.80
Net Income		\$96.80

Figure 5.31: Income Statement Report

CASH FLOW STATEMENT REPORT

The Cash Flow Statement is a report that shows you details about the cash flowing into and out of your business.

To run the Cash Flow Statement Report

- ↳ Click “Accounting”
- ↳ Click “Reports”
- ↳ Click “Cash Flow Statement”

Cash Flow Statement				
Account Code	Account Name			Balance
110000	CASH			\$0.00
111100	GENERAL CHECKING ACCOUNT			\$0.00
112000	UNDEPOSITED RECEIPTS			\$0.00
	Total Opening Cash Balance			\$0.00
Period Cash Balance				
Account Code	Account Name	Total Debit(Receipts)	Total Credit(Disbursement)	Balance
110000	CASH	\$0.00	\$141.25	-\$141.25
111100	GENERAL CHECKING ACCOUNT	\$0.00	\$50.00	-\$50.00
112000	UNDEPOSITED RECEIPTS	\$266.56	\$0.00	\$266.56
	Total Period Cash Balance			\$75.31
Closing Cash Balance				
Account Code	Account Name			Balance
110000	CASH			-\$141.25
111100	GENERAL CHECKING ACCOUNT			-\$50.00
112000	UNDEPOSITED RECEIPTS			\$266.56
	Total Closing Cash Balance			\$75.31
Total				
Total				
Opening Cash Balance				\$0.00
Period Cash Balance				\$75.31
Ending Cash Balance				\$75.31

Figure 5.32: Cash Flow Statement Report

BALANCE SHEET REPORT

The Balance Sheet report is like a “financial snapshot” of your business at a certain point in time. It lists your assets, liabilities and the difference between the two which is the net worth (or equity) of the business.

The Balance Sheet is also sometimes called the “Statement of Financial Position”

To run the Balance Sheet Report

- ↳ Click “Accounting”
- ↳ Click “Reports”
- ↳ Click “Balance Sheet”

Export as CSV Export as PDF		
Balance Sheet		
Assets		
Account Code	Account Name	Balance
110000	CASH	-\$141.25
111100	GENERAL CHECKING ACCOUNT	-\$50.00
112000	UNDEPOSITED RECEIPTS	\$266.56
120000	ACCOUNTS RECEIVABLE	\$55.00
122300	ACCOUNTS RECEIVABLE - MASTER CARD / VISA	\$315.32
126000	ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS	-\$266.56
140000	INVENTORY	\$502.85
186000	Total Assets	\$681.92
	ACCUMULATED DEPRECIATION - DATA PROCESSING EQUIP	\$600.00
	Total Accumulated Depreciation	\$600.00
Liabilities		
Account Code	Account Name	Balance
210000	ACCOUNTS PAYABLE	-\$85.00
214000	UNINVOICED ITEM RECEIPTS	\$346.60
216000	ACCOUNTS PAYABLE - UNAPPLIED PAYMENTS	\$50.00
224153	SALES TAX COLLECTED USA - UT	\$13.52
	Total Liabilities	\$325.12
Equities		
Account Code	Account Name	Balance
328000	RETAINED EARNINGS	\$936.80
	Total Equities	\$936.80
Total		
Total		
Current Assets		\$681.92
Long Term Assets		\$0.00
Total Accumulated Depreciation		\$600.00
Total Assets		\$1,281.92
Current Liabilities		\$325.12
Equities		\$936.80
Total Liabilities and Equities		\$1,281.92

Figure 5.33: Balance Sheet Report

COMPARATIVE INCOME STATEMENT

The Comparative Income Statement is a report that allows you to run an Income Statement Report for two different time periods, so that you can compare them.

Reminder: The Income Statement lists the income, net profit (or loss) for a business

To run the Comparative Income Statement Report

- ↳ Click “Accounting”
- ↳ Click “Reports”
- ↳ Click “Comparative Income Statement”
- ↳ Enter the dates for Period 1 and Period 2
- ↳ Click “Submit”



NOTE: The default is that Period 1 and 2 are the same date, which starts at the beginning of the Fiscal Period to the current date. The default Fiscal Type is “Actual”.

Comparative Income Statement																																																																						
Period1 From Date	01/01/2010 00:00:00	Period2 From Date	01/01/2010 00:00:00																																																																			
Period1 Thru Date	15/05/2014 00:57:46	Period2 Thru Date	15/05/2014 00:57:46																																																																			
Period1 GI Fiscal Type Id	Actual	Period2 GI Fiscal Type Id	Actual																																																																			
<input type="button" value="Submit"/>																																																																						
Comparative Income Statement																																																																						
<input type="button" value="Export as CSV"/> <input type="button" value="Export as PDF"/>																																																																						
AccountingRevenues <table border="1"> <thead> <tr> <th>Account Code</th> <th>Account Name</th> <th>Balance1</th> <th>Balance2</th> </tr> </thead> <tbody> <tr> <td>400000</td> <td>SALES</td> <td>\$55.00</td> <td>\$55.00</td> </tr> <tr> <td>403000</td> <td>GENERAL SALES</td> <td>\$329.80</td> <td>\$329.80</td> </tr> <tr> <td></td> <td>TOTAL REVENUES</td> <td>\$384.80</td> <td>\$384.80</td> </tr> </tbody> </table> Expenses <table border="1"> <thead> <tr> <th>Account Code</th> <th>Account Name</th> <th>Balance1</th> <th>Balance2</th> </tr> </thead> <tbody> <tr> <td>410000</td> <td>DISCOUNTS ON SALES</td> <td>\$28.00</td> <td>\$28.00</td> </tr> <tr> <td>075200</td> <td>DEPRECIATION - DATA PROCESSING EQUIPMENT</td> <td>-\$600.00</td> <td>-\$600.00</td> </tr> <tr> <td></td> <td>TOTAL EXPENSES</td> <td>-\$572.00</td> <td>-\$572.00</td> </tr> </tbody> </table> Income <table border="1"> <thead> <tr> <th>Account Code</th> <th>Account Name</th> <th>Balance1</th> <th>Balance2</th> </tr> </thead> <tbody> <tr> <td></td> <td>TOTAL INCOME</td> <td>\$0.00</td> <td>\$0.00</td> </tr> </tbody> </table> Total <table border="1"> <thead> <tr> <th>Total Name</th> <th>Period1</th> <th>Period2</th> </tr> </thead> <tbody> <tr> <td>TOTAL CONTRA REVENUE</td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td>Cost Of Good Sold</td> <td>\$28.00</td> <td>\$28.00</td> </tr> <tr> <td>Total Net Sales</td> <td>\$384.80</td> <td>\$384.80</td> </tr> <tr> <td>Gross Margin</td> <td>\$356.80</td> <td>\$356.80</td> </tr> <tr> <td>Operating Expenses</td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td>Depreciation</td> <td>-\$600.00</td> <td>-\$600.00</td> </tr> <tr> <td>Income From Operations</td> <td>\$356.80</td> <td>\$356.80</td> </tr> <tr> <td>Net Income</td> <td>\$356.80</td> <td>\$356.80</td> </tr> </tbody> </table>				Account Code	Account Name	Balance1	Balance2	400000	SALES	\$55.00	\$55.00	403000	GENERAL SALES	\$329.80	\$329.80		TOTAL REVENUES	\$384.80	\$384.80	Account Code	Account Name	Balance1	Balance2	410000	DISCOUNTS ON SALES	\$28.00	\$28.00	075200	DEPRECIATION - DATA PROCESSING EQUIPMENT	-\$600.00	-\$600.00		TOTAL EXPENSES	-\$572.00	-\$572.00	Account Code	Account Name	Balance1	Balance2		TOTAL INCOME	\$0.00	\$0.00	Total Name	Period1	Period2	TOTAL CONTRA REVENUE	\$0.00	\$0.00	Cost Of Good Sold	\$28.00	\$28.00	Total Net Sales	\$384.80	\$384.80	Gross Margin	\$356.80	\$356.80	Operating Expenses	\$0.00	\$0.00	Depreciation	-\$600.00	-\$600.00	Income From Operations	\$356.80	\$356.80	Net Income	\$356.80	\$356.80
Account Code	Account Name	Balance1	Balance2																																																																			
400000	SALES	\$55.00	\$55.00																																																																			
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Operating Expenses	\$0.00	\$0.00																																																																				
Depreciation	-\$600.00	-\$600.00																																																																				
Income From Operations	\$356.80	\$356.80																																																																				
Net Income	\$356.80	\$356.80																																																																				

Figure 5.34: Comparative Income Statement Report

COMPARATIVE CASH FLOW STATEMENT

The Comparative Cash Flow Statement is a report that allows you to run a Cash Flow Statement for two different time periods so that you can compare them.

Reminder: A Cash Flow Statement shows details about the cash flowing into and out of your business

To run the Comparative Cash Flow Statement Report

- ↳ Click “Accounting”
- ↳ Click “Reports”
- ↳ Click “Comparative Cash Flow Statement”
- ↳ Enter the dates for Period 1 and Period 2
- ↳ Click “Submit”



NOTE: The default is that Period 1 and 2 are the same date, which starts at the beginning of the Fiscal Period to the current date. The default Fiscal Type is “Actual”.

For: Your Company Name Here [Company]

Comparative Cash Flow Statement

Period1 From Date	01/01/2010 00:00:00	Period2 From Date	01/01/2010 00:00:00				
Period1 Thru Date	15/05/2014 01:09:40	Period2 Thru Date	15/05/2014 01:09:40				
Period1 Gl Fiscal Type Id	Actual	Period2 Gl Fiscal Type Id	Actual				
Comparative Cash Flow Statement							
Export as CSV Export as PDF							
Opening Cash Balance							
Account Code	Account Name	Balance1	Balance2				
110000	CASH	\$0.00	\$0.00				
111100	GENERAL CHECKING ACCOUNT	\$0.00	\$0.00				
112000	UNDEPOSITED RECEIPTS	\$0.00	\$0.00				
Total Opening Cash Balance		\$0.00	\$0.00				
Period Cash Balance							
Account Code	Account Name	Period 1 Debit(Receipts)	Period 1 Credit(Disbursement)	Balance1	Period 2 Debit(Receipts)	Period 2 Credit(Disbursement)	Balance2
110000	CASH	\$0.00	\$141.25	-\$141.25	\$0.00	\$141.25	-\$141.25
111100	GENERAL CHECKING ACCOUNT	\$0.00	\$56.00	-\$56.00	\$0.00	\$56.00	-\$56.00
112000	UNDEPOSITED RECEIPTS	\$266.56	\$0.00	\$266.56	\$266.56	\$0.00	\$266.56
Total Period Cash Balance		\$75.31		\$75.31		\$75.31	
Closing Cash Balance							
Account Code	Account Name	Balance1	Balance2				
110000	CASH	-\$141.25	-\$141.25				
111100	GENERAL CHECKING ACCOUNT	-\$56.00	-\$56.00				
112000	UNDEPOSITED RECEIPTS	\$266.56	\$266.56				
Total Closing Cash Balance		\$75.31	\$75.31				
Total							
Total Name							
Opening Cash Balance	Period1	Period2					
\$0.00		\$0.00					
Period Cash Balance	\$75.31	\$75.31					
Ending Cash Balance	\$75.31	\$75.31					

Figure 5.35: Comparative Cash Flow Statement Report

COMPARATIVE BALANCE SHEET REPORT

The Comparative Balance Sheet Report is a report that allows you to run two Balance Sheet reports for two different time periods so that you can compare them.

Reminder: A Balance Sheet is a financial snapshot of your business at a certain point in time

To run the Comparative Balance Sheet Report

- ↳ Click “Accounting”
- ↳ Click “Reports”
- ↳ Click “Comparative Balance Sheet”
- ↳ Enter the Thru Dates for Period 1 and Period 2
- ↳ Click “Submit”

Comparative Balance Sheet					
Period1 Thru Date	15/05/2014 01:16:27	Period2 Thru Date	15/05/2014 01:16:27		
Period1 GI Fiscal Type Id	Actual	Period2 GI Fiscal Type Id	Actual		
<input type="button" value="Submit"/> Export as CSV Export as PDF					
Comparative Balance Sheet					
Assets					
Account Code	Account Name	Balance1	Balance2		
110000	CASH	\$141.25	\$141.25		
111100	GENERAL CHECKING ACCOUNT	\$50.00	\$50.00		
117000	UNDEPOSITED RECEIPTS	\$266.56	\$266.56		
120000	ACCOUNTS RECEIVABLE	\$55.00	\$55.00		
122300	ACCOUNTS RECEIVABLE - MASTER CARD / VISA	\$315.32	\$315.32		
126000	ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS	\$266.56	\$266.56		
140000	INVENTORY	\$502.85	\$502.85		
186000	ACCUMULATED DEPRECIATION - DATA PROCESSING EQUIP	\$600.00	\$600.00		
Total Accumulated Depreciation		\$600.00	\$600.00		
Liabilities					
Account Code	Account Name	Balance1	Balance2		
210000	ACCOUNTS PAYABLE	\$05.00	\$05.00		
214000	UNINVOICED ITEM RECEIPTS	\$346.60	\$346.60		
226000	ACCOUNTS PAYABLE - UNAPPLIED PAYMENTS	\$50.00	\$50.00		
224153	SALES TAX COLLECTED USA - UT	\$13.52	\$13.52		
Total Liabilities		\$325.12	\$325.12		
Equities					
Account Code	Account Name	Balance1	Balance2		
338000	RETAINED EARNINGS	\$956.80	\$956.80		
Total Equities		\$956.80	\$956.80		
Total					
Total Name		Period1	Period2		
Current Assets		\$681.92	\$681.92		
Long Term Assets		\$0.00	\$0.00		
Total Accumulated Depreciation		\$600.00	\$600.00		
Total Assets		\$1,281.92	\$1,281.92		
Current Liabilities		\$325.12	\$325.12		
Equities		\$956.80	\$956.80		
Total Liabilities and Equities		\$1,281.92	\$1,281.92		

Figure 5.36: Comparative Balance Sheet Report

GL ACCOUNT TRIAL BALANCE REPORT

The GL Account Trial Balance Report is a report that allows you to run a Trial Balance for a particular GL Account.

Reminder: A Trial Balance is used to verify that the total debits match the total credits in your accounts

To run the GL Account Trial Balance Report

- ↳ Click "Accounting"
- ↳ Click "Reports"
- ↳ Click "GL Account Trial Balance"
- ↳ Select GL Account ID (e.g. 140000 INVENTORY)
- ↳ Click "Submit"

GL Account Trial Balance For: Your Company Name Here [Company]

The screenshot shows the 'GL Account Trial Balance' report interface. At the top, there are four input fields: 'GL Account ID' (set to '140000 INVENTORY'), 'Time Period' (set to '2011-01-01 - 2020-01-01'), 'Is Posted' (set to 'Yes'), and a 'Submit' button. Two arrows point to the 'Submit' button and the 'Is Posted' dropdown. Below this, the report title 'GL Account Trial Balance' is displayed, along with a 'PDF' export option. The report content includes a header with 'Subsidiary Ledger', 'Company Name : Your Company Name Here', and 'Time Period : 01-Jan-2011 To 01-Jan-2020'. It also shows the 'GL account code and GL account name : 140000 - INVENTORY'. The main table lists transactions with columns for Transaction Date, Account Transaction Id, Description, Type of the Currency, Original Currency, Debit Amount, Credit Amount, Dr/Credit Of The Balance, and Balance Of The Account. The table includes summary rows for the current month and year-to-date.

Transaction Date	Account Transaction Id	Description	Type of the Currency	Original Currency	Debit Amount	Credit Amount	Dr/Credit Of The Balance	Balance Of The Account
The balance of last year								
2014-04-19 19:29:39.779 10035		USD	USD		141.25	0		
2014-04-12 03:06:44.451 10030		USD	USD		175.35	0		
2014-04-19 19:26:21.048 10034		USD	USD		141.25	0		
Total of the current month								
					457.85	0	Dr	457.85
					457.85	0	Dr	457.85
2014-05-13 19:22:53.101 10043		USD	USD		15	0		
2014-05-13 19:08:09.184 10042		USD	USD		15	0		
2014-05-13 19:37:23.809 10044		USD	USD		15	0		
Total of the current month								
					45	0	Dr	45
					502.85	0	Dr	502.85
Total of Year To Date								

Figure 5.37: GL Account Trial Balance Report

INVENTORY VALUATION REPORT

The Inventory Valuation Report is a report that allows you to calculate the value of the products you have in inventory (e.g. your warehouse) that haven't yet been sold.

To run the Inventory Valuation Report

- ↳ Click "Accounting"
- ↳ Click "Reports"
- ↳ Click "Inventory Valuation"
- ↳ Select "Facility Id" from the drop down selection
- ↳ Enter a "Product Id" (or Leave blank for a listing of all products)
- ↳ Click "Submit"

Inventory Valuation For: [Company]

Search Options

Facility Id	Web Store Warehouse	<input type="button" value="▼"/>	←
Product Id	<input type="text"/>	<input type="button" value="..."/>	
Thru Date	05/05/2014 01:31:00	<input type="button" value="..."/>	
<input type="button" value="Submit"/> ←			

Search Results

[Export as PDF](#) | [Export as CSV](#)

Inventory Valuation List

Product Id	Unit Cost	Accounting Quantity Sum	Value
GZ-1060	\$2.40	8	\$19.20
GZ-1000	\$5.65	25	\$141.25
GZ-1060	\$7.50	4	\$30.00
GZ-1001	\$2.40	8	\$19.20
GZ-1001	\$11.69	15	\$175.35
GZ-1004	\$2.40	8	\$19.20
GZ-1006-1	\$2.40	8	\$19.20
GZ-1006-2	\$2.40	8	\$19.20
GZ-1006-3	\$2.40	8	\$19.20
GZ-1006-4	\$2.40	8	\$19.20
GZ-2644	\$2.50	505	\$1,262.50
GZ-2644	\$24.00	2	\$48.00
GZ-9544	\$3.00	18	\$54.00
MAT_A_COST	\$9.00	20	\$180.00
MAT_B_COST	\$7.00	20	\$140.00
RentalShip	\$2.40	10	\$24.00
WG-1111	\$4.50	55	\$247.50
WG-5569	\$5.00	10	\$50.00
WG-9943-63	\$3.50	10	\$35.00
WG-9943-84	\$3.50	10	\$35.00

Figure 5.38: Inventory Valuation Report

COST CENTERS REPORT

The Cost Centers Report shows you a full breakdown of which values (or costs) have been allocated to your list of cost centres. It also includes details of which GL Account made the allocation.

To run the Cost Centers Report

- ↳ Click “Accounting”
- ↳ Click “Reports”
- ↳ Click “Cost Centers”

Cost Centers For: Your Company Name Here [Company]						
Cost Centers						
From Date	01/01/2010 00:00:00	<input type="button" value="..."/>	Thru Date	15/05/2014 01:37:44	<input type="button" value="..."/>	
Fiscal GL Type	Actual	<input checked="" type="radio"/>	Submit	<input type="button" value="Submit"/>		
Export as PDF						
Cost Centers						
GL Account Id	Account Code	Account Name	Posted Balance - (USD)	Cost Center 1 - (USD)	Cost Center 2 - (USD)	Cost Center 3 - (USD)
110000	110000	CASH	-141.25			
111100	111100	GENERAL CHECKING ACCOUNT	-50			
112000	112000	UNDEPOSITED RECEIPTS	266.56	133.28	53.312	79.968
120000	120000	ACCOUNTS RECEIVABLE	55			
122300	122300	ACCOUNTS RECEIVABLE - MASTER CARD / VISA	315.32			
126000	126000	ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS	-266.56			
140000	140000	INVENTORY	502.85	251.425	100.57	150.855
186000	186000	ACCUMULATED DEPRECIATION - DATA PROCESSING EQUIP	600			
210000	210000	ACCOUNTS PAYABLE	85			
214000	214000	UNINVOICED ITEM RECEIPTS	-346.6			
216000	216000	ACCOUNTS PAYABLE - UNAPPLIED PAYMENTS	-50			
224153	224153	SALES TAX COLLECTED USA - UT	-13.52			
400000	400000	SALES	-55			
401000	401000	GENERAL SALES	-329.8			
410000	410000	DISCOUNTS ON SALES	28			
675200	675200	DEPRECIATION - DATA PROCESSING EQUIPMENT	-600			

Figure 5.39: Cost Centers Report

This completes the overview of the Accounting Reports.

Accounting Transactions Summary

Let's do a quick review of what we have covered in this chapter.

- We described what Accounting Transactions are, what they are made up of and how they are used to record details in the Chart of Accounts
- We then created a Sales Accounting Transaction manually using the Quick Create function
- We saw how the GL Defaults we setup in Chapter 4 Business Accounting Setup are being used as part of an Accounting Transaction
- We discussed how to post transactions to the Chart of Accounts and how OFBiz provides us with a pre-posting validation check to identify any transaction errors
- We described the various other ways to create manual accounting transactions, including the duplication of an existing one or the reversal of a transaction created by mistake
- We talked about the Account Reconciliation process and how it can be used to help us verify that the transactions that have been entered for an account are correct
- We created an Account Reconciliation for an account and viewed the resulting reconciliation and balances
- Finally we did a brief overview of all the Accounting Reports

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Chapter 6: Tax Authorities

What is a Tax Authority?

A “Tax Authority” is legal organisation representing the government (of a country, state, region, province or city) that is responsible for imposing and collecting the financial levies determined by the government.

These levies are normally imposed on business transactions as a “tax”. In OFBiz Tax Authorities are used to calculate where business or related taxes are due.

Tax Setup is very important as it links into the calculated price that you can charge your customers and also flows through into any related legal documents that are generated (e.g. Sales Order, Sales Invoice, Purchase Order etc).

Each country or region will have specific rules regarding what should or should not be taxed. There will also be very strict regulations on how taxable transactions should be recorded and tracked in the General Ledger or Chart of Accounts.

Tax Authority setup allows configuration of the following :

- Income tax
- Value Added Tax (VAT) / Goods and Services Tax (GST)
- Import / Export Tax /Custom and Excise Duty
- State, City or County Taxes

The Tax Authorities menu can be found as follows:

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Tax Authorities” from the Accounting Manager drop down menu

If you have installed OFBiz using the demo data then some Tax Authorities have already been created. These are there to show examples of how tax calculations work with the demo data for different situations.

The demo data default screen will be similar to the following:

Find Tax Authority					
New Tax Authority					
Tax Auth Geo ID	Tax Authority Party	Require Tax Id For Exemption	Tax Id Format Pattern	Include Tax In Price	
California [CA] [CA]	State of California Board of Equalization [CA_BOE]	N			Edit
Canada [CA] [CAN]	Canada Tax Authority [CAN_TAXMAN]	N			Edit
New York [NY] [NY]	New York Department of Taxation and Finance [NY_DTF]	N			Edit
ON [ON] [ON]	Ontario Sales Tax (VAT) Authority [ON_TAXMAN]	Y			Edit
Texas [TX] [TX]	Texas Sales Tax Authority [TX_TAXMAN]	N			Edit
United States [US] [USA]	United States of America - Internal Revenue Service [USA_IRS]	N	1d(2){1-4}d{7}{1d{3}{1-4}d{2}{1-4}d{4}}		Edit
Utah [UT] [UT]	Utah Sales Tax Authority [UT_TAXMAN]	N			Edit
Utah County [UT-UTAH] [UT-UTAH]	Utah County, Utah Sales Tax Authority [UT_UTAH_TAXMAN]	N			Edit
Not Applicable [NA] [NA]	[NA]	N			Edit

Figure 6.1: Default Tax Authorities Screen

Setting up a new Tax Authority is a three part process:

- Creating the Tax Authority Party
- Setting the Tax Authority Region and Rates
- Linking the Tax Authority to your Company and its transactions

The OFBiz demo data contains some default tax authorities and parties for the US and Canada. If you are within these areas then you can use or modify the ones created in the demo data.

However, if you outside these areas then you will need to create a Tax Authority for your region.

In order to give you a better understanding of how to setup and use a Tax Authority, we will do an example.

- We will create a new Tax Authority Party
- We will then add the Tax Authority setup (rates, region)
- We will then link the new Tax Authority to our OFBiz company
- We will then process a customer order to verify that the rate from our new Tax Authority has been applied

Creating a New Tax Authority Party

It may seem a little strange but we need to start not in Accounting as you would expect, but in Party Manager.



NOTE: Party Manager is the application where we create all the entities (companies, people, groups, departments) that we deal with in the course of doing business.

To access Party Manager:

- ↳ Select “Party” from the Applications drop down menu

Figure 6.2: Party Manager Default Screen

We need to create a new Party

- ↳ Click “Create New”

Figure 6.3: Creating a New Party

The Tax Authority we are creating is not an individual (person, customer, prospect or employee). It is an organisation and in OFBiz this is a called a “Party Group” (i.e. a group of people!).

- ↳ Click “Create New Party Group”

A screen similar to the one below will be displayed.

Edit Group Information

Group Name: MyNewTaxAuthority Required

Group Name Local:

Office Site Name:

Annual revenue:

Number of employees:

Ticker symbol:

Comments:

Logo Image Url:

Description:

Preferred Currency Uom Id: American Dollar - USD

External Id:

Save ←

Cancel/Done

Figure 6.4: Creating a New Tax Authority Party Group

- ↳ Enter “MyNewTaxAuthority” in the Group Name
- ↳ Click “Save”

View Party Profile

Party Group Information

- Party Id: L000C
- Group Name: MyNewTaxAuthority
- Group Name Local:
- Office Site Name:
- Annual revenue:
- Number of employees:
- Ticker symbol:
- Description: American Dollar
- External Id:
- Status ID: Enabled

Contact Information

No contact information on file.

Loyalty Points

You have 0 points from 0 order(s) in the last 12 Months.

Payment Method Information

No payment method information on file.

Identification Numbers

User Names

No UserLogin(s) found for this party.

Party Attribute(s)

No party attributes found.

AVS Override (CC Fraud Screening)

AVS String: Global Edit Reset

Party Content

No Content

Attach Content

Browse... No file selected. Select Purpose

Is Public

No Not Applicable Upload

Notes

No notes for this party.

Visits

No Visit(s) found for this party.

Stores

No product store(s) found for this party.

Figure 6.5: Newly Created Party

The new Party Group has been created but we need to add a specific role to it - to let OFBiz know that it is a Tax Authority.

To do this:

- ↳ Click “Roles”

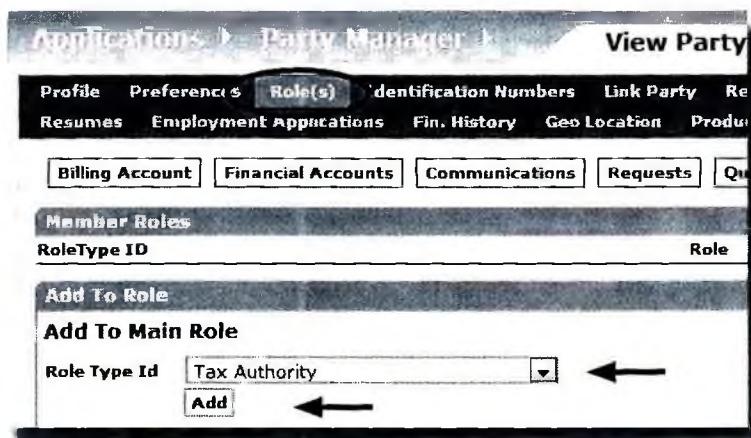


Figure 6.6: Adding the Tax Authority Role

Under the “Add to Main Role”

- ↳ Select “Tax Authority” for the Role Type Id
- ↳ Click “Add”

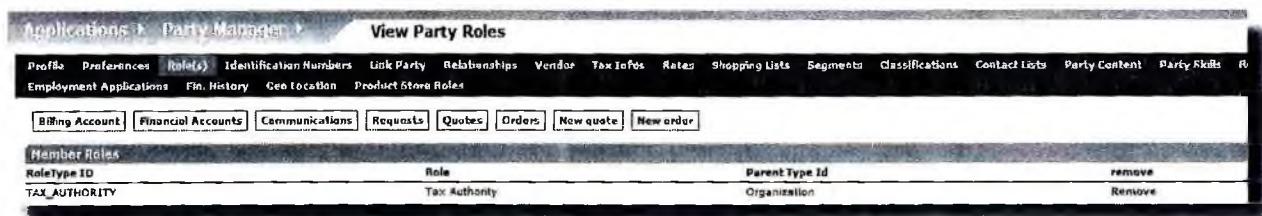


Figure 6.7: Tax Authority Role Added

Now this is done - we can use the Tax Authorities menu to complete the remaining Tax Authority setup.

Setting up Tax Authority Region and Rates

Next we need to specify what region the Tax Authority relates to and what Tax Rate needs to be applied.

- ↳ Select “Accounting” from the Applications drop down menu

- ↳ Select “Tax Authorities” from the Accounting Manager drop down menu

Find Tax Authority				
New Tax Authority	Tax Authority Party	Require Tax Id For Exemption	Tax Id Format Pattern	Include Tax In Price
California [CA] [CA]	State of California Board of Equalization [CA_BOE]	N		<input type="button" value="Edit"/>
Canada [CA] [CAN]	Canada Tax Authority [CAN_TAXMAN]	N		<input type="button" value="Edit"/>
New York [NY] [NY]	New York Department of Taxation and Finance [NY_DTF]	N		<input type="button" value="Edit"/>
ON [ON] [ON]	Ontario Sales Tax (VAT) Authority [ON_TAXMAN]	Y		<input type="button" value="Edit"/>
Texas [TX] [TX]	Texas Sales Tax Authority [TX_TAXMAN]	N		<input type="button" value="Edit"/>
United States [US] [USA]	United States of America - Internal Revenue Service [USA_IRS]	N	\d{2}\-\d{7}\ \d{3}\-\d{2}\-\d{4}	<input type="button" value="Edit"/>
Utah [UT] [UT]	Utah Sales Tax Authority [UT_TAXMAN]	N		<input type="button" value="Edit"/>
Utah County [UTAH] [UT-UTAH]	Utah County, Utah Sales Tax Authority [UT_UTAH_TAXMAN]	N		<input type="button" value="Edit"/>
Not Applicable [NA] [NA]	[NA]	N		<input type="button" value="Edit"/>

Figure 6.8: Accounting Tax Authorities Screen

- ↳ Click “New Tax Authority”

In reality we have already created our Tax Authority in Party Manager and this refines the setup.

- ↳ Enter the details from the following table

FIELD	VALUE
Geo	USA
Party ID	10000 (**This is the Party ID of the MyOwn Tax Authority that we created earlier)
Require Tax Id for Exemption	"Y" (This ensures that a valid Tax ID needs to be input to exempt an order or customer from the Tax Calculation. NOTE: This must be set to "N" if you cannot verify the Tax ID of a customer or supplier. This is especially important for Export Sales as your company is liable for not charging tax in these circumstances.)
Tax ID Format Pattern	Leave blank (This allows you to specify what format the Tax ID should be. It acts as a validation)
Include Tax in Price	"N" (This ensures that the tax amount will be calculated on top of the stated price. If you set this to "Y" then your product prices are shown fully inclusive of tax. This could be complicated if you offer discounts or promotions)



NOTE: An example of the Tax Id Format Pattern is as follows: \d{2}\-\d{7}\|\d{3}\-\d{2}\-\d{4} which translates to two formats 99-9999999 or 999-99-9999

The screenshot shows the 'Edit Tax Authority' form. It has fields for 'Geo' (set to 'USA'), 'Party' (set to '10000'), 'Require Tax Id For Exemption' (set to 'Y'), 'Tax Id Format Pattern' (empty), and 'Include Tax In Price' (set to 'N'). An 'Update' button is at the bottom. Three arrows point to the 'Update' button, the 'Party' field, and the 'Geo' field.

Figure 6.9: Enter Tax Authority Region Details

↳ Click “Update”

You should get a screen similar to the one below.

The screenshot shows the 'Edit Tax Authority' form again, but now it displays the newly created tax authority. The 'Party' field is set to 'MyNewTaxAuthority' [ID:10000] and the 'Geo' field is set to 'United States' [ID:USA]. Both fields are grayed out, indicating they cannot be changed. The other fields ('Require Tax Id For Exemption', 'Tax Id Format Pattern', 'Include Tax In Price') are in their previous states. An 'Update' button is at the bottom.

Figure 6.10: Newly Created Tax Authority

Tip: This means that the Tax Authority has been created successfully.

We now need to add the Tax Rate (e.g. GST or VAT) that will be applied when anyone buys something from us via the E-Commerce store.

↳ Click “Product Rates”

↳ Enter the details from the following table

FIELD	VALUE
Type	"Sales Tax"
Store ID	Leave blank (NOTE: If left blank this means that the Tax Rate is valid for all stores. If you specify a Store ID it will only be valid for that store)
Category	Leave blank (NOTE: If Categories have been created via the Categories link then they will be available to select here)
Title Transfer	Leave blank (NOTE: This is normally related to the legal transfer of ownership of goods.)
Min Item Price	Leave blank (NOTE: This allows you to enter a minimum value for a product where the tax is to be applied. If left blank then it is zero)
Min Purchase	Leave blank (NOTE: This allows you to specify a minimum purchase where the tax is to be applied.)
Tax Shipping	"Y" (NOTE: This specifies whether to apply the tax to shipping charges)
Tax Percentage	"12.5" (This is the tax rate used to calculate the Sales Tax)
Tax Promotions	"Y" (NOTE: This specifies whether to apply the tax to promotional prices, items or discounts)
From Date	Use the Date Picker to select "Now"
Thru Date	Leave Blank
Description	"MyOwn Sales Tax" (This description will displayed and printed on documents when the tax is applied)



IMPORTANT NOTE: You can setup multiple entries (i.e. different rates for product categories or different stores) but there is a current OFBiz warning not to create more than one entry with Tax Shipping and Promotions = "Y"

Applications > Accounting Manager > Edit Tax Authority Product Rates

Edit Tax Authority Product Rates For: Tax Authority Party " MyNewTaxAuthority" [ID:10000], Geo "United States" [ID:USA]

Add Tax Authority Product Category

Beware: don't use more than one line with "Tax Shipping" and/or "Tax Promotions" value = "Y"

Type	Sales Tax
Store ID	
Category	<input type="button" value="Use the Categories tab to add other category options"/>
Title Transfer	
Min Item Price	
Min Purchase	
Tax Shipping	<input checked="" type="checkbox"/>
Tax Percentage	12.5
Tax Promotions	<input checked="" type="checkbox"/>
From Date	6/5/2014 2:26:30 AM
Thru Date	
Description	MyOwn Sales Tax
<input type="button" value="Add"/>	

Beware: don't use more than one line with "Tax Shipping" and/or "Tax Promotions" value = "Y"

Type **Store ID** **Category** **Title Transfer** **Min Item Price** **Min Purchase** **Tax Shipping** **Tax Percentage** **Tax Promotions** **From Date** **Thru Date**

Figure 6.11: Entering Product Rates

↳ Click “Add”

An new entry will be created on the lower part of the screen.

Type	Store ID	Category Title Transfer	Min Purchase Price	Min Tax	Tax Shipping	Tax Percentage	Tax Promotions	From Date	Thru Date
Sales Tax					<input checked="" type="checkbox"/>	12.5	<input checked="" type="checkbox"/>	6/5/2014 2:26:30 AM	

Figure 6.12: New Sales Tax Rate



NOTE: To update or delete this Sales Tax entry just scroll to the end of the line to find the links to do this.

The next step is to link this Tax Authority and its setup to our business.

In OFBiz the default company is called “Company” so we will link this new Tax Authority and this Sales Tax Rate to it.

To create the link

↳ Click “Parties”

Applications > Accounting Manager > List Tax Authority Parties

New Tax Authority Party Info

Party Id	From Date	Thru Date	Party Tax Id	Is Exempt

Figure 6.13: Party Info

You will see that there aren't any parties are linked to our Tax Authority yet. We need to add “Company”.

When we add “Company” then all the General Ledger and account setup associated with Company will be linked to the Tax Authority.

Tip: Company owns the E-Commerce store and the products that are sold. This new Tax Authority will now be able to apply tax to all the products sold.

- ↳ Click “New Tax Authority Party Info”
- ↳ Enter the following details from the table

FIELD	VALUE
Party ID	“Company” (Type this in or use the lookup)
From Date	Current date (Use the date picker to select “Now”)
Thru Date	Leave blank
Party Tax ID	Leave blank (Or enter the VAT or GST Number)
Is Exempt?	“N” (Only specific businesses are tax exempt)
Is Nexus?	“N” (See note below)



NOTE: “Nexus” is a term that refers to an agreement between the Tax Authority and the potential tax payer (e.g. your company) that the Tax Authority can impose the tax on. This usually applies to Sales Taxes. If you have a Sales Tax that is uniformly applied to a product or range of products then the “Nexus” field can be set to “Y”.

The screenshot shows the 'Edit Tax Authority Party Info' screen. At the top, there's a navigation bar with 'Applications > Accounting Manager > Edit Tax Authority Party Info'. Below it is a sub-navigation bar with tabs: Tax Authority, Categories, Associations, GL Accounts, Product Rates, and Parties. The 'Tax Authority' tab is selected. A message box displays: 'For: Tax Authority Party " MyNewTaxAuthority" [ID:10000], Geo "United States" [ID:USA]'. The main form has a title 'Edit Tax Authority Party Info' and a sub-section 'New Tax Authority Party Info'. It contains the following fields:

- Party ID: Company (with a note: 'Your Company Name Here')
- From Date: 6/5/2014 2:46:50 AM (with a note: 'ed')
- Thru Date: (empty)
- Party Tax Id: (empty)
- Is Exempt: N (dropdown menu)
- Is Nexus: N (dropdown menu)
- Create (button)

Figure 6.14: Adding “Company” to Tax Authority

↳ Click “Create”

Company is now linked to this Tax Authority.



IMPORTANT NOTE: There is one final setup we need to do (Tax Authority GL Accounts) but we are NOT going to do it yet because we want to show you how OFBiz handles incomplete setup

Before we move on to testing that the correct rate is applied to an order, we'll briefly describe the other links available on the Tax Authorities screen.

- GL Accounts
- Categories
- Associations

Tax Authority GL Accounts

The Tax Authority “GL Accounts” screen allows you specify which general ledger (GL) account any tax calculated for this tax authority will be posted to.

This is done at organisation level so you will need to have setup your business Chart of Accounts and included an account for Tax.

The screenshot shows a web-based application interface for managing tax authorities. At the top, there's a navigation bar with tabs: Applications, Accounting Manager, Tax Authority, Categories, Asterisk DB, GL Accounts (which is highlighted with a red oval), Product Rates, and Parties. Below the navigation, a header reads "Edit Tax Authority GL Accounts" and specifies "Edit Tax Authority GL Accounts For: Tax Authority Party 'MyNewTaxAuthority' [ID:10000], Geo 'United States' [ID:USA]". Underneath, there's a section titled "Add Tax Authority GL Account" with two input fields: "Organization Party ID" and "GL Account". The "GL Account" field contains a dropdown menu with several options listed. At the bottom of this section is a large "Add" button.

Figure 6.15: Tax Authority GL Accounts

Why would this be useful?

Because it is used to consolidate taxes for a specific Tax Authority into one general ledger account. It can be extremely useful if you need to track taxes for several Tax Authorities (e.g. different states or countries).

Reminder: We are not going to setup the GL Accounts yet so that we can show you some of the error handling in OFBiz

Tax Authority Categories

The Tax Authority “Categories” screen allows you link a Tax Authority to a specific Catalog or Product Category. This means that only the products in this category will be taxed at the rate we setup for the Tax Authority.

Figure 6.16: Tax Authorities Categories

So why would this be useful?

Well, a good example could be separating products into categories for export to different countries. A separate Tax Authority will be associated with each category so that only the specific tax rate for each of them would be applied.

Tax Authority Associations

The Tax Authority “Associations” screen allows you to specify the way one Tax Authority is linked to another Tax Authority. Using associations allows tax rates from multiple authorities to be applied to a particular order at once.

Figure 6.17: Tax Authority Associations

So why would this be useful?

Well, it means that it could be used in the situation where the tax structure is hierarchical (e.g. city tax, plus county tax plus state tax) and each have to be applied.

On a final note, Tax Authorities cannot be deleted via the Tax Authority screens. However they (or more technically their rates) can be expired.



NOTE: Be very careful removing Tax Authorities unless you are completely certain that they have not been used for any transactions. Also deleting or removing Tax Rates may cause audit problems. It is better to expire the old rate using the 'Thru Date' field and then enter the new rate.

Testing our New Tax Setup

Now that we have our Tax Authority setup, we can test it by processing a customer order. This means a customer needs to order something from the OFBiz E-Commerce store.

Reminder: Our Tax Rate is 12.5% and it applies to all products and all stores

Type the following in the navigation bar:

<http://localhost:8080/e-commerce>

This will display the default webstore page.

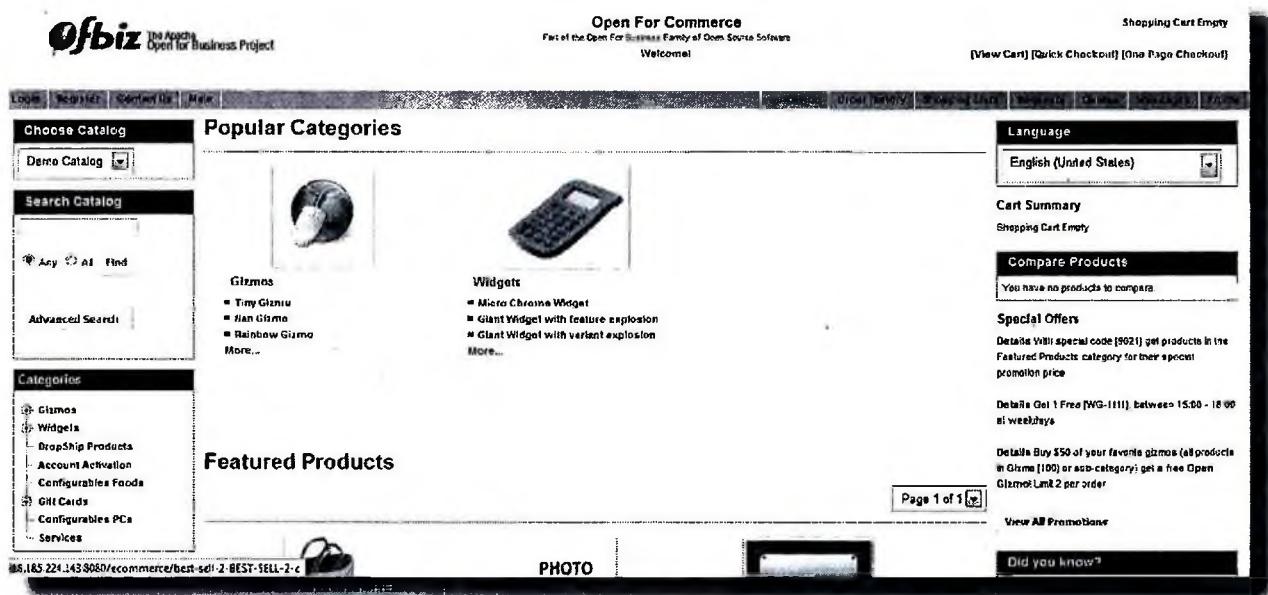


Figure 6.18: Default E-Commerce Page

We are going to buy a Rainbow Gizmo.

- ↳ Add a “Rainbow Gizmo” to the Shopping Cart.

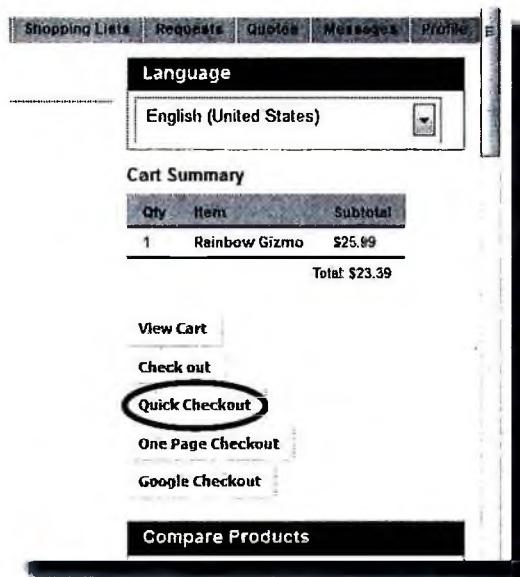


Figure 6.19: Shopping Cart

- ↳ Click “Quick Checkout”

We are going to log in as “DemoCustomer” to buy these items.

- ↳ Enter Login ID “DemoCustomer”
- ↳ Enter password “ofbiz”

A detailed summary screen will be displayed.

The screenshot shows a three-step e-commerce process:

- 1) Where shall we ship it?
 - Ship to Party: DemoCustomer
 - Add New Address
 - To: Demo Customer
2004 Factory Blvd
Drem
84057
USA. Update
- 2) How shall we ship it?
 - UPS Guaranteed Next Day - \$10.00
 - UPS Air - \$5.00
 - UPS Ground - \$3.00
 - USPS Express - \$0.00** (highlighted with a black arrow)
 - USPS Standard - \$0.00
 - No Shipping - Calculated Office
 - DHL Express - \$10.00
 - DHL Next Day Air - \$5.00
 - DHL Second Day - \$5.00
 - DHL Ground - \$3.00
 - FEDEX Next Morning - \$0.00
 - FEDEX Guaranteed Next Day - \$0.00
- 3) How shall you pay?
 - AGA Credit Card EFT Account
 - Split Payment
 - Mail Check/Money Order
 - COD
 - Pay With WorkPay
 - Pay With PayPal
 - CC Visa 1111 02/2021 Update Card Security Code
 - Billing Account ID
 - Bill Up To
 - Use Gift Card Not On File

Figure 6.20: E-Commerce Payment Screen

- ↳ Click the entries as shown
- ↳ Click “Continue to Final Order Review”

Tip: You may have to scroll down to the bottom of the screen to see the “Continue to Final Order Review” link

Order Items				
Product	Qty Ordered	Unit Price	Adjustments	Subtotal
GZ-1004 - Rainbow Gizmo	1	\$25.99	\$0.00	\$30.76
Adjustment: Sales Tax Jurisdiction: Utah County [UTAH] Rate: 0.1			\$0.026	
Adjustment: Sales Tax Jurisdiction: Utah [UT] Rate: 4.75			\$1.235	
Adjustment: Sales Tax Jurisdiction: Not Applicable [NA] Rate: 1			\$0.26	
Adjustment: Sales Tax Jurisdiction: United States [USA] Rate: 12.5 ←			\$3.249	
			Subtotal	\$25.99
			Promotion	(\$2.60)
			Shipping and Handling	\$0.00
			Sales Tax	\$4.44
			Grand Total	\$27.83

Figure 6.21: Reviewing the Customer Order Details

Notice that our tax (12.5%) has been applied to the order so our setup has worked.

Advanced Tip: If you only wanted our new Tax Rate to be shown (and not any of the others) then you would need to expire the Tax Authorities that you didn't need. This is covered in the Accounting Tutorial in Appendix A

To create the order

- ↳ Click “Submit Order”

The order is created.

- ↳ Click “Logout”

We have finished being DemoCustomer.

Processing the Order

Next we need to process the customer order that we've just created.

- ↳ Login to the OFBiz backend applications using “admin” and password “ofbiz”

We are going to locate our order in Order Manager.

- ↳ Select “Order” from the Applications drop down menu



NOTE: By default orders created on the current day will be displayed otherwise you will need to locate the order.

Let's locate our order.

- ↳ Select “Find Orders” from the Order Manager drop down menu

The screenshot shows a search form titled "Find Orders". It contains various input fields and dropdown menus for filtering orders. The "Lookup Orders" button at the top right is highlighted with a red oval.

Field	Type	Value
Order ID	Text	[Empty]
External ID	Text	[Empty]
Customer PNR	Text	[Empty]
Internal Code	Text	[Empty]
Product ID	Text	[Empty]
Good Identification Type	Dropdown	Any good identification
Good Identification	Text	[Empty]
Inventory Item ID	Text	[Empty]
Serial Number	Text	[Empty]
Soft Identifier	Text	[Empty]
Role Type	Dropdown	Select Role(s) For Party
Party ID	Text	[Empty]
User Login ID	Text	[Empty]
Order Type	Dropdown	Any Order Type
Billing Account	Text	[Empty]
Created By	Text	[Empty]
Sales Channel	Dropdown	Any Channel
Product Store	Dropdown	Any Store
Web Site	Dropdown	Any Web Site
Status	Dropdown	Any Order Status

Figure 6.22 Find Orders

- ↳ Click “Lookup Orders”

The screenshot shows a table titled "Orders Found" displaying a single order record. The table includes columns for Order Type, Order ID, Name, Survey, Items Ordered, Backordered, Items Returned, Remaining SubTotal, Order Total, Status, Order Date, and Party ID. The "Run Action" button is located at the bottom right of the table.

Order Type	Order Id	Name	Survey	Items Ordered	Backordered	Items Returned	Remaining SubTotal	Order Total	Status	Order Date	Party ID
Sales Order	WSCH10000	Demo Customer	0	1	0	0	\$23.39	\$27.63	Approved	2014-06-06 01:23:47.721	DemoCustomer [View]

Figure 6.23: Locating our Customer Order

- ↳ Locate your order
- ↳ Click on the Order Number link or the “View” at the end of the Order Number line

The details of the customer order will be displayed.

The screenshot shows the 'View Order' page for Sales Order Num WSC030000. The order was Approved on 6/6/14 at 1:38:50 AM by [DemoCustomer]. It was Created on 6/6/14 at 1:38:47 AM by [DemoCustomer]. The Date Ordered is 6/6/14 1:38:47 AM, Currency is USD, and the Sales Channel is Web Channel. The Product Store is DFBiz E-Commerce Store (6000). The Origin Facility is WebStoreWarehouse, and the Created By is DemoCustomer. Priority is Normal, and Invoice Per Shipment is Yes. The Payment Information section shows a Cash On Delivery Max Amount of \$27.83, a payment method of Visa, and a card number ending in 1111 02/2021. The Contact Information section includes a Name field with Demo Customer ([DemoCustomer]), a Shipping Destination Address (2004 Factory Blvd, Orem, UT 84057, United States), and an Order Notification Email Address (objtest@example.com). The Actions section contains buttons for Quick Ship Entire Order, View/Edit Delivery Schedule Info, Edit Items, Create New Ship Group, Create As New Order, and View Order History. An arrow points to the 'Quick Ship Entire Order' button.

Figure 6.24: Viewing the Order Details

- ↳ Click “Quick Ship Entire Order”

If you now look under the “Payment Information” section on the same Order Manager screen you will see that an invoice has been created.

The screenshot shows the 'Payment Information' section of the Order Manager. It displays a Status History entry for Not Paid on 6/6/14 at 2:21:12 AM by [admin] and another for Not Received on 6/6/14 at 1:38:48 AM by [DemoCustomer]. The Cash On Delivery Max Amount is \$27.83. The Company Account Max Amount is \$27.83, with a note that it is [Not Paid]. The Payments section shows a value of 10000. The Invoices section shows an Nbr of CI1 and a PDF link. An arrow points to the PDF link.

Figure 6.25: Invoice Created

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↳ Click the Invoice Number link

The invoice details screen will now be displayed.

↳ Look at the “Items” section.

Items																		
Item No	Invoice Item Type	Override GL Account Id	Override Org Party Id	Inventory Item Id	Product Id	Product Feature Id	Parent Invoice Id	Parent Invoice Item Seq Id	UOM Taxable Flag	Quantity	Unit Price	Description	Tax Authority Party	Tax Auth Geo ID	Tax Authority Rate Seq Id	Sales Opportunity Id	Order Id	Total
	Invoice Finished																	
G0001	Good Item (Sales)			9028	GZ-1004				Y	1	\$25.99	Rainbow Gizmo						WSC010000 \$25.99
	Invoice Item																	
00002	Sales Tax (Sales)	224153			GZ-1004	C11	00001			1	\$0.026	Utah County, Utah Sales Tax	UT_UTAH_TAXMAN	UT_UTAH	9005			WSC010000 \$0.026
	Invoice Item																	
00003	Sales Tax (Sales)	224153			GZ-1004	C11	00001			1	\$1.235	Utah State Sales Tax	UT_TAXMAN	UT	9004			WSC010000 \$1.235
	Invoice Item																	
00004	Sales Tax (Sales)	224000			GZ-1004	C11	00001			1	\$0.26	1% OFS_NA_Tax	_NA_	_NA_	9000			WSC010000 \$0.26
	Invoice Item																	
00005	Sales Tax (Sales)				GZ-1004	C11	00001			1	\$3.249	MyOwn Sales Tax	10000	USA	10000			WSCD10000 \$3.249
	Invoice Item																	
00006	Promotion (Sales)									1	-\$2.60	10% off entire purchase						WSCD10000 -\$2.60
	Invoice Item																	
00007	Sales Tax (Sales)	224153								1	-\$0.003		UT_UTAH_TAXMAN	UT_UTAH	9005			WSC010000 -\$0.003
	Invoice Item																	
00008	Sales Tax (Sales)									1	-\$0.325		10000	USA	10000			WSCD10000 -\$0.325
	Invoice Item																	

Figure 6.26: Invoice Item Details

You will see that there is an entry for “MyOwn Sales Tax” and the amount that was charged.

Now we get to the important part.

↳ Look at the “Transactions” section.

This is where we see details of which accounting transactions are posted or expected to be posted to our Chart of Accounts.

Transactions																			
Acctg Trans Id	Entry Seq Id	Fiscal Type	Acctg Trans Type	Date	Posted GL Journal Date Id	Trans Type Description Id	Payment Id	Fixed GL Asset Account Id	Product Id	Debit Credit Flag	Amount	Orig Party Id	Organization	GL Account Type	Account Code	Account Name	GL Account Class	Party	Acctg Trans Entry Type Id
10001 00001 N	ACTUAL	Sales Invoice 02/21/13.031	Suspen	Sales transactions Invoice		401000 GZ-1004 C	\$25.99	\$25.99	Company		401000	GENERAL SALES	Revenue				Cost of Goods Sold	Not Reconciled	_NA_
10001 00002 N	ACTUAL	Sales Invoice 02/21/13.031	Suspen	Sales transactions Invoice		410000	D	\$2.60	\$2.60	Company		410000	DISCOUNTS	Goods Sold			Expense	Not Reconciled	_NA_
10001 00003 N	ACTUAL	Sales Invoice 02/21/13.031	Suspen	Sales transactions Invoice		224153	C	\$0.02	\$0.02	Company	Current Liability	224153	COLLECTED	Current Liability	Utlah County, Utah	USA - UT	SALES TAX	Reconciled	_NA_
10001 00004 N	ACTUAL	Sales Invoice 02/21/13.031	Suspen	Sales transactions Invoice		224153	C	\$1.24	\$1.24	Company	Current Liability	224153	COLLECTED	Current Liability	Utah Sales Tax Authority	USA - UT	SALES TAX	Not Reconciled	_NA_
10001 00005 N	ACTUAL	Sales Invoice 02/21/13.031	Suspen	Sales transactions Invoice		224000	C	\$0.26	\$0.26	Company	Current Liability	224000	SALES TAX	Current Liability			SALES TAX	Not Reconciled	_NA_
10001 00006 N	ACTUAL	Sales Invoice 02/21/13.031	Suspen	Sales transactions Invoice			C	\$2.92	\$2.92	Company							MyNewTaxAuthority	Not Reconciled	_NA_
10001 00007 N	ACTUAL	Sales Invoice 02/21/13.031	Suspen	Sales transactions Invoice		120000	D	\$27.83	\$27.83	Company	Accounts Receivable	120000	ACCOUNTS RECEIVABLE	Current Assets	Customer		Customer	Not Reconciled	_NA_

Figure 6.27: Invoice Transactions Details

You will see

- That **none** of the accounting transactions have been posted (the “Is Posted” flag is set to “N”)
- That the GL Journal ID is “Suspense transactions”
- That the entry for “MyNewTaxAuthority” has a blank “Account Code” and “Account Name”

So what does this mean?

- The first thing it shows is that OFBiz has flagged the accounting transactions related to this invoice as an error. We know it is an error because it hasn’t been posted. OFBiz tries to automatically post accounting transactions based on the rules we setup in the Chart of Accounts.
- The second thing we know is that they are in the “Suspense transactions”. As a default when OFBiz accounting transactions fail they are normally are put into a special place called a “Suspense Account”.
- The final thing we can see is that there is no GL Account for our new Sales Tax - we already know this because we never set one up. (Remember - this was the last piece of Tax Authorities setup that we missed out!)

We can resolve the error in a couple of ways. We can go back to our Tax Authority and setup an account in the “GL Account” screen or we can manually add a mapping to individual accounting transaction line.

We are going to add a manual mapping.

- ↳ Click on the “Accg Trans Id” link

*T*ip: Any accounting transaction line will do as they should have the same id

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Acctg Trans Id	Acctg Entry Seq Id	Fiscal Year	Acctg Type Id	Trans Date	Posted Date	GI Journal Id	Trans Type	Payment Description Id
10001 00001 N	ACTUAL	Sales Invoice	2014-06-06 02:21:13.031			Suspense	Sales transactions	Invoice
10001 00002 N	ACTUAL	Sales Invoice	2014-06-06 02:21:13.031			Suspense	Sales transactions	Invoice
10001 00003 N	ACTUAL	Sales Invoice	2014-06-06 02:21:13.031			Suspense	Sales transactions	Invoice
10001 00004 N	ACTUAL	Sales Invoice	2014-06-06 02:21:13.031			Suspense	Sales transactions	Invoice
10001 00005 N	ACTUAL	Sales Invoice	2014-06-06 02:21:13.031			Suspense	Sales transactions	Invoice
10001 00006 N	ACTUAL	Sales Invoice	2014-06-06 02:21:13.031			Suspense	Sales transactions	Invoice
10001 00007 N	ACTUAL	Sales Invoice	2014-06-06 02:21:13.031			Suspense	Sales transactions	Invoice

Figure 6.28: Selecting the Accounting Journal ID

This will display the detailed accounting transactions screen.

This is the actual accounting entry created by the customer invoice. If you scroll down to the bottom of the screen you can see the individual entries and the General Ledger accounts that they will post to.

Summary	Account Reconciliation	Account Reconciliations	Accounting Transactions	Accounting Transactions Entries	Reports	Checks
For: Your Company Name Here [Company]						
Duplicate Accounting Transaction	Revert Accounting Transaction	Pdf	Complete transaction fields	Verify Transaction	Post Transaction	
Edit Transaction Acctg Trans Id: 10001 [cannot change without re-creating] Transaction Type: Sales Invoice Description: Transaction Date: 6/6/2014 2:21:13 AM Is Posted: N Posted Date: Scheduled Posting Date: GI Journal Id: ERROR_JOURNAL Fiscal CI Type: Actual Voucher Ref: Voucher Date: Group Status: Fixed Asset Id: Inventory Item Id: Physical Inventory Id: Party ID: DemoCustomer [Demo Customer] Role Type Id: Bill-To Customer Invoice ID: CI1 [Company DemoCustomer USD] CI1						

Figure 6.29: Viewing the Accounting Transaction Journal

We suspect we know what is wrong with this accounting journal already but to be 100% sure OFBiz gives us a tool to verify it.

- ↳ Click "Verify Transaction"

A message giving us details of the error and the line number of the transaction in error is displayed.

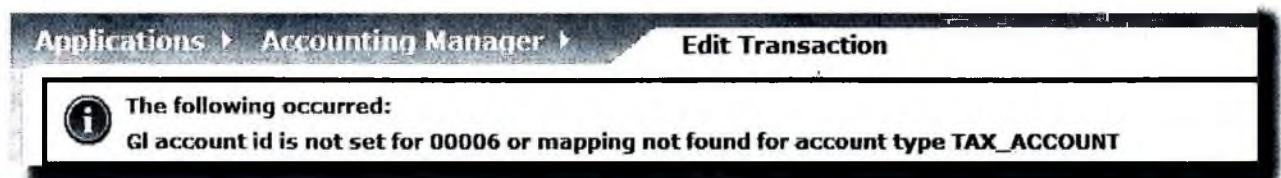


Figure 6.30: Verification Error Message

From this message we can see that there is a GL Account mapping missing on line 6.

Let's take a look.

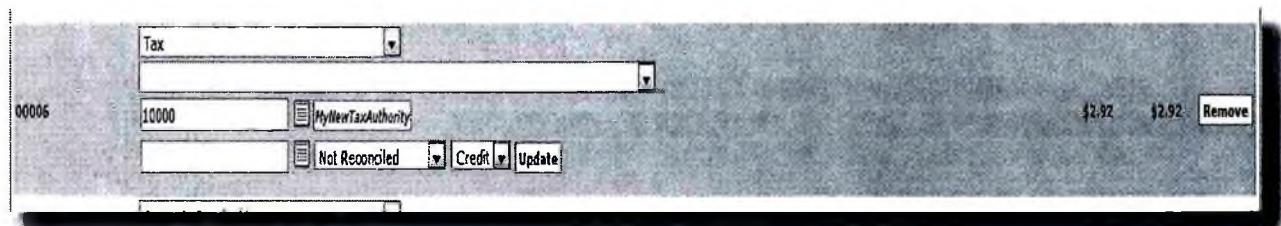


Figure 6.31: Account Journal Line with Error

This confirms that the missing mapping is coming from our newly created Tax Authority.

- ↳ Use the drop down selection to select Account "224000 - SALES TAX COLLECTED"

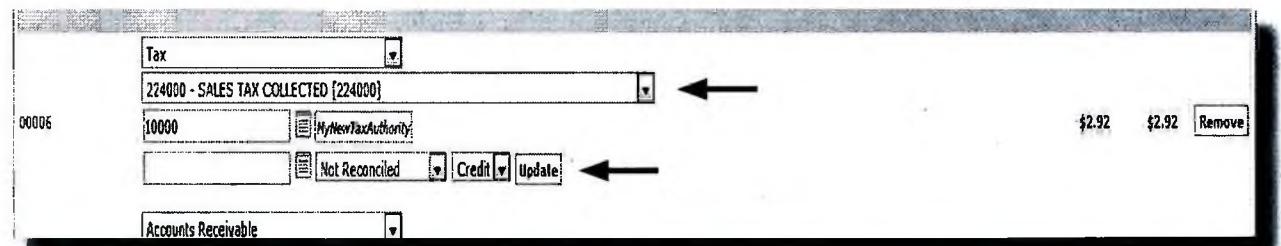


Figure 6.32: Entering the Missing GL Account

- ↳ Click "Update"
- ↳ Go back to the top of the screen
- ↳ Click "Verify Transaction"

There should be no errors.

We can now post all the transaction lines related to this invoice.

- ↳ Click “Post Transaction”

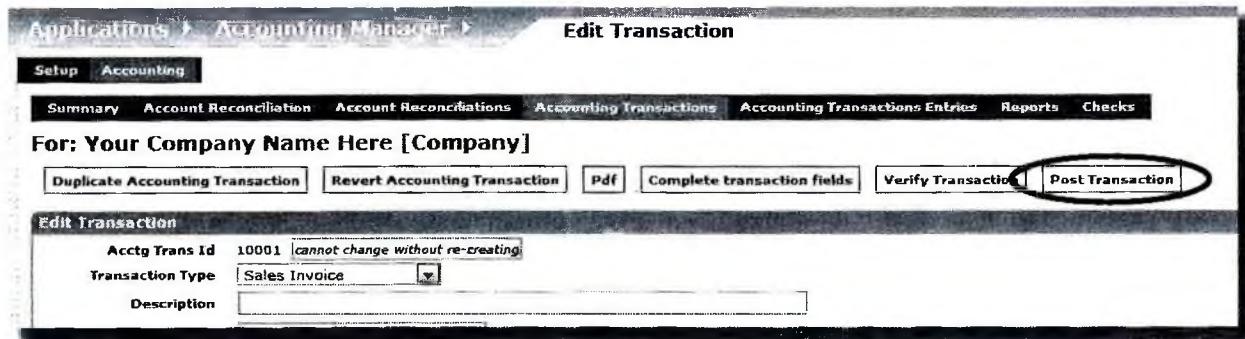


Figure 6.33: Posting the Accounting Journal

A screen similar to the one below will be displayed.

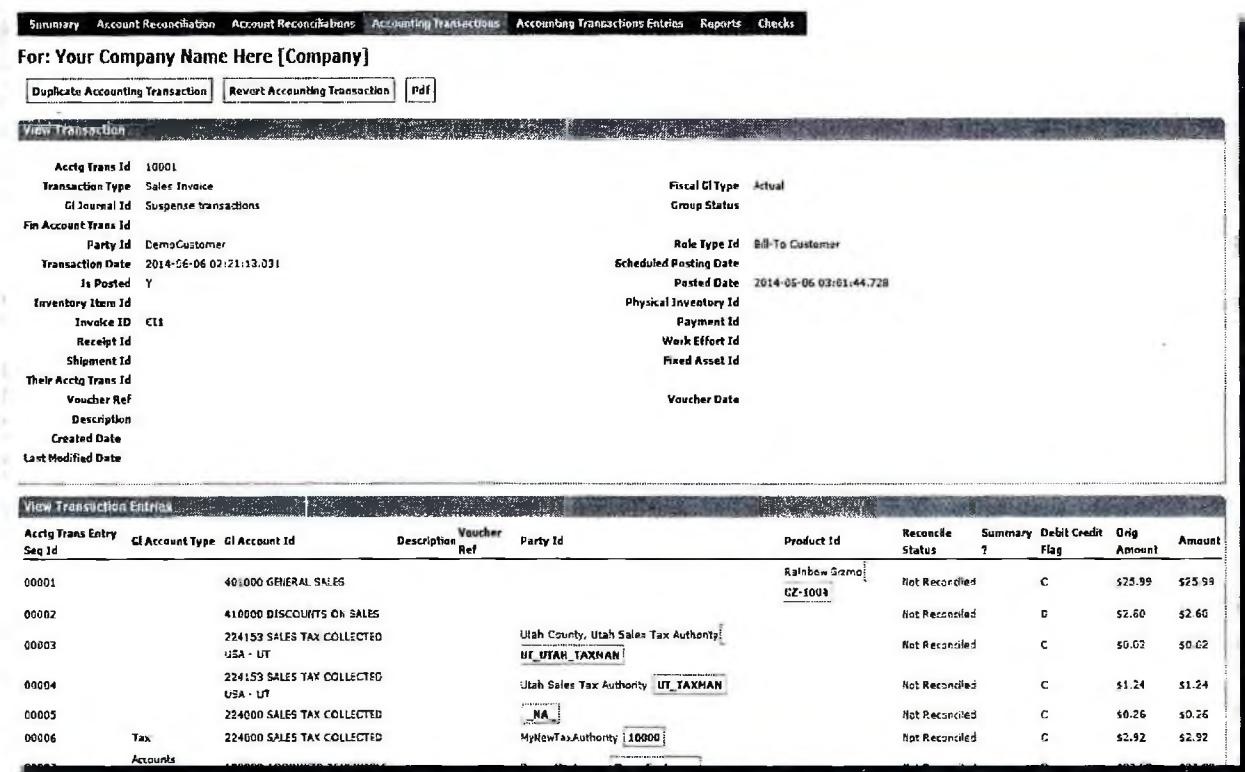


Figure 6.34: Posting Confirmation Screen

This confirms that all the transactions have been posted.

Finally let's take a look at the actual General Ledger account that we used to post our Sales Tax.

Reminder: We used Account ID 224000

We can do this as follows:

- ↳ Click “Accounting Transaction Entries”
- ↳ Select “224000” in the GL Account ID
- ↳ Click “Find”

The screenshot shows the 'Accounting Transactions Entries' screen within the 'Accounting Manager' application. The top navigation bar includes 'Setup', 'Accounting', 'Summary', 'Account Reconciliation', 'Account Reconciliations', 'Accounting Transactions', 'Accounting Transactions Entries', 'Reports', and 'Checks'. A sub-header reads 'Accounting Transactions Entries For: Your Company Name Here [Company]'. The main form is titled 'Accounting Transactions Entries' and contains the following fields:

- Acctg Trans Id: [Text Box]
- Gl Account Id: **224000 - SALES TAX COLLECTED [224000]** (highlighted with a red box)
- Transaction Type: [Dropdown]
- Fiscal Gl Type: [Dropdown]
- Gl Journal Id: [Dropdown]
- Is Posted: [Dropdown]
- Party Id: [Text Box]
- Invoice Id: [Text Box]
- Payment Id: [Text Box]
- Product Id: [Text Box]
- Work Effort Id: [Text Box]
- Shipment Id: [Text Box]
- From Date: [Text Box]
- Thru Date: [Text Box]
- Report Type: [Dropdown] set to 'By Account' (highlighted with a red box)
- Find: [Button]

Figure 6.35: Finding the General Ledger Account Transactions

A list of all transactions posted to this account will be shown in the lower part of the screen.

Accounting Transactions Entries By Account													
Export as CSV		Export as PDF		Export with Invoice and Payment as PDF									
Gl Account Id	Description	Gl Account Class Id											
Acctg Trans Id	Acctg Trans Entry Seq Id	Transaction Date	Acctg Trans Type	Fiscal Gl Type	Invoice ID	Payment Id	Work Effort Id	Shipment Id	Party Id Product Id	Is Posted	Posted Date	Debit Credit Flag	Amount
224000	224000 SALES TAX COLLECTED	Current Liability											
10001	90026	2014-06-06 02:21:13.031	Sales Invoice	Actual	C11			10000		Y	2014-06-06 03:01:44.728	C	\$2.92
10001	00005	2014-06-06 02:31:12.031	Sales Invoice	Actual	C11			NA		Y	2014-06-06 03:01:44.728	C	\$0.26
00004	90504	2009-08-17 14:57:06.129	Sales Invoice	Actual	B009			NA	WG-1131	Y	2009-08-17 14:57:06.327	C	\$1.20

Figure 6.36: General Ledger Entries



NOTE: This screen does not give you a balance for the Sales Tax account. It only shows the transactions which have been posted.

If you want to see an account balance then you will need to run one of the reports.

- ↳ Click “Reports”
- ↳ Click “Trial Balance” (it is the default)
- ↳ Click “Submit”

Applications > Accounting Manager		Trial Balance																			
Setup Accounting		Summary Account Reconciliation Account Reconciliations Accounting Transactions Accounting Transactions Entries Reports Checks																			
Trial Balance Transaction Totals Income Statement Cash Flow Statement Balance Sheet Comparative Income Statement Comparative Cash Flow Statement Comparative Balance Sheet		GL Account Trial Balance Inventory Valuation Cost Centers																			
For: Your Company Name Here [Company]																					
Consolidated data from divisions [Accounting department, Development department, A Group of Lead Owners, Development Team1, Development Team2, Development Team3, Development Team4, Developer1, Developer2, Developer3 , Marketing department, Sales department, Testing department, Testing Team1, Testing Team2, TestingTeamMember1 , TestingTeamMember2 , TestingTeamMember3 , Accountant Group, Accounting Administrator]																					
Custom Time Period Id	2011-2020: 2011-01-01 - 2020-01-01										▼										
	<input type="button" value="Submit"/>																				
Trial Balance																					
<input type="button" value="Export as CSV"/> <input type="button" value="Export as PDF"/>																					
Account Code	Account Name	Opening Balance			Dr	Cr	Ending Balance														
120000	ACCOUNTS RECEIVABLE	\$159.96			\$27.83	\$0.00	\$187.79														
140000	INVENTORY	\$1,936.40			\$0.00	\$2.40	\$1,934.00														
224000	SALES TAX COLLECTED	\$1.20			\$0.00	\$3.18	\$4.38														
224153	SALES TAX COLLECTED USA - UT	\$5.80			\$0.00	\$1.26	\$7.06														
401000	GENERAL SALES	\$0.00			\$0.00	\$25.99	\$25.99														
410000	DISCOUNTS ON SALES	\$12.00			\$2.60	\$0.00	\$14.60														
500000	COST OF GOODS SOLD	\$13.50			\$2.40	\$0.00	\$15.90														
Dr: 32.83																					
Cr: 32.83																					

Figure 6.37: Reviewing the Account Balances

You will see that the balance on the account 224000 is 4.48



NOTE: That your balance may be different depending on the transactions that have been posted to it

This completes the Tax Authorities process.

Tax Authorities Summary

So let's review what we have done in this chapter to demonstrate the Tax Authorities functionality.

- We've created a New Tax Authority
- We then added a Sales Tax rate and the regional setup for the Tax Authority
- We linked the Tax Authority to the default OFBiz company so that the rates would be applied to any customer sales
- We purposely left out the GL Account mappings for the Tax Authority to force an error to show you some additional OFBiz functionality
- We processed a Customer Order and verified that the Sales Tax rate from our new Tax Authority had been applied
- We located the Order and generated an Invoice
- We reviewed the Invoice Details to see that the Sales Tax from our Tax Authority had also been applied
- We then identified that the Invoice wasn't posted and so investigated what had caused the error
- We used the OFBiz "Verify Transaction" function to identify the error and the exact line that was causing the error
- We manually edited the accounting line in error by adding an General Ledger account to post our new Sales Tax to
- We then re-verified the accounting transaction to ensure all errors had been corrected
- We posted the accounting transaction successfully
- We took a detailed look at the General Ledger account that holds the details of all our Sales Tax transactions that have been posted
- Finally we finished by running a Trial Balance report and checking the balance of the Sales Tax Account

Chapter 7:

Invoices

What is an Invoice?

An “Invoice” is a legal commercial document that defines the details of a sales transaction (e.g. what you have bought or sold). More importantly it will also include details of any taxes paid or due on the sale.

Invoices are used as proof to various tax authorities (e.g. Inland Revenue, Customs etc) that the required tax has been charged or collected.

In OFBiz Invoices can be created manually or automatically. Invoices can be created automatically because they are integrated into particular processes. This is the best way to make use of OFBiz as it can significantly speed up your invoice creation and processing. We will take a look at both of these in this chapter.

At the time of writing OFBiz included the following:

- Sales Invoice
- Purchase Invoice
- Commission Invoice
- Customer Return Invoice
- Purchase Return Invoice
- Payroll Invoice
- Interest Invoice



NOTE:: An example of how to create a Commission Invoice is covered in Chapter 11 Agreements as it is linked to a Commission Agreement

You also have the option to create Invoice Templates. An Invoice Template is effectively a copy of an invoice that you want to use multiple times.

In general the two main types of invoices that companies use are:

- Sales Invoices
- Purchase Invoices.

A “Sales Invoice” is generated when customers buy something from you. As the seller, you need to provide an official receipt that includes a detailed list of the items bought and the relevant taxes paid.

Sales Invoices are often referred to a “Tax Invoices” as they contain key information relating to the amount of sales tax (e.g. VAT / GST) charged on the product or service.

A “Purchase Invoice” is generated by your suppliers when you order something from them. They send you an invoice and it is an outstanding bill that you need to pay.



NOTE: Don’t confuse a “Purchase Invoice” with a “Purchase Order.” A Purchase Order is a order for products or a service that you send to a supplier.

The access Invoices

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Invoices” from the Accounting Manager drop down menu

The default Invoices screen will be displayed.

- ↳ Click “Find” to display any existing invoices

The screenshot shows the 'Find Invoice' screen within the 'Accounting Manager'. At the top, there's a navigation bar with 'Applications', 'Accounting Manager', and 'Find Invoice'. Below the navigation is a search bar with 'Find' and 'Clear' buttons. A large 'Create New Invoice' button is highlighted with a red circle. The main area is titled 'Search Options' and contains fields for 'Invoice ID', 'Description', 'Invoice Type', 'From Party ID', 'Billing Account ID', 'Invoice Date', and 'Reference Number', each with dropdown menus and search icons. To the right of these fields are 'Status' and 'To Party ID' dropdowns. At the bottom left is a 'Find' button. Below the search area is a 'Search Results' section with a table showing 40 entries. The table columns include 'ID', 'Type', 'Date', 'Status', 'To Party', 'Total', and 'Outstanding Amount'. The first few rows show entries like '10018 Purchase Invoice 5/22/14 Ready for Posting', 'C118 Sales Invoice 5/22/14 Paid', and '10015 Commission 5/20/14 In-Process'.

ID	Type	Date	Status	To Party	Total	Outstanding Amount
10018	Purchase Invoice	5/22/14	Ready for Posting	Demo Supplier [DemoSupplier]	\$15.00	\$0.00
C118	Sales Invoice	5/22/14	Paid	Your Company Name Here [Company]	\$30.00	\$0.00
10015	Commission	5/20/14	In-Process	Sales Rep for All Stores, Demo [DemoRepAll]	\$28.40	\$28.40
C117	Sales Invoice	5/20/14	Ready for Posting	Your Company Name Here [Company]	\$803.75	\$0.00
C116	Sales Invoice	5/20/14	Paid	Customer, Demo [DemoCustomer]	\$803.75	\$0.00
10014	Commission	5/20/14	In-Process	Sales Rep for All Stores, Demo [DemoRepAll]	\$28.40	\$28.40
C115	Sales Invoice	5/17/14	Paid	Your Company Name Here [Company]	\$803.75	\$0.00

Figure 7.1: Default Invoices Screen

Manually Creating Invoices

As an example we will manually create an invoice.

- ↳ Click “Create New Invoice”

We are creating a new Sales Invoice so we need to use the top part of the screen.

- ↳ Select “Sales Invoice” from the Invoice Type drop down selection
- ↳ Enter “DemoCustCompany” as the To Party Id
- ↳ Click “Create”

The screenshot shows the 'Create New Invoice' page with two main sections: 'New Sales Invoice' and 'New Purchase Invoice'. In the 'New Sales Invoice' section, the 'Invoice Type' dropdown is set to 'Sales Invoice'. The 'Organization Party Id' dropdown is set to 'Your Company Name Here'. The 'To Party ID' field contains 'DemoCustCompany' with a tooltip 'Demo Customer Company'. A 'Create' button is visible. In the 'New Purchase Invoice' section, the 'Invoice Type' dropdown is set to 'Purchase Invoice'. The 'Organization Party Id' dropdown is set to 'Your Company Name Here'. The 'From Party ID' field is empty. A 'Create' button is also present here. Three arrows point to the 'Create' buttons in both sections, indicating they are the target for the 'Click "Create"' step.

Figure 7.2: Create New Invoice

The Sales Invoice is created but it doesn't have any items or even an invoice value.

Reminder: The invoice number prefix is controlled by the Accounting Preferences in Organization GL Settings (See Chapter 4 Business Accounting Setup). The OFBiz default invoice numbering sequence will start at “1”.

The screenshot shows the 'Edit Invoice' screen in the Accounting Manager application. At the top, there's a navigation bar with links like Find, Overview, Header, Items, Time Entries, Roles, Applications, Send per Email, and Commission Run. Below the navigation bar are several buttons: Create New Invoice, Copy, PDF, Status to 'Approved', Status to 'Sent', Status to 'Ready', Status to 'Cancelled', Save Invoice As Template, and Add Tax. The main area is titled 'For: [CI20]'. It contains fields for Invoice Date (5/29/2014 12:11:01 AM), Due Date, Invoice Type (Sales Invoice), Status (In-Process), Description, From Party ID (Company), To Party ID (DemoCustCompany/Demo Customer Company), Role Type Id, Billing Account Id, Currency (American Dollar - USO), Recurrence Info Id, Invoice Message, Reference Number, and an Update button.

Figure 7.3: Invoice Header Details

Invoices are made up of item lines that indicate what is being ordered or charged for.

We are going to add some “items” to the our invoice.

↳ Click “Items”

The screenshot shows the 'List Invoices' screen in the Accounting Manager application. The 'Items' tab is highlighted in the navigation bar. Below the navigation bar are the same set of buttons as in Figure 7.3: Create New Invoice, Copy, PDF, Status to 'Approved', Status to 'Sent', Status to 'Ready', Status to 'Cancelled', Save Invoice As Template, and Add Tax. The main area is titled 'For: [CI20]'. It has a table for 'Item' with columns for Item No, Quantity, Invoice Item Type, Product Id, Description, Override GI Account Id, Unit Price, and Tax. There is an 'Update' button. Below the table is a section for 'Add a new invoice Item' with fields for Invoice Item Type (set to 'Commission Invoice Adjustment'), Description, Override GI Account Id, Product Id, Quantity, Unit Price, Inventory Item Id, Product Feature Id, UOM, and Taxable Flag (set to Yes). There is also an 'Add' button.

Figure 7.4: Invoice Items

This screen allows us to enter the details of an invoice line item.

The invoice item can be based on a Product (e.g. GZ-1000) that a customer has bought or it could be a generic item where we simply enter a text description.

We will do an example of both of these item types.

FIELD	MEANING
Invoice Item Type	This is the a drop down selection of all the individual line items that can appear on an invoice (See Chapter 3 Global GL Settings and Invoice Item Types)
Description	This is a general description that can be used to describe what the line item is
Override GL Account Id	This is a GL Account Id that you can specify that will override those set in the GL Account Defaults
Product Id	If entered this will be an existing Product Id from the Catalog. (NOTE: Details from the Product such as Unit Price and Description will also be retrieved)
Quantity	This is the quantity of the item that is being invoiced
Unit Price	This is the Price per Unit of the item being invoiced. (NOTE: OFBiz performs the calculation Quantity * Unit Price)
Inventory Item Id	If entered this should refer to an existing Inventory Item. (NOTE: Currently there is no lookup on this field)
Product Feature Id	This is a lookup for adding a feature to the Product ordered (e.g. Colour or Size)
UOM	This is the Unit of Measure for the item. By default it will be blank
Taxable Flag	This indicates whether Tax is applicable to the invoice item. By default it is set to "Yes"

↳ Enter the details from the following table:

FIELD	VALUE
Invoice Item Type	Invoice Finished Goods Item (Sales)
Description	Example of Product Invoice Line
Override GL Account Id	Leave Blank
Product Id	GZ-1000
Quantity	5
Unit Price	Leave Blank
Inventory Item Id	Leave Blank
Product Feature Id	Leave Blank
UOM	Leave Blank
Taxable Flag	Yes

Add a new invoice item

Invoice Item Type: Invoice Finished Good Item (Sales) ←

Description: Example of Product Invoice Line ←

Override GL Account Id: [dropdown]

Product Id: GZ-1000 [Tiny Gizmo] ←

Quantity: 5 ←

Unit Price: [dropdown]

Inventory Item Id: [dropdown]

Product Feature Id: [dropdown]

UDM: [dropdown]

Taxable Flag: Yes [checkbox] ←

Add

Figure 7.5: Adding a Product Invoice Line Item

← Click “Add”

The new line item will be created.

Applications > Accounting Manager > List Invoices

Find Overview Header Items Time Entries Roles Applications Send per Email Commission Run

Create New Invoice | Copy | PDF | Status to 'Approved' | Status to 'Sent' | Status to 'Ready' | Status to 'Cancelled' | Save Invoice As Template | Add Tax

For: [CI20]

Items

Item No	Quantity	Invoice Item Type	Product Id	Description	Override GL Account Id	Unit Price	Total	
00001	5	Invoice Finished Good Item (Sales)	GZ-1000	[GZ-1000 Tiny Gizmo] The smallest gizmo in town.		\$15.99	\$79.95	[Remove]

Update

Figure 7.6: Product Invoice Line Item Created

Did you notice that the Product price has automatically been brought through - the description has changed and the line value has been pre-calculated?

We are now going to enter another item but this time without a Product Id.

Enter the details from the following table.

FIELD	VALUE
Invoice Item Type	Invoice Adjustment
Description	Example of a Misc. Line Item
Override GL Account Id	Leave Blank
Product Id	Leave Blank
Quantity	1
Unit Price	30
Inventory Item Id	Leave Blank
Product Feature Id	Leave Blank
UOM	Leave Blank
Taxable Flag	Yes

↳ Click “Add”

The new line is added to the invoice.

The screenshot shows the 'List Invoices' page under the 'Accounting Manager'. At the top, there's a toolbar with buttons for 'Find', 'Overview', 'Header', 'Items', 'Time Entries', 'Roles', 'Applications', 'Send per Email', and 'Commission Run'. Below the toolbar are buttons for 'Create New Invoice', 'Copy', 'PDF', 'Status to 'Approved'', 'Status to 'Sent'', 'Status to 'Ready'', 'Status to 'Cancelled'', 'Save Invoice As Template', and 'Add Tax'. The main area is titled 'For: [CI20]' and contains a table of 'Items'. The table has columns for 'Item No', 'Quantity', 'Invoice Item Type', 'Product Id', 'Description', 'Override GL Account Id', 'Unit Price', and 'Total'. There are two rows of data:

Item No	Quantity	Invoice Item Type	Product Id	Description	Override GL Account Id	Unit Price	Total
5	1	Invoice Finished Good Item (Sales)	GZ-1000	GZ-1000 Tiny Gizmo The smallest gizmo in town.		\$5.99	\$5.99
60002	1	Invoice Adjustment		Example of a Misc Line Item		30	\$30.00

Figure 7.7: Invoice Items

To get a detailed view of the consolidated invoice

↳ Click “Overview”

Figure 7.8: Invoice Overview

The Overview gives us details of the items, the total invoice amount and the date that the invoice is due.

The Due Date will default to the current date unless otherwise specified.

Have you noticed that Tax is missing from this invoice?

We have indicated that the two invoice lines are “taxable” but there aren’t any tax line items.

OFBiz can automatically calculate the tax due based on our Tax Setup (See Chapter 6 Tax Authorities for more information).

To add tax to the invoice

↳ Click “Add Tax”

The screenshot shows a table of invoice items. The columns include: Item No, Type, Invoice Item No, Override GL Account Id, Override Org Party Id, Inventory Item Id, Product Id, Product Feature Id, Parent Invoice Id, Parent Seq Id, UOM, Taxable Flag, Quantity, Unit Price, Description, Tax Authority Party, Tax Auth Geo ID, Tax Authority Rate Seq Id, Sales Opportunity Id, Order Id, and Total.

Key data points from the table:

- Item No 00001: Good Item (Sales), Description: "The smallest gismo in town.", Total: \$79.95.
- Item No 00002: Invoice Adjustment, Description: "Example of a Misc Line Item", Total: \$30.00.
- Item No 00003: Invoice Item Sales Tax (Sales), Product Id: GZ-1000, Description: "Utah County, Utah Sales Tax", Tax Authority Party: UT_UTAH_TAXMAN, Tax Auth Geo ID: UT, Tax Authority Rate Seq Id: 9005, Total: \$0.06.
- Item No 00004: Invoice Item Sales Tax (Sales), Product Id: GZ-1000, Description: "Utah State Sales Tax", Tax Authority Party: UT_TAXMAN, Tax Auth Geo ID: UT, Tax Authority Rate Seq Id: 9004, Total: \$0.00.

Figure 7.9: Adding Tax

Two Tax Invoice Line Items have been added to the invoice but they are both related to our Product line item (GZ-1000). We can tell this because the tax lines refer to the Product Id.

The tax lines also specify the “Override GL Account” that the tax accounting transactions will use (224153). This GL Account is coming from the GL Account Defaults for Tax Authorities (Tax Authority GL Accounts) that we discussed in Chapter 4 Business Accounting Setup.

Let's quickly go back to take a look and check.

The screenshot shows a table titled "Edit Tax Authority GL Accounts". The columns include: Tax Authority GL Account, Tax Authority Party, GL Account ID - Add, GL Account ID - Update, and Delete.

Key data points from the table:

- [CA] California: State of California Board of Equalization [CA_BOE], GL Account ID: 224106 - SALES TAX COLLECTED USA - CA [224106].
- [CAN] Canada: Canada Tax Authority [CAN_TAXMAN], GL Account ID: 224209 - SALES TAX COLLECTED CAN - ON [224209].
- [NY] New York: New York Department of Taxation and Finance [NY_DTF], GL Account ID: 224140 - SALES TAX COLLECTED USA - NY [224140].
- [ON] ON: Ontario Sales Tax (VAT) Authority [ON_TAXMAN], GL Account ID: 224209 - SALES TAX COLLECTED CAN - ON [224209].
- [TX] Texas: Texas Sales Tax Authority [TX_TAXMAN], GL Account ID: 224151 - SALES TAX COLLECTED USA - TX [224151].
- [USA] United States: United States of America - Internal Revenue Service [USA_INS], GL Account ID: 224106 - SALES TAX COLLECTED USA - CA [224106].
- [UT] Utah: Utah Sales Tax Authority [UT_TAXMAN], GL Account ID: 224153 - SALES TAX COLLECTED USA - UT [224153].
- [UT-UTAH] Utah County: Utah County, Utah Sales Tax Authority [UT_UTAH_TAXMAN], GL Account ID: 224153 - SALES TAX COLLECTED USA - UT [224153].
- [NA] Not Applicable: [NA], GL Account ID: 224000 - SALES TAX COLLECTED [224000].

Figure 7.10: Tax Authority GL Account Defaults

You can see that they are the same entries that are showing on our invoice Sales Tax Lines.

Have you noticed that our Invoice Tax Lines are for a zero amount?

This is because in the demo data “DemoCustCompany” has been setup with a valid UTAH Tax Id and so is exempted.



NOTE: If you need to check the Tax Setup of a Customer or Supplier then it can be done using the “Tax Infos” link in Party Manager

Figure 7.11: Party Tax Setup

This screen shows that “DemoCustCompany” has a valid Tax Id for both Utah and California.

Did you notice that nothing has been calculated for our miscellaneous line - why?

This is because OFBiz doesn't know whether Tax has already been included in the price. What this means is, if you add a line that isn't related to a Product (e.g. Catalog or Warehouse Stock) you will have to calculate and include the tax details yourself.

Tip: While the Invoice is at the “In Process” status, you can manually override any of the tax calculation entries that OFBiz pre-calculates

At this stage, we have created our invoice and added items to it.

At the top of the screen are some links

- “Status to Approved” changes the invoice status to “Approved”. This would be done after the invoice has been entered and verified (i.e. Ready to be sent)
- “Status to Sent” changes the invoice status to “Sent”. This indicates that the invoice has been sent to the customer
- “Status to Ready” changes the invoice status to “Ready”. This indicates that the invoice is ready for posting and OFBiz will automatically post the related accounting transactions
- “Status to Cancelled” changes the invoice status to “Cancelled”.

So far we haven’t generated any accounting transactions. To generate them

↳ Click “Status to Ready”

The following accounting transactions will be created.

Transactions																						
Acctg Trans Id	Acctg Entry Seq Id	Is	Fiscal Year	Acctg Type	Trans Type	Transaction Date	Posted Date	Gl Journal Id	Tranx Type	Payment Description Id	Fixed Gl Asset Account Id	Producer Id	Debit Credit Flag	Orig Amount	Organization Party Id	Gl Account Type	Code	Account Name	GL Account Class	Party	Reconcile Status Id	Acctg Trans Entry Type Id
10131 00001 Y	ACTUAL	Sales Invoice	2014-05-29	2014-05-29	00:11:01.342 20:32:46.562	2014-05-29	2014-05-29	Sales Invoice		401000	G2-1000 C	\$79.95	\$79.95	Company		#01000	GENERAL SALES	Revenue		Not Reconciled	NA	
10131 00002 Y	ACTUAL	Sales Invoice	2014-05-29	2014-05-29	00:11:01.342 20:32:46.562	2014-05-29	2014-05-29	Sales Invoice		410000	C	\$30.00	\$30.00	Company		410000	DISCOUNTS ON SALES	Cost of Goods Sold Expense		Not Reconciled	NA	
10131 00003 Y	ACTUAL	Sales Invoice	2014-05-29	2014-05-29	00:11:01.342 20:32:46.562	2014-05-29	2014-05-29	Sales Invoice		224153	C	\$0.00	\$0.00	Company	Current Liability	224153	COLLECTED USA - UT	SALES TAX	Utah County: Utah Sales Tax Authority	Not Reconciled	NA	
10131 00004 Y	ACTUAL	Sales Invoice	2014-05-29	2014-05-29	00:11:01.342 20:32:46.562	2014-05-29	2014-05-29	Sales Invoice		224153	C	\$0.00	\$0.00	Company	Current Liability	224153	COLLECTED USA - UT	SALES TAX	Utah Sales Tax Authority	Not Reconciled	NA	
10131 00005 Y	ACTUAL	Sales Invoice	2014-05-29	2014-05-29	00:11:01.342 20:32:46.562	2014-05-29	2014-05-29	Sales Invoice		120000	D	\$109.95	\$109.95	Company	Accounts Receivable	120000	ACCOUNTS RECEIVABLE	Current Asset	Demo Customer Company	Not Reconciled	NA	

Figure 7.12: Invoice Accounting Transactions

Notice that the links at the top of the screen have changed.

We have some additional statuses that we can change the invoice to.

- “Status to Paid” changes the invoice status to “Paid”. This is used once the customer payment has been received
- “Status to Writeoff” changes the invoice status to “Writeoff”. This is normally used if the customer doesn’t pay but a decision is taken to accept the debt (i.e. write it off)

We also have the option to “Save Invoice As Template” so that we can use the same invoice details again without having to enter them.

↳ Click “Status to Paid”

You should get an error message similar to the one below.

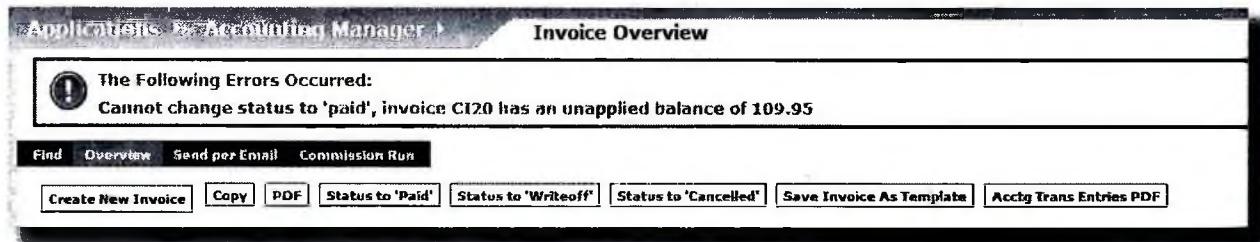


Figure 7.13: Status to Paid Error Message

OFBiz has given us this error message because we haven’t linked the invoice to any payments or outstanding Sales Orders.

An invoice is used to pay for something that a customer has bought. OFBiz tries to ensure that we follow a strict business process of identifying what an invoice has paid for.

Advanced Tip: You can only apply the invoice while it is in the “In Process” status otherwise you will need to do the application using the Payments menu

Let's quickly create a payment that we can use to apply to this invoice.

- ↳ Select “Payments” from the Accounting Manager drop down menu
- ↳ Click “Create New Payment”
- ↳ Enter an “Incoming Payment”, a “Customer Deposit” from “DemoCustCompany” for \$1000

Next

- ↳ Click “Applications”

Our invoice (CI20) is now displayed indicating that the money from the invoice hasn't been applied to a Payment.

- ↳ Click “Apply” for our invoice

The screenshot shows a web-based application interface titled "List Payment Applications". At the top, there is a navigation bar with links for "Find", "Overview", "New", and "Applications". Below the navigation bar, there are several buttons: "Create New", "Status to 'Received'", "Status to 'Cancelled'", "Print As Check", and "Status to 'Void'". A text field displays "ID:[10052]". Below this, a section titled "Payment Applications" shows "Amount Total \$1,000.00 Amount not yet applied \$1,000.00". A message "No applications found." is displayed above a table. The table has columns: "Invoice ID", "Description", "Invoice Date", "Amount", "Amount Applied", and "Outstanding amount - Assign to Whole invoice". There are three rows in the table:

- Row 1: Invoice ID "demo1200", Description "This is an invoice to DemoCustomer", Invoice Date "4/25/06", Amount "\$511.23", Amount Applied "\$0.00", Outstanding amount "\$511.23" with an "Apply" button.
- Row 2: Invoice ID "CI19", Description "Test Invoice", Invoice Date "5/28/14", Amount "\$159.90", Amount Applied "\$0.00", Outstanding amount "\$159.90" with an "Apply" button.
- Row 3: Invoice ID "CI20", Description "Test Invoice", Invoice Date "5/29/14", Amount "\$109.95", Amount Applied "\$0.00", Outstanding amount "\$109.95" with an "Apply" button. This row has a red oval around it and a red arrow points to the "Apply" button.

Figure 7.14: Create a New Payment to Apply

Now let's go back to our Invoice and see how the Payment has been linked to it.

- ↳ Select “Invoices” from the Accounting Manager drop down menu
- ↳ Locate our invoice
- ↳ Click the “Invoice Id” link
- ↳ Click “Overview”

The screenshot shows the 'Invoice Overview' page from a software application. At the top, there's a toolbar with buttons for 'Create New Invoice', 'Copy', 'PDF', 'Status to 'Paid'', 'Status to 'Written Off'', 'Status to 'Cancelled'', 'Save Invoice As Template', and 'Acctg Trans Entries PDF'. Below the toolbar, the 'For: [C120]' field is displayed. The main area is divided into several sections: 'Header' (Invoice Type: Sales Invoice, Description: Your Company Name Here [Company], From Party ID: Demo Customer Company [DemoCustCompany], Role Type Id: Salesperson, Invoice Date: 2014-05-29, Total: \$109.95, Reference Num: 123456789), 'Status' (Status: Ready for Posting, Status Date: 2014-05-29, Status: In-Process), 'Roles' (Party Id: Demo Customer Company [DemoCustCompany], Role Type Id: Salesperson, Percentage: 100, Date Time Performed: 2014-05-29 23:59:59.000), and 'Applied Payments' (\$109.95 Open \$0.00). A large arrow points upwards from the 'Status' section towards the 'Status to Paid' button. Another arrow points downwards from the 'Applied Payments' section towards the 'Amount Applied' value.

Figure 7.15: Invoice Overview with Payment Details

The details of the Payment that has been applied is now being displayed.

↳ Click “Status to Paid”

Now there is no error message displayed and the invoice status is changed successfully.



NOTE: Although we used a Sales Invoice as an example, the process will be the same for Purchase Invoices too

Automatic Invoice Generation

OFBiz works best being setup to be integrated with your business processes. Out-of-the-box (OOTB) OFBiz will automatically generate invoices when certain rules are met.

- Sales Orders that only include digital products will automatically generate an invoice once the order is approved.
- Sales Orders that include physical products (i.e. products that need to be shipped) will automatically generate an invoice once the order is “Packed” or “Shipped”
- Sales Orders that include a combination of both digital and physical products will automatically generate two invoices - one for the digital goods at order approval and another when the physical products are shipped
- Purchase Orders will automatically generate an invoice once the incoming shipment has been “Received”

Let's do an example using a Sales Order with both digital and physical products.

To create a Sales Order

- ↳ Select “Order” from the Applications drop down menu
- ↳ Select “Order Entry” from the Order Manager drop down menu

Using the top part of the screen

- ↳ Select “No Channel” as Sales Channel
- ↳ Enter “DemoCustomer” as Customer
- ↳ Click “Continue”

The screenshot shows the 'Order Initialization' page under 'Order Manager'. The 'Sales Order' section contains the following fields:

- Product Store: OFBiz E-Commerce Store
- Sales Channel: No Channel
- User Login ID: admin (with a tooltip: admin THE ADMINISTRATOR)
- Customer: DemoCustomer

Arrows point to each of these fields from the left side of the image.

Figure 7.16: Create Sales Order

The Order Agreements screen will be displayed.

- ↳ Enter “Test for Both Digital and Normal Product Invoices” as Order Name
- ↳ Click “Continue”

The screenshot shows the 'Enter Order Name' page under 'Order Manager'. The 'Order Agreements' section contains the following fields:

- Select an agreement for this order: None
- Order Name: Test for Both Digital and Normal Product Invoices
- PD Number: (empty)
- Or set a currency for this order: USD
- Choose Catalog: Demo Catalog
- Workflow Id: (empty)
- Default Ship After Date: (empty)
- Default Ship Before Date: (empty)

An arrow points to the 'Order Name' field.

Figure 7.17: Enter Order Name

- ↳ Enter “GZ-DIG” (Digital Gizmo) as Product Id
- ↳ Enter “1” as Quantity
- ↳ Click “Add to Order”

This is our digital product.

It will be available for download once the order is created.

The screenshot shows a software interface titled "Create Sales Order". At the top right are buttons for "Clear Order", "Remove Selected", "Recalculate Order", and "Finalize Order". Below these are several input fields:

- "Product ID : GZ-DIG" with a "Quick Lookup" and "Add Gift Certificate" button.
- "Quantity : 1" with a left-pointing arrow.
- "Desired Delivery Date : [empty]" with a calendar icon and a checkbox "Use as default desired delivery date for next entry".
- "Ship After Date : [empty]" with a calendar icon.
- "Ship Before Date : [empty]" with a calendar icon.
- "Comment : [empty]" with a checkbox "Use as default comment for next entry".

A large "Add To Order" button at the bottom has a left-pointing arrow.

Figure 7.18: Adding a Digital Product to the Sales Order

Next we will add a physical product.

- ↳ Enter “GZ-1000” as Product Id
- ↳ Enter “1” as Quantity
- ↳ Click “Add to Order”

The product will be added to the order.

The screenshot shows the 'Show Cart' interface in Apache OFBiz. At the top, there's a toolbar with links: Create Sales Order, Clear Order, Remove Selected, Recalculate Order, Finalize Order, Finalize Order With Default Options, and Quick Finalize Order. Below the toolbar, there are input fields for Product ID, Quantity, Desired Delivery Date, Ship After Date, Ship Before Date, and Comment, each with a 'Quick Lookup' button and a checkbox for 'Use as default'. An 'Add To Order' button is also present. A large arrow points upwards from the bottom right towards the toolbar area. Below this, a section titled 'Add Order Items to Shopping List' contains buttons for 'auto-save' and 'Add to Shopping List'. The main area is titled 'Order Items' and lists two items:

Product	Gift Wrap All Items?	Quantity	Unit Price	Adjustments	Item Total
GZ-1000 - Tiny Gizmo The smallest gizmo in town. Inventory: ATP = 37, QOH = 42	<input type="checkbox"/>	1	\$15.99	\$0.00	\$15.99
GZ-DIC - Digital Gizmo A digital gizmo can be downloaded immediately after purchase. Inventory: ATP = 0, QOH = 0	<input type="checkbox"/>	1	\$55.99	\$0.00	\$55.99

Associated Products for GZ-1000 include WG-1111 (Micro Chrome Widget) and GZ-1006 (Open Gizmo). Associated Products for GZ-DIC include WG-1111 (Micro Chrome Widget).

Figure 7.19: Order Items

We now want to complete the order.

- ↳ Click “Quick Finalize Order”

The Checkout Options will be displayed.

- ↳ Click the radio button for “DemoCustomer”
- ↳ Click the radio button for “USPS Express”
- ↳ Click the radio button for “Mail Check/Money Order”

At the bottom of the screen

- ↳ Click “Continue to Final Order Review”

Sales Order : Order Confirmation

Order Items Shopping Options Order forms Payment Payees Review Order Create Order

Order Name	Test for Both Digital and Normal Product Invoices			
Splitting Preference	Please wait until the entire order is ready before shipping.			
Gift	This order is not a gift.			

Payment Information

Offline Payment

Shipping Information

Destination	Supplier	Shipment Method	Item	Quantity
Tor Demo Customer 2004 Factory Blvd Orem, UT , 84057	USPS Express		GZ-GIG - Digital Gizmo GZ-1000 - Tiny Gizmo GZ-1006-3 - Open Gizmo (SSD)	1 1 1

Order Items

Product	Quantity	Unit Price	Adjustments	Sub Total
GZ-1000 - Tiny Gizmo	1	\$15.99	\$0.00 \$0.016 \$0.76	\$15.99
GZ-GIG - Digital Gizmo	1	\$55.99	\$0.00 \$0.036 \$2.66 \$0.56	\$55.99
GZ-1006-3 - Open Gizmo (SSD)	1	\$1.99	-\$1.99 -\$1.99	\$0.00
			Sub Total Promotion Promotion Shipping and Handling Sales Tax	\$71.98 -\$9.60 -\$6.84 \$0.00 \$4.04

Figure 7.20: Final Order Review

↳ Click “Create Order”

Our order has been created. We should now be in the Order Review Screen.

Next we are going to create the invoice for the digital product.

↳ Click “Approve Order”

Sales Order Nbr WSCO10038 [PDF]

Cancel Order Approve Order

Order Name	Test for Both Digital and Normal Product Invoices	
Status History	Current Status: Created Created - 5/29/14 11:03:29 PM By - [admin]	
Date Ordered	5/29/14 11:03:29 PM	
Currency	USD	
Sales Channel	Web Channel	
Product Store	OFBiz E-Commerce Store [0000]	
Origin Facility	WebStoreWarehouse	
Created By	[admin]	
Priority	Normal	Reserve Inventory
Invoice Per Shipment	Yes	<input type="button" value="Update"/>
Mark Viewed	<input type="checkbox"/>	

Payment Information

Figure 7.21: Approve Order

Once the Sales Order has been approved, notice that an invoice has been created.

The screenshot shows a "Payment Information" interface. At the top, it says "Status History Not Received - 5/29/14 11:03:29 PM By - [admin]". Below that, it says "Offline Payment Max Amount: \$65.58". There are "Receive Payment" and "Cancel" buttons. A large arrow points left from the "Invoices" section. The "Invoices" section shows "Nbr: C125" and a "PDF" button. Below that, there's a "Payment Method" dropdown set to "Visa ****1111 02/2021" and an "Amount" input field with "0" in it, followed by an "Add" button.

Figure 7.22: Invoice for Digital Product

Also notice that the digital item is now available for download.

Product	Status	Quantity	Unit / List	Adjustments	Sub Total																																																																																						
G2-DIG - Digital Gizmo																																																																																											
	<table border="1"><tr><td>Inventory</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Required for SO</td><td>0</td><td></td><td></td><td></td><td></td></tr><tr><td>In Inventory [Web Store Warehouse] QOH</td><td>0 (ATP: 0)</td><td></td><td></td><td></td><td></td></tr><tr><td>In Inventory [All Facilities] QOH</td><td>0 (ATP: 0)</td><td></td><td></td><td></td><td></td></tr><tr><td>On Order</td><td>0</td><td></td><td></td><td></td><td></td></tr><tr><td>In Production</td><td>0</td><td></td><td></td><td></td><td></td></tr></table>	Inventory						Required for SO	0					In Inventory [Web Store Warehouse] QOH	0 (ATP: 0)					In Inventory [All Facilities] QOH	0 (ATP: 0)					On Order	0					In Production	0					<table border="1"><tr><td>Current</td><td>Completed</td><td></td><td></td><td></td><td></td></tr><tr><td>5/29/14 11:09:30 PM</td><td>Completed 5/29/14 11:09:29</td><td></td><td></td><td></td><td></td></tr><tr><td>PW</td><td>Approved 5/29/14 11:03:29 PM</td><td>Created</td><td></td><td></td><td></td></tr></table>	Current	Completed					5/29/14 11:09:30 PM	Completed 5/29/14 11:09:29					PW	Approved 5/29/14 11:03:29 PM	Created				<table border="1"><tr><td>Ordered 1</td><td>Ship Request 0</td><td></td><td></td><td></td><td></td></tr><tr><td>Cancelled 0</td><td>Qty Picked 0</td><td></td><td></td><td></td><td></td></tr><tr><td>Remaining 1</td><td>Qty Shipped 0</td><td></td><td></td><td></td><td></td></tr><tr><td>Shortfalled 0</td><td>Outstanding 0</td><td></td><td></td><td></td><td></td></tr><tr><td>Invoiced 1</td><td>Returned 0</td><td></td><td></td><td></td><td></td></tr></table>	Ordered 1	Ship Request 0					Cancelled 0	Qty Picked 0					Remaining 1	Qty Shipped 0					Shortfalled 0	Outstanding 0					Invoiced 1	Returned 0					<table border="1"><tr><td>\$55.99 / \$0.00</td><td>\$0.00</td><td>\$55.99</td></tr></table>	\$55.99 / \$0.00	\$0.00	\$55.99
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\$55.99 / \$0.00	\$0.00	\$55.99																																																																																									

Figure 7.23: Digital Product Available for Download

Now let's ship the remaining physical product on the order.

- ↳ Click "Quick Ship Entire Order"

The screenshot shows an "Actions" menu. The "Quick Ship Entire Order" option is highlighted with a large arrow pointing left. Other options include "View/Edit Delivery Schedule Info", "Edit Items", "Create New Ship Group", "Create As New Order", and "View Order History".

Figure 7.24: Quick Ship Entire Order

- ↳ Take a look at the “Payment Information” section again

Another invoice has been created but a payment has been automatically created too.

Figure 7.25: Invoices and Payment

You might be mistaken for thinking there is a bug here - because it looks like the payment has been created and only linked to the second invoice but this isn't really the case.

You can find out more about Payments and how they are used in Chapter 8 Payments and Payment Groups.



NOTE: OFBiz has accounted for the value of the first invoice by adjusting the outstanding amount on the second invoice to include the value of the first invoice. The outstanding amount will have a negative value.

- ↳ Click the link to first (digital product) invoice

You will see that this invoice has already been automatically moved to the status “Ready for Posting”. This means that the accounting transactions have already been created.

Getting Started with Apache OFBiz® Accounting

Header

Invoice Type	Sales Invoice	Status	Ready for Posting
Description			
From Party ID	Your Company Name Here [Company]		
Role Type Id			
Invoice Date	2014-05-29	To Party ID	Customer, Demo [DemoCustomer]
Total	\$51.14	Billing Account ID	
Reference Num			

Status

Status Date	Status
2014-05-29	In-Process
2014-05-29	Ready for Posting

Applied Payments \$0.00 Open -\$51.14

Item No	Product Id	Description	Total	Payment Id	Amount Applied
---------	------------	-------------	-------	------------	----------------

Rules

Party Id	Name	Role Type Id	Percentage	Date Time Performed
Company	Your Company Name Here	Bill-From-Vendor		2014-05-29 23:09:29.983
DemoCustomer	Demo Customer	End-User Customer		2014-05-29 23:09:29.980
DemoCustomer	Demo Customer	Ship-To Customer		2014-05-29 23:09:29.982
DemoCustomer	Demo Customer	Bill-To Customer		2014-05-29 23:09:29.981
DemoCustomer	Demo Customer	Placing Customer		2014-05-29 23:09:29.973

Term

Term Type Id	Item No	Term Value	Term Days	Text Value	Description	UOM
Term Type Id	Due Date				Outstanding Amount	
					\$51.14	\$0.00

Figure 7.26: Digital Product Invoice

- Click the link to the second (physical product) invoice

You will see that this has also already been automatically moved to the status “Ready for Posting” and the accounting transactions have been created.

However this invoice has a payment attached to it and the outstanding amount isn’t a positive number!

Header

Invoice Type	Sales Invoice	Status	Ready for Posting
Description			
From Party ID	Your Company Name Here [Company]		
Role Type Id			
Invoice Date	2014-05-29	To Party ID	Customer, Demo [DemoCustomer]
Total	\$14.44	Billing Account ID	
Reference Num			

Status

Status Date	Status
2014-05-29	In-Process
2014-05-29	Ready for Posting

Applied Payments \$65.50 Open -\$51.14

Item No	Product Id	Description	Total	Payment Id	Amount Applied
			\$14.44	10054	\$65.50

Rules

Party Id	Name	Role Type Id	Percentage	Date Time Performed
Company	Your Company Name Here	Bill-From-Vendor		2014-05-29 23:20:08.762
DemoCustomer	Demo Customer	End-User Customer		2014-05-29 23:20:08.768
DemoCustomer	Demo Customer	Ship-To Customer		2014-05-29 23:20:08.765
DemoCustomer	Demo Customer	Bill-To Customer		2014-05-29 23:20:08.760
DemoCustomer	Demo Customer	Placing Customer		2014-05-29 23:20:08.752

Term

Term Type Id	Item No	Term Value	Term Days	Text Value	Description	UOM
Term Type Id	Due Date				Outstanding Amount	
					\$14.44	\$65.50

Figure 7.27: Physical Product Invoice

Why isn't it a positive number?

Remember we mentioned before that:

- OBiz will account for the value of the first invoice by adjusting the outstanding amount on the second invoice to include the value of the first invoice.
- The outstanding amount will have a negative value.

This completes the overview of the automatic invoice creation process.

Invoices Summary

Let's do a quick review of what we have covered in this chapter about Invoices and how they are used within OFBiz.

- We have defined what an Invoice is and how it is used for both commercial and legal / tax purposes
- We looked at the different types of invoices available within OFBiz
- As an example we manually created a Sales Invoice
- We talked about the different Invoice Items (Invoice lines) available and added two different line types to our invoice
- We then showed you how to add tax to the invoice and then looked at the special case where OFBiz wouldn't be able to calculate it for a manual invoice
- We looked at tax exemption and where it can be setup for a party (e.g. a customer)
- We then went through all the different invoice statuses and what they mean
- We generated accounting transactions for our manual invoice
- We discussed how to apply payments to invoices and looked at how OFBiz manages this
- We then created a payment and applied it to an invoice
- We looked at automatic invoice creation and how different invoices are triggered
- As an example, we created a Sales Order with a combination of digital and non-digital products so that it would trigger two separate invoices
- We approved the order and automatically generated the digital product invoice
- We then shipped the remaining products on the order to generate the non-digital invoice
- Finally we reviewed the invoices and payment that was created

Chapter 8:

Payments and

Payment Groups

What is a Payment?

A “Payment” is a transaction created to settle a bill.

The payment can be incoming (e.g. when a customer pays you for a product they have bought) or outgoing (e.g. where you pay a supplier for goods you have bought from them)

At the time of writing OFBiz included the following types of payment:

- Commission Payment
- Customer Deposit
- Customer Payment
- Customer Refund
- Disbursement
- Gift Certificate Deposit
- Gift Certificate Withdrawal
- Income Tax Payment
- Interest Receipt
- POS Paid In
- POS Paid Out
- Pay Check
- Payroll Payment
- Payroll Tax Payment
- Receipt
- Sales Tax Payment
- Tax Payment
- Vendor Payment
- Vendor Prepayment

These types are just a way of categorising the payment so that you can easily view and select them as part of standard business processing. They can also be linked to a specific General Ledger account through the GL Account Types.

Reminder: A “GL Account Type Default” is a rule that we can setup to help us automate the generation and posting of accounting transactions.

Before we go any further, let's go and take a look at the “GL Account Type Defaults” that affect Payments.

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Organization GL Settings” from the Accounting Manager drop down menu
- ↳ Click “Setup” for the default company (“Your Company Name Here”)
- ↳ Click “GL Account Defaults”
- ↳ Click “Payment Type/GL Account Type ID”

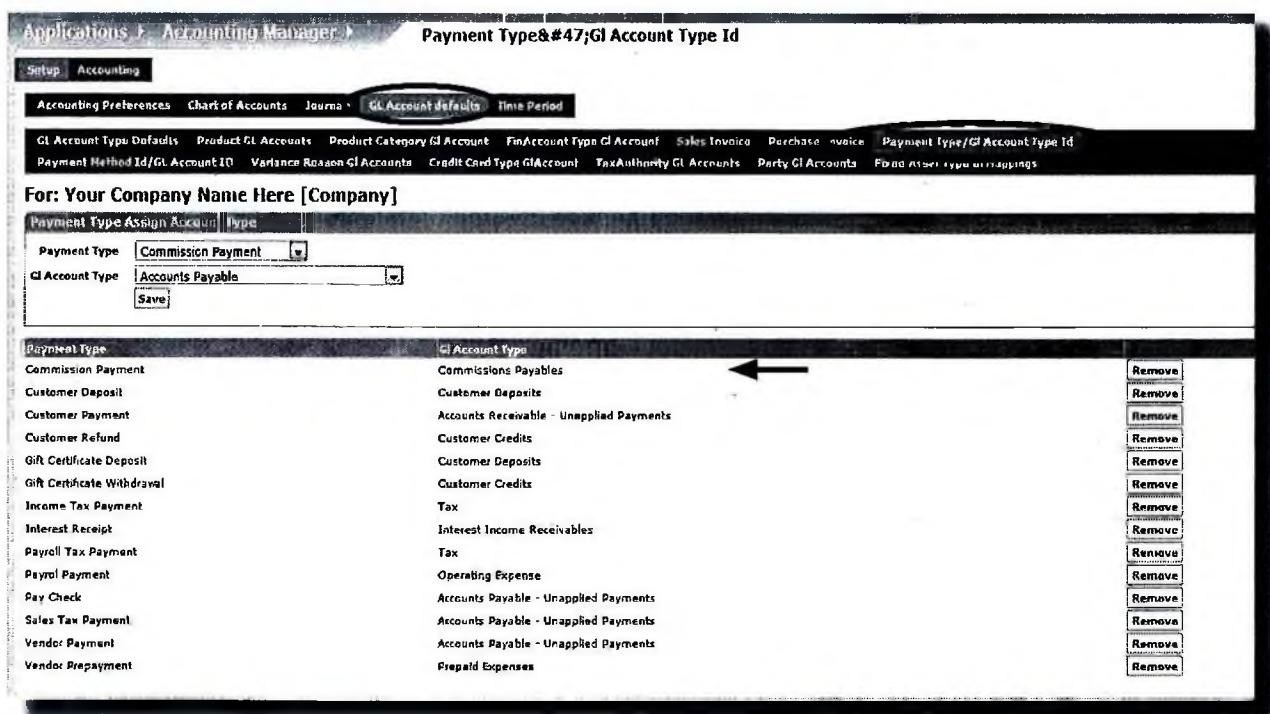


Figure 8.1: Payment Types GL Account Default

Many of the other GL Account Defaults will map directly to an account. Notice that the Payment Type doesn't!

Instead the mapping is done at two levels

- The Payment maps to a GL Account Type (Using the Payment Type/GL Account Type ID default)
- The GL Account Type maps to General Ledger Account (Using the GL Account Type defaults)

Let's take a look at a specific entry to see what GL Account a transaction using this Payment Type will post to.

- ↳ Look at the first line - Commission Payment

You will see that it is mapped to the “Commission Payables” GL Account Type.

To see what account will be used, we need to look at the GL Account Type Defaults

- ↳ Click “GL Account Type Defaults”
- ↳ Locate “Commission Payables”

The screenshot shows the Apache OFBiz Accounting Manager interface. The top navigation bar includes 'Applications > Accounting Manager' and 'GL Account Type Defaults'. Below the navigation is a toolbar with tabs: 'Setup' (selected), 'Accounting', 'Chart of Accounts', 'Journals', 'GL Account defaults', and 'Time Period'. A sub-navigation bar below the toolbar includes links for 'GL Account Type Defaults', 'Product GL Accounts', 'Product Category GL Account', 'FinAccount Type GL Account', 'Sales Invoice', 'Purchase Invoice', 'Payment Type/GL Account Type Id', 'Payment Method GL Account ID', 'Variance Reason GL Accounts', 'Credit Card Type GL Account', 'Tax Authority GL Accounts', 'Party GL Accounts', and 'Fixed Asset Type GL Mappings'. The main content area is titled 'GL Account Type Defaults For: Your Company Name Here [Company]'. It features a form with fields: 'GL Account Type' (set to 'Accounts Payable'), 'GL Account Id' (set to '100000 - ASSETS [100000]'), and a 'Save' button. Below the form is a table with two columns: 'GL Account Type Id' and 'GL Account Id'. The table lists various account types and their corresponding GL account IDs. An arrow points from the 'Commission Payables' entry in the left column to the '221100 ACCRUED COMMISSIONS DUE' entry in the right column. The table also includes entries for Accounts Receivable, Accounts Payable - Unapplied Payments, Accounts Receivable - Unapplied Payments, Cost of Goods Sold, Commissions Payables, Customer Credits, Customer Deposits, and Interest Income Receivables.

Figure 8.2: Payment Types GL Account Default

You will see that the “Commission Payables” entry is directly mapped to “221100 ACCRUED COMMISSIONS DUE”.

This means that:

- When a Payment transaction for a “Commission Payment” is posted to the Chart of Accounts,
- It will use the “221100 ACCRUED COMMISSIONS DUE” account as part of the accounting transaction entry.

Reminder: These settings are only the default rules and we can override them when we create or process the payment

To get to Payments

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Payments” from the Accounting Manager drop down menu

The default screen will empty.

- ↳ Click “Find”

Payment Id	Payment Type	Status	Comments	From Party	To Party	Effective Date	Amount	Outstanding amount
10026	Vendor Payment	Not Paid		Your Company Name Here. [Company]	Demo Supplier. [DemoSupplier]	2014-05-14 23:44:40.433	\$150.00	\$0.00
80023	Vendor Payment	Not Paid		Your Company Name Here. [Company]	Demo Supplier. [DemoSupplier]	2014-05-14 19:17:16.610	\$75.00	\$0.00
10036	Customer Payment	Not Paid		Customer,Demo [DemoCustomer]	Your Company Name Here. [Company]	2014-05-30 22:17:12.830	\$803.75	\$0.00
10034	Customer Payment	Canceled		Customer,Demo [DemoCustomer]	Your Company Name Here. [Company]	2014-05-30 22:22:18.217	\$803.75	\$803.75
10025	Customer Payment	Not Paid		Customer,Demo [DemoCustomer]	Your Company Name Here. [Company]	2014-05-25 22:41:03.643	\$30.33	\$0.00
10024	Customer Payment	Not Paid		Customer,Demo [DemoCustomer]	Your Company Name Here. [Company]	2014-05-25 21:14:02.409	\$15.16	\$0.00
10041	Vendor Payment	Not Paid		Your Company Name Here. [Company]	Demo Supplier. [DemoSupplier]	2014-05-23 22:42:32.164	\$13.00	\$0.00
10040	Customer Payment	Received	Payment received offline and manually entered.	Customer,Demo [DemoCustomer]	Your Company Name Here. [Company]	2014-05-22 22:29:27.835	\$30.00	\$0.00

Figure 8.3: Default Payments Screen

Any Payments that exist will be displayed.

The default screen gives us a summary overview with details of:

- The type of Payment
- Its status
- Who the Payment is from and to
- The date the Payment is due (NOTE: This can be a future date)
- The amount to be paid
- Any outstanding amount (NOTE: This should be zero once the Payment is made)

Payments can be incoming or outgoing. We will go through examples of both showing you how to create these manually and automatically.

Incoming Payments

We will start by looking at Incoming Payments and how they are used. In our example we will:

- Manually create a Payment
- Modify the Payment Status
- Look at the accounting transactions generated by Payments
- Apply the Payment

Let's get started. To create a new Payment

↳ Click "Create New Payment"

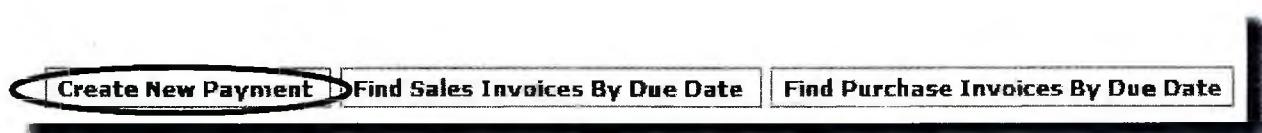


Figure 8.4: Create New Payment

The next screen is made up of two parts. We are creating an Incoming Payment so will be using the top part of the screen.

New incoming payment

New outgoing payment

Fields in the form:

- Organization Party Id: Your Company Name Here
- Payment Type: Customer Deposit
- Reference No:
- Amount:
- Fin Account Id:
- From Party ID:
- Payment Method Id: AmEx 0005
- Override GL Account Id:
- Comments:
- Create button

Figure 8.5: Create Payments

FIELD	MEANING
Organization Party Id	This is the Party Id of the party that is receiving the Payment. Normally this will be your company.
Payment Type	This is a drop down selection that describes the type of Payment (e.g. Customer Payment)
Reference No	This is a general field that can be used to record a payment reference number
Amount	This is the Payment Amount. (NOTE: This should be in your company's main currency. You will have the opportunity later to enter an original (e.g. foreign currency) amount along with the currency description.)
Fin Account Id	This is a drop down selection based on the Financial Accounts that are 'bank accounts'. It provides a way to link the Payment transaction directly to a bank account transaction.
From Party Id	This is the Party Id of the party sending the Payment. Normally this will be your Customer.
Payment Method Id	This is a drop down selection telling us how the Payment was made (e.g. Cash). NOTE: There is a bit of duplication here as you do have the option to select bank accounts that are also Financial Accounts.
Override GL Account Id	This provides a way to override the default GL account used for the transaction. If left blank then the default GL Account setup in the GL Account Type defaults will be used.
Comments	This is a general field to add any comments related to the transaction.

Manually Creating an Incoming Payment

We are going to enter a Payment from DemoCustomer.

- ↳ Enter the details from the table below:

FIELD	VALUE
Organization Party Id	Your Company Name Here
Payment Type	Customer Payment
Reference No	12345
Amount	370
Fin Account Id	Leave blank
From Party Id	DemoCustomer
Payment Method Id	Petty Cash
Override GI Account Id	Leave blank
Comments	Special Payment from DemoCustomer

The screenshot shows a web-based application interface titled 'Edit Payment'. The page is titled 'New Incoming payment'. It contains several input fields with values corresponding to the table above, and each field has a black arrow pointing to it from the left side of the list. The fields and their values are:

- Organization Party Id: Your Company Name Here
- Payment Type: Customer Payment
- Reference No: 12345
- Amount: 370
- Fin Account Id: (empty)
- From Party ID: DemoCustomer
- Payment Method Id: Petty Cash
- Override GI Account Id: (empty)
- Comments: Special Payment from DemoCustomer

Figure 8.6: Creating a New Incoming Payment

- ↳ Click "Create"

The Payment is created and a screen similar to the following is displayed.

The screenshot shows the 'Edit Payment' screen in the Accounting Manager application. The top navigation bar includes 'Find', 'Overview', 'Header', and 'Applications'. Below the navigation is a toolbar with buttons for 'Create New', 'Status to 'Received'', 'Status to 'Cancelled'', 'Print As Check', and 'Status to 'Void''. The main area displays a payment header with the ID 'ID:[10044]'. The 'Header Detailed Information' section contains the following fields:

- Payment Type:** Customer Payment
- Payment Method Id:** CASH (PETTY_CASH)
- From Party Id:** DemoCustomer
- Amount:** 370
- Actual Currency Amount:** (empty field)
- Effective Date:** 5/27/2014 7:33:01 PM
- Reference No:** 12345
- Fin Account Trans Id:** (empty field)
- Status ID:** Not Paid (highlighted with a red arrow)
- To Party Id:** Company
- Currency:** American Dollar - USD
- Actual Currency Uom Id:** (empty field)
- Comments:** Special Payment from DemoCus
- Override GI Account Id:** (empty field)

At the bottom left is an 'Update' button.

Figure 8.7: Payment Header Details

Notice that some extra fields have been added

- Actual Currency Amount
- Actual Currency Uom ID

These fields can be used to enter details of the original currency amount.

For example if the Payment was made in EUR but was converted to USD.

You may also have noticed that our Payment has a “Status” and an “Effective Date”.

- The default status for a new payment is “Not Paid”.
- The current date and time is the default Effective Date.

Tip: You can use Agreements or Order Terms to make OFBiz automatically calculate a future Effective Date for an Incoming Payment.

At the top of the screen are some links:

- “Status to Received” changes the Payment status to “Received”. This would normally be done as part of a Reconciliation Process.
- “Status to Cancelled” cancels the Payment.
- “Status to Void” will void the Payment (NOTE: Normally voiding is used for transactions created in error)

Remember that OFBiz Accounting is about maintaining traceability of transactions so cancelling and voiding transactions are used rather than deletion.



NOTE: At the time of writing OFBiz did allow you to use the “Print As Check” option for an Incoming Payment although issuing a cheque only makes sense for an Outgoing Payment.

We are going to change the status of our Payment

- ↳ Click “Status to Received”

A screen similar to the following will be displayed.

Payment Overview																			
Find Overview Applications				Create New Status to 'Confirmed' Status to 'Void' Acctg Trans Entries PDF															
Payment Overview ID:[10044]																			
Payment Header																			
Payment Type Id: Customer Payment Status: Received From Party: Customer, Demo (DemoCustomer) Reference No: 12345 Amount: \$370.00 Effective Date: 5/27/14 Override Gl Account Id:				Payment Method Type: Cash Payment Method Id: Petty Cash (PETTY_CASH) To Party: Your Company Name Here (Company) Payment Preference Id: Actual Currency Amount: Comments: Special Payment from DemoCustomer				Payments Applied: \$0.00 Open: \$370.00 Invoice ID: Item No: Billing Account ID: Override Gl Account Id: To payment ID: Tax Auth: Gc ID: Amount Applied:											
Transactions																			
Acctg Trans Id Entry Seq Id	Acctg Trans Is Posted	Fiscal Year GLType	Acctg Trans Id Type Id	Transaction Date	Posted Date	GL Journal Id	Trans Type Description	Invoice Id	Fixed Gl Asset Account Id	Product Id	Debit Credit Amount	Orig Amount	Organization Party Id	Gl Account Code	Account Name	GL Account Class	Party	Reconcile Status Id	Acctg Trans Entry Type Id
10124 00001 Y	ACTUAL	Incoming Payment	15:33:01.266	2014-05-27	2014-05-27		Incoming Payment		110000	G	\$370.00	\$370.00	Company	Current Asset Accounts Receivable - unapplied	CASH RECEIVABLE - UNAPPLIED	Cash and Equivalent RECEIVABLE - Current Asset PAYMENTS	Not Recorded	Not Reconciled	NA-NA
10124 00002 Y	ACTUAL	Incoming Payment	19:35:01.266	2014-05-27	2014-05-27		Incoming Payment		126000	C	\$370.00	\$370.00	Company	Current Asset Accounts Receivable - unapplied	CASH RECEIVABLE - Current Asset PAYMENTS	Cash and Equivalent RECEIVABLE - Current Asset PAYMENTS	Not Recorded	Not Reconciled	NA-NA

Figure 8.8: Change Payment Status to Received

The most important thing to notice is that changing the status for the Payment has automatically generated an accounting transaction. The transaction is called “Incoming Payment” and is as follows:

DR (Debit) CASH

CR (Credit) ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS

Reminder: These GL Accounts are used because they have been setup in the GL Account Type Defaults (See Chapter 4 Business Accounting Setup for details)

- One entry comes from “Payment Method Type ID” (and we specified that the Payment was received as Cash)
- The other entry comes from the “Payment Types GL Account Id (and we specified that the Payment was a Customer Payment)

Also notice that a new link is displayed - “Status to Confirmed”.

When we confirm a Payment another automatic accounting transaction is created. The transaction is called “Payment Applied” and is as follows:

DR (Debit) ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS

CR (Credit) ACCOUNTS RECEIVABLE



NOTE: A Payment cannot be “confirmed” until it has been applied and we haven’t applied it yet.

So what does applying a Payment mean?

“Applying a Payment” is the way that OFBiz links a payment to an invoice, order, Billing Account or Tax Authority. It’s like an audit trail that shows how money coming in is allocated (i.e. what it will be used to pay for)

Let's go and apply the money we have received.

- ↳ Click "Applications"

Depending on the transactions in your system for DemoCustomer, your screen will be showing different transactions but the main process will be the same.

The screenshot shows the 'List Payment Applications' screen. At the top, there are tabs for 'Find', 'Overview', and 'Applications'. Below the tabs are buttons for 'Create New', 'Status to 'Confirmed'', 'Status to 'Void'', and 'Acctg Trans Entries PDF'. The main area displays a message: 'ID:[10044] Payment Applications Amount Total \$370.00 Amount not yet applied \$370.00'. It then states 'No applications found...' and 'Possible invoices to apply'. A section titled 'From Your Company Name Here, [Company]' shows 'To Customer, Demo [DemoCustomer]'. A table lists an invoice with ID C117, amount \$803.75, and amount applied \$751.10, leaving an outstanding amount of \$52.65. An 'Apply' button is next to it. Below this, a form titled 'Apply this payment to' contains fields for 'Invoice ID', 'To payment ID', 'Billing Account ID', 'Tax Auth Geo ID', and 'Outstanding amount' (with a note 'Leave empty for maximum amount'). An 'Apply' button is at the bottom of the form.

Figure 8.9: Payment Applications

This screen tells us a few things such as:

- That of all the money that came in (\$370) none of it has been allocated
- That DemoCustomer has an outstanding invoice to pay (of which \$52.65) is still owing

We can use (apply) \$52.65 of our \$370 to pay off the outstanding money for the invoice.

- ↳ Click "Apply"

\$52.65 is used to pay off the remaining debt.



NOTE: A Payment can be used to pay for multiple Invoices, Orders, Billing Accounts, Tax Authorities or a combination of these.

- ↳ Go back to the “Find Payments”
- ↳ Locate our Payment

Search Results

Payment Id	Payment Type	Status	Comments	From Party	To Party	Effective Date	Amount	Outstanding amount
10044	Customer Payment	Received	Special Payment from DemoCustomer	Customer, Demo [DemoCustomer]	Your Company Name Here. [Company]	2014-05-27 19:33:01.266	\$370.00	\$317.35

Figure 8.10: Partially Allocated Payment

Using our example you will see that the “Outstanding Amount” is now only \$317.35 (because \$370 - \$52.65 = \$317.35)

- ↳ Click the Payment Id link

Payment Overview										
Payment Overview ID:[10044]										
Transactions										
Payment Type ID	Customer Payment	Customer, Demo [DemoCustomer]	From Party	Cash	Petty Cash [PETTY_CASH]	Payment Method Type	Payment Method Id	Customer	Open	Amount Applied \$52.65 Open \$317.35
Status	Received	Reference No	To Party	Your Company Name Here [Company]	Payment Preference ID	Actual Currency Amount	Comments	RECEIVABLE	Current	Invoice ID Item No Billing Account ID Overriden GL Account Id To payment ID Tax Auth Gca ID Amount Applied
From Party	Customer, Demo [DemoCustomer]	Amount	Effective Date	Special Payment from DemoCustomer	Actual Currency Amount	Comments	Override GL Account Id	RECEIVABLE	Current	(\$52.65)
Reference No	12345	Amount	Comments	Special Payment from DemoCustomer	Comments	Override GL Account Id	Payment Gateway Response Id	RECEIVABLE	Current	(\$52.65)
Effective Date	5/27/14	Comments	Comments	Special Payment from DemoCustomer	Comments	Override GL Account Id	Payment Gateway Response Id	RECEIVABLE	Current	(\$52.65)
Override GL Account Id		Payment Gateway Response Id								
Acctg Trans Id	Acctg Trans Is Posted	Fiscal Acctg Type Id	Acctg Trans Data	Posted Date	Journal Description	Fixed Gl Asset Account Id	Product Id	Debit Credit Flag	Org Amount Party Id	Organization Gl Account Type
10124 00001 Y	ACTUAL	Incoming Payment	2014-05-27 19:33:01.266	2014-05-27 23:48:10.222	Incoming Payment	110000	D	\$370.00	\$370.00	Company CASH
10124 00002 Y	ACTUAL	Incoming Payment	2014-05-27 19:33:01.266	2014-05-27 23:48:10.222	Incoming Payment	126000	C	\$370.00	\$370.00	Company RECEIVABLE
10125 00001 Y	ACTUAL	Payment Applied	2014-05-27 23:48:10.496	2014-05-27 23:48:10.375	Payment Applied	126000	D	\$52.65	\$52.65	Company Current ACCOUNTS RECEIVABLE
10125 00002 Y	ACTUAL	Payment Applied	2014-05-27 23:48:10.496	2014-05-27 23:48:10.496	Payment Applied	126000	C	\$52.65	\$52.65	Company Current PAYMENTS RECEIVABLE

Figure 8.11: Payment Details After Application

Did you notice that another accounting transaction has been created?

The “Payment Applied” accounting transaction has been created and directly linked to our invoice.

Next we are going to use some of the remaining money from our Payment to allocate to something else.

- ↳ Click “Applications”

We are going to apply \$150 to a Billing Account. You can find out more information about Billing Accounts and how they are used in Chapter 10 Billing Accounts.

- ↳ Enter “9010” for Billing Account ID
- ↳ Enter “150” for Outstanding Amount
- ↳ Click “Apply”

This will apply (or add credit of) \$150 to Billing Account 9010

The screenshot shows a web-based application interface titled "List Payment Applications". The top navigation bar includes links for "Find", "Overview", and "Applications". Below this are buttons for "Create New", "Status to 'Confirmed'", "Status to 'Void'", and "Acctg Trans Entries PDF". A search field displays "ID:[10044]". The main content area is a table titled "Payment Applications" with columns: "Invoice ID", "Item No", "Amount Applied", and "Remove". It lists one item: "CI17 [CI17]" with "52.63" under "Amount Applied" and a "Remove" link. Below this is a summary row: "Amount Total \$370.00 Amount not yet applied \$167.35". A second table below shows "Billing Account ID" and "Amount Applied" with one entry: "9010" and "150", also with a "Remove" link.

Figure 8.12: Applying a Payment to a Billing Account

The details of the Billing Account and the amount applied is also displayed as part of the Payment Applications.

This completes the overview of Manual Incoming Payments.

Automatically Creating an Incoming Payment

In OFBiz "Incoming Payments" are automatically created as part of the Sales Order process.

When a Sales Order is created, a link is included in the Order Review screen to "Receive Payment"

Sales Order Nbr: WSC010035 [PDF]

Status History Current Status: Created
Created - 5/28/14 12:28:09 AM By - [admin]

Date Ordered 5/28/14 12:28:09 AM

Currency USD

Sales Channel Web Channel

Product Store OFBiz E-Commerce Store (9000)

Origin Facility WebStoreWarehouse

Created By admin

Priority Normal [] Reserve Inventory []

Invoice Per Shipment Yes [] Update []

Mark Viewed []

Payment Information

Status History Not-Received - 5/28/14 12:28:10 AM By - [admin]

Offline Payment Max Amount: \$72.22

Receive Payment []

Payment Method Visa ****1111 02/2021 []

Amount 0 []

Figure 8.13: Sales Order

- ↳ Click "Receive Payment"
- ↳ Enter the Order Value in "Cash"

Payment Information

Status History

- Cancelled - 5/28/14 12:32:31 AM By - [admin]
- Received - 5/28/14 12:32:30 AM By - [admin]
- Not-Received - 5/28/14 12:28:10 AM By - [admin]

Cash
Max Amount: \$72.22

[Received]

Payments 10046 ←

Cancel

Figure 8.14: Sales Order Payment

When you return to the Sales Order, the Payment has been automatically created.

As this Payment is already linked to a Sales Order, when the invoice is generated, the Payment will be automatically applied to it.

Outgoing Payments

Manually Creating an Outgoing Payment

We will now take a look at Outgoing Payments and how they are used. In our example we will:

- Manually create a Payment
- Modify the Payment Status
- Look at the accounting transactions generated by Payments
- Apply the Payment

To create a new Outgoing Payment

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Payments” from the Accounting Manager drop down menu
- ↳ Click “Create New Payment”

The next screen is made up of two parts. We are creating an “Outgoing Payment” so will be using the lower part of the screen.

The screenshot shows a web-based form titled "New outgoing payment". The form is divided into two main sections. On the left, there are fields for "Organization Party Id" (with a dropdown menu showing "Your Company Name Here"), "Payment Type" (set to "Commission Payment"), "Reference No.", "Amount", and a "Create" button. On the right, there are fields for "To Party ID" (dropdown menu), "Payment Method Id" (dropdown menu showing "AmEx 0005"), "Override GL Account Id", and a "Comments" text area. The entire form is contained within a dark-themed window.

Figure 8.15: Create New Outgoing Payment

FIELD	MEANING
Organization Party Id	This is the Party Id of the party that is sending the Payment. Normally this will be your company.
Payment Type	This is a drop down selection that describes the type of Payment (e.g. Vendor Payment)
Reference No	This is a general field that can be used to record a Payment reference number
Amount	This is the Payment Amount. (NOTE: This should be in your company's main currency)
To Party Id	This is the Party Id of the party to receive the Payment. Normally this will be your Supplier
Payment Method Id	This is a drop down selection telling us how the Payment was made (e.g. cash or via your company bank account).
Override GL Account Id	This provides a way to override the default GL account used for the transaction. If left blank then the default GL Account setup in the GL Account Type defaults will be used.
Comments	This is a general field to add any comments related to the transaction

We are going to enter a payment to DemoSupplier.

↳ Enter the details from the table below:

FIELD	VALUE
Organization Party Id	Your Company Name Here
Payment Type	Vendor Payment
Reference No	888888
Amount	745
To Party Id	DemoSupplier
Payment Method Id	Petty Cash
Override GL Account Id	Leave blank
Comments	Special Payment from DemoSupplier

The screenshot shows the 'New outgoing payment' dialog box. It has two sections: 'New outgoing payment' and 'Create'. The 'New outgoing payment' section contains fields for Organization Party Id (dropdown menu showing 'Your Company Name Here'), Payment Type (dropdown menu showing 'Vendor Payment'), Reference No (text input '888888'), Amount (text input '745'), To Party ID (text input 'DemoSupplier'), Payment Method Id (dropdown menu showing 'Petty Cash'), and Comments (text input 'Special Payment for DemoSupplier'). The 'Create' button is at the bottom. Arrows from the table above point to each of these fields.

Figure 8.16: Enter Outgoing Payment Details

↳ Click “Create”

The Payment is created and a screen similar to the following is displayed.

The screenshot shows the 'Edit Payment' screen with the title 'Edit Payment' at the top. Below it is a toolbar with buttons: 'Find', 'Overview', 'Header', 'Applications', 'Create New', 'Status to 'Sent'', 'Status to 'Cancelled'', 'Print As Check', and 'Status to 'Void''. The ID of the payment is listed as 'ID:[10047]'. The main area is titled 'Header Detailed Information' and contains the following fields:

Field	Description
Payment Type	Vendor Payment
Payment Method Id	CASH (PETTY_CASH)
From Party Id	Company
Amount	745
Actual Currency Amount	(empty field)
Effective Date	5/28/2014 12:56:53 AM
Reference No	888888
Fin Account Trans Id	(empty field)
Status ID	Not Paid
To Party ID	DemoSupplier
Currency	American Dollar - USD
Actual Currency Item Id	(empty field)
Comments	Special Payment for DemoSupplier
Override GI Account Id	(empty field)

Arrows point from the text 'Actual Currency Amount' and 'Actual Currency Uom ID' in the preceding text to the corresponding empty fields in the screenshot.

Figure 8.17: Outgoing Payment Header

As with the Incoming Payment Header details, some extra fields have been added

- Actual Currency Amount
- Actual Currency Uom ID

These fields can be used to enter details of the original currency amount. For example if the Payment is to be made in USD but based on a EUR converted Amount.

Once again the Payment status is “Not Paid” and the current date and time is the default Effective Date.

Tip: You can use Agreements or Order Terms to make OFBiz automatically calculate a future Effective Date for an Outgoing Payment (See Chapter 11 Agreements)

At the top of the screen are some links:

- “Status to Sent” changes the Payment status to “Sent.”
- “Print as Check” prints the details as a cheque that could then be sent out to your supplier
- “Status to Cancelled” cancels the Payment.
- “Status to Void” will void the Payment

We are not going to change the status yet instead we are going to apply the Payment.

So how does applying Payments work for Outgoing Payments?

Your supplier will have sent you an invoice for the products you have ordered from them. This invoice will also be stored in OFBiz.



IMPORTANT NOTE: OFBiz includes Purchase Order functionality that automatically generates a Supplier Pro Forma Invoice that you can edit or validate as correct once the real invoice is received

OFBiz will look for any outstanding invoices to a particular supplier and prompt you to apply this or part of this Outgoing Payment to it. Using our example with DemoSupplier, OFBiz searches for any invoices in the system from DemoSupplier that this Payment could be used to pay for.

↳ Click “Applications”

Invoice ID	Description	Invoice Date	Amount	Amount Applied	Outstanding amount - Assign to Whole Invoice - Apply
8005	Another Invoice	7/11/09	\$33.99	\$0.00	33.99 <input type="button" value="Apply"/>
8008	Purchase Order Invoice	8/13/09	\$46.00	\$0.00	46 <input type="button" value="Apply"/>
10012		5/15/14	\$75.00	\$0.00	75 <input type="button" value="Apply"/>

Figure 8.18: Outstanding Invoices to be Paid

This screen tells us

- That none of none the money going out (\$745) has been allocated
- That we have three (3) outstanding invoices from DemoSupplier that we haven't yet paid

Reminder: A Payment can be used to pay for multiple Invoices, Orders, Billing Accounts, Tax Authorities or a combination of these.

We are going to apply only one of these transactions (the one for \$75).

- ↳ Click "Apply" against one of the transactions

Now let's see what happens if we print a cheque.

- ↳ Click "Print as Check"

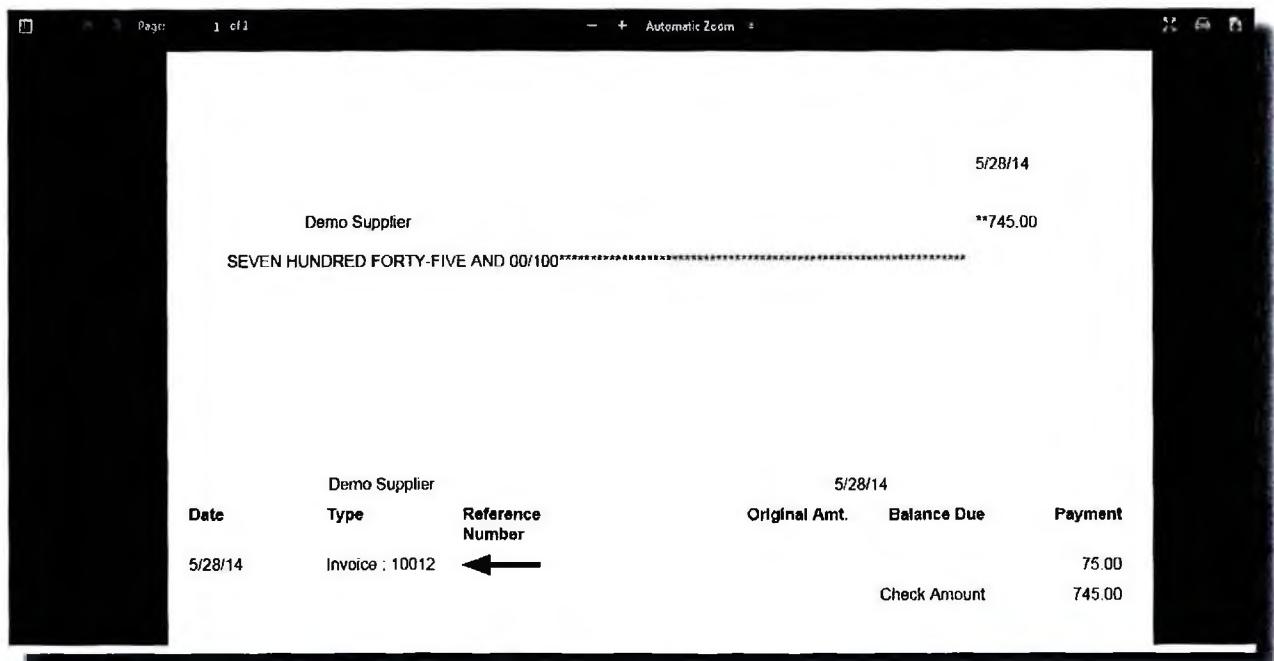


Figure 8.19: Print As Check

Notice that a PDF report is generated that can be used to print a cheque.

It also lists the invoice that has been applied so your supplier will know which invoice is being paid.

We created an Outgoing Payment but we haven't generated any accounting transactions yet. Let's do that now.

↳ Click "Status to Sent"

The screenshot shows the Acctg Trans Entries screen with the following details:

Payment Overview Header:

Payment Type Id	Vendor Payment	Payment Method Type	Cash
Status	Sent	Payment Method Id	Petty Cash (PETTY_CASH)
From Party	Your Company Name Here [Company]	To Party	Demo Supplier {DemoSupplier}
Reference No	0988888	Payment Preference Id	
Amount	\$745.00	Actual Currency Amount	
Effective Date	5/28/14	Comments	Special Payment for DemoSupplier
Override GL Account Id		Payment Gateway Response Id	

Payments Applied \$75.00 Open \$670.00

Invoice ID	Item No	Billing Account Id	Override GL Account Id	To payment ID	Tax Auth	Geo ID	Amount Applied
10012							\$75.00

Transactions:

Acctg Trans Entry Id	Acctg Trans Id	Fiscal Year	Acctg Gl Type	Trans Type Id	Transaction Date	Posted Date	Gl Journal Id	Trans Type Description	Invoice Id	Fixed GL Asset Account Id	Product Id	Debit Credit Flag	Orig Amount	Organization Party Id	Gl Account Type	Code	Account Name	GL Account Class	Party	Reconcile Status Id	Acctg Trans Entry Type Id
10127 00001 Y	ACTUAL	Outgoing Payment 01:32:37.884	2014-05-28	01:32:38.056	Outgoing Payment	2014-05-28	110000	110000	C	\$745.00	\$745.00	Company	Current Asset Accounts Payable - Unapplied Payments	110000	CASH	ACCOUNTS PAYABLE - UNAPPLIED PAYMENTS	Current Liability	Cash and Demo Equivalent Supplier Recconciled	Not Reconciled	NA	
10127 00002 Y	ACTUAL	Outgoing Payment 01:32:37.884	2014-05-28	01:32:38.056	Outgoing Payment	2014-05-28	216000	216000	D	\$745.00	\$745.00	Company	Current Asset Accounts Payable - Unapplied Payments	216000	CURRENT LIABILITY	ACCOUNTS PAYABLE - UNAPPLIED PAYMENTS	Current Liability	Cash and Demo Equivalent Supplier Recconciled	Not Reconciled	NA	
10120 00001 Y	ACTUAL	Payment Applied 01:32:38.109	2014-05-28	01:32:38.137	Payment Applied	2014-05-28	10012	210000	D	\$75.00	\$75.00	Company	Current Asset Accounts Payable	210000	CASH	ACCOUNTS PAYABLE	Current Liability	Demo Supplier Recconciled	Not Reconciled	NA	
10128 00002 Y	ACTUAL	Payment Applied 01:32:38.109	2014-05-28	01:32:38.137	Payment Applied	2014-05-28	10012	216000	C	\$75.00	\$75.00	Company	Current Asset Accounts Payable - Unapplied Payments	216000	CURRENT LIABILITY	ACCOUNTS PAYABLE - UNAPPLIED PAYMENTS	Current Liability	Demo Supplier Recconciled	Not Reconciled	NA	

Figure 8.20: Status Sent

Two automatic transactions are now showing, "Outgoing Payment" which is

DR (Debit) ACCOUNTS PAYABLE - UNAPPLIED PAYMENTS

CR (Credit) CASH

And "Payment Applied" which is

DR (Debit) ACCOUNTS PAYABLE

CR (Credit) ACCOUNTS PAYABLE - UNAPPLIED PAYMENTS

Reminder: Both of these transactions are generated based on the GL Account Type Defaults

Like our Incoming Payment example, we haven't applied all the money so we have some money "still open" that can be applied to other invoices.

This completes the overview of Manual Outgoing Payments.

Automatically Creating an Outgoing Payment

Outgoing Payments are automatically created as part of the Purchase Order process.

When a Purchase Order is approved a Payment for the outstanding amount is automatically created.

The screenshot shows the 'View Order' page for Purchase Order Nbr 10036. The page is divided into several sections:

- Purchase Order Nbr 10036 [PDF]**
- Status History**: Shows 'Approved - 5/28/14 1:59:26 AM By - [admin]' and 'Created - 5/28/14 1:59:18 AM By - [admin]'
- Date Ordered**: 5/28/14 1:59:18 AM
- Currency**: USD
- Sales Channel**: Unknown Channel
- Origin Facility**: N/A
- Created By**: admin
- Invoice Per Shipment**: Yes
- Mark Viewed**:
- Payment Information**:

PaymentID	To	Amount	Status
10048	Demo Supplier [DemoSupplier]	\$292.25	Not Paid

Figure 8.21: Purchase Order Payment

As this Payment is already linked to the Purchase Order, when the invoice is generated, the payment will automatically be applied to it.

What is a Payment Group?

A “Payment Group” is a way of grouping Payments of a similar type so that they can be processed together.

For example, if you are printing cheques, then it would be a good idea to print all the cheques you need to print at the same time, especially if you have spent time loading the printer with special paper.

OFBiz allows us to create two (2) types of Payment Groups. One for Incoming Payments and the other for Outgoing Payments. They are:

- Batch of Payments (Incoming)
- Check Run (Outgoing)

To access Payment Groups

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Payment Groups” from the Accounting Manager drop down menu

A screen similar to the following will be displayed.

Payment Group Id	Payment Group Type	Payment Group Name
9800	Check Run	Check Run for 2009-07-11 12:28:44.55
9801	Check Run	Check run for 2009-08-11 12:28:45.315

Figure 8.22: Payment Groups Default Screen

We will create examples of both types of Payment Groups.

Batch of Payments Payment Group

The “Batch of Payments” Payment Group is used to manage a group of Incoming Payments.

Tip: Financial Accounts use the Batch of Payments functionality to implement the Deposit Slips functionality (See Chapter 12 Financial Accounts)

To create a new Payment Group

- ↳ Click “Create New Payment Group”



Figure 8.23: Create New Payment Group

- ↳ Select “Batch of Payments” from the Type drop down selection
- ↳ Enter “My First Payment Group” as Payment Group Name
- ↳ Click “Create”

A screenshot of a web-based application interface. At the top, there is a navigation bar with the text "Applications > Accounting Manager". To the right of the navigation bar is a button labeled "Edit Payment Group". Below the navigation bar, there is a horizontal menu bar with a single item "New Payment Group" followed by a left-pointing arrow. The main content area is titled "Edit Payment Group". It contains a form with two fields: "Type" (set to "Batch of Payments") and "Payment Group Name" (set to "My First Payment Group"). Below the form is a "Create" button with a left-pointing arrow.

Figure 8.24: Create New Batch of Payments

The Payment Group will be created and allocated a Payment Group Id number.

Now we have created the Payment Group, we need to add some Payments to it. This is done using the "Group Members" link.

- ↳ Click "Group Members"

The screenshot shows the 'Edit Payment Group' interface. At the top, there's a breadcrumb navigation: Applications > Accounting Manager > Edit Payment Group. Below the breadcrumb, there are three tabs: Overview, Group, and Group Members, with 'Group Members' being the active tab and highlighted with a black oval. A button labeled 'Create New Payment Group' is visible. The main area is titled 'Edit Payment Group For [10004]'. It contains a 'Payment Group' section with the following fields:

- Payment Group Id:** 10004 (disabled, indicated by a note: 'cannot change without re-creating')
- Type:** Batch of Payments
- Payment Group Name:** My First Payment Group

 There is also a 'Update' button at the bottom of this section.

Figure 8.25: New Payment Group

As this is a new group it will not have any Payments associated with it.

The screenshot shows the 'Edit Payment Group Member' interface. At the top, there's a breadcrumb navigation: Applications > Accounting Manager > Edit Payment Group Member. Below the breadcrumb, there are three tabs: Overview, Group, and Group Members, with 'Group Members' being the active tab. A button labeled 'Create New Payment Group' is visible. The main area is titled 'Edit Payment Group Member For [10004]'. It contains a 'Payment Group Members' table with columns: Payment Id, Reference Number, From Party, To Party, Payment Type, and Payment Method Type. Below the table, there's a section titled 'Add Payment Group Member' with the following fields:

- Payment Id:** (with a required asterisk)
- From Date:** 5/28/2014 7:13:12 PM (with a calendar icon)
- Thru Date:** (with a calendar icon)
- Sequence Num:**
- Add** button

Figure 8.26: Payment Group Members

Let's add some Payments to this Payment Group.

- ↳ Use the Payment Id lookup to find a Payment to add (We will use the following from the demo data - demo10000, 8003, 8004)
- ↳ Click "Add"

The Payments are added to the Payment Group.

The screenshot shows the 'Edit Payment Group Member' interface. At the top, there are tabs for Overview, Group, and Group Members. Below the tabs are buttons for 'Create New Payment Group', 'Deposit Slip' (which is circled in red), and 'Cancel Batch Payments'. The main area is titled 'Edit Payment Group Member For [10004]'. It displays a table of 'Payment Group Members' with the following data:

Payment Id	Reference Number	From Party	To Party	Payment Type	Payment Method Type	Amount From Date	Thru Date - Update	Delete Link
8003		Buyer Acct [AcctBuyer]	Your Company Name Here [Company]	Customer Payment	Company Check	\$20.00 2014-05-28 19:13:12.320	<input type="text"/> <input type="button" value="Update"/> <input type="button" value="Cancel"/>	
8004	1250501224763	Customer Demo [DemoCustomer]	Your Company Name Here [Company]	Customer Payment	Credit Card (Visa)	\$127.09 2014-05-28 19:13:12.320	<input type="text"/> <input type="button" value="Update"/> <input type="button" value="Cancel"/>	
demo10000		Buyer Acct [AcctBuyer]	Your Company Name Here [Company]	Customer Payment	Electronic Funds Transfer	\$190.97 2014-05-28 19:13:12.320	<input type="text"/> <input type="button" value="Update"/> <input type="button" value="Cancel"/>	

Figure 8.27: Payment Group Members Added



IMPORTANT NOTE: This Payment Group is for Incoming Payments. If you try to add an Outgoing Payment to this Payment Group you will get an error message

↳ Click “Overview”

A summary screen of the Payment Group and its Payments are displayed.

The screenshot shows the 'Payment Group Overview' interface. At the top, there are tabs for Overview, Group, and Group Members. Below the tabs are buttons for 'Create New Payment Group', 'Deposit Slip' (which is circled in red), and 'Cancel Batch Payments'. The main area is titled 'Payment Group Overview For [10004]'. It displays two sections: 'Payment Group Overview' and 'Payment Group Members'.

Payment Group Overview:

Payment Group Id	10004
Type	Batch of Payments
Payment Group Name	My First Payment Group
Fin Account Name	ABN AMRO
Owner Party Id	Company

Payment Group Members:

Payment Id	From Party	To Party	Payment Type	Payment Status	Amount	From Date	Thru Date
8003	Buyer Acct [AcctBuyer]	Your Company Name Here [Company]	Customer Payment	Received	\$20.00	2014-05-28 19:13:12.320	
8004	Customer Demo [DemoCustomer]	Your Company Name Here [Company]	Customer Payment	Received	\$127.09	2014-05-28 19:13:12.320	
demo10000	Buyer Acct [AcctBuyer]	Your Company Name Here [Company]	Customer Payment	Not Paid	\$190.97	2014-05-28 19:13:12.320	

Figure 8.28: Payment Group Overview

- ↳ Click “Deposit Slip”

A PDF report is generated showing the details of each of the Payments and a group total. This can be used for reconciliation purposes.

User Name	admin			
Date	2014-05-28 19:28:23.952			
Deposit Slip				
Payment Group Id : 10004				
Payment Group Name : My First Payment Group				
Payment Id	Reference Number	Payment Method	From Party	Amount
8003		Company Check	Acct Buyer	\$20.00
8004	1250501224763	Credit Card (Visa)	Demo Customer	\$127.09
demo10000		Electronic Funds Transfer (Visa)	Acct Buyer	\$190.97
		Total Amount		\$338.06

Figure 8.29: Payment Group Deposit Slip

This completes our example of a Batch Payment Group.

Check Run Payment Group

In our next example, we will create a “Check Run” Payment Group.

A “Check Run” Payment Group is used for Outgoing Payments that will be paid by cheque. OFBiz will then generate a PDF that can be used to actually print the cheques.

To create a Check Run Payment Group

- ↳ Click “Create New Payment Group”
- ↳ Select “Check Run” from the drop down selection
- ↳ Enter “My First Check Run” as Payment Group Name
- ↳ Click “Create”

The screenshot shows a web-based application titled "Edit Payment Group". At the top, there's a breadcrumb navigation: "Applications > Accounting Manager". Below it, the title "New Payment Group" is displayed. A form titled "Payment Group" contains three fields: "Type" set to "Check Run", "Payment Group Name" set to "My First Check Run", and a "Create" button. Three black arrows point from the right side of the image towards the "Type", "Payment Group Name", and "Create" buttons respectively.

Figure 8.30: Creating a Check Run Payment Group

- ↳ Click “Group Members”
- ↳ Use the Payment Id lookup to locate Outgoing Payments (We used the following data from the demo data - 8000,9000)
- ↳ Click “Add”

Reminder: This Payment Group is for Outgoing Payments. If you try to add an Incoming Payment to the Check Run Payment Group you will get an error message

The screenshot shows a "Payment Group Overview" page. At the top, there are tabs: "Overview" (which is selected), "Group", and "Group Members". Below the tabs are buttons: "Create New Payment Group", "Checks to Print" (which is circled in red), and "Cancel Check Run". The main section is titled "Payment Group Overview For [10006]". It displays the following details:

Payment Group Id	10006
Type	Check Run
Payment Group Name	My First Check Run

Below this is a table titled "Payment Group Members" showing two rows of outgoing payments:

Payment Id	From Party	To Party	Payment Type	Payment Status	Amount	From Date	Thru
8000	Your Company Name Here [Company]	Acct Big Supplier [AcctBigSupplier]	Vendor Payment	Sent	\$70.00	2014-05-28 19:56:55.520	
9000	Your Company Name Here [Company]	Demo Supplier [DemoSupplier]	Vendor Payment	Not Paid	\$190.97	2014-05-28 19:56:55.520	

Figure 8.31: Check Run Overview

- ↳ Click “Checks to Print”

A PDF is generated that can be used to print the cheques to send out to your suppliers.

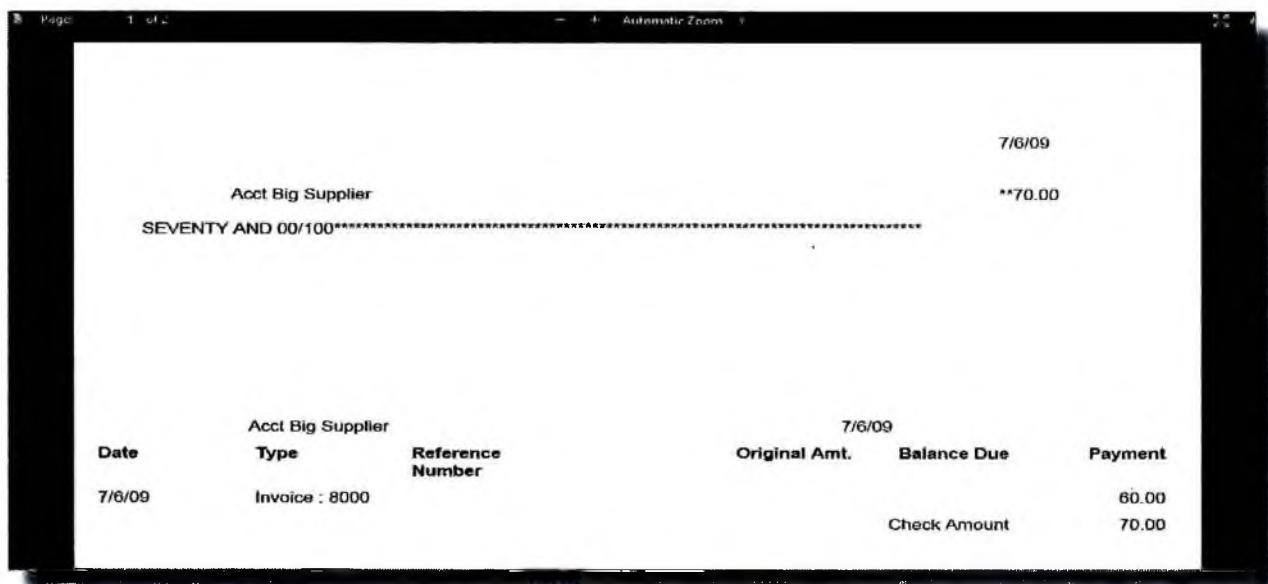


Figure 8.32: Cheque Print

This completes the overview of Check Run Payment Groups.

Other Options for Printing Cheques

OFBiz includes some simple functionality for creating and printing cheques on an individual basis. Rather than using a Payment Group to group cheques together, we can create and print cheques whenever we need to.

As an example we are going to create a Cheque Payment and then print the cheque.

To create the Payment

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Payments” from the Accounting Manager drop down menu
- ↳ Click “Create New Payment”

We are creating an Outgoing Payment so will use the lower part of the screen.

- ↳ Enter “Your Company Name Here” as Organization Party Id
- ↳ Select “Commission Payment” from the Payment Type drop down selection
- ↳ Enter “100” as Amount
- ↳ Enter “DemoRepAll” as To Party Id
- ↳ Select “Checking Account at ABN AMRO” as Payment Method ID
- ↳ Click “Create”

The screenshot shows the 'New outgoing payment' form. The fields filled in are:

- Organization Party Id: Your Company Name Here
- Payment Type: Commission Payment
- Amount: 100
- To Party ID: DemoRepAll
- Payment Method Id: Checking Account at ABN AMRO Bank

Arrows from the list point to each of these fields. The 'Comments' field and the 'Create' button are also visible.

Figure 8.33: Creating an Outgoing Cheque Payment

The Payment is created.

The screenshot shows the 'Edit Payment' screen with the following details:

- ID: [10050]
- Header Detailed Information:
 - Payment Type: Commission Payment
 - Payment Method Id: COMPANY CHECK (ABN CHECKING)
 - From Party ID: Company
 - Amount: 100
 - Effective Date: 5/28/2014 8:23:30 PM
 - Reference No:
 - Fin Account Trans Id: 10016
- Status ID: Not Paid
- To Party ID: DemoRepAll
- Currency: American Dollar - USD
- Actual Currency Uom Id:
- Comments:
- Override GL Account Id:

Arrows from the list point to the corresponding fields. The 'Print As Check' button is circled.

Figure 8.34: Payment Created

To print the cheque

- ↳ Click “Print As Check”



NOTE: This is fine if we want to print the cheque as soon as we create the Payment. But what if we are creating a lot of Cheque Payments? Is there a way of tracking what has or hasn't been printed?

Yes - OFBiz has some additional cheque functionality in the Organization GL Settings menu.

Let's go and take a look at it.

- ↳ Select “Organization GL Settings” from the Accounting Manager drop down menu
- ↳ Click “Accounting” adjacent to “Your Company Name Here”
- ↳ Click “Checks”

Any Payments created that are Cheque Payments that haven't been printed or sent out will be displayed here.

Payment Id	Party To	Amount	Effective Date	Select
10050	Demo Sales Rep for All Stores	\$100.00	2014-05-28 20:23:30,992	<input checked="" type="checkbox"/>

Figure 8.35: List of Cheque Payments

- ↳ Check the box next to the Payment
- ↳ Click “Print”

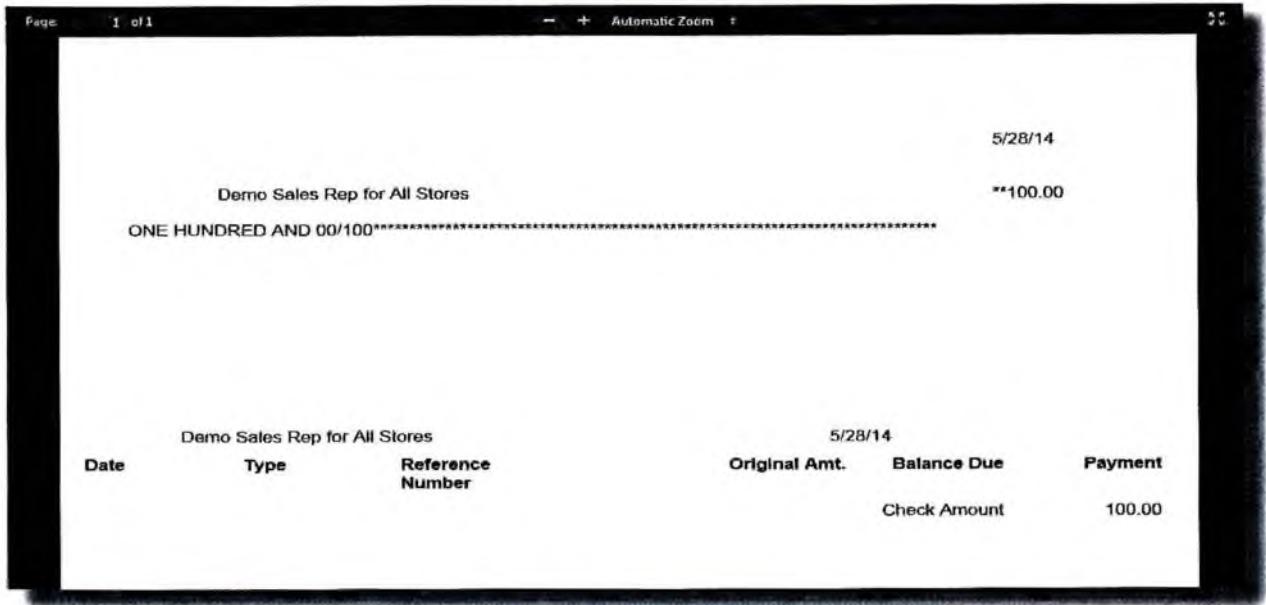


Figure 8.36: Cheque Print

When we print a cheque we need to change the status to show that the cheque has been sent (so that we wont print or send it again!).

To mark a cheques as sent

- ↳ Click “Mark Checks Sent”
- ↳ Check the box next to the Payment
- ↳ Click “Send”

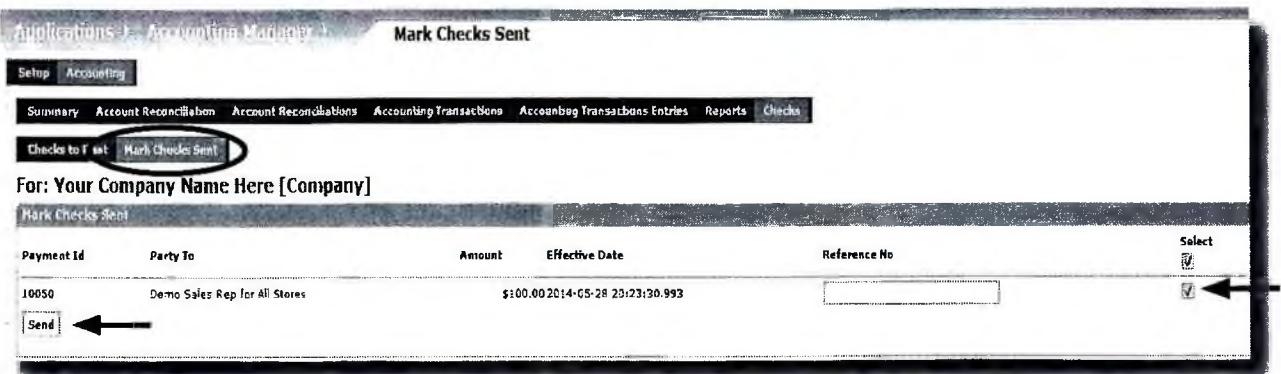


Figure 8.37: Cheques Sent

The payment status is changed and cheque details have been removed.



NOTE: Cheque printing and flagging as sent is also available as part of the standard Payments functionality

LOCATING INVOICES FOR PAYMENTS

There are a couple of links on the default Payments screen that help us locate Sales Invoices (that our Customers need to pay to us) and Purchase Invoices (that we need to pay to our Suppliers).

These links are

- Find Sales Invoices By Due Date
- Find Purchase Invoices By Due Date

Payment Id	Payment Type	Status	Comments	From Party	To Party	Effective Date	Amount	Outstanding amount
10026	Vendor Payment	Not Paid		Your Company Name Here, [Company]	Demo Supplier, [DemoSupplier]	2014-05-14 23:44:40.435	\$150.00	\$0.00
10022	Vendor Payment	Not Paid		Your Company Name Here, [Company]	Demo Supplier, [DemoSupplier]	2014-06-14 19:17:16.810	\$75.00	\$0.00
10036	Customer Payment	Not Paid		Customer, Demo [DemoCustomer]	Your Company Name Here, [Company]	2014-05-30 23:17:12.830	\$203.75	\$0.00
10034	Customer Payment	Canceled		Customer, Demo [DemoCustomer]	Your Company Name Here, [Company]	2014-05-30 22:22:18.717	\$803.75	\$803.75
10025	Customer Payment	Not Paid		Customer, Demo [DemoCustomer]	Your Company Name Here, [Company]	2014-05-25 22:41:05.643	\$30.00	\$0.00
10024	Customer Payment	Not Paid		Customer, Demo [DemoCustomer]	Your Company Name Here, [Company]	2014-05-25 21:14:02.409	\$15.16	\$0.00
10041	Vendor Payment	Not Paid	Payment received offline and manually entered.	Your Company Name Here, [Company]	Demo Supplier, [DemoSupplier]	2014-05-23 22:42:32.164	\$15.00	\$0.00
10040	Customer Payment	Received		Customer, Demo [DemoCustomer]	Your Company Name Here, [Company]	2014-05-22 22:25:27.829	\$30.00	\$0.00

Figure 8.38: Options to Locate Invoices for Payments

- ↳ Click “Find Sales Invoices By Due Date”

The screenshot shows a web-based application interface titled 'Find Sales Invoices By Due Date'. At the top left, there's a breadcrumb navigation: 'Applications > Accounting Manager'. The main title 'Find Sales Invoices By Due Date' is centered at the top right. Below the title is a form with three input fields: 'Organization Party Id' (set to 'Company'), 'Party Id' (empty), and 'Days Offset' (set to '0'). A 'Select' button is located below the 'Days Offset' field. Two arrows point to the 'Select' button and the 'Days Offset' field, indicating they are the key components to interact with.

Figure 8.39: Find Sales Invoices by Due Date

- ↳ Select “Company” for Organization Party Id
- ↳ Leave the Party Id blank (NOTE: This can be used if you want to locate an invoice from a particular customer)
- ↳ Leave Days Offset as zero (NOTE: By default zero will show us any invoices that are due up to the current date, if you want to look at invoices that would be due in future then enter the number of days e.g. 7)

A list of invoices that are due will be displayed.

The screenshot shows the same search interface as Figure 8.39, but now it displays a table of results. The table has columns: 'Invoice ID', 'Term Type Id', 'Due Date', 'Amount', 'Paid Amount', and 'Outstanding Amount'. The data in the table is as follows:

Invoice ID	Term Type Id	Due Date	Amount	Paid Amount	Outstanding Amount
demo1200		2006-04-25 23:59:59.000	511.23	0	511.23
demo11000		2006-04-25 23:59:59.000	20	0	20
demo10000		2006-04-25 23:59:59.000	323.54	0	323.54
demo10002		2006-04-25 23:59:59.000	56.99	0	56.99
8010		2009-09-17 23:59:59.000	179.97	0	179.97

Figure 8.40: List of Sales Invoices Due

The “Find Purchase Invoices by Due Date” works in the same way.

This completes our review of Payments and Payment Groups.

Payments and Payment Groups Summary

Let's do a review of what we have covered in this chapter to understand the functionality associated with Payments and Payment Groups.

- We have defined what Payments are and talked about the different ones available in OFBiz
- We showed you how Payments are linked to the GL Account Defaults so that transactions can be automatically generated and posted to a default account
- We talked about Incoming Payments and as an example we manually created one
- We changed the Payment Status and generated the accounting transactions
- We defined what "Applying a Payment" is and applied our new Payment to an Invoice
- We talked about partially applying Payments and applied part of a Payment to a Billing Account
- We discussed how to automatically create Incoming Payments
- We talked about Outgoing Payments and as an example we manually created one
- We applied the Payment to an Invoice and printed a Cheque
- We changed the Payment Status and generated the accounting transactions
- We discussed how to automatically create Outgoing Payments
- We looked at Payment Groups and how they are used
- As an example we created a Batch of Payments (AR Incoming) and a Check Run (AP Outgoing) Payment Group
- We also took a look at an alternative way that OFBiz includes to manage cheque printing
- Finally we looked at how OFBiz helps us to locate both Sales and Purchase invoices that are currently due or will be due in the future

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Chapter 9: Fixed Assets

What is a Fixed Asset?

Before defining what a Fixed Asset is, let's have a reminder about "assets" from Chapter 1 Basic Accounting Concepts.

Reminder: An Asset is an item of value owned by the business.

A "Fixed Asset" is simply an asset that is intended to be used over a longer period of time.



NOTE: The definition of a "longer period" may vary from country to country but in general if you are planning to use it for over 12 months then it could be classed as a "Fixed Asset"

In general we think of Fixed Assets as mainly tangible things (i.e. things we can physically see and touch). Some good examples of this are:

- Company Cars
- Furniture (Desks, Chairs)
- Computers
- Printers / Copiers
- Manufacturing Equipment (Machinery)
- Land and Buildings

Notice that each of these items are generally bought to be used over the long term (e.g. several years) so this makes them Fixed Assets. You will find that there will be a Financial or Accounting rule clearly defining what should and shouldn't be counted as a Fixed Asset.

Advanced Tip: If you had something in each of these areas that you want to use short term then it could be expensed rather than made into a Fixed Asset.

Fixed Assets and Accounting

All Fixed Assets will have a value associated with them. This starts off being the price that you paid for it. (The Purchase Price).

Over time the value of the Fixed Asset will change. Why?

This is because the Fixed Asset gets older with wear and tear, becomes less useful or just starts getting out of date.

A computer bought 2 years ago isn't worth the same as a new computer bought today.

To cope with the aging of assets we have special accounting calculations that help us reduce the value of the asset over time.

For Example:

You buy a computer for 900 and expect it to last you for 3 years. At the end of 3 years you will throw out the computer and buy a new one.

So in accounting terms we will reduce the value of the computer so that at the end of 3 years the value of the computer will be zero.

- The value of the asset at the end of the Financial Year is called the “**Net Book Value**”
- The value that we reduce the value of the computer each year is called “**Depreciation**”
- “**Accumulated Depreciation**” is the total of how much we have depreciated an asset over its life.
- “**Depreciation Rate or Percentage**” is the rate at which the depreciation is calculated.
(e.g. In our example our depreciation rate is $(300/900)/100 = 33.3\%$)

The following table shows these values using our computer example.

TIME	NET BOOK VALUE	DEPRECIATION	ACCUMULATED DEPRECIATION
	\$900 (Original Cost)		
Year 1	\$600	\$300	\$300
Year 2	\$300	\$300	\$600
Year 3	\$0	\$300	\$900

You will see that in our example the “Total Accumulated Depreciation” is equal to the original cost of the asset (\$900).

Also that the:

Net Book Value = Original Cost - Accumulated Depreciation (for that current Financial Year)

This method of depreciating an asset the same amount each year over the asset life is called “Straight Line Depreciation”.

Straight Line Depreciation is the most simplest and widely used method for calculating depreciation but it is not the only method. Each country or region will have rules about what depreciation rate or percentage can be used.

Other depreciation methods exist and another popular one is called “Declining Balance”. This works on the assumption that when you buy a Fixed Asset, it is more useful to you in the early years of its life than in the later years. This means that you depreciate it more in the early years.

OFBiz currently includes both the Straight Line and Double Declining balance methods. If you need other methods then you will need to create them.



NOTE: At the time of writing there was an existing JIRA in progress to add more depreciation methods.

So far we have only discussed Fixed Assets that are completely depreciated. We also have the situation when we sell an asset part way through its life.

For example you buy a company car and expect to keep it for 10 years but after 2 years you sell it.

This is an interesting situation because your car has a value (a Net Book Value) because you have depreciated it for 2 years.

When you sell it, there are a few options:

- You sell it for more than the Net Book Value (so you have made a profit!)
- You sell it for exactly the Net Book Value (so you are even)
- You sell it for less than the Net Book Value (so you have made a loss!)

You will need to register the sale as an accounting transaction and specific accounts need to be in place to manage the profit or loss of the asset sale.

Another equally valid situation is that the asset breaks and doesn't last the expected life - in this case you can scrap or salvage it (essentially selling it for whatever you can get) or you can "write it off".

"Writing something off" means it no longer has any value in your business and it is no longer being used by your business.

Advanced Tip: If a low rated or zero rated asset is still used by a business then it will need to be re-valued and "written up" again with a new value. The main reason behind this is that if you are using it then it must have a value!

Fixed Asset Accounting Transactions

So now let's look at what accounting transactions you would expect to get from creating and depreciating a fixed asset.

When you create an asset - what are you doing?

You are taking money from your business account (cash or cheque) and you are buying something with it.

So in your Chart of Accounts you will have an account that represents your business cheque account.

In the OFBiz demo chart of accounts this is :

111100 GENERAL CHECKING ACCOUNT

And also in your Chart of Accounts you will have an account that represents the asset.

You have some flexibility around how you handle this. You can create a specific account for each asset or you can group the same type of asset together (e.g. Vehicles or Computer Equipment).

An example in the OFBiz demo Chart of Accounts is:

174000 VEHICLES

Let's assume that we will group them all together.

So if we buy a new car. When we create a new asset. The accounting transaction will be:

- Debit: Business Bank Account (Bank account balance has reduced to pay for the car)
- Credit: Vehicles Asset Account (Asset Account has gone up because it has the asset value, the price you paid for the car, in it)

When you depreciate an asset you are reducing its value in your Chart of Accounts.

This is normally a 2 step process:

- During the Financial Year you calculate the depreciation (e.g. monthly) and store the calculated depreciation in an expense account (so we are temporarily treating the depreciation of an asset as an expense.)
- Then at some point (usually at the end of the Financial Year) the depreciation expense is moved from the expense account to the accumulated depreciation account

So registering the asset depreciation should generate an accounting transaction like this:

- Debit: Depreciation Expense
- Credit: Accumulated Depreciation

Now we've done an overview, let's go and take a look at OFBiz Fixed Assets.

- ↳ Select "Accounting" from the Applications drop down menu
- ↳ Select "Fixed Assets" from the Accounting drop down menu

A screen similar to the following will be displayed.

The screenshot shows a web-based application interface titled 'Find Fixed Assets'. At the top left, there is a link to 'New Fixed Asset'. Below this is a 'Search Options' section containing three search fields: 'Fixed Asset Id' (with dropdown menus for 'Contains' and 'Ignore Case'), 'Asset Type' (with a dropdown menu), and 'Fixed Asset Name' (with dropdown menus for 'Contains' and 'Ignore Case'). A 'Find' button is located below these fields. At the bottom of the search options section, there is a 'Search Results' table header with columns: Asset ID, Asset Type, Asset Name, Purchase Date, Purchase Value, Depreciation, and Planned Past Depreciation Total. The table body is currently empty.

Figure 9.1: Default Fixed Assets Screen

- ↳ Click "Find"

If you have installed OFBiz using the demo data then some Fixed Assets will have already been created. These are there to show you examples of the different setup you can use for specific types of Fixed Assets.

Find Fixed Assets								
Search Results								
Fixed Asset Id	Fixed Asset Name	Fixed Asset Type Id	Initial Asset Parent Id	Date Acquired	Estimated End Of Life	Purchase Cost	Salvage Value	Depreciation
DEMO_PROJECTOR	Overhead Projector	Equipment	Group of machines, used for task and routing definition			\$2,030.00		
DEMO_MACHINE_GROUP	Demo Machine Group		The fixed asset used in the operation-routing definition	Demo Machine Group		\$50,000.00		
DEMO_MACHINE	Demo Machine		Group of machines, used for task and routing definition	DEMO_MACHINE_GROUP				
DEMO_FOOD_GROUP	Demo Food Group		The fixed asset used in the operation-routing definition	Demo Food Group		\$7,000.00		
DEMO_FOOD	Demo Food		Group of machines, used for task and routing definition	DEMO_FOOD_GROUP				
DEMO_PROD_EQUIPMT_01	Demo Production Equipment One	Equipment	The fixed asset used in the operation-routing definition	2005-01-01 00:01:00.000	2010-01-01	\$1,000.00	\$50.00	1,710
DEMO_PROD_EQUIPMT_02	Demo Production Equipment Two	Equipment	The fixed asset used in the operation-routing definition	2005-01-01 00:51:00.000	2010-01-01	\$1,000.00	\$50.00	950
DEMO_BOOK_GROUP	Demo Book Group		Group of machines, used for task and routing definition	Demo Book Group				
DEMO_BOOK	Demo Book		The fixed asset used in the operation-routing definition	DEMO_BOOK_GROUP		\$200.00		
DEMO_FORKLIFT_01	Forklift #1	Equipment				\$1,500.00		
DEMO_FORKLIFT_02	Forklift #2	Equipment				\$2,000.00		
DEMO_VEHICLE_01	Company Pickup Truck	Vehicle		2009-01-01 00:00:00.000	2015-12-31	\$45,000.00		37,500
DEMO_VEHICLE_02	Company Delivery van	Vehicle				\$25,000.00		
DEMO_HVAC_01	HVAC Unit - First Floor	Equipment				\$6,000.00		
DEMO_HVAC_02	HVAC Unit - Second Floor	Equipment				\$6,000.00		
RentalShip		Property						
RuanStd		Property						
RoomLux		Property						

Figure 9.2: List of Demo Data Fixed Assets



NOTE: Fixed Assets is shared with the OFBiz Asset Maintenance application and some of these examples show asset maintenance examples. This guide does **not** cover the Asset Maintenance functionality.

In order to give you a better understanding of how to setup and use a Fixed Asset we will do an example.

- We will verify that our Chart of Accounts has accounts setup to manage Fixed Assets
- We will create a new Fixed Asset
- We will setup a Depreciation Method for our Fixed Asset
- We will run the asset depreciation
- We will create the Fixed Asset depreciation accounting transactions

Setting Up Your Chart of Accounts for Fixed Assets

If you have installed the OFBiz demo data and then you will have a Chart of Accounts for the default organisation ("Company"). You will see that the Chart of Accounts includes the following accounts:

171000	Long Term Asset	FURNITURE FIXTURES EQUIPMENT
174000	Long Term Asset	VEHICLES
188800	Accumulated Depreciation	ACCUMULATED DEPRECIATION - VEHICLES
675000	Depreciation	DEPRECIATION - VEHICLES

As previously mentioned, an example of a Fixed Asset is a Company Car.

- The Purchase Cost for the Company Car would be stored in 174000
- The Accumulated Depreciation for the Company Car would be stored in 188800
- The yearly depreciation for the Company Car would be stored in 675000

We are going to setup a new Fixed Asset - a Computer, so we will need to add some new accounts to the Chart of Accounts to store the accounting values for this type of asset.

First let's add the new accounts.

- ↳ Select "Accounting" from the Application drop down menu
- ↳ Select "Organization GL Settings" from the Accounting Manager drop down menu
- ↳ Select the "Setup" link for "Company"

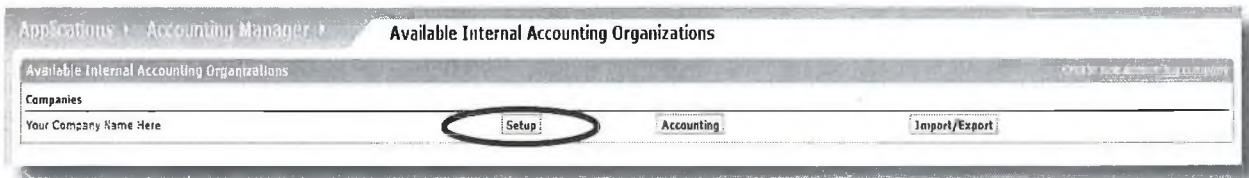


Figure 9.3: Select Setup

A screen with some of the details of the company setup will be displayed.

- ↳ Click "Chart of Accounts"

A screen similar to the one below will be displayed

GL Account Id	GL Account Type Id	GL Account Class Id	GL Resource Type Id	GL XRef Class Id	Parent GL Account	Account Code	Account Name	Description	Product Id	External Id
100000		Asset	MONEY			100000	ASSETS			
110000	Current Asset	Cash and Equivalent	MONEY	100000		110000	CASH			
111000	Current Asset	Cash and Equivalent	MONEY	110000		111000	CASH IN BANK AND ON HAND			
111100	Current Asset	Cash and Equivalent	MONEY	111000		111100	GENERAL CHECKING ACCOUNT			
111900	Current Asset	Cash and Equivalent	MONEY	111000		111900	PETTY CASH			
112000	Current Asset	Cash and Equivalent	MONEY	111000		112000	INDEPOSITED RECEIPTS			
120000	Accounts Receivable	Current Asset	MONEY	100000		120000	ACCOUNTS RECEIVABLE			
121800	Interest Income Receivables	Current Asset	MONEY	121000		121800	ACCOUNTS RECEIVABLE TRADE - INTEREST RECEIVABLE			
122000	Merchant Account Settlement	Current Asset	MONEY	120000		122000	IN TRANSIT FROM CREDIT CARD PROCESSORS			
122100	Merchant Account Settlement	Current Asset	MONEY	122000		122100	ACCOUNTS RECEIVABLE - AMEX			
122200	Merchant Account Settlement	Current Asset	MONEY	122000		122200	ACCOUNTS RECEIVABLE - DISCOVER			
122300	Merchant Account Settlement	Current Asset	MONEY	122000		122300	ACCOUNTS RECEIVABLE - MASTER CARD / VISA			
122500	Merchant Account Settlement	Current Asset	MONEY	122000		122500	ACCOUNTS RECEIVABLE - PAYPAL			
125000	Receivable from Inventory Transferred Out	Current Asset	MONEY	120000		125000	RECEIVABLE FROM INVENTORY TRANSFERRED OUT			
126000	Accounts Receivable - Unapplied Payments	Current Asset	MONEY	120000		126000	ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS			

Figure 9.4: Chart of Accounts

We need to add three new accounts to this Chart of Accounts to handle our computer asset. They already exist in the Global Master Template so we only need to link them to our Chart of Accounts. They are as follows:

- 172000 DATA PROCESSING EQUIPMENT - (This will hold the purchase cost of the computer)
- 186000 ACCUMULATED DEPRECIATION - DATA PROC EQUIP - (This will hold the accumulated depreciation for the computer)
- 675100 DEPRECIATION - DATA PROCESSING EQUIPMENT - (This will hold the depreciation expense of the computer)

It would also be good to add the mappings for the Gain or Loss on the sale of an asset. They are as follows:

- 814000 GAIN ON SALE OF ASSET
- 823000 LOSS ON SALE OF ASSET

To add a new account

- ↳ Select “172000 DATA PROCESSING EQUIPMENT” using the GL Account ID drop down selection
- ↳ Click “Create Assignment”

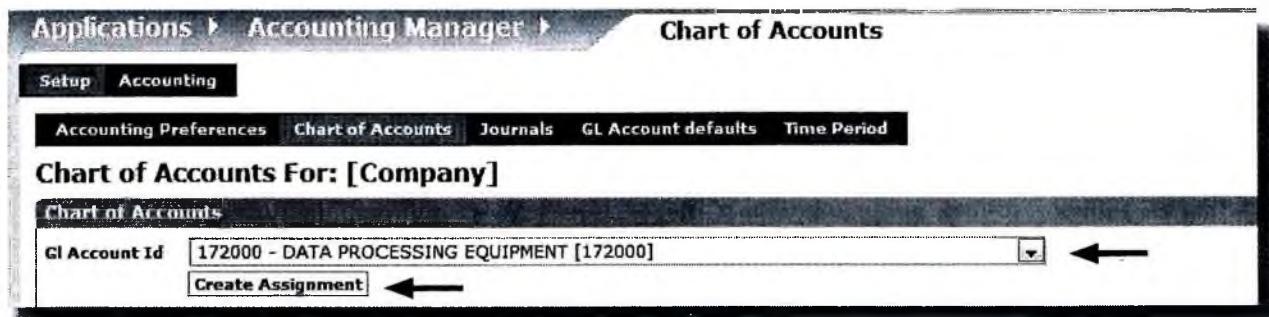


Figure 9.5: Creating an Assignment

The account will be added to the Chart of Accounts for Company.

- ↳ Go ahead and add assignments for the following accounts in the same way.

- 675200 DEPRECIATION - DATA PROCESSING EQUIPMENT
- 186000 ACCUMULATED DEPRECIATION - DATA PROC EQUIP
- 814000 GAIN ON SALE OF ASSET
- 823000 LOSS ON SALE OF ASSET

When you have finished we can move on to the next step.

Setting Up the Fixed Asset GL Defaults

The next thing we will look at is the “GL Account defaults” for Fixed Assets. So let’s do a quick recap about what the “GL Account Type defaults” do.

In Chapter 4 Business Accounting Setup, we talked about the following:

- That many OFBiz accounting transactions are generated “automatically” (or in the background)

- That the “GL Account Defaults” are a way of setting up rules that allow OFBiz to automatically create and post accounting transactions
 - That each “GL default” can be linked to one or more accounting transaction entries
-
- We are going to setup some defaults for our example computer.
 - We only want to add something that is relevant to computing or data processing equipment.
 - We can tailor the setting to be only valid for all assets, a range of assets or only our asset.

We are going to set it up for our asset type (Computer Hardware).

- ↳ Click “GL Account Defaults”
- ↳ Click “Fixed Asset Type Gl Mappings”

A screen similar to the one below should be displayed.

The screenshot shows a web-based configuration interface for 'FixedAssetTypeGlAccounts'. The top navigation bar includes links for Applications, Accounting Manager, Setup, Accounting, Accounting Preferences, Chart of Accounts, Journals, GL Account defaults, Time Period, GL Account Type Defaults, Product GL Accounts, Product Category GL Account, FinAccount Type GL Account, Sales Invoice, Purchase Invoice, Payment Type/GL Account Type Id, Payment Method Id/GL Account ID, Variance Reason GL Accounts, Credit Card Type GL Account, Tax Authority GL Accounts, Party GL Accounts, and Fixed Asset Type Gl Mappings. The main title is 'FixedAssetTypeGlAccounts' under 'FixedAssetTypeGlAccounts For: Your Company Name Here [Company]'. Below the title is an 'Add' button. The configuration form contains several dropdown menus and input fields: 'Asset GL account', 'Accumulated depreciation GL account', 'Depreciation GL account', 'Profit GL account', 'Loss GL account', 'Fixed Asset Type Id' (set to 'All'), and 'Fixed Asset Id' (set to 'All'). An 'Add' button is located at the bottom of the form.

Figure 9.6: Fixed Asset Type Defaults

Enter the details from the following table

FIELD	VALUE
Asset GL Account	172000 DATA PROCESSING EQUIPMENT
Accumulated Depreciation GL Account	186000 ACCUMULATED DEPRECIATION - DATA PROCESSING EQUIP
Depreciation GL Account	675200 DEPRECIATION DATA PROCESSING EQUIPMENT
Profit GL Account	814000 - GAIN ON SALE OF FIXED ASSET
Loss GL Account	Currently a bug stops us entering the Loss GL Account. This can be left blank for test purposes
Fixed Asset Type ID	Computer Hardware
Fixed Asset ID	All (Leave as default)



IMPORTANT NOTE: At the time of writing there appears to be a bug in the lookup for the "Loss GL Account". OFBiz limits the range of accounts that can be selected to be only in the 601000 - 650000 range and the default Asset Loss account is 823000.

↳ Click "Add"

The screenshot shows the 'FixedAssetTypeGLAccounts' page under 'Accounting'. The 'Add' tab is selected. The form fields are as follows:

- Asset GL account: 172000 - DATA PROCESSING EQUIPMENT [172000]
- Accumulated depreciation GL account: 186000 - ACCUMULATED DEPRECIATION - DATA PROCESSING EQUIP [186000]
- Depreciation GL account: 675200 - DEPRECIATION - DATA PROCESSING EQUIPMENT [675200]
- Profit GL account: 814000 - GAIN ON SALE OF FIXED ASSETS [814000]
- Loss GL account: (empty dropdown)
- Fixed Asset Type Id: Computer Hardware
- Fixed Asset Id: All

An 'Add' button is located at the bottom left of the form area.

Figure 9.7: Creating a Fixed Asset GL Default

The entry is created and displayed on the lower part of the screen.

Fixed Asset Type Id	Fixed Asset Id	Asset GL account	Accumulated depreciation GL account	Depreciation GL account	Profit GL account	Loss GL account	Delete
FA	MyTestPC_G1 HP Pavilion PC	172000 - DATA PROCESSING EQUIPMENT [172000]	186000 - ACCUMULATED DEPRECIATION - DATA PROCESSING EQUIP [186000]	675200 - DEPRECIATION - DATA PROCESSING EQUIPMENT [675200]	814000 - GAIN ON SALE OF FIXED ASSETS [814000]		<input type="button" value="Delete"/>

Figure 9.8: Newly Created GL Default

Now that this default has been created - what exactly will it do?

When any accounting transactions need to be created for computer hardware then it will use these accounts as the default.

Let's go and create a new asset and see what happens.

Creating a New Fixed Asset

We are going to create a new Fixed Asset to represent a new computer we have bought. The computer purchase cost is \$900.

Normally you would create a Fixed Asset when you buy them but in order to demonstrate the depreciation functionality we will pretend that we bought it last year.

To create a new Fixed Asset

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Fixed Assets” from the Accounting Manager drop down menu
- ↳ Click “New Fixed Asset”

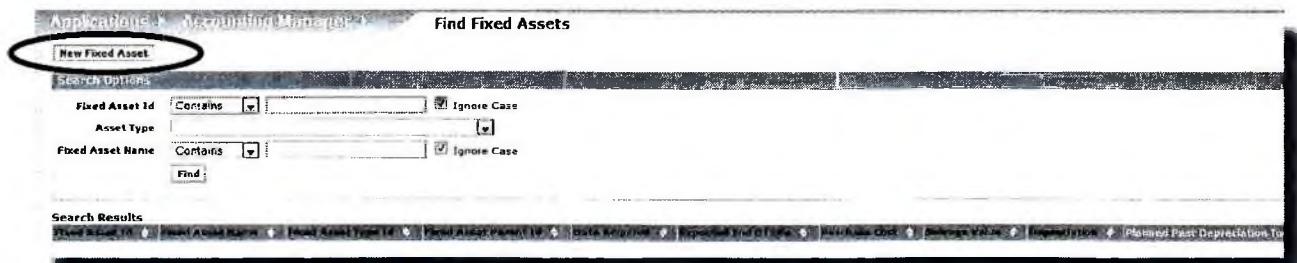


Figure 9.9: Create New Fixed Asset

Enter the details from the following table

FIELD	VALUE
Fixed Asset Id	MY OWN PC
Fixed Asset Type Id	Computer Hardware
Party ID	Company (NOTE: Type this in and do not use the lookup as the lookup is limited to looking up people and not organisations. If you type "Company" and then Click "Update" OFBiz will accept it as a valid entry)
RoleTypeID	Owner
Fixed Asset Name	My Own Laptop PC
Date Acquired	1st March 2013 (Use the Date Picker to enter this)
Expected End of Life	1st March 2016 (Use the Date Picker to enter this)
Purchase Cost	900
Purchase Cost uom id	USD (This is the currency. Currently no lookup exists on this field)



IMPORTANT NOTE: At the time of writing there was a bug with the Party ID lookup. It only allows a person lookup and it needs to include 'party groups' because "Company" is a party group.

Edit Fixed Asset

New Fixed Asset

Fixed Asset Id	MY OWN PC	←
Fixed Asset Type Id	Computer Hardware	←
Fixed Asset Parent Id		
Instance Of Product Id		
Class Enum Id		
Party ID	Company	←
RoleTypeID	Owner	←
Fixed Asset Name	My Own Laptop PC	←
Acquire Order Id		
Acquire Order Item Seq Id		
Date Acquired	31/03/2013 12:00:00 AM	←
Date Last Serviced		
Date Next Service		
Expected End Of Life	31/12/2016	←
Actual End Of Life		
Production Capacity		
UDN		
Calendar		
Serial Number		
Located At Facility Id		
Located At Location Seq Id		
Salvage Value		
Depreciation		
Purchase Cost	900	←
Purchase Cost uom Id	USD	←
Update		

Figure 9.10: Entering New Fixed Asset

- ↳ Click “Update”

The new Fixed Asset is created.

Next we want to record the unique PC serial number information for the asset. We do this as follows:

- ↳ Click “Identifications”
- ↳ Select “Mfg Serial Number” from the Identification Type drop down selection
- ↳ Enter “AAA/111111-2222-345”
- ↳ Click “Add”

The screenshot shows a web-based application interface titled "Edit Fixed Asset Identifications". The top navigation bar includes links for Fixed Asset, Children, Products, Calendar, Standard Costs, Identifications, Registrations, Meter Readings, Maintenances, Assignments, and Depreciation. The main title is "Edit Fixed Asset Identifications For My Own Laptop PC [MY OWN PC]". Below the title, there is a form titled "Add Fixed Asset Identification". It contains two fields: "Identification Type" (set to "Mfg Serial Number") and "Value" (containing "AAA/111111-2222-345"). A "Add" button is located at the bottom of the form. The background of the application has a dark header and a light body.

Figure 9.11: Adding Asset Identification Number

Next we want to add a “Depreciation Method”. The one we are going to add is the Straight Line method.

- ↳ Click “Depreciation”

The screen displayed is made up of a few different areas. We will take a look at a few of these.

The first area to look at is the “Depreciation history”

The screenshot shows a web-based application interface titled "Fixed Asset Depreciation Report For My Own Laptop PC [MY OWN PC]". The top navigation bar is not visible in this specific view. The main content area is titled "Depreciation history". It displays the following information:
Purchase Cost: 900
Depreciation: 0
Salvage Value:
Date Acquired: 2013-03-01 12:00:00.000
Expected End Of Life: 2016-03-01
Next depreciation amount:
The background of the application has a dark header and a light body.

Figure 9.12: Depreciation History

This tells us:

- That the recorded Purchase Cost is 900.
- No Depreciation has been recorded yet
- We didn't specify any Salvage or Scrap Value for the asset so this is zero
- The Date Acquired is 1st March 2013 and the expected End of Life is 1st March 2016

The next area we want to look at is “Global Mappings”.

Global Mappings					
Fixed Asset Type	Asset GL account	Accumulated depreciation GL account	Depreciation GL account	Profit GL account	Loss GL account
Computer	172000 - DATA PROCESSING EQUIPMENT	186000 - ACCUMULATED DEPRECIATION - DATA PROCESSING EQUIP	675200 - DEPRECIATION - DATA PROCESSING EQUIPMENT	814000 - GAIN ON SALE OF FIXED ASSETS	
Hardware	[172000]	[186000]	[675200]	[814000]	

Figure 9.13: Global Mappings

This tells us which default accounts will be used for recording various accounting transactions.

Reminder: These were the mappings that we setup in the Fixed Asset GL Type ID and this confirms that they will be applied to this Fixed Asset.



NOTE: OFBiz does not prompt you to create an accounting transaction for the asset in the asset account once the asset has been created. This will need to be done manually

Adding a Depreciation Method to a Fixed Asset

We want to add the Straight Line Depreciation method to this Fixed Asset.

We do this by going to the “Fixed Asset Depreciation Method” section and entering the following:

- ↳ Select “Straight Line Depreciation Algorithm” in the Depreciation Custom Method drop down selection.

- ↳ In the Use the Date Picker to enter “1st March 2013” in the “From Date”. (NOTE: This is the date that we told OFBiz the PC was bought. This ensures that it will calculate the depreciation for last year for us and any current depreciation to date)
- ↳ Leave the “Thru Date” blank
- ↳ Click “Add”

Fixed Asset Depreciation Method

Depreciation custom method: Straight Line depreciation algorithm for fixed asset((purchaseCost - salvageCost)/expectedLifeInYears)

From Date: 3/1/2013 12:00:00 PM

Thru Date:

Add

Figure 9.14: Adding a Depreciation Method

The depreciation details will be updated as follows:

Depreciation custom method: Straight Line depreciation algorithm for fixed asset((purchaseCost - salvageCost)/expectedLifeInYears)

From Date: 2013-03-01 12:00:00.000

Thru Date:

Delete

Figure 9.15: Displaying Depreciation Method

The screen will be automatically updated in two other places. Firstly the “Fixed Asset Depreciation Report” section will be updated as follows:

Fixed Asset Depreciation Report				
Index	Year	Depreciates	Depreciation Total	Net Book Value
1	2,013	\$300.00	\$300.00	\$600.00

Figure 9.16: Updated Depreciation Report

This shows the depreciation amount that has been calculated.

In simple terms it tells us that for the Financial Year 2013

- A total of \$300 depreciation has been calculated
- The Accumulated Depreciation is also \$300 (because this is the first depreciation amount for this asset)
- That the new Net Book Value of the asset is \$600 (Remember $\$900 - \$300 = \$600$)

This confirms that our depreciation calculation is working correctly as expected.

Let's look at that "Depreciation History" section.

Fixed Asset	Children	Products	Calendar	Standard Costs	Identifications	Registrations	Meter Readings	Maintenances	Assignments	Depreciation	Geo Location
Fixed Asset Depreciation Report For My Own Laptop PC [MY OWN PC]											
Depreciation history											
Purchase Cost:	900										
Depreciation:	0										
Salvage Value:											
Date Acquired:	2013-03-01 12:00:00.000										
Expected End Of Life:	2016-03-01										
Next depreciation amount:	450										
Create an Accounting Transaction: 300											

Figure 9.17: Depreciation History

This shows a summary of the asset information related to the Purchase Cost, Date Acquired and expected End of Life for the asset.



NOTE: At the time of writing there appears to be a bug with the "Next Depreciation Amount". It shows 450 when we know the next depreciation amount should be 300.

It also contains a link to "Create An Accounting Transaction". This allows us to create the accounting transaction for the calculated depreciation.

↳ Click "Create an Accounting Transaction"

Figure 9.18: Create Accounting Depreciation Transaction

The screen shows the default accounts where the depreciation transactions will be created.



NOTE: Notice that the Debit and Credit GL Accounts have been brought through from the Fixed Asset Type GL Defaults

- ↳ Enter a description (e.g. My First Asset Depreciation)
- ↳ Click “Create”

A detailed accounting screen will be displayed. This shows an accounting transaction header and the actual accounting details at the lower part of the screen.

- ↳ Scroll down to the accounting transaction details

Acctg Trans Entry Seq Id	GL Account Type - GL Account Id - Party Id - Product Id - Reconcile Status - Debit Credit Flag - Update	Description	Voucher Ref	Summary ?	Orig Amount	Amount
00001	186000 - ACCUMULATED DEPRECIATION - DATA PROCESSING EQUIP [186000] Not Reconciled Debit Update	My First Asset Depreciation			\$300.00	<input type="button" value="Remove"/>
00002	675200 - DEPRECIATION - DATA PROCESSING EQUIPMENT [675200] Not Reconciled Credit Update	My First Asset Depreciation			\$300.00	<input type="button" value="Remove"/>

Figure 9.19: Detailed Accounting Entries

This allows us to review and if required, change the accounting transaction before it is posted to the Chart of Accounts.

We wont change anything but before we post it let's validate it to see if there are any errors.

Tip: OFBiz provides a function to verify an accounting transaction for errors before it tries to post it.

Scroll back up to the top of the screen

- ↳ Locate and click “Verify Transaction”

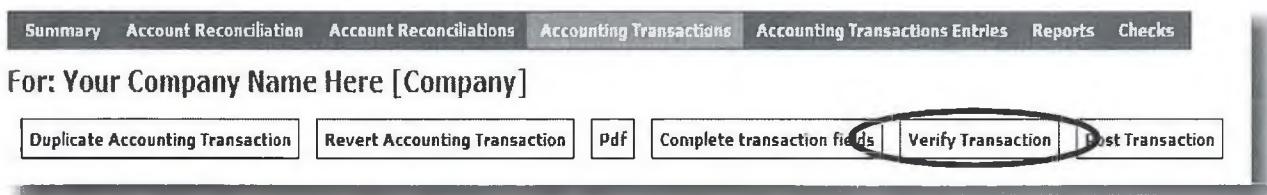


Figure 9.20: Verify Transaction

Errors are displayed in red at the top of the screen. There should not be any.

- ↳ Click “Post Transaction”

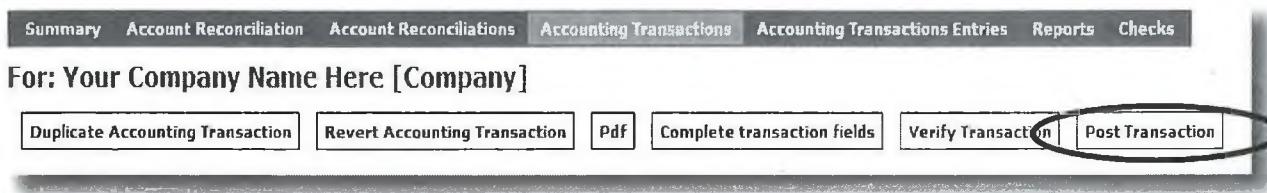


Figure 9.21: Post Transaction

The transaction will be posted.

View Transaction	
Acctg Trans Id	10049
Transaction Type	Depreciation
Gl Journal Id	
Fin Account Trans Id	
Party Id	
Transaction Date	2014-04-04 20:56:04.758
Is Posted	Y
Inventory Item Id	
Invoice ID	
Receipt Id	
Shipment Id	
Their Acctg Trans Id	
Voucher Ref	
Description	My First Asset Depreciation
Fiscal Gl Type	Actual
Group Status	
Role Type Id	
Scheduled Posting Date	
Posted Date	2014-04-04 21:06:00.612
Physical Inventory Id	
Payment Id	
Work Effort Id	
Fixed Asset Id	MY OWN PC
Voucher Date	

View Transaction Entries													
Acctg Trans Entry Seq	Gl Account Type	Gl Account Id	Description			Voucher Ref	Party Id	Product Id	Reconcile Status	Summary ?	Debit Credit Flag	Orig Amount	Amount
00001	186000 ACCUMULATED DEPRECIATION - DATA PROCESSING EQUIP		My First Asset Depreciation						Not Reconciled		D	\$500.00	
00002	675200 DEPRECIATION - DATA PROCESSING EQUIPMENT		My First Asset Depreciation						Not Reconciled		C	\$300.00	

Figure 9.22: Posted Transaction

If we now go back and look at our Fixed Asset Depreciation screen.

- The “Transactions” section at the bottom of the screen has now been updated.

Transactions							
Acctg Trans Id	Trans Type Description	Transaction Date	Account Code	Account Name	Amount	Debit Credit Flag	Is Posted
10001	Deprecation	2014-04-06 04:21:49.893	675200	DEPRECIATION - DATA PROCESSING EQUIPMENT	\$300.00	C	Y
10001	Deprecation	2014-04-06 04:21:49.893	186000	ACCUMULATED DEPRECIATION - DATA PROCESSING EQUIP	\$300.00	D	Y

Figure 9.23: Link to Fixed Asset Posted Transactions

- The Depreciation History section has been updated.

Fixed Asset Depreciation Report For My Own Laptop PC [MY OWN PC]	
Deprecation history	
Purchase Cost:	900
Depreciation:	600 ←
Salvage Value:	
Date Acquired:	2013-03-01 12:00:00.000
Expected End Of Life:	2016-03-01
Next depreciation amount:	150

Figure 9.24: Updated Depreciation History

At the time of writing there are a couple of errors in the “Depreciation History” section:

- The “Depreciation” is incorrect. The depreciation is 300. This actually shows the “Net Book Value”

Net Book Value = Purchase Cost - Depreciation (900 - 300 = 600)

- The “Next Depreciation Amount” is incorrect. In our example it shows 150 when we know it should be showing 300.



NOTE: A JIRA issue was created highlighting both of these so they may be fixed in future releases.

Assigning a Fixed Asset

If we wanted to allocate this Fixed Asset to someone (e.g. a laptop to an employee) we can do this easily as follows:

- Click “Assignments”

A screen similar to the one below will be displayed.

Edit Party Fixed Asset Assignments											
Fixed Asset	Children	Products	Calendar	Standard Costs	Identifications	Registrations	Meter Readings	Maintenances	Assignments	Depreciation	Geo Location
Edit Party Fixed Asset Assignments For My Own Laptop PC [MY OWN PC]											
Add Party Fixed Asset Assignment Party ID: DemoEmployee2 <input type="button" value="..."/> <input type="button" value="←"/> Role Type Id: Employee <input type="button" value="..."/> <input type="button" value="←"/> From Date: 6/9/2014 9:08:00 AM <input type="button" value="..."/> <input type="button" value="←"/> Thru Date: <input type="button" value="..."/> Allocated Date: <input type="button" value="..."/> Status ID: Assigned <input type="button" value="..."/> Comments: <input type="text"/> <input style="margin-left: 10px;" type="button" value="Add"/>											
Party ID	Role Type Id	From Date	Thru Date - Allocated Date - StatusID - Comments - Update								

Figure 9.25: Assigning a Fixed Asset

- ↳ Enter “DemoEmployee” as Party ID
- ↳ Select “Employee” from Party Type Id drop down selection
- ↳ Use the Date Picker to enter the From Date
- ↳ Select “Assigned” from the Status ID
- ↳ Click “Add”

The details will be added as follows:

Party ID	Role Type Id	From Date	From Date - Allocated Date - Status ID - Comments - Update
DemoEmployee	EMPLOYEE	2013-09-01 12:00:00.000	<input type="button"/> <input type="button"/> Assigned <input type="button"/> <input type="button"/> <input type="button"/> Update <input type="button"/> Delete

Figure 9.26: Assigning a Fixed Asset

This can then be used to generate reports to find out where assets are located or assigned.

Asset Maintenance

OFBiz does include Asset Maintenance functionality and although not covered in this guide it does allow you

- To setup a maintenance, inspection or servicing schedule for an asset that will prompt when a maintenance is due
- To manage the tasks associated with any maintenance including the assignment of resources
- To record any maintenance metrics (e.g. mileage, meter readings etc)

You can explore these using the Fixed Asset “Calendar”, “Meter Readings” and “Maintenances” links.

This completes the overview of Fixed Assets.

Fixed Assets Summary

So let's review what we have done in this chapter to demonstrate the Fixed Assets functionality.

- We took a look at the Chart of Accounts and then modified it to add some additional accounts for our Fixed Asset (Fixed Asset, Depreciation Expense, Accumulated Depreciation)
- We setup a GL default for a particular type of Fixed Asset (Computer Hardware) so that it would default the correct accounts for accounting transactions
- We created a new Fixed Asset
- We added an Asset Identification Number and a Depreciation Method
- The Depreciation was calculated and we were prompted to create the actual depreciation accounting transaction
- We viewed the proposed accounting transaction, verified it and then posted it to our Chart of Accounts
- We then re-checked our Fixed Asset and noted what had been updated (Depreciation, Net Book Value etc)
- We went through the process of assigning the asset to someone
- Finally, although not covered in this guide we briefly talked about the "Asset Maintenance" functionality available

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Chapter 10:

Billing Accounts

What is a Billing Account?

A “Billing Account” is a way of allowing customers to consolidate several invoices into an account that can be paid off at a later date.

It allows you to allocate your customers a credit limit and then they can order products from you up to that value without any physical payment being made. Statements to the customer can then be generated (e.g. monthly) and payment is made based on the outstanding amount.

It is a very similar process to your credit card, you have a credit limit and can buy anything using it up to the total value of your credit limit. Then once per month you receive a statement which you pay to clear your balance.



IMPORTANT NOTE: At the time of writing no specific customer statements were available although multiple screens exist to allow you to access the details. A minor customisation would be needed to implement this functionality.

In OFBiz Billing Accounts are about flexibility so you have a choice as to how you use them. Below are some possible examples:

- Setting up and maintaining credit limits for customers
- Keeping track of credit available to customer for purchase on account
- Keeping track of payments made in advance
- Keeping track of a subset of payments and invoices for a specific client, i.e. allowing them to have multiple billing accounts in different currencies
- Allow multiple authorised parties (customers) to bill against the same account which one party is responsible for paying (e.g. different offices of the same organisation may have one single account with a supplier to make use of order volume discounts)
- Customer Specific order tracking
- Accounts Receivable / Debt Management
- Analysis and monitoring customer spending



NOTE: Once created Billing Accounts cannot be deleted - they can only be expired. This is mainly for data integrity reasons.

In order to give you a better understanding of how Billing Accounts work, let's do an example.

- We will create a new Billing Account
- We will then use it to pay for an order
- We will then pay off our outstanding Billing Account balance
- Throughout the process we will monitor how OFBiz updates the Billing Account for each of these actions

Creating a New Billing Account

First of all let's go to the Billing Accounts menu. To do this:

- ↳ Select "Accounting" from the Applications drop down menu
- ↳ Select "Billing Accounts" from the Accounting Manager drop down menu

A screen similar to the following will be displayed.

The screenshot shows a web-based application interface for managing billing accounts. At the top, there is a breadcrumb navigation: Applications > Accounting Manager > Find Billing Account(s). On the left, a button labeled "Create New" is circled in red. Below it is a section titled "Search Options" containing fields for "Billing Account ID" (with dropdown menus for "Contains" and "Starts With"), "Description" (with dropdown menus for "Contains" and "Starts With"), "Account Limit" (a text input field), "From Date" (a date input field with a calendar icon), and "Thru Date" (a date input field with a calendar icon). A "Find" button is located at the bottom of this section. To the right of the search options is a table titled "Search Results". The table has three columns: "Billing Account ID", "Account Limit", and "Description". There is one row visible in the table.

Figure 10.1: Default Billing Account Screen

As we are going to create a new Billing Account

- ↳ Click "Create New"

↳ Enter the details from the following table

Billing Account ID	Account Limit	Description	From Date	Party Billed To
TESTBILLINGACC	6000	My Test Billing Account	Use Current Date	DemoCustCompany



NOTE: The “Contact Mech Id” field will be completed later so **don't** try and enter it now.

Edit Billing Account

Edit Billing Account

Billing Account ID	TESTBILLINGACC	*	←
Account Limit	6000		←
Account Currency Uom Id	American Dollar - USD		←
Description	My Test Billing Account		←
Contact Mech Id	[] Billing Address; Add Party/Role first, then select from drop-down		←
From Date	6/9/2014 9:31:29 AM	←	←
Thru Date			←
Party Billed To	DemoCustCompany	Demo Customer Company	←
Available Balance	This is the amount which can be used for new orders.		
Create ←			

Figure 10.2: Create New Billing Account

↳ Click “Create”

Edit Billing Account

Edit Billing Account

Billing Account ID	10000	cannot change without re-creating	
Account Limit	6,000		
Account Currency Uom Id	American Dollar - USD		
Description	My Test Billing Account		
Contact Mech Id	[DemoCustCompany][9010] Demo Customer Company, , 2004 Factory Blvd, UT 84057		Billing
From Date	6/9/2014 9:31:29 AM	←	
Thru Date			←
Available Balance	\$6,000.00	This is the amount which can be used for new orders.	

Figure 10.3: Newly Created Billing Account

OFBiz automatically adds the required details to the account.

↳ Click “Roles”

Party ID	RoleType ID	From Date	Thru Date - Update
Demo Customer Company [DemoCustomerCompany]	Bill-To Customer	2014-05-09 09:31:29.000	<input type="button" value="Update"/> <input type="button" value="Delete"/>

Figure 10.4: Billing Account Roles

You can see that OFBiz has automatically added the role of “Bill-To Customer”.

This means that OFBiz knows that we will be generating bills to this customer that they will need to pay.

If you check the other links (“Terms”, “Invoices”, “Payments” and “Orders”) you will see that they are all empty because we haven’t used the Billing Account yet.

Using a Billing Account to Pay for an Order

Now that we have created our Billing Account our next step is to actually use it to pay for something. To do this we need to purchase a product from the OFBiz E-Commerce store.

Type the following in the navigation bar.

<http://localhost:8080/ecommerce>

This will display the default webstore page

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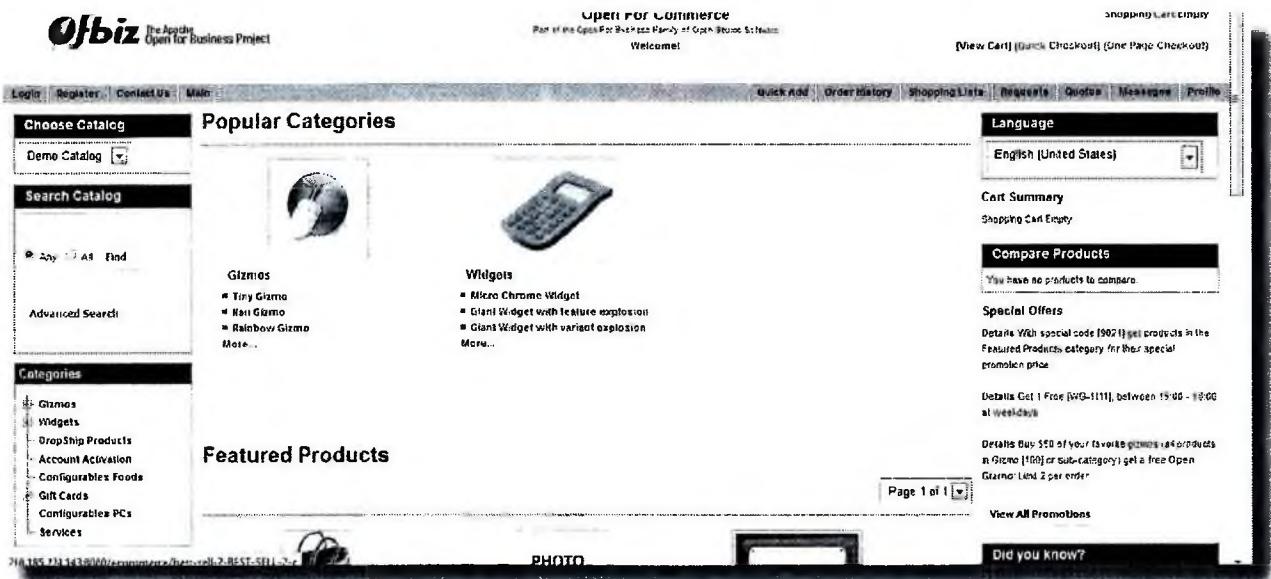


Figure 10.5: E-Commerce Store Default Page

We are going to buy a Rainbow Gizmo.

- ↳ Add a Rainbow Gizmo to the Shopping Cart

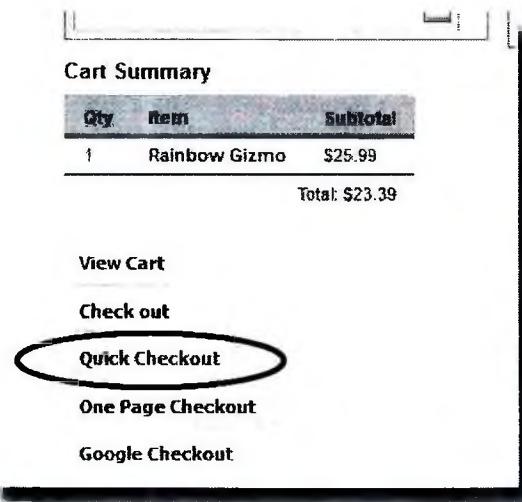


Figure 10.6: E-Commerce Shopping Cart

- ↳ Click “Quick Checkout”
- ↳ Enter Login ID “DemoCustCompany”
- ↳ Enter password “ofbiz”

A detailed summary screen will be displayed.

- ↳ Click one of the radio buttons for “Where Shall We Ship It?”
- ↳ Click one of the radio buttons for “How Shall We Ship It?”

In the “How Shall You Pay” section

- ↳ Locate the Billing Account ID
- ↳ Select “My Test Billing Account” as shown below

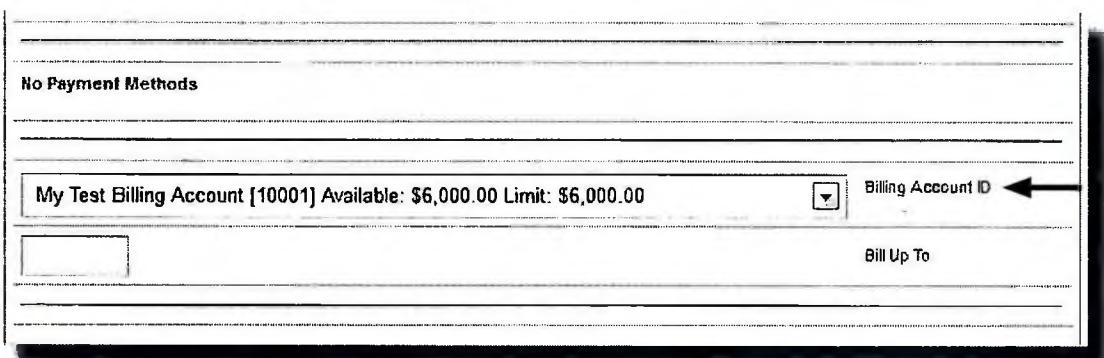


Figure 10.7: Using the Billing Account to Pay for an Order



NOTE: OFBiz tells us what the Limit is and what amount is currently available. As we haven't used any of our limit - the total limit of \$6000 is available.

- ↳ Continue to “Final Order Review”
- ↳ Create the Order

The order is created and the payment details are logged against the Billing Account.

- ↳ Logout of DemoCustCompany's account

Viewing the Updated Billing Account

Now let's now go and take a look at our Billing Account to see what has happened now that we have an order charged to it.

- ↳ Log back into OFBiz as “admin”
- ↳ Select “Billing Accounts” from the Accounting Manager menu
- ↳ Click “Find”
- ↳ Select our Billing Account

The screenshot shows the 'Edit Billing Account' page. The 'Available Balance' field is circled in red and contains the value '\$5,973.43'. A tooltip below the field states: 'This is the amount which can be used for new orders.'

Edit Billing Account

Billing Account ID: 10000 (cannot change without re-creating)

Account Limit: \$6,000

Account Currency Uom Id: American Dollar - USD

Description: My Test Billing Account

Contact Mech Id: [DemoCustCompany](9010) Demo Customer Company, , 2004 Factory Blvd, UT 84057

From Date: 6/9/2014 9:31:29 AM

Thru Date:

Party Billed To:

Available Balance: \$5,973.43 (This is the amount which can be used for new orders.)

Figure 10.8: Viewing the Updated Billing Account

Notice that the “Available Balance” is now less than \$6000

- ↳ Click “Orders”

The screenshot shows the 'Edit Billing Account Orders' page. An order with Order Id 'WSCO10001' and Order Date '2014-06-09 19:52:04.834' is listed. The payment method is 'Billing Account' and the status is 'Not-Received'.

Edit Billing Account Orders

Order Id	Order Date	Payment Method Type	Status	Net Amount
WSCO10001	2014-06-09 19:52:04.834	Billing Account	Not-Received	\$26.57

Figure 10.9: Viewing Billing Account Orders

You will see the order that we've just made using the Billing Account as payment.

- ↳ Click “Invoices”

The screenshot shows the 'Edit Billing Account Invoices' page. The table header includes columns for Invoice ID, Invoice Type, Invoice Date, Status, Description, From Party ID, To Party ID, Total, Outstanding amount, and Capture.

Edit Billing Account Invoices

Invoice ID	Invoice Type	Invoice Date	Status	Description	From Party ID	To Party ID	Total	Outstanding amount	Capture

Figure 10.10: Viewing Empty Invoices Screen

You will see that the Invoices screen is still empty. Why?

It is empty because although we have ordered a product and told the system that the customer will pay for it using the Billing Account - it hasn't been shipped to the customer yet.

The invoice document is only generated once the product is dispatched to the customer.

Creating a Billing Account Invoice

Let's go and create the invoice for our order.

- ↳ Click "Orders" again
- ↳ Click the Order Id link

This will take us into Order Manager to view the details for the order.

- ↳ Locate the "Actions" box on the right hand side of the screen

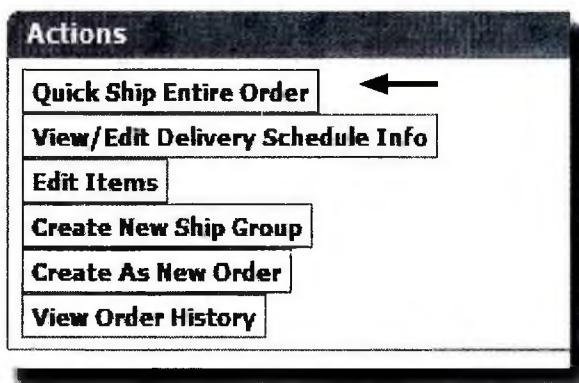


Figure 10.11: Quick Ship Entire Order

- ↳ Click "Quick Ship Entire Order"

If you now look under "Payment Information" on the same Order Manager screen you will see that an invoice (CI2) has been created.

The screenshot shows the 'Payment Information' screen. At the top, it displays 'Status History' with entries: 'Not Paid - 6/9/14 8:12:07 PM By - [admin]' and 'Not Received - 6/9/14 7:52:05 PM By - [DemoCustCompany]'. Below this, the 'Billing Account' section shows 'Nbr 10000 - My Test Billing Account' with a 'Receive Payment' button. The 'Company Account' section shows 'Max Amount: \$26.57' and '[Not Paid]'. Under 'Payments', there is a field with '10001'. At the bottom, the 'Invoices' section shows 'Nbr CI2' with a '(PDF)' link, which is circled.

Figure 10.12: Viewing Order Payment Information

Let's go back to our Billing Account to see what has changed.

Navigate back to Billing Accounts

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Billing Accounts” from the Accounting Manager drop down menu
- ↳ Locate our Billing Account
- ↳ Click on the Billing Account ID
- ↳ Click “Invoices”

The screenshot shows the 'Edit Billing Account Invoices' screen. At the top, there is a navigation bar with links: Find, Account, Role(s), Terms, Invoices, Payments, Orders. Below this is a search bar labeled 'Find Invoices' with a dropdown for 'Status' and a 'Submit' button. The main table lists invoices with columns: ID, Invoice Type, Invoice Date, Status, Description, From Party ID, To Party ID, Total, Outstanding amount, and Capture. One row is highlighted with a red circle around the 'ID' column value 'CI2'. The table data includes:

ID	Invoice Type	Invoice Date	Status	Description	From Party ID	To Party ID	Total	Outstanding amount	Capture
CI2	Sales Invoice	2014-06-09	Ready for Posting	Your Company Name Here (Company)	Demo Customer Company (DemoCustCompany)		\$26.57	\$0.00	

Figure 10.13: Updated Billing Account Invoices

You will see that the invoice that was generated (CI2) is also now linked to our Billing Account.

- ↳ Click the Invoice ID link to see the details of the invoice.

For: [CI2]

Header	
Invoice Type	Sales Invoice
Description	
From Party ID	Your Company Name Here [Company]
Role Type Id	
Invoice Date	2014-05-09
Total	\$26.57
Reference Num	
Status	Ready for Posting
Invoice Message	
To Party ID	Demo Customer Company [DemoCustCompany]
Billing Account ID	10000
Due Date	
Date Paid	

Status					
Status Date	Status				
2014-06-09	In-Process				
2014-06-09	Ready for Posting				
Applied Payments \$26.57 Open \$0.00					
Item No	Product Id	Description	Total	Payment Id	Amount Applied
			\$26.57	10001	\$26.57

Roles				
Party Id	Name	Role Type Id	Percentage	Date Time Performed
Company	Your Company Name Here	Bill-From-Vendor		2014-05-09 20:12:08.015
DemoCustCompany	Demo Customer Company	Bill-To Customer		2014-06-09 20:12:08.033
DemoCustCompany	Demo Customer Company	End-User Customer		2014-06-09 20:12:08.036
DemoCustCompany	Demo Customer Company	Pricing Customer		2014-06-09 20:12:08.039
DemoCustCompany	Demo Customer Company	Ship-To Customer		2014-06-09 20:12:08.041

Terms						
Term Type Id	Item No	Term Value	Term Days	Text Value	Description	UOM
Term Type Id	Due Date			Amount	Paid Amount	Outstanding Amount
	2014-06-09 23:59:39.000			\$26.57	\$26.57	\$0.00

Items																		
Item No	Invoice Item Type	Override GL Account Id	Override Org Party Id	Inventory Item Id	Product Id	Product Feature Id	Parent Invoice Id	Parent Invoice Item UOM Seq Id	Taxable Flag	Quantity	Unit Price	Description	Tax Authority Party	Tax Auth Geo ID	Tax Authority Rate Seq Id	Sales Opportunity Id	Order Id	Total
00001	Invoice Finished			5028GZ-1004					Y	1	\$25.99	Rainbow Gizmo					WSCL10001	\$25.99
00002	Good Item [Sales]				GZ-1004		CI2	00001		1	\$0.26	1% off NA Tax	NA	NA	9000		WSCU10001	\$0.26
00003	Invoice Item Sales Tax (Sales)	229000			GZ-1004		CI2	00001		1	\$3.245	MyOwn Sales Tax	10000	USA	10000		WSCD10001	\$3.245
00004	Invoice Item Promotion									1	-\$2.65	10% off entire					WSCD10001	-\$2.65

Figure 10.14: Viewing the Invoice Details

This is a very detailed screen but the main things you want to look for are:

- The details about who the invoice is to, the total invoice amount and the invoice date which are found under the “Header” section
- The items that make up the invoice (invoice lines) which are found under the “Items” section
- The accounting transactions that have been automatically created which are found under the “Transactions” section



NOTE: The Invoice status shows “Ready for Posting” but although the accounting transactions have been created, they have **not** been posted. You can see this by looking at the “Is Posted” flag in the “Transactions” section.

Paying off a Billing Account

So, we've used our Billing Account to buy something. Our product has been delivered and at some point we need to pay off our balance.

In preparation for this, OFBiz has done some processing behind the scenes that will help us.

One of the things that OFBiz has done automatically for us is that it has created a "Payment".

Reminder: A Payment is a transaction created to settle a bill (See Chapter 8 Payments and Payment Groups)

When we created our order, a Payment was automatically created for the outstanding amount.

And when we created our invoice, the Payment was automatically linked to the invoice because the invoice is for the outstanding amount for the order.

This is the second thing that OFBiz has automatically done for us and it is also called "Applying a Payment".

Let's take a look at both of these.

- ↳ Locate our Billing Account
- ↳ Click "Payments"

Payment Id	Type	Invoice Id	Item No	Effective Date	Amount Applied	Amount
10001	Company Account	C12		2014-06-09 20:12:07.484	\$26.57	\$26.57

Figure 10.15: Viewing the Automatically Created Payment

You should see the payment transaction for the exact order (and invoice) amount.

- ↳ Click “Invoices”

Invoice ID	Invoice Type	Invoice Date	Status	Description	From Party ID	To Party ID	Total	Outstanding amount	Captain
CI12	Sales Invoice	2014-05-09	Ready for Posting	Your Company Name Here [Company]	Demo Customer Company [DemoCustCompany]		\$26.57	→ \$0.00	

Figure 10.16: No Outstanding Amount for Invoice

Notice that the outstanding amount for the invoice is zero. This is because the Billing Account has settled the bill.

***S*o how do we pay off the outstanding amount for a Billing Account?**

Let's imagine that it is the end of the month and our customer has sent a cheque payment for \$50 (although his total amount owing on the Billing Account is less than that - I want to show you how OFBiz handles overpayments to a Billing Account.).

In real life the amount could cover several invoices but we only have one in our example although the process would be the same.

The first thing we need to do is log the cheque amount that we have received as “Payment”.

We will do this as follows:

- ↳ Click “Payments”
- ↳ Enter “DemoCustCompany” as the From Party ID
- ↳ Select “Company” from the Organization Party Id
- ↳ Select “Customer Deposit” as the Payment Type
- ↳ Select “Company Check” as Payment Method Type
- ↳ Enter “50”
- ↳ Click “Create”

The screenshot shows the 'Edit Billing Account Payments' screen with the 'Create Payment' tab selected. The form contains the following fields:

- From Party ID: DemoCustCompany
- Organization Party Id: Company
- Payment Type: Customer Deposit
- Payment Method Type: Company Check
- Amount: 50
- Create button

Arrows point from the text descriptions below to each corresponding field.

Figure 10.17: Creating a Payment

The new Payment will be added and we will now have two Payments showing on this screen.

- One that settled the bill for our invoice
- One that is paying off the outstanding balance for the Billing Account

PaymentId	Type	InvoiceID	Item No	Effective Date	Amount Applied	Amount
10001	Company Account	C12		2014-06-09 20:12:07.484	\$26.57	\$26.57
10002	Company Check			2014-06-09 21:36:02.052	\$50.00	\$50.00

Figure 10.18: List of Payments

So now let's go and take a look at what has happened to the amount that we overpaid to our Billing Account.

- ↳ Click "Account"
- ↳ Look at the "Available Balance"

The screenshot shows the 'Edit Billing Account' interface. At the top, there's a navigation bar with links: Find, Account, Role(s), Terms, Invoices, Payments, and Orders. Below the navigation bar, the main form has several fields:

- Billing Account ID:** 10000 (disabled, highlighted in red)
- Account Limit:** \$6,000
- Account Currency Item Id:** American Dollar - USD
- Description:** My Test Billing Account
- Contact Mech Id:** [DemoCustCompany][9010] Demo Customer Company, , 2004 Factory Blvd, UT 84057
- From Date:** 6/9/2014 9:31:29 AM
- Thru Date:** (empty field)
- Party Billed To:** (empty field)
- Available Balance:** \$6,023.43 (disabled, highlighted in red) ←

A note below the Available Balance field says: "This is the amount which can be used for new orders."

Figure 10.19: Checking the Available Balance

You will see that the extra money that we've paid has been added to the credit limit - so we in effect have a higher credit limit.

The reality is that we have some credit that we can use to offset against other invoices in the future.

- ↳ Click “Payments”
- ↳ Click on the Payment Id for Company Check

Payment Id	Type	Invoice ID	Item No.	Effective Date	Amount Applied	Amount
10001	Company Account	C12		2014-06-09 20:12:07.484	\$26.57	\$26.57
10002	Company Check			2014-06-09 21:36:02.052	\$50.00	\$50.00

Figure 10.20: List of Payments

A screen similar to the following will be displayed.

The screenshot shows the 'Payment Overview' page. At the top, there are tabs for 'Find', 'Overview', 'Header', and 'Applications'. Below the tabs are buttons for 'Create New', 'Status to 'Received'', 'Status to 'Cancelled'', 'Print As Check', and 'Status to 'Void''. The main area displays payment details for ID 10002:

- Payment Header:**
 - Payment Type ID: Customer Deposit
 - Status: Not Paid
 - From Party: Demo Customer Company [DemoCustCompany]
 - Reference No: Amount: \$50.00
 - Effective Date: 5/9/14
 - Override GL Account Id: 10000
- Payment Method Type:** Company Check
- To Party:** Your Company Name Here [Company]
- Payment Preference ID:**
- Actual Currency Amount:**
- Comments:**
- Payment Gateway Response ID:**

Below the header, there is a section titled 'Transactions' with a table:

Acctg Trans Id	Acctg Trans Is	Fiscal Year	Acctg GLType Trans TypeId	Trans Date	Posted Date	GL Journal Id	Trans Type Description	Invoice ID	Fixed Asset Account Id	CI Account Id	Product Id	Debit Flag	Credit	Amount	Orig Amount	Organization	GL Account Type	Account Code	Account Name	GL Account Class	Party	Reconcile Status Id	Trans Entry Type Id
10000	10000	2014	10000	2014-05-09	2014-05-09	10000	Customer Deposit	10000	10000	10000	10000	10000	10000	50.00	50.00	Customer	Customer	Customer	Customer	Customer	Customer	Customer	

Figure 10.21: Payment Overview

This shows an overview of the Payment.



NOTE: No accounting transactions have been created for the Payment because we haven't formally changed to status to tell OFBiz that we have received it

We can see that the \$50 has been fully applied to our Billing Account. You can see this in the "Payment Applied" section.

If you want to amend what the Payment has been applied to (or used to pay for), you can do this using the "Applications" link.

- ↳ Click "Applications"

The screenshot shows the 'List Payment Applications' page. At the top, there are tabs for 'Find', 'Overview', 'Header', and 'Applications'. Below the tabs are buttons for 'Create New', 'Status to 'Received'', 'Status to 'Cancelled'', 'Print As Check', and 'Status to 'Void''. The main area displays the application of the payment:

ID: [10002]
Amount Total: \$50.00 Amount not yet applied: \$0.00

Billing Account ID	Amount Applied	Remove
10000	50	[Remove]

Figure 10.22: Payment Applications

If required you can now remove the Billing Account from the Payment Applications.

Without wanting to get too detailed about Payments and applying them to invoices, OFBiz gives you the flexibility to apply some money to one invoice and some money to another.

As we are using the Billing Account as the main way of tracking invoices, we want to apply Payments to the Billing Account but it can also handle applying Payments manually to your own individually selected invoices for customers who don't have Billing Accounts.

R*eminder: Payments are covered in detail in Chapter 8 Payments and Payment Groups.*

This completes our overview of Billing Accounts.

Billing Accounts Summary

So now let's review what we have done in this chapter to show what Billing Accounts are and how they can be used.

- We've created a new Billing Account for a customer
- We then created an Order for that customer and used the Billing Account as payment for the order
- We verified that the Order was now showing on the Billing Account and that the Billing Account credit limit had reduced because it had deducted the value of the Order
- We dispatched the Order and generated an Invoice
- We located the Invoice and viewed the details
- We rechecked the Billing Account and saw that the Invoice as well as the Order was now linked to the Billing Account
- We looked at the automatic Payment that OFBiz created and linked to our Invoice and Order
- We created a Billing Account Payment (with an overpayment) for the outstanding balance of the Billing Account
- We then looked in detail at the Payment and the Applications (i.e. the way that the Payment had been matched to the Billing Account)
- Finally we verified that the overpayment was still linked to the Billing Account and could be used at a future date

Chapter 11:

Agreements

What is an Agreement?

An “agreement” is a way of recording a business arrangement or contract that your business makes with other companies or individuals.

Some common examples of agreements include Payment Terms (where you allow a customer up to 30 days to pay you) or Prompt Payment Discounts (where you offer a reduction on the amount owing if your customer pays you before a certain date)

At the time of writing, OFBiz allows you to create the following type of agreements

- Product
- Purchase
- Sales
- Employee
- Commission
- End User Licence

The most common agreements you will use will be Sales Agreements (for your Customers), Purchase Agreements (for your Suppliers) and Commission Agreements (for your Sales Representatives).

In this chapter we will run through an example of each of these types of agreement.

Let's get started.

To get to Agreements:

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Agreements” from the Accounting Manager drop down menu
- ↳ Click “Find”

ID	Company	Counterparty	Role	Type	Description	Cancel
8000	Company	DemoCustomer	Commission	Commission	Commission Agreement with DemoCustomer	Cancel
9000	Company	DemoRepAll	Commission	Commission	Commission Agreement with DemoRepAll	Cancel
1000	Company	DemoSupplier	Supplier	Purchase	Agreement for DemoSupplier	Cancel
1001	Company	BigSupplier	Supplier	Purchase	Purchasing Agreement with BigSupplier	Cancel
1002	Company	EuroSupplier	Supplier	Purchase	Purchasing Agreement with EuroSupplier-Milan	Cancel
1003	Company	EuroSupplier	Supplier	Purchase	Purchasing Agreement with EuroSupplier-New York	Cancel

Figure 11.1: Agreements Default Screen

A list of any existing agreements is displayed. It includes details of who the agreement is with and what type of agreement it is.

Creating a Sales Agreement

A “Sales Agreement” in OFBiz is an agreement between you and one of your customers. In our example we are going to create an agreement with one of our customers giving them 10 days to pay us.

- ↳ Click “Create Agreement”

Figure 11.2: Create Agreement

Enter the following details

- ↳ Enter “DemoCustomer” in the Party Id From (NOTE: This looks odd but it is correct!)
- ↳ Enter “Company” in the Party Id To
- ↳ Select “Customer” from the Role Type Id From drop down selection
- ↳ Select “Sales” from the Agreement Type Id drop down selection

- ↳ Use the Date Picker to select the From Date
- ↳ Enter a short description for the agreement in the Description field
- ↳ Click “Submit”



NOTE: It may seem a little odd that the customer is entered as the “From Party” (rather than the other way around) but this is the correct way to setup a Sales Agreement. Other Agreements such as Purchase or Commission will have “Company” as the “From Party”.

Edit Agreement	
Product Id	<input type="text"/>
Party Id From	<input type="text"/> DemoCustomer <input type="button" value="..."/>
Party Id To	<input type="text"/> Company <input type="button" value="..."/> Your Company Name Here <input type="button" value="..."/>
Role Type Id From	<input type="text"/> Customer <input type="button" value="..."/>
Role Type Id To	<input type="text"/> <input type="button" value="..."/>
Agreement Type Id	<input type="text"/> Sales <input type="button" value="..."/>
Agreement Date	<input type="text"/> <input type="button" value="..."/>
From Date	<input type="text"/> 15/05/2014 09:56:19 <input type="button" value="..."/>
Thru Date	<input type="text"/> <input type="button" value="..."/>
Description	<input type="text"/> Sales Agreement with DemoCustomer
Text Data	<input type="text"/>
<input type="button" value="Submit"/>	

Figure 11.3: Entering Sales Agreement Details

The “Agreement” header details has been created.

The screenshot shows the SAP Fiori interface for the Accounting Manager application. The title bar reads "Applications > Accounting Manager > Edit Agreement". Below the title bar is a navigation bar with tabs: "Agreement", "Agreement Terms", "Agreement Items", "Agreement Work Effort Applies", and "Agreement Roles". The main content area is titled "Sales Agreement with DemoCustomer [10000]". A sub-header "Edit Agreement" is displayed above a form. The form fields include:

- Agreement Id:** 10000 (disabled)
- Product Id:** DemoCustomer (with a small icon and tooltip "Demo Customer")
- Party Id From:** DemoCustomer (with a small icon and tooltip "Demo Customer")
- Party Id To:** Company (with a small icon and tooltip "Your Company Name Here")
- Role Type Id From:** Customer
- Role Type Id To:** Sales
- Agreement Date:** From Date: 15/05/2014 09:56:19, Thru Date: (empty)
- Description:** Sales Agreement with DemoCustomer
- Text Data:** (empty text area)

At the bottom of the form is a "Submit" button.

Below the form is a "Copy Agreement" section with checkboxes for "Copy Agreement", "Agreement Terms", "Products", "Party", "Facilities", and "Copy".

Figure 11.4: Agreement Header Created

Next we need to add the details about what the agreement is about. To do this we need to go to the “Terms”.

- ↳ Click “Agreement Terms”

The screenshot shows the SAP Fiori interface for the Accounting Manager application. The title bar reads "Applications > Accounting Manager > Edit Agreement Term". Below the title bar is a navigation bar with tabs: "Agreement", "Agreement Terms", "Agreement Items", "Agreement Work Effort Applies", and "Agreement Roles". The main content area is titled "Sales Agreement with DemoCustomer [10000]". A sub-header "Edit Agreement Term" is displayed above a form. The form fields include:

- Term Type Id:** Agreement Termination
- Invoice Item Type:** (dropdown menu)
- From Date:** (date input field)
- Thru Date:** (date input field)
- Term Value:** (text input field)
- Term Days:** (text input field)
- Text Value:** (text input field)
- Min Quantity:** (text input field)
- Max Quantity:** (text input field)
- Description:** (text input field)

At the bottom of the form is a "Submit" button.

Below the form is a footer bar with fields: "Term Type Id", "Agreement Item Seq Id", "Invoice Item Type - From Date - Thru Date - Term Value - Term Days".

Figure 11.5: Agreement Terms

We need to create a new agreement term related to when the customer needs to pay the bill.



NOTE: The “Term Type Id” contains a long list of options that can be used to create agreement terms

- ↳ Select “Payment (net days)” from the Term Type Id drop down selection
- ↳ Use the Date Picker to select the current date
- ↳ Enter “10” for Term Days
- ↳ Enter a short description for Description
- ↳ Click “Submit”



NOTE: There are other limits we could add here such as a minimum spend or that the agreement was only applicable for certain types of product, but we will keep it simple and not specify any of these

Applications > Accounting Manager > Edit Agreement Term

Sales Agreement with DemoCustomer [10000]

Edit Agreement Term

Term Type Id	Payment (net days)	←
Invoice Item Type		←
From Date	15/05/2014 10:27:20	←
Thru Date		←
Term Value		
Term Days	10	←
Text Value		
Min Quantity		
Max Quantity		
Description	10 days allowed for invoice payment	←
Submit		←

Term Type Id | Agreement Item Seq Id | Invoice Item Type - From Date - Thru Date - Term Value - Term Days - T

Figure 11.6: Creating a Payment Agreement Term

Once created the details are displayed on the lower part of the screen.

Figure 11.7: Newly Created Payment Term

The agreement term can be edited if required or removed.

Our Sales Agreement is now ready to use. Our next step is to test that it works with an order.

We are going to:

- Create a Sales Order for DemoCustomer
- Link this Sales Agreement to the Order
- Verify that OFBiz includes the 10 additional days when calculating when the Customer Invoice Payment is due



IMPORTANT NOTE: A Sales Agreement is linked to an order manually by an Order Clerk, which means that if DemoCustomer makes an order through the E-Commerce store then this agreement will not be automatically linked to their order.

Let's take on the role of an Order Clerk and enter an order for DemoCustomer.

To do this we need to use Order Manager.

- ↳ Select “Order” from the Applications drop down menu
- ↳ Select “Order Entry” from the Order Manager drop down menu

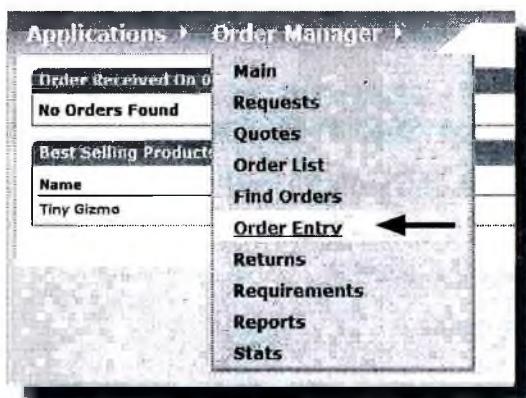


Figure 11.8: Order Entry Menu

We need to enter a Sales Order using the top part of the screen.

- ↳ Select “Phone Channel” from the Channel drop down selection
- ↳ Enter “DemoCustomer” in the Customer field
- ↳ Click “Continue”

The screenshot shows the 'Order Initialization' screen under 'Sales Order'. It includes fields for 'Product Store' (set to 'OFBiz E-Commerce Store'), 'Sales Channel' (set to 'Phone Channel'), 'User Login ID' (set to 'admin'), and 'Customer' (set to 'DemoCustomer'). A large arrow points to the 'Customer' field. Another arrow points to the 'Continue' button in the top right corner. The 'Find Party' link is also circled.

Figure 11.9: Creating a New Sales Order

If an agreement exists, a drop down selection will be displayed as the first field on the next screen.

We have previously created one so it should be available for selection.

- ↳ Select the agreement using the drop down selection
- ↳ Enter a description for the order (e.g. My Test Order for Sales Agreement with DemoCustomer)
- ↳ Click “Continue”

The screenshot shows the 'Order Agreements' screen. It includes fields for 'Select an agreement for this order' (set to '10000 - Sales Agreement with DemoCustomer'), 'Order Name' (set to 'My Test Order for Sales Agreement with DemoCustomer'), 'Order Currency' (set to 'USD'), 'Choose catalogue' (set to 'Demo Catalog'), and date fields for 'Default Ship After Date' and 'Default Ship Before Date'. A large arrow points to the 'Order Name' field. Another arrow points to the 'Continue' button in the top right corner. The 'Find Agreement' link is also circled.

Figure 11.10: Selecting an Agreement for the Sales Order

- ↳ Enter “GZ-1000” for Product ID
- ↳ Enter “2” for Quantity
- ↳ Click “Add to Order”

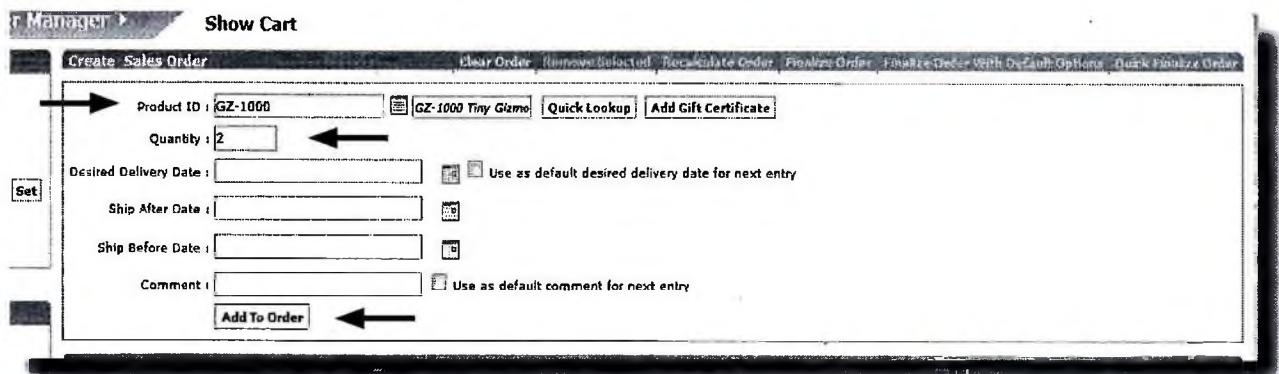


Figure 11.11: Adding a Product to a Sales Order

The details are added to the order.

- ↳ Click “Quick Finalize Order”

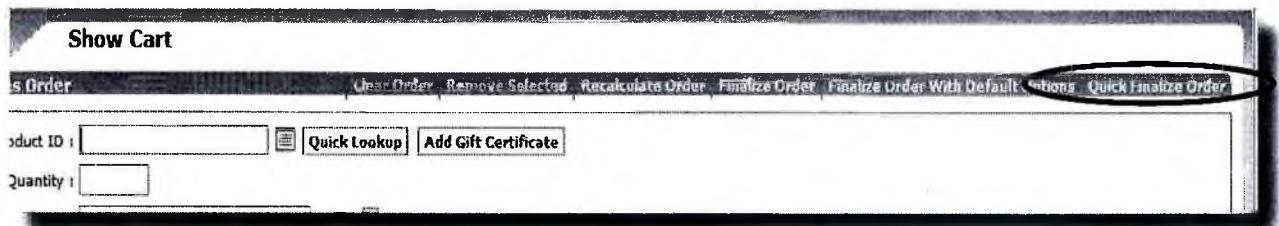


Figure 11.12: Quick Finalize Order

- ↳ Click any radio button to select the Delivery Address
- ↳ Click any radio button to select a Delivery Option

In the “How Shall You Pay” section

- ↳ Select “Mail Cheque or Account”

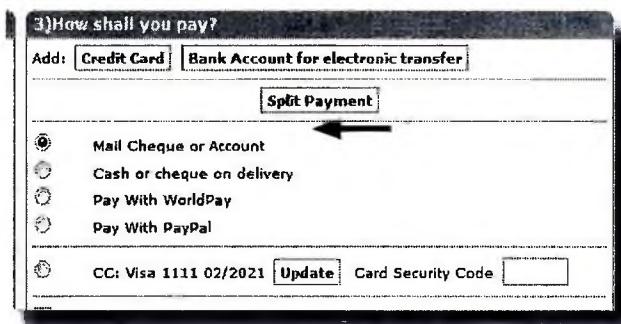


Figure 11.13: Selecting Mail Cheque or Account

Getting Started with Apache OFBiz® Accounting

- ↳ Click “Continue to Final Order Review”

No~~tice that the Agreement Terms have been added to the order and are displayed.~~

Order Details			
Order Name	My Test Order for Sales Agreement with DemoCustomer		
Order Terms	Term Type	Term Value	Term Days Description
	Payment (net days)	10	←
Splitting Preference	Please wait until the entire order is ready before shipping.		
Gift	This order is not a gift.		

Payment Information	
Offline Payment	

Delivery Information				
Destination	Supplier	Shipment Method	Item	Quantity
To: Demo Customer 2004 Factory Blvd Orem, UT, 84057		USPS Express	GZ-1000 - Tiny Game	2

Order Items						
Product	Quantity	Unit Price	Adjustments	Sub Total		
GZ-1000 - Tiny Game	2	\$15.99	\$0.00	\$31.98		
				\$0.032		
				\$1.319		
					Sub Total	\$31.98
					Promotion	-\$3.20
					Shipping and Handling	\$0.00
					VAT	\$1.35
					Grand Total	\$30.33

Figure 11.14: Final Order Review

- ↳ Create the Order

The order is created and the View Order screen is displayed.

The screenshot shows the 'View Order' page for Sales Order Nbr WSCD10025. The 'Approve Order' button is highlighted with a black oval. Other visible sections include 'Order Name' (My Test Order for Sales Agreement with DemoCustomer), 'Status History' (Created on 15/05/14 at 22:26:47 by [admin]), 'Contact Information' (Name: Demo Customer, Email: obiztest@example.com), 'Order Notification Email Address' (obiztest@example.com), 'Shipping Destination Address' (To: Demo Customer, 2004 Factory Blvd, Orem, UT 84027, United States), 'Actions' (View/Edit Delivery Schedule Info, Edit Items, Create New Ship Group, Create As New Order, View Order History), 'Shipment Information' (Address: 2004 Factory Blvd - Orem, Method: USPS Express), and 'Payment Information' (Status History: Not Received on 15/05/14 at 22:26:48 by [admin]).

Figure 11.15: View Order Screen

↳ Click “Approve Order”

We are now going to quickly ship the order so that an invoice is generated. Instead of being due immediately, we are looking for ten (10) additional days are added to the Invoice Due Date.

↳ Locate the “Actions” box on the right hand side of the screen.



Figure 11.16: Quick Ship Entire Order

↳ Click “Quick Ship Entire Order”

Tip: If you haven't approved the order, the “Quick Ship Entire Order” link wont be displayed

If you now look under the “Payment Information” section you will see that an invoice has been created.

The screenshot shows the "Payment Information" screen. At the top, it displays two entries: "Not Paid - 15/05/14 22:41:05 By - [admin]" and "Not Received - 15/05/14 22:26:48 By - [admin]". Below this, there's a section for "Offline Payment" with a note about a maximum amount of \$30.33. A "Receive Payment" button is present. The main area is titled "Company Account" with a maximum amount of \$30.33, indicating it is "Not Paid". It lists a single payment entry: "Payments 10025". At the bottom, there are links for "Invoices", "Nbr", "CIS", and "PDF", with an arrow pointing to the "PDF" link.

Figure 11.17: Viewing Order Payment Information

- ↳ Click the link to the Invoice

The screenshot shows the "Invoice Overview" screen for invoice [C19]. The header includes tabs for "Find", "Overview", "Send per Email", and "Commission Run". Below the header, there are buttons for "Create New Invoice", "Copy", "PDF", "Status to 'Paid'", "Status to 'Written Off'", "Status to 'Cancelled'", "Save Invoice As Template", and "Acctg Trans Entries PDF". The "For: [C19]" section shows the header details: Invoice Type: Sales Invoice, Description: Your Company Name Here (Company), From Party ID: Your Company Name Here (Company), Role Type Id: , Invoice Date: 2014-05-15 (with an arrow pointing to it), Total: \$30.33, and Reference Num: . The "Status" section shows the status as Ready for Posting. The "Invoice Message" section shows To Party ID: Customer, Demo [DemoCustomer], Billing Account ID: , Due Date: 2014-05-25 (with an arrow pointing to it), and Date Paid: . The "Roles" section lists various roles and their details. The "Terms" section shows payment terms and their values. The "Items" section lists the items included in the invoice.

Figure 11.18: Sales Invoice Details



NOTE: Notice that the **Invoice Date** (the date the invoice was created) is different to the **Invoice Due Date** (the day that we expect invoice payment). The date difference is ten (10) days - exactly what we specified in our Sales Agreement.

Working with Purchase Agreements

A “Purchase Agreement” is quite similar to the Sales Agreement we have just created. The main difference is that your company becomes the “customer”.

Reminder: A Purchase Agreement is an agreement between you and a Supplier

If you have installed OFBiz with the demo data then there are already four example Purchase Agreements created for us. We will use one of these existing Purchase Agreements for our example. (AGR_TEST for DemoSupplier)

Firstly we need to create a Purchase Order to a supplier. To do this we need to use Order Manager.

- ↳ Select “Order” from the Applications drop down menu
- ↳ Select “Order Entry” from the Order Manager drop down menu

We need to enter a Purchase Order using the lower part of the screen.

- ↳ Select “Phone Channel” from the Channel drop down selection
- ↳ Enter “DemoSupplier” in the Supplier field
- ↳ Click “Continue”

The screenshot shows a web-based application window titled "Purchase Order". At the top, there are three input fields: "Internal Organization" with the placeholder "Company - Your Company Name Here", "User Login ID" with the value "admin" and a dropdown showing "admin THE ADMINISTRATOR", and "Supplier" with the value "[DemoSupplier] - Demo Supplier". Below these fields is a "Find" button, which is circled in red. Arrows from the text instructions point to each of these three fields.

Figure 11.19:Creating a Purchase Order

As with the Sales Agreements, if a Purchase agreement exists then a drop down selection will be displayed as the first field on the next screen.

- ↳ Select the agreement (AGR_TEST)
- ↳ Enter a short description for the order (e.g. My Test Order for Purchase Agreement with DemoSupplier)
- ↳ Click “Continue”

The screenshot shows the 'Order Agreements' screen. At the top, there is a message: 'ENTER ORDER CURRENCY, AGREEMENTS, and SHIP DATES'. Below it, a dropdown menu says 'Select an agreement for this order: AGR_TEST - Agreement for DemoSupplier'. Two arrows point to this dropdown and the 'Order Name' field, which contains 'My Test Order for Purchase Agreement with DemoSupplier'. Other fields visible include 'Order Id', 'Or set a currency for this order: USD', 'Choose catalogue: Demo Catalog', 'WorkEffort Id', 'Default Ship After Date', 'Default Ship Before Date', and 'Cancel Back Order Date'. In the top right corner, there is a 'Continue' button.

Figure 11.20:Selecting the Purchase Agreement

We are going to order 20 Tiny Gizmos from DemoSupplier.

- ↳ Enter “GZ-1000” for Product ID
- ↳ Enter “20” for Quantity
- ↳ Click “Add to Order”
- ↳ Click “Finalize Order”

A summary of all the Agreement terms to be applied to the Purchase Order is displayed. OFBiz allows us to update the terms or remove any that don't apply.

We can also add a new agreement term as a “one off” for the order using “Create New”

The screenshot shows the 'Order Agreements' screen with a table of terms. The columns are 'Term Type', 'Term Value', 'Term Days', 'Description', and 'Actions' (with 'Update' and 'Remove' buttons). The table contains the following data:

Term Type	Term Value	Term Days	Description	Action
Payment (net days)		30		[Update] [Remove]
Payment (discounted if paid within specified days)	2	10		[Update] [Remove]
Vendor Customer ID			OPEN-GO1	[Update] [Remove]
Preferred Freight			Ship via Open Express	[Update] [Remove]
Create New				

Figure 11.21:Viewing the Agreement Details for a Purchase Order

We are not going to change anything.

- ↳ Click “Continue” all the way through to the Order Confirmation screen

Once again notice how the agreement details have been added to the order and are displayed.



NOTE: If agreement item details are not shown as part of the order then they will not be applied.

Order Name		My Test Order for Purchase Agreement with DemoSupplier		
Order Terms	Term Type	Term Value	Term Days	Description
	Payment (net days)	30		
	Payment (discounted if paid within specified days)	15		
	Vendor Customer ID			OPEN-001
	Preferred Freight			Ship via Green Express
Splitting Preference Please wait until the entire order is ready before shipping.				
Delivery Information				
Destination	Supplier	Shipment Method	Item	Quantity
To: Company XYZ Attn: ZJAA 2003 Open Blvd Orem UT . 84058		Standard	GZ-1000 - Tiny Gizmo	20
Order Items				
Product	Quantity	Unit Price	Adjustments	Sub Total
GZ-1000 - Tiny Gizmo	20	\$7.50	\$0.00	\$150.00
<i>Adjustment: Sales Tax Jurisdiction: Utah [UT] Rate: 4.75% Customer Tax ID: 12-3456789 Exempt Amount: 7.125</i>				
Sub Total \$150.00				
Shipping and Handling \$0.00				
VAT \$0.00				
Grand Total \$150.00				

Figure 11.22: Purchase Order Confirmation Screen

↳ Click “Create Order”

The Purchase Order is created and the “View Order” screen is displayed.

↳ Click “Approve Order”

We are going to receive the order so that a pro forma invoice is generated. Instead of being due immediately, we are looking for thirty (30) additional days to be added to the Invoice Due Date.

↳ Locate the “Actions” box on the right hand side of the screen.

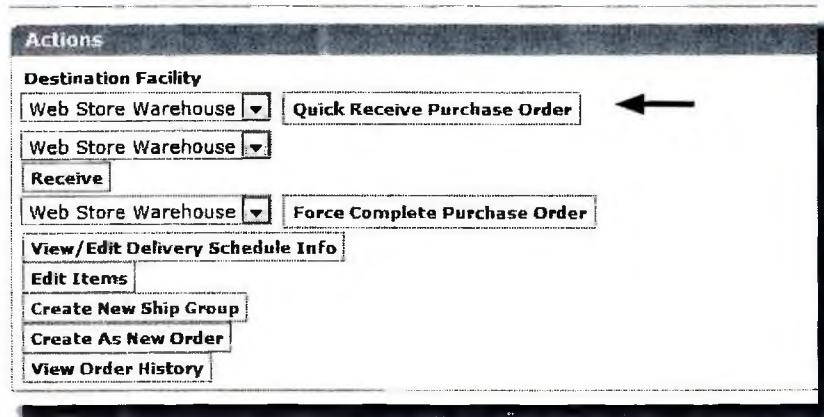


Figure 11.23: Quick Receive Purchase Order

- ↳ Click “Quick Receive Purchase Order”

Reminder: The order needs to be approved before this link will be displayed

- ↳ Select the radio button to “Receive Shipment”
- ↳ Click “Receive Selected Shipment”

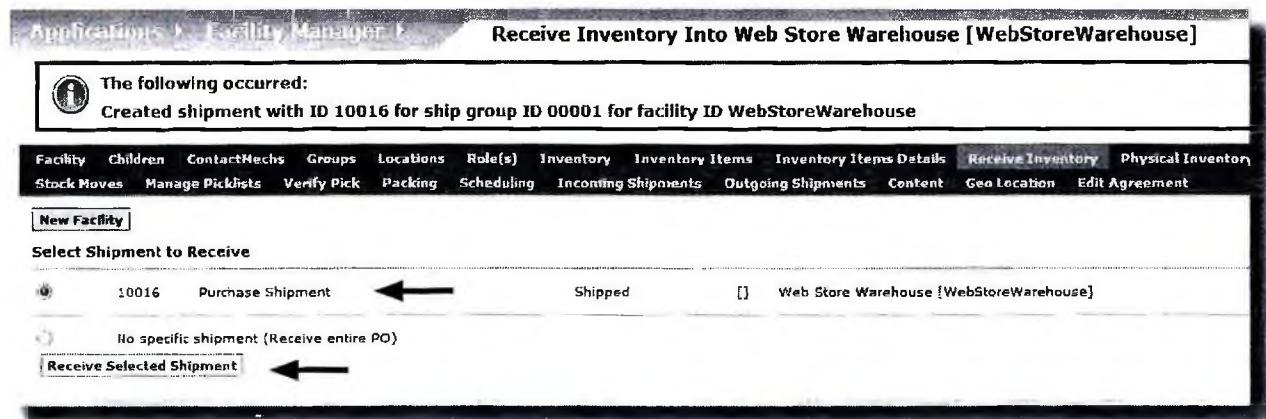


Figure 11.24: Receive Purchase Shipment

On the following screen

- ↳ Click “Receive Selected Products”

The products ordered from DemoSupplier have now been booked into our warehouse.

- ↳ Click the link the Purchase Order

Receipt Id	Receipt	Date	PO	Line	Product ID	Lot Id	Per Unit Price	Rejected	Accepted	Cancel
10013	10013	2014-05-15 23:53:15.903	10026	00091	GZ-1000		7.50	0	20	<input type="button" value="Cancel"/>

Figure 11.25: Products Received

It should take you back to the View Order screen.

- ↳ Locate the Invoice under the “Payment Information” section

Payment Information			
PaymentID	To	Amount	Status
10026	Demo Supplier [DemoSupplier]	£150.00	Not Paid

Invoices → Nbr 10013 (PDF)

Figure 11.26: Purchase Invoice

- ↳ Click the link to the Invoice number

The invoice details screen will be displayed.

Getting Started with Apache OFBiz® Accounting

Header

Invoice Type	Purchase Invoice	Status	In-Process
Description		Invoice Message	
From Party ID	Demo Supplier [DemoSupplier]	To Party ID	Your Company Name Here [Company]
Role Type Id		Billing Account ID	
Invoice Date	2014-05-15	Due Date	2014-06-14
Total	\$150.00	Date Paid	
Reference Num			

Status

Status Date	Status
2014-05-15	In-Process

Applied Payments: \$0.00 Open: \$150.00

Update

Item No	Product Id	Description	Total	Payment Id	Amount Applied
			\$150.00	18026	\$150.00

Roles

Party Id	Name	Role Type Id	Percentage	Date Time Performed
Company	Your Company Name Here	Bill-To Customer		2014-05-15 23:53:50.724
DemoSupplier	Demo Supplier	Supplier Agent		2014-05-15 23:53:50.738
DemoSupplier	Demo Supplier	Ship-From Vendor		2014-05-15 23:53:50.735
DemoSupplier	Demo Supplier	Bill-From Vendor		2014-05-15 23:53:50.732

Terms

Term Type Id	Item No	Term Value	Term Days	Text Value	Description UOM
Payment (net days)	IA		30		
Payment (discounted if paid within specified days)	IA	2	10		
Vendor Customer ID	IA			OPEN-GO1	
Preferred Freight	IA			Ship via Open Express	

Term Type Id	Due Date	Amount	Paid Amount	Outstanding Amount
Payment (net days)	2014-06-14 23:59:59.000	\$150.00	\$0.00	\$150.00

Figure 11.27: Purchase Invoice Details



NOTE: Notice that the **Invoice Date** (the date the invoice was created) is different to the **Invoice Due Date** (the day that we have to pay this invoice). The date difference is thirty (30) days - exactly what was specified in the Purchase Agreement.

Working with Commission Agreements

A “Commission Agreement” is used to calculate how much money a Sales Representative will get when products they have promoted or marketed are sold to customers.

The rate paid to the Sales Representative is normally based on a percentage and as each sale can be quite small amounts, it is easier to consolidate multiple commission payments into one large payment (e.g. monthly).

If you have installed OFBiz with the demo data then there are already two example Commission Agreements created for us.

We will use one of these existing Commission Agreements for our example. (9000 for DemoRepAll)



NOTE: Unlike the Sales or Purchase Agreements neither of the agreement parties need to buy anything. The agreement becomes effective only when a particular product or product range has been sold to any customer.

Let's take a look at the Commission Agreement for DemoRepAll

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Agreements” from the Accounting Manager drop down menu
- ↳ Click “Find”
- ↳ Locate the Commission Agreement for DemoRepAll and click the Agreement ID

Search Results					
	Company	Company	Commission	New Date	Description
8000		DemoCustAgent	Commission		Commission Agreement with DemoCustAgent
9000	Company	DemoRepAll	Commission		Commission Agreement with DemoRepAll
AGR_TEST	Company	DemoSupplier	Supplier		Agreement for DemoSupplier
1000	Company	BigSupplier	Supplier		Purchasing Agreement with BigSupplier
1001	Company	EuroSupplier	Supplier		Purchasing Agreement with EuroSupplier-Milan

Figure 11.28: Selecting an Existing Commission Agreement

↳ Click “Agreement Terms”

A screen similar to the following will be displayed.

Term Type Id	Agreement Item Seq Id	Invoice Item Type	From Date	Thru Date	Term Value	Term Days	Text Value	Min Quantity	Max Quantity	Description	Update
Commission Term Fixed Per Unit	0001	Invoice Finished Good Item (Sales)			1				30		Remove
Commission Term Variable	0001	Invoice Finished Good Item (Sales)							30		Remove
Commission Term Minimum Per Unit	0001	Invoice Finished Good Item (Sales)							20		Remove

Figure 11.29: Commission Agreement Terms

So what does all this actually mean?

The entry for “Commission Term Fixed Per Unit” tells us that:

- For every invoice that has an invoice line with an item type “Invoiced Finished Goods (Sales)” one (1) currency unit (e.g. \$1, £1 etc) of the invoice line value will be commission for DemoRepAll. NOTE: This is a fixed value.
- The commission will be payable 30 days after the commission invoice is created

This means that this commission is fixed for each unit of product sold.

The entry for “Commission Term Variable Per Unit” tells us that:

- For every invoice that has an invoice line with an item type “Invoice Finished Goods (Sales)”, three percent (3%) of the invoice line value will be commission for DemoRepAll (e.g. If the invoice line value is \$100, then this value will be \$3). NOTE: This value varies and will increase as the invoice line value increases.
- The commission will be payable 30 days after the commission invoice is created

This means that the commission will vary depending on the number of items on the invoice and also the value of the items.

The entry for “Commission Term Minimum Per Unit” tells us that:

- The minimum commission per unit is zero

This simply means that there may be invoices and invoice lines where DemoRepAll doesn't receive any commission.

Why do we need to specify this at all?

This is because this agreement only gives a commission on a particular product (WG-9943) so for any other product this Sales Representative doesn't get anything!



IMPORTANT NOTE: There is some duplicate functionality in agreements between “Agreement Terms” and “Agreement Items” and it may be easier for you to use the “Agreement Items” screens

Let's take a look at how this is duplicated in Agreement Items.

- ↳ Click “Agreement Items”
- ↳ Click the ID of the existing agreement item (Even though it's related to commission currency)

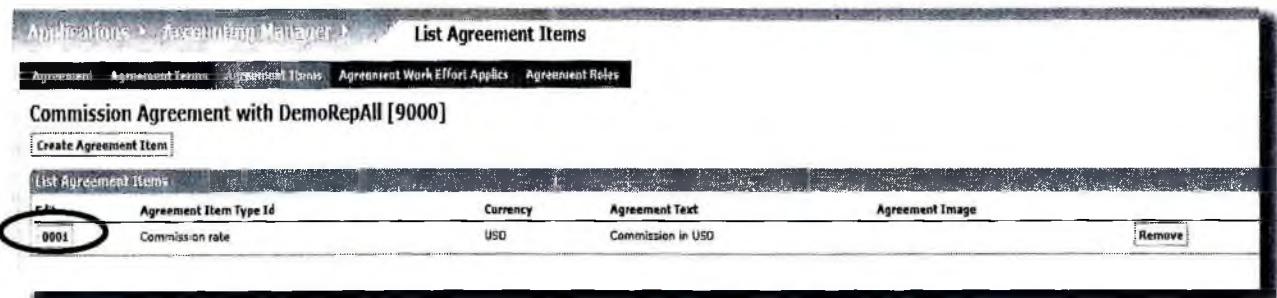


Figure 11.30: Agreement Item

A screen similar to the follow will be displayed.

The screenshot shows a 'Edit Agreement Item' page for the 'Commission Agreement with DemoRepAll [9000]'. The top navigation bar includes links for 'Agreement', 'Agreement Terms', 'Agreement Items', 'Agreement Work Effort Applies', and 'Agreement Roles'. Below the navigation bar, there is a horizontal menu with tabs: 'Agreement Items', 'Promotions', 'Terms', 'Products', 'Party', 'Geo', and 'Facilities'. An arrow points from the 'Agreement Items' tab to the left. The main content area is titled 'Edit Agreement Item'. It contains a form with fields: 'Agreement Item Seq Id' (value: 0001), 'Agreement Item Type Id' (dropdown menu showing 'Commission rate'), 'Currency' (dropdown menu showing 'American Dollar - USD'), 'Agreement Text' (text area containing 'Commission in USD'), and 'Agreement Image' (empty file input field). A 'Submit' button is at the bottom of the form.

Figure 11.31: Editing an Agreement Item

So how is this duplicating what we've seen already?

Take a look at the extra links that are now available (Agreement Items, Promotions, Terms, Products, Party, Geo, Facilities).

↳ Click "Terms"

The screenshot shows a software interface titled 'List Agreement Item Terms'. At the top, there are tabs for 'Agreement', 'Agreement Terms', 'Agreement Items', 'Agreement Work Effort Applies', and 'Agreement Roles'. Below these, a secondary navigation bar includes 'Agreement Item', 'Promotions', 'Terms', 'Products', 'Party', 'Geo', and 'Facilities'. The 'Terms' tab is highlighted. The main content area is titled 'Commission Agreement with DemoRepAll [9000]'. It features a 'Create Term' button and a 'List Agreement Item Terms' table. The table has columns for 'Edit', 'Term Type Id', 'Invoice Item Type', 'From Date', 'Thru Date', 'Term Value', 'Term Days', 'Text Value', 'Min Quantity', 'Max Quantity', and 'Description'. Three rows are listed:

Edit	Term Type Id	Invoice Item Type	From Date	Thru Date	Term Value	Term Days	Text Value	Min Quantity	Max Quantity	Description
	9000	Commission Term Fixed Per Unit			1	30				<input type="button" value="Remove"/>
	9001	Commission Term Variable			3	30				<input type="button" value="Remove"/>
	9002	Commission Term Minimum Per Unit			0	30				<input type="button" value="Remove"/>

Figure 11.32: Viewing the Commission Term Details

This shows us exactly the same information from the Agreement Terms screen (Figure 11.29) but in an easier to read format.

We can see details of:

- The Fixed Commission (e.g. \$1)
- The Variable Commission (e.g. \$3)
- The minimum Commission (e.g. \$0)

Let's take a look at some of the other links displayed.

↳ Click "Products"

The screenshot shows a software interface titled 'List Agreement Item Products'. At the top, there are tabs for 'Agreement', 'Agreement Terms', 'Agreement Items', 'Agreement Work Effort Applies', and 'Agreement Roles'. Below these, a secondary navigation bar includes 'Agreement Item', 'Promotions', 'Terms', 'Products', 'Party', 'Geo', and 'Facilities'. The 'Products' tab is highlighted. The main content area is titled 'Commission Agreement with DemoRepAll [9000]'. It features a 'New Product' and 'Print' buttons, and a 'List Agreement Item Products' table. The table has columns for 'Edit', 'Price', and 'Internal Name'. One row is listed:

Edit	Price	Internal Name	
WG-9943		Giant Widget variant explosion	<input type="button" value="Remove"/>

Figure 11.33: Viewing the Commission Term Details

You will see that there is a product entered here. This means that this agreement is limited to calculating commissions only on the sale of this particular product.

This is very useful because it means you can specify which of your Sales Representatives get commission from which products.

Our Commission Agreement is now ready to use. The next step is to test that it is working correctly.

Let's create a Sales Order for DemoCustomer

- DemoCustomer will buy our commission product (WG-9943)
- We will then verify that OFBiz recognises that a commission is due for DemoRepAll
- Finally we will check that the Commission Invoice is created for DemoRepAll

Once again let's take on the role of an Order Clerk and enter an order for DemoCustomer.

To do this we need to use Order Manager.

- ↳ Select “Order” from the Applications drop down menu
- ↳ Select “Order Entry” from the Order Manager drop down menu

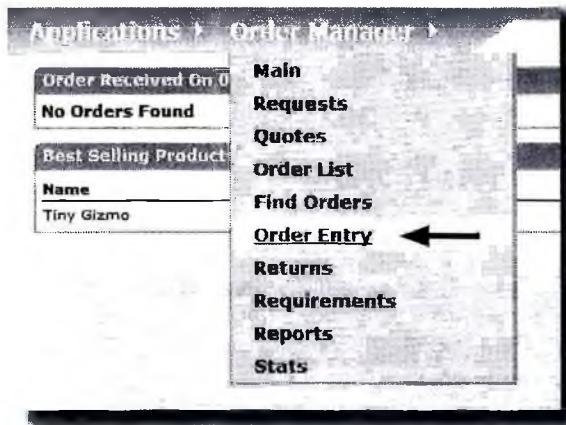


Figure 11.34: Order Manager

We need to enter a Sales Order using the top part of the screen.

- ↳ Select “Phone Channel” from the Channel drop down selection
- ↳ Enter “DemoCustomer” in the Customer field
- ↳ Click “Continue”

The screenshot shows the 'Order Initialization' screen under 'Order Manager'. At the top, it says 'Sales Order'. Below that, there are four input fields: 'Product Store' set to 'OFBiz E-Commerce Store', 'Sales Channel' set to 'Phone Channel', 'User Login ID' set to 'admin', and 'Customer' set to 'DemoCustomer'. There is also a note 'admin THE ADMINISTRATOR' next to the user login.

Figure 11.35: Entering the Sales Order

If an agreement exists, a drop down selection will be displayed as the first field on the next screen.

Tip: For this test it doesn't matter if you select the agreement or not. We are testing the Commission Agreement not the Sales Agreement.

- ↳ Select the agreement using the drop down selection (In our test we selected a Sales Agreement)
- ↳ Enter a description for the order (e.g. My Test Order for Commissions)
- ↳ Click "Continue"

The screenshot shows the 'Order Agreements' screen under 'Order Manager'. At the top, it says 'Enter Order Currency, Agreements, and Ship Dates'. There are several input fields: 'Select an agreement for this order' dropdown set to '10000 - Sales Agreement with DemoCustomer' (with an arrow pointing to it), 'Order Name' input field containing 'My Test Order for Commissions' (with an arrow pointing to it), 'PO Number' input field, 'Or set a currency for this order' dropdown set to 'USD', 'Choose catalogue' dropdown set to 'Demo Catalog', 'WorkEffort Id' input field, 'Default Ship After Date' input field, and 'Default Ship Before Date' input field. A 'Continue' button is visible at the top right.

Figure 11.36: Selecting a Customer Agreement



IMPORTANT NOTE: We do not select a Commission Agreement for an order. The normal Sales or Purchase Agreements are used if they exist.

- ↳ Enter “WG-9943-B3” in the Product ID (NOTE: This is a variant of the product WG-9943, the product that DemoRepAll will earn commission on)
- ↳ Enter “2” in the Quantity
- ↳ Click “Add to Order”

The screenshot shows a web-based application titled "Create Sales Order". At the top, there are several buttons: "Clear Order", "Remove Selected", "Recalculate Order", "Finalize Order" (which is circled in red), "Update Order With Default Options", and "Quick Finalize Order". Below these buttons, there is a form with the following fields:

- "Product ID": A dropdown menu showing "WG-9943-B3" and "WG-9943-B3 Giant Widget B3".
- "Quantity": An input field containing "2", with a black arrow pointing to it.
- "Desired Delivery Date": An input field with a calendar icon and a checkbox labeled "Use as default desired delivery date for next entry".
- "Ship After Date": An input field with a calendar icon.
- "Ship Before Date": An input field with a calendar icon.
- "Comment": An input field with a checkbox labeled "Use as default comment for next entry".
- "Add To Order": A button at the bottom left of the form.

A black arrow points to the "Add To Order" button.

Figure 11.37: Adding Products to the Order



NOTE: WG-9943 is a variant product. We cannot buy the WG-9943 product because it is the parent product - we can only buy one of the “children” or variants.

The details are added to the order.

- ↳ Click “Finalize Order”



NOTE: In our previous examples we used “Quick Finalize Order” link but this time we need to use “Finalize Order” because we want to use one of its additional options.

The first screen displayed is “Shipping Option”

- ↳ Click “Continue”

Sales Order : Order Entry Ship-To Settings

Ship Group Nbr 1

Supplier: [dropdown] Reserve Inventory from facility: [dropdown]

Tel Demo Customer
2004 Factory Blvd
Orem
UT
84057
USA

Update

Figure 11.38: Shipping Options

The next screen displayed is “Shipping Method”

- ↳ Select a Shipment Method (any one will do)
- ↳ Click “Continue”

Sales Order : Order Option Settings

Ship Group Nbr 1

Shipment Method

UPS Guaranteed Next Day - \$26.10
 UPS Air - \$14.20
 UPS Ground - \$7.60
 USPS Express - Calculated Offline
 USPS Standard - Calculated Offline
 No Shipping - Calculated Offline
 DHL Express - \$19.20
 DHL Next Afternoon - \$18.20
 DHL Second Day - \$14.20
 DHL Ground - \$7.60
 FEDEX Next Morning - \$0.00
 FEDEX Guaranteed Next Day - \$0.00
 FEDEX Next Afternoon - \$0.00
 FEDEX Second Day - \$0.00
 FEDEX Express - \$0.00

Internal Note **Shipping Notes**

Continue

Figure 11.39: Shipping Method

The next screen displayed is the “Order Terms”.

We are not changing anything here.

- ↳ Click “Continue”

The screenshot shows a table with four columns: Term Type, Term Value, Term Days, and Description. There is one row with the following data: Payment (net days), 10, and Description. Below the table are 'Update' and 'Remove' buttons. At the top right, there are tabs for Order Items, Shipping, Options, Order Terms, Payment, Parties, Review, and Continue, with 'Continue' circled.

Figure 11.40: Order Terms

The next screen is the “Payment Details”.

- ↳ Click “Offline Payment: Check/Money Order”
- ↳ Click “Continue”

The screenshot shows a list of payment methods: Offline Payment: Check/Money Order (selected), Cash or cheque on delivery, and CC: Visa 1111 02/2021 Card Security Code. An arrow points to the selected option. At the top right, there are tabs for Order Items, Shipping, Options, Order Terms, Payment, Parties, Review, and Continue, with 'Continue' circled.

Figure 11.41: Payment Method

The next screen is the one we want. It is the “Additional Parties” screen - we want to add DemoRepAll to this order.

- ↳ Click “Person”
- ↳ Enter “DemoRepAll” in Find Party
- ↳ Click “Apply”

The screenshot shows two steps: 1) Select type of party to associate to order (Person selected, Group and I do not wish to add additional parties are unselected). An arrow points to the 'Person' radio button. 2) Find Party: Identifier: DemoRepAll, Apply button. An arrow points to the 'Identifier' field. At the top right, there are tabs for Order Items, Shipping, Options, Order Terms, Payment, Parties, Review, and Continue.

Figure 11.42: Add Parties to Order

You will be asked for a role for the party.

- ↳ Select the “Sales Representative” role
- ↳ Click “Continue”

The Final Order Review screen is displayed.

Sales Order : Order Confirmation

Order Name: My Test Order for Commissions

Order Terms: Payment (net days) **Term Type:** 10 **Term Value:**

Splitting Preference: Please wait until the entire order is ready before shipping.

Gift: This order is not a gift.

Payment Information: Offline Payment

Delivery Information:

Destination	Supplier	Shipment Method	Item	Quantity
To: Demo Customer 2004 Factory Blvd Orem, UT , 84057		Federal Express Next Afternoon	WG-9943-B3 - Giant Widget B3	2
			WG-1111 - Micro Chrome Widget	1

Order Items:

Product	Quantity	Unit Price	Adjustments	Sub Total
WG-9943-B3 - Giant Widget B3	2	\$440.00	\$0.00	\$880.00
		Adjustment: Sales Tax Jurisdiction: Utah County [UTAH] Rate: 0.1%	\$0.88	
		Adjustment: Sales Tax Jurisdiction: Utah [UT] Rate: 4.75%	\$41.80	
		Adjustment: Sales Tax Jurisdiction: Not Applicable [NA] Rate: 1%	\$1.80	
WG-1111 - Micro Chrome Widget	1	\$59.99	-\$59.99	\$0.00
		Adjustment: Promotion : Spend more than \$100 on your favorite widgets and gizmos and get a free Micro Chrome Widget!	-\$59.99	
				Sub Total
				\$880.00

Figure 11.43: Final Order Review



NOTE: The agreement details are displayed as part of the order but **not** the detail we added about DemoRepAll.

- ↳ Create the Order

The View Order screen is displayed.

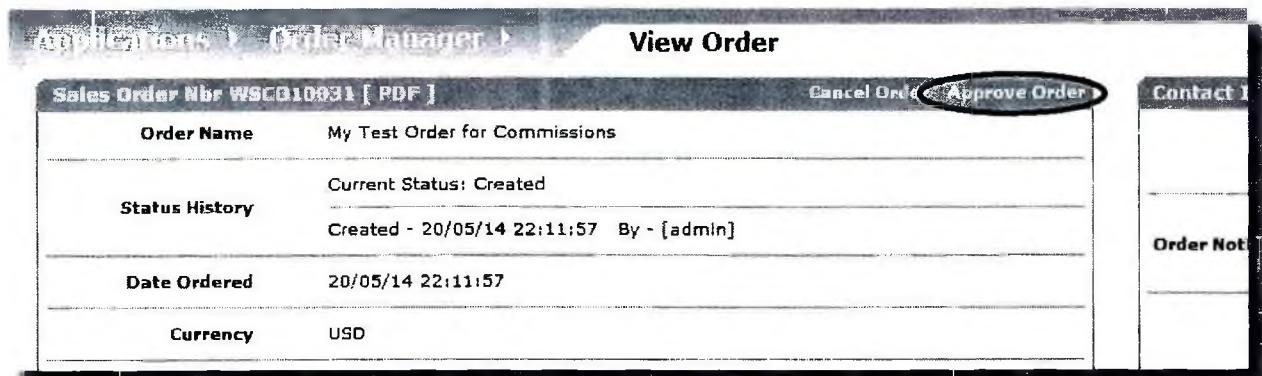


Figure 11.44: Approve Order

- ↳ Click “Approve Order”

We are now going to quickly ship the order so that an invoice is generated.

- ↳ Locate the “Actions” box on the right hand side of the screen.
- ↳ Click “Quick Ship Entire Order”

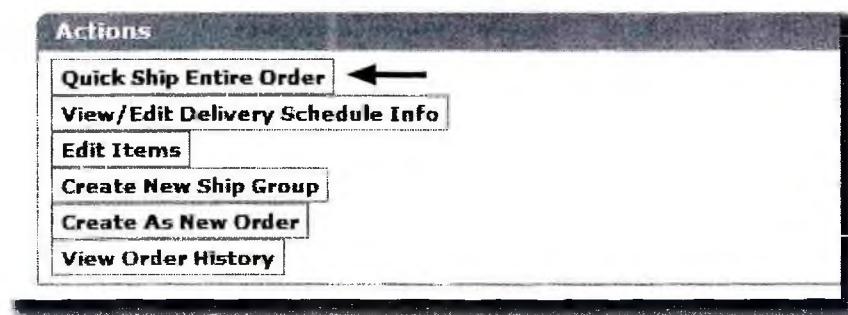


Figure 11.45: Quick Ship Entire Order

Tip: If you haven't approved the order, the “Quick Ship Entire Order” link wont be displayed

If you now look under “Payment Information” you will see that an invoice (CI6) has been created.

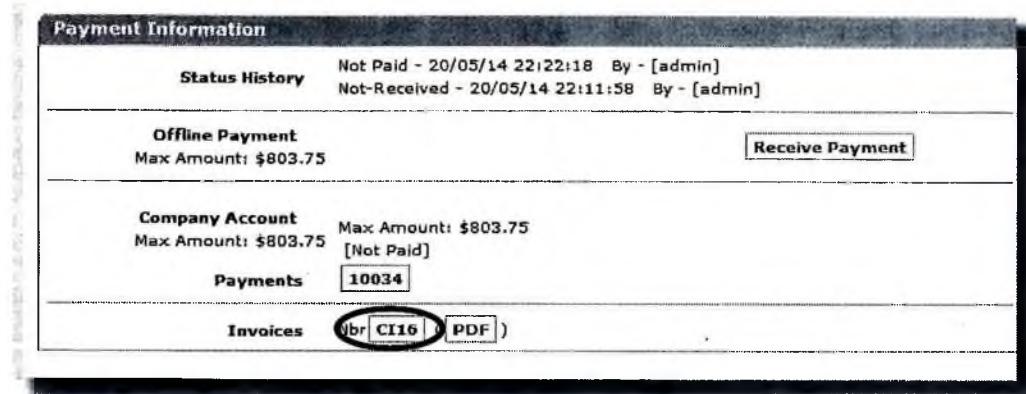


Figure 11.46: Invoice

↳ Click link to the Invoice

The detailed invoice screen will be displayed.

↳ Look under the “Roles” section.

You will see that DemoRepAll is displayed here because we included them as part of the order.

Invoice Overview

For: [CI16]

Header

Invoice Type	Sales Invoice	Status	Ready for Posting
Description		Invoice Message	
From Party ID	Your Company Name Here [Company]	To Party ID	Customer, Demo [DemoCustomer]
Role Type Id		Billing Account ID	
Invoice Date	2014-05-20	Due Date	2014-05-30
Total	\$803.75	Date Paid	
Reference Num			

Status

Status Date	Status
2014-05-20	In-Process
2014-05-20	Ready for Posting

Applied Payments \$0.00 Open \$803.75

Item No	Product Id	Description	Total	Payment Id	Amount Applied
			\$803.75	10034	\$803.75

Roles

Party Id	Name	Role Type Id	Percentage	Date Time Performed
[Company]	Your Company Name Here	Bill-From-Vendor		2014-05-20 22:22:15.225
[DemoCustomer]	Demo Customer	End-User Customer		2014-05-20 22:22:19.247
[DemoCustomer]	Demo Customer	Ship-To Customer		2014-05-20 22:22:19.243
[DemoCustomer]	Demo Customer	Bill-To Customer		2014-05-20 22:22:15.236
[DemoCustomer]	Demo Customer	Placing Customer		2014-05-20 22:22:19.232
[DemoRepAll]	Demo Sales Rep For All Stores	Sales Representative		2014-05-20 22:22:15.222

Terms

Term Type Id	Item No	Term Value	Term Days	Text Value	Description	UOM
Payment (net days)	NA		10			
Term Type Id	Due Date	Amount	Paid Amount	Outstanding Amount		
Payment (net days)	2014-05-30 23:59:59.000	\$803.75	\$0.00	\$803.75		

Items

Item No	Override	Override	Product Parent	Parent	Tax	Sales

Figure 11.47: Invoice Details

Let's pretend that this invoice has been paid.

- ↳ Locate the status change links at the top of the screen
- ↳ Click "Status to Paid"

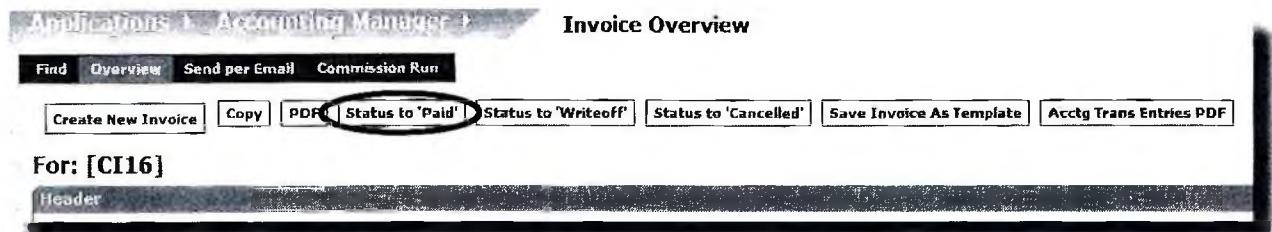


Figure 11.48: Change Invoice Status to Paid

This changes the invoice status.

We have created the invoice but what about the commission?

Look at the top of the invoice. There is a link to the "Commission Run"

- ↳ Click "Commission Run"

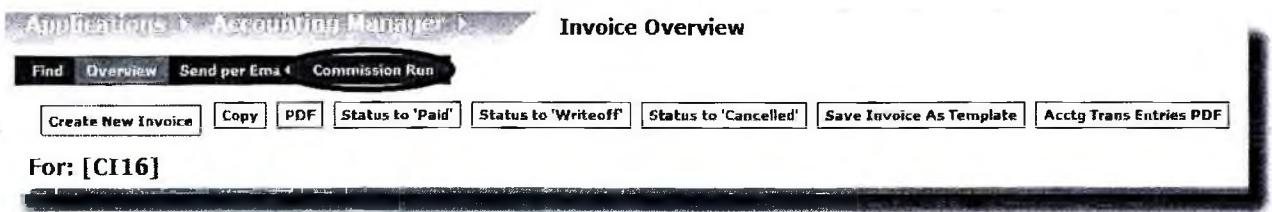


Figure 11.49: Link to Commission Run

A screen will be displayed.

This screen allows us to search for any invoice where a commission is due. We know that DemoRepAll is linked to our invoice (CI16) so we would expect it to show up in our query.

- ↳ Select "DemoRepAll" for Party ID
- ↳ Use the Date Picker to enter the From Date

- ↳ Use the Date Picker to enter the Thru Date
- ↳ Click “Find”

Invoice ID	From Party	To Party	Status	Reference Number	Description	Invoice Date	Due Date	Amount	Paid Amount	Outstanding Amount
CI16	Your Company Name Here	Demo Sales Rep for All Stores	Paid			2014-05-20 22:22:19.123	2014-05-20 23:59:59.000	\$803.75	\$803.75	\$0.00

Figure 11.50: Find Invoices for Commission Run

Our invoice (CI16) is displayed.



NOTE: If you leave the date fields blank - you will get no results. Also ensure your date range takes into account due dates in the future (e.g. if a customer has 10 days to pay but pays early - the invoice due date still remains in the future)

So what does doing a Commission Run mean?

Doing a “Commission Run” means that

- Any commission on the invoices selected will be calculated
- A Commission Invoice (a payable invoice) is created from your company to DemoRepAll

To run Commissions

- ↳ Check the box next to Invoice or Invoices you want to generate the commission for
- ↳ Select “Commission Run” from the drop down action box
- ↳ Click “Run”



Figure 11.51: Running Commissions

A message similar to the following will be displayed.



Figure 11.52: Commission Invoices Created Message

Tip: You can select multiple parties for a Commission Run, we have only selected one party (DemoRepAll)

Let's go and find the "Commission Invoice" that has been created.

- ↳ Select "Accounting" from the Applications drop down menu
- ↳ Select "Invoices" from the Accounting Manager drop down menu
- ↳ Click "Find"

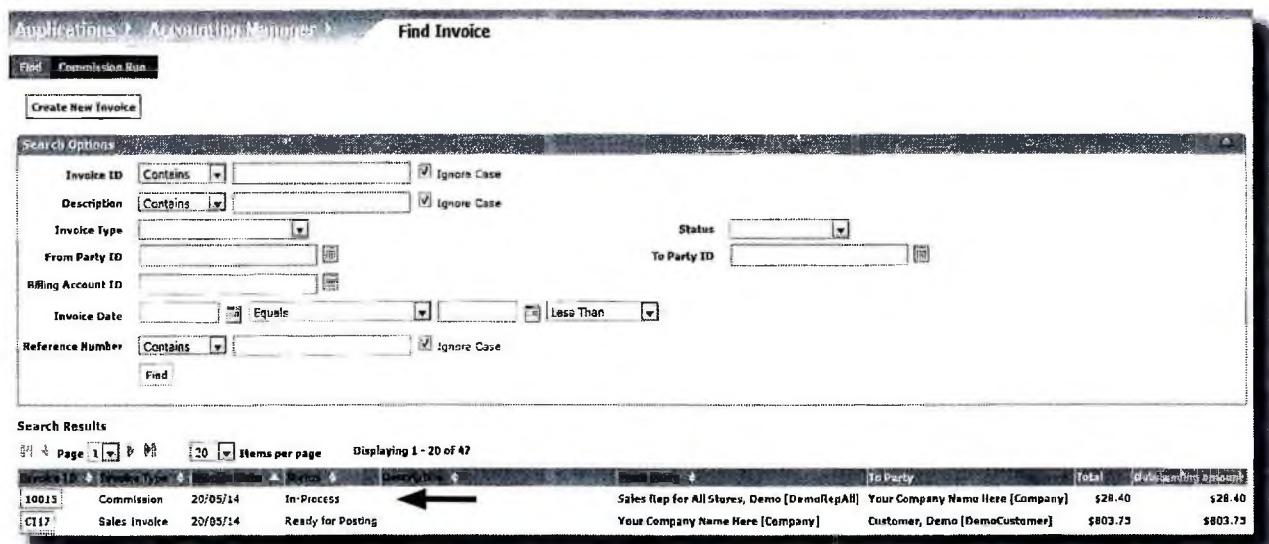


Figure 11.53: Commission Invoice

A Commission Invoice has been created from DemoRepAll to “Company” for \$28.40.

Let's go and check the commission calculations.

Reminder:

- The Commission Agreement was \$1 fixed for each unit sold (we sold two) = \$2
 - There was a 3% variable cost. The units were \$440 each ($3\% = \13.20) multiplied by two = \$26.40
- $\$2 + \$26.40 = \$28.40$

Our total matches what was expected and OFBiz has successfully generated the Commission invoice for the correct amount.

Tip: Click on the Commission Invoice ID to view the invoice. It shows details of the commission amount and the products that generated the commission

This completes the overview of the Commission Agreement process.

Miscellaneous Agreement Options

OFBiz also allows you to setup an agreement by region. Regions can be countries, states or other geographical areas.

- ↳ Click “Geo”

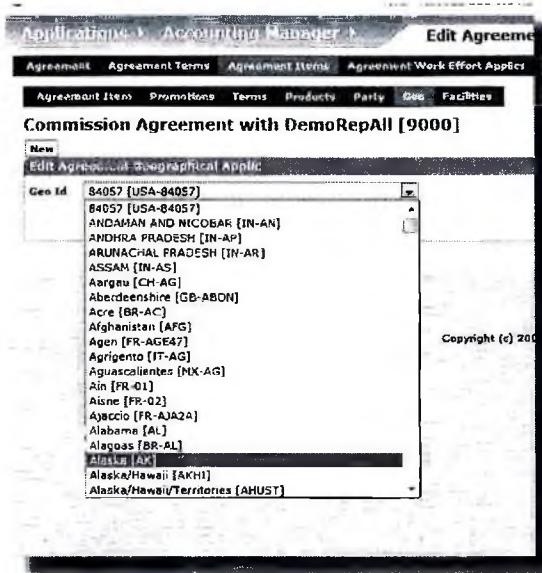


Figure 11.54: Adding a Geographical Region to an Agreement

To add a geographical region

- ↳ Click “New”
- ↳ Select a region from the drop down selection
- ↳ Click “Submit”

Once setup, only sales of the specific product within this region will attract a commission.

Let's look at another one of the options - Promotions.

This is probably more related to Sales Agreements (Customers). Promotions are special offers that you setup for a particular customer, product or region. They could be a discount or an offer of a free product if the customer spends over a certain amount.

Tip: Promotions are setup using Catalog Manager but they are available for selection within an agreement

- ↳ Click “Promotions”
- ↳ Click “Add New Promotion”

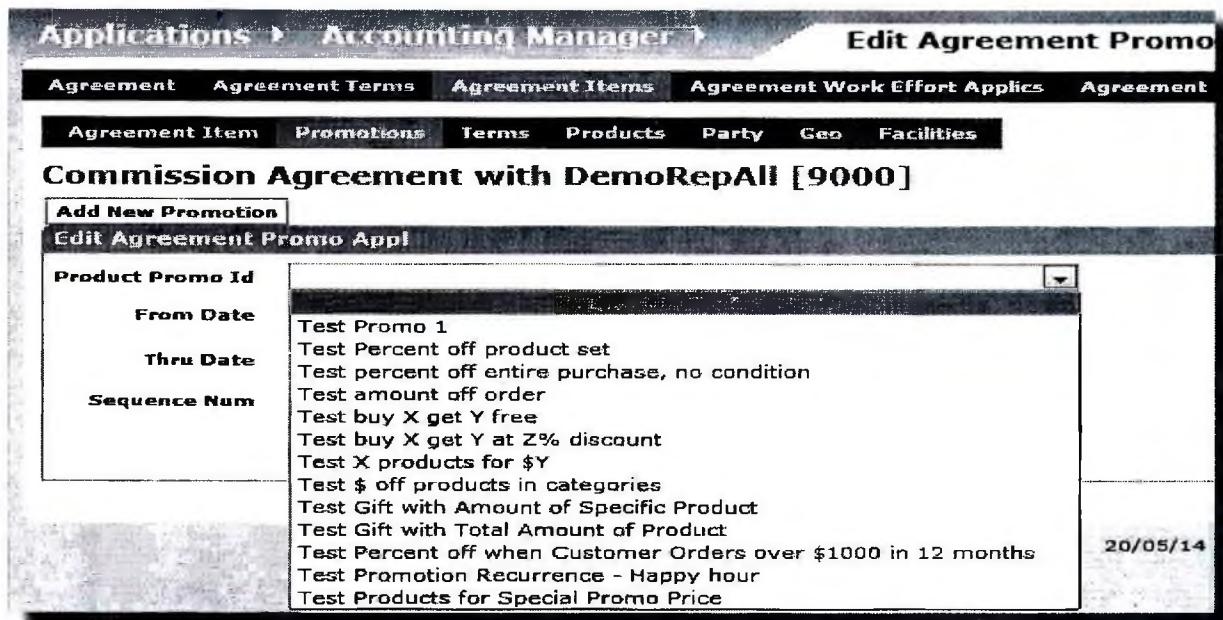


Figure 11.55: Adding a Promotion to an Agreement

- ↳ Enter a From Date
- ↳ Click “Submit”

Once setup this means that when the agreement is selected for an order the promotion details will be used.

You can also add Parties to an agreement.

- ↳ Click “Parties”

The screenshot shows a web-based application interface titled "Edit Agreement Item Party". At the top, there is a navigation bar with tabs: "Agreement", "Agreement Terms", "Agreement Items", "Agreement Work Effort Applies", and "Agreement Roles". Below the navigation bar, there is another row of tabs: "Agreement Item", "Promotions", "Terms", "Products", "Party", "Geo", and "Facilities". The "Party" tab is highlighted. The main content area is titled "Commission Agreement with DemoRepAll [9000]". Inside this area, there is a sub-header "Edit Agreement Item Party" and a form with fields: "Party Id" (containing "9000") and a "Submit" button. A "New" link is also visible.

Figure 11.56: Adding a Parties to an Agreement

This can be useful if you have several departments or business units within your organisation that deal with the same supplier or customer.

The final option to mention is “Facilities”.

- ↳ Click “Facilities”

The screenshot shows a web-based application interface titled "Edit Agreement Item Facility". At the top, there is a navigation bar with tabs: "Agreement", "Agreement Terms", "Agreement Items", "Agreement Work Effort Applies", and "Agreement Roles". Below the navigation bar, there is another row of tabs: "Agreement Item", "Promotions", "Terms", "Products", "Party", "Geo", and "Facilities". The "Facilities" tab is highlighted. The main content area is titled "Commission Agreement with DemoRepAll [9000]". Inside this area, there is a sub-header "Edit Agreement Item Facility" and a form with fields: "Facility Id" (containing "9000") and a "Submit" button. A "New Facility" link is also visible.

Figure 11.57: Adding a Facility to an Agreement

This can be useful if you have multiple warehouses or offices and want to specify that only sales or products from a particular location are part of the agreement.

This completes the overview of Agreements.

Agreements Summary

So now let's have a review what we have covered in this chapter to demonstrate the Agreements functionality.

- We defined what an Agreement is, the different types and how they can be used
- We went through all the steps involved in creating a Customer Sales Agreement
- We then tested the Agreement Setup by creating a Sales Order and generating the Sales Invoice
- We successfully verified that the Agreement Terms were being used to calculate details for the Sales Invoice
- We looked at Supplier Purchase Agreements and how they are used
- We created a Purchase Order and went on to generate the Purchase Invoice
- We then successfully verified that the Agreement Terms were being used to generate the Purchase Invoice
- We took a look at Commission Agreements and how they are used
- We then created a Sales Order and generated a Sales Invoice where a commission would be due
- We went through the complete Commission Run process and generated a Commission Invoice
- We verified that the commission was calculated correctly based on the rules set in the Commission Agreement
- Finally we looked at some of the other options available for adding terms (rules) to agreements (e.g. regions, promotions, parties and facilities)

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Chapter 12:

Financial

Accounts

What is a Financial Account ?

A “Financial Account” is a tool (similar to an online bank account statement) that is used for monitoring monetary transactions.

A Financial Account is linked to a Party (e.g. your company or a customer) and the various transactions details (e.g. payments or receipts) will be shown as entries.

Examples of how Financial Accounts can be used are as follows:

- Managing and Tracking Customer Prepaid Accounts
- Managing and Tracking Customer Credit Limit
- Managing Electronic Gift Certificates / Gift Vouchers/ Gift Card
- Reload of Electronic Gift Card
- Company Bank Account Transaction Tracking

At the time of writing you can currently setup the following type of Financial Accounts in OFBiz:

- Bank Account
- Credit Card Account
- Deposit Account
- Equity Line Account
- Gift Certificate
- Investment Account
- Loan Account
- Replenishment Account
- Service Credit Account
- Store Credit Account

Financial Accounts and the Chart of Accounts

Financial Accounts can be linked to a specific General Ledger Account. In Chapter 4 Business Accounting Setup, we came across a “GL Account Default” linked to Financial Accounts.

Reminder: A GL Account Type Default is a rule that we can setup to help us automate the generation and posting of accounting transactions.

Let's go and take a look at it again. To get to the GL Account Type Defaults:

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Organization GL Settings” from the Accounting Manager drop down menu
- ↳ Click “Setup” for the default company (“Your Company Name Here”)
- ↳ Click “GL Account Defaults”
- ↳ Click “FinAccount Type GL Account”

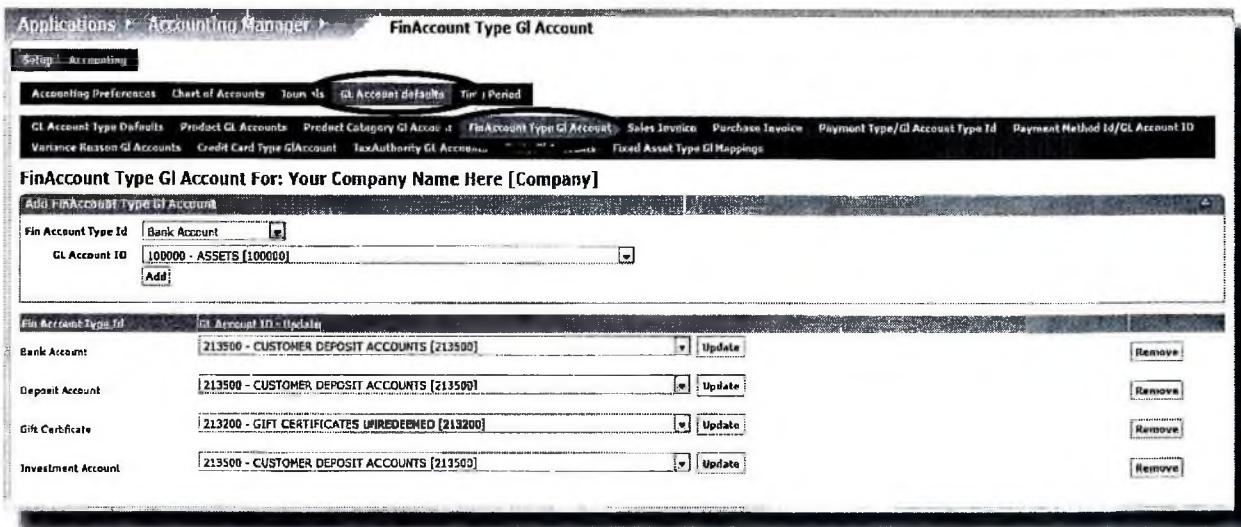


Figure 12.1: Financial Account GL Account Default

This mapping is triggered whenever you use a Financial Account as part of a transaction. So if you order a product and pay for it using a Financial Account, then this mapping will be used.

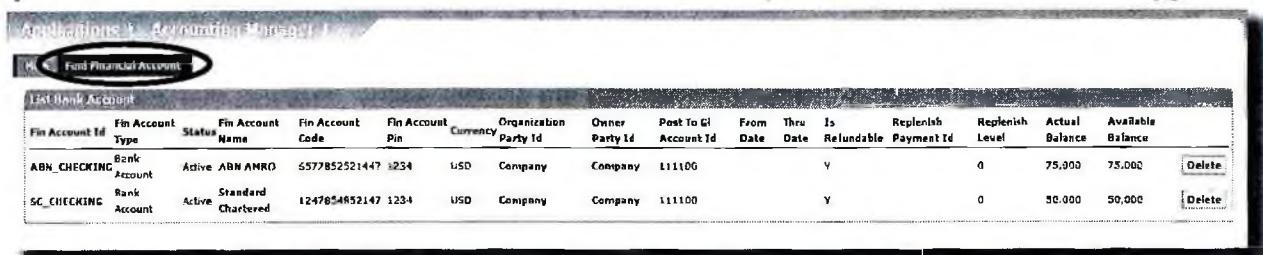
Have you noticed that this mapping is done by Financial Account type (e.g. Bank Account, Deposit Account etc)?

This means that if you have more than one type of these accounts (e.g. 3 bank accounts that you want to track in separate accounts you will need to create override accounts. We will cover how to do this in this later in this chapter.

To get to Financial Accounts:

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Financial Account”

The default screen will be similar to the following:



The screenshot shows a web-based application window titled "Applications > Accounting Manager". Below it is a sub-menu "Find Financial Account". The main content area is titled "List Bank Account". A table displays two rows of financial account information:

Fin Account Id	Fin Account Type	Status	Fin Account Name	Fin Account Code	Fin Account Pin	Currency	Organization Party Id	Owner Party Id	Post To Gl Account Id	From Date	Thru Date	Is Refundable	Replenish Payment Id	Replenish Level	Actual Balance	Available Balance
ABN_CHECKING	Bank Account	Active	ABN AMRO	6577852521447	1234	USD	Company	Company	111100			Y		0	75,000	75,000
SC_CHECKING	Bank Account	Active	Standard Chartered	1247854852147	1234	USD	Company	Company	111100			Y		0	50,000	50,000

Figure 12.2: Default Financial Account Screen

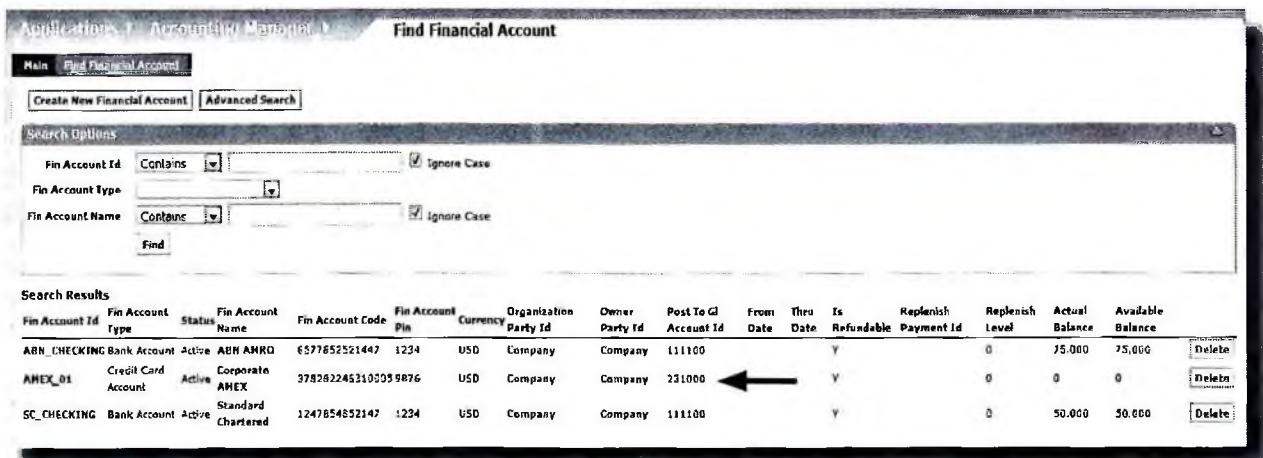


IMPORTANT NOTE: This default summary screen gives us details about the bank accounts only.

To list all the different types of Financial Account

- ↳ Click “Find Financial Account”
- ↳ Click “Find”

This will list all the Financial Accounts. Notice that there is a Credit Card Account displayed here that wasn't shown in our original summary.



The screenshot shows a web-based application window titled "Applications > Accounting Manager". Below it is a sub-menu "Find Financial Account". The main content area is titled "Find Financial Account". It features a search interface with fields for "Fin Account Id", "Fin Account Type", and "Fin Account Name", each with dropdown menus and checkboxes for "Contains" and "Ignore Case". Below the search interface is a table titled "Search Results" displaying financial account information. An arrow points to the "AMEX_01" row, which represents a Credit Card Account.

Fin Account Id	Fin Account Type	Status	Fin Account Name	Fin Account Code	Fin Account Pin	Currency	Organization Party Id	Owner Party Id	Post To Gl Account Id	From Date	Thru Date	Is Refundable	Replenish Payment Id	Replenish Level	Actual Balance	Available Balance
ABN_CHECKING	Bank Account	Active	ABN AMRO	6577852521447	1234	USD	Company	Company	111100			Y		0	75,000	75,000
AMEX_01	Credit Card Account	Active	Corporate AMEX	3782622452100059876		USD	Company	Company	231000			Y		0	0	0
SC_CHECKING	Bank Account	Active	Standard Chartered	1247854852147	1234	USD	Company	Company	111100			Y		0	50,000	50,000

Figure 12.3: List of all Financial Accounts

- ↳ Click the link to "ABN_CHECKING" account id
 This displays the details for the account.

Edit Financial Account ABN AMRO [ABN_CHECKING]

Fin Account Id	ABN_CHECKING	cannot change without re-creating	1
Fin Account Type	Bank Account	2	
Status	Active	3	
Fin Account Name	ABN AMRO	4	
Fin Account Code	6577852521447	5	
Fin Account Pin	1234	6	
Currency	American Dollar - USD	7	
Organization Party Id	Company	8	
Owner Party Id	Company	9	
Post To GL Account Id	111100	10	
From Date		11	
Thru Date		12	
Is Refundable	Y	13	
Replenish Payment Id		14	
Replenish Level	0	15	
Actual Balance	75,000	16	
Available Balance	75,000	17	

Figure 12.4: Financial Account Details

KEY	COMMENTS / MEANING
1	"Fin Account Id" is the unique identifier for the Financial Account
2	"Fin Account Type" is the type of Financial Account (Bank Account, Store Credit)
3	"Status" is the status of the account (e.g. Active, Frozen etc)
4	"Fin Account Name" is the name or description of the account
5	"Fin Account Code" is the account number (e.g. bank account number)
6	"Fin Account Pin" is the security code to be used with the account
7	"Currency" is the currency that the transactions will be reported in
8	"Organization Party Id" is the party that is linked to the account (e.g. this could be a department within an organisation)
9	"Owner Party Id" is the party that owns the account

KEY	COMMENTS / MEANING
10	"Post to GL Account Id" is the GL Account that transactions will be posted to. IMPORTANT NOTE: This will override the default setting in the GL Account Defaults
11	"From Date" is the date from which the account is active
12	"Thru Date" is the date to which the account is active.
13	"Is Refundable" is used to flag whether refunds can be processed into this account
14	"Replenish Payment Id" is not currently used
15	"Replenish Level" is a number you can set as a minimum balance that could trigger the account to need additional funds
16	"Actual Balance" is the actual balance of the account
17	"Available Balance" is the available balance of the account (NOTE: This is important if transactions are in process)

Let's take a look at some of the account transactions.

- ↳ Click "Transactions"
- ↳ Click "Search"

Find Transactions for Financial Account: ABN AMRO [ABN_CHECKING]

Financial Account: ABN_AMRO [ABN_CHECKING] **Transactions** Deposit/Withdraw Deposit Slips Reconciliation

Create New | Bank Reconciliation

Search Options

Fin Account Trans Type Id	Status	GI Reconciliation Id
From Transaction Date	Thru Transaction Date	
From Entry Date	Thru Entry Date	
<input type="button" value="Search"/> ←		

Search Results

Fin Account Trans Id	Fin Account Trans Type Id	Party	GI Reconciliation Id	Transaction Date	Entry Date	Amount	Payment Type	Paid by	Status	Comments	Cancel Transaction
9101	Deposit	Your Company Name Here[Company]	demoGIReconciliation[9000] 00:00:01.000	2009-04-01 00:00:01.000	2009-04-01 00:00:01.000	75000			Approved		
9102	Withdraw	Your Company Name Here[Company]		2009-07-18 00:00:01.000	2009-07-18 00:00:01.000	500	8001	Vendor Payment	Company Check	Created	<input type="button" value="Cancel"/>
9103	Deposit	Your Company Name Here[Company]		2009-08-12 16:24:33.306	2009-08-12 16:24:33.306	20	8003	Customer Payment	Company Check	Created	<input type="button" value="Cancel"/>
9104	Withdraw	Your Company Name Here[Company]		2009-07-16 00:00:01.000	2009-08-11 12:28:45.315	33.99	8002	Vendor Payment	Company Check	Created	<input type="button" value="Cancel"/>
Grand Total / Number of Transaction			Created Grand Total / Number of Transaction			Approved Grand Total / Number of Transaction			Created/Approved Grand Total / Number of Transaction		
74486.01 / 4			-513.99 / 3			75000 / 1			74466.01 / 4		

Figure 12.5: Financial Account Transactions

This shows each individual account transaction and details about:

- The Transaction date (both actual transaction date and date posted to the account)
- Whether it was a Deposit or Withdrawal
- The Transaction Amount
- The Payment Type, Method and Status

Having the “payment type” available helps us link into the OFBiz Payments functionality which gives us a full audit trail.

Using our example we can see that two of the withdrawals from this account went out as “Vendor Payments”. This means that we used the money to pay our suppliers. The deposit in the account comes from a “Customer Payment” meaning that one of our customers bought something from us and paid us into this account.

- ↳ Click a Payment ID link

We have access to the Payment details showing the customer, the amounts and accounting transactions generated by the Payment. It is all very clear and transparent.

The screenshot displays the 'Payment Overview' page for Payment ID [8001]. The top navigation bar includes 'Find', 'Overview', and 'Applications'. Below the navigation are buttons for 'Create New', 'Status to "Confirmed"', 'Status to "Void"', and 'Acctg Trans Entries PDF'.

Payment Header:

Payment Type ID	Vendor Payment	Payment Method Type	Company Check
Status	Sent	Payment Method Id	
From Party	Your Company Name	To Party	Acct By Supplier
Reference No	100-100	Payment Preference ID	[Acc1BigSupplier]
Amount	\$82.86	Actual Currency Amount	
Effective Date	11/07/09	Comments	
Override GL Account Id		Payment Gateway Response Id	

Financial Account Transaction:

Fin Account Trans Id	Item No	Billing Account Id	Override GL Account Id	To payment ID	Tax Auth Geo ID	Amount Applied
8002						\$36.43
8003						\$46.43

Transactions:

Acctg Trans Entry Seq Id	To Fiscal Year	Acctg Trans Type Id	Transaction Date	Posted Date	GL Journal Id	Trans Type	Invoice Description ID	Fixed Asset Id	Asset Account Id	Product Id	Debit Credit Flag	Amount Orig	Organization Party Id	GL Account Type	Account Code	Account Name	GL Account Class	Party	Reconcile Status Id	Acctg Trans Entry Type Id
8006 00001 Y	ACTUAL	Outgoing Payment	2009-07-11 12:28:44.219	2009-07-11 12:28:44.451		Outgoing Payment			111100	C	\$62.86	\$62.86	Company	Current Asset	111100	GENERAL CHECKING ACCOUNT	Cash and Accruals	Act Big Equivalent Supplier	Recorded	NA
8006 00002 Y	ACTUAL	Outgoing Payment	2009-07-11 12:28:44.219	2009-07-11 12:28:44.451		Outgoing Payment			210000	D	\$82.86	\$82.86	Company	Accounts payable	210000	ACCOUNTS PAYABLE	Current Liability	Not Reclassified	NA	
8007 00001 Y	ACTUAL	Payment Applied	2009-07-11 12:28:44.655	2009-07-11 12:28:44.762		Payment Applied			8003	D	\$46.43	\$46.43	Company	Accounts payable	210000	ACCOUNTS PAYABLE	Current Liability	Act Big Not Supplier Reclassified	NA	
8007 00002 Y	ACTUAL	Payment Applied	2009-07-11 12:28:44.655	2009-07-11 12:28:44.762		Payment Applied			8003	C	\$46.43	\$46.43	Company	Accounts payable	210000	ACCOUNTS PAYABLE	Current Liability	Act Big Not Supplier Reclassified	NA	
8008 00001 Y	ACTUAL	Payment Applied	2009-07-11 12:28:44.928	2009-07-11 12:28:44.933		Payment Applied			8002	D	\$36.43	\$36.43	Company	Accounts payable	210000	ACCOUNTS PAYABLE	Current Liability	Act Big Not Supplier Reclassified	NA	
8008 00002 Y	ACTUAL	Payment Applied	2009-07-11 12:28:44.928	2009-07-11 12:28:44.933		Payment Applied			8002	C	\$36.43	\$36.43	Company	Accounts payable	210000	ACCOUNTS PAYABLE	Current Liability	Act Big Not Supplier Reclassified	NA	

Figure 12.6: Payment Details

Reminder: Payments are covered in detail in Chapter 8 Payments and Payment Groups.

Creating a New Financial Account

We are going to do an example of how to create and use Financial Accounts.

In our example

- We will create a new Financial Account
- We will add some transactions to it including a transaction that creates a Deposit Slip
- We will create a Reconciliation and reconcile it

Let's create a Financial Account.

- ↳ Click "Create New Financial Account"

The screenshot shows a web-based application interface for managing financial accounts. At the top, there's a navigation bar with 'Applications > Accounting Manager'. Below it is a search bar labeled 'Find Financial Account'. Underneath the search bar are two buttons: 'Create New Financial Account' (which is highlighted with a red oval) and 'Advanced Search'. A section titled 'Search Options' follows, containing three sets of input fields: 'Fin Account Id' (with dropdown menus for 'Contains' and a text input field), 'Fin Account Type' (with a dropdown menu), and 'Fin Account Name' (with dropdown menus for 'Contains' and a text input field). Each of these three sets has an 'Ignore Case' checkbox. At the bottom of this section is a 'Find' button.

Figure 12.7: Create New Financial Account

- ↳ Enter the details from the table below

FIELD	VALUE
Fin Account Type	Bank Account
Status	Active
Fin Account Name	My Own Financial Account
Fin Account Code	1122334455
Fin Account Pin	3456
Currency	USD
Organization Party Id	Company

FIELD	VALUE
Owner Party Id	Company
Post to GL Account Id	111100
From Date	Current Date
Thru Date	Leave Blank
Is Refundable	Y
Replenishment Payment Id	Leave Blank
Replenishment Level	Leave Blank

Reminder: The entry we enter in the "Post to GL Account Id" will override what has been setup in the "GL Account Default" for Financial Accounts.

Create New Financial Account

The screenshot shows a software interface for creating a new financial account. The form includes the following fields:

- Fin Account Type: Bank Account
- Status: Active
- Fin Account Name: My Own Financial Account
- Fin Account Code: 1122334455
- Fin Account Pin: 3456
- Currency: American Dollar - USD
- Organization Party Id: Company
- Owner Party Id: Company
- Post To GI Account Id: 111100 (highlighted with a large arrow)
- From Date: (empty field)
- Thru Date: (empty field)
- Is Refundable: Y
- Replenish Payment Id: (empty field)
- Replenish Level: (empty field)
- Actual Balance: (empty field)
- Available Balance: (empty field)
- Create: (highlighted with a large arrow)

Figure 12.8: Enter Financial Account Details

↳ Click "Create"

The new Financial Account is created.

The opening balance of the account is zero so let's go and add some transactions.

- ↳ Click "Transactions"

A screen similar to the following will be displayed.

This screenshot shows the 'Find Transactions for Financial Account' interface. The title bar says 'Find Transactions for Financial Account: My Own Financial Account [10001]'. Below it, there are tabs: Financial Account, Role(s), Transactions (which is selected), Deposit/Withdraw, Deposit Slips, and Reconciliation. A 'Create New' button is circled in red. There are several search fields: Fin Account Trans Type Id (dropdown), Status (dropdown), GL Reconciliation Id (dropdown), From Transaction Date (date picker), Thru Transaction Date (date picker), From Entry Date (date picker), Thru Entry Date (date picker), and a 'Search' button.

Figure 12.9: Transactions Default Screen

- ↳ Click "Create New"

We are going to create a Deposit transaction.

- ↳ Select "Deposit" from the Fin Account Trans Type Id drop down selection
- ↳ Enter "DemoCustomer" as the Party Id
- ↳ Use the Date Picker to select the current date as the Transaction Date
- ↳ Enter "150" in Amount
- ↳ Select "111100" from the GL Account drop down selection
- ↳ Click "Add"

This screenshot shows the 'Edit Financial Account Transaction' interface. The title bar says 'Edit Financial Account Transaction'. Below it, there are tabs: Financial Account, Role(s), Transactions (selected), Deposit/Withdraw, Deposit Slips, and Reconciliation. The main area is titled 'Edit Financial Account Transaction For My Own Financial Account [10001]'. It has fields for: Fin Account Trans Type Id (set to 'Deposit'), Party Id ('DemoCustomer'), GL Reconciliation Id (dropdown), Transaction Date ('22/05/2014 09:23:07'), Entry Date (dropdown), Amount ('150'), Payment Id (dropdown), Order Id (dropdown), Order Item Seq Id (dropdown), Reason Enum Id (dropdown), Comments (text area), Status ('Created'), and GL Account ('111100 - GENERAL CHECKING ACCOUNT [111100]'). Arrows point to each of these fields.

Figure 12.10: Add New Transaction

The new transaction is created.

↳ Click "Search"

The new transaction will be displayed.

The screenshot shows a software application window titled "Find Transactions for Financial Account: My Own Financial Account [10001]". The search criteria include "Fin Account Trans Type Id: Deposit", "Status: Created", and "From Entry Date: 10011". The search results table displays one transaction:

Fin Account Trans/Fin Account Trans Type Id	Party	GI Recreconciliation Name	Transaction Date	Entry Date	Amount	Payment Id	Payment Type	Payment Method	Status	Comments/Created Transaction Status
10011 Deposit	Demo Customer [DemoCustomer]		2014-05-22 09:23:07.000	2014-05-22 19:32:56.087	150				Created	<input type="button" value="Cancel"/>
Grand Total / Number of Transaction			Created Grand Total / Number of Transaction		Approved Grand Total / Number of Transaction				Created/Approved Grand Total / Number of Transaction	
100 / 1			150 / 1		0 / 0				100 / 1	

Figure 12.11: Displaying the Newly Added Transaction

Notice that some "Transaction Totals" are also displayed.

↳ Create another Deposit transaction using the same details but for an amount of \$858.

Now let's take a closer look at the Transaction Totals.

The screenshot shows the same software application window. The search results table now contains two transactions:

Fin Account Trans/Fin Account Trans Type Id	Party	GI Recreconciliation Name	Transaction Date	Entry Date	Amount	Payment Id	Payment Type	Payment Method	Status	Comments/Created Transaction Status
10011 Deposit	Demo Customer [DemoCustomer]		2014-05-22 09:23:07.000	2014-05-22 19:32:56.087	150				Created	<input type="button" value="Cancel"/>
10012 Deposit	Demo Customer [DemoCustomer]		2014-05-22 09:41:56.000	2014-05-22 19:42:22.217	858				Created	<input type="button" value="Cancel"/>
Grand Total / Number of Transaction			Created Grand Total / Number of Transaction		Approved Grand Total / Number of Transaction				Created/Approved Grand Total / Number of Transaction	
1008 / 2			1008 / 2		0 / 0				1008 / 2	

Figure 12.12: Financial Account Transaction Totals

What are they telling us?

Grand Total / Number of Transactions tells us:

- That the total transaction value is \$1008
- The total number of transactions is 2

Created Grand Total / Number of Transactions tells us:

- That the transaction total for the transactions with a “created” status is \$1008
- That the total number of transactions is 2

Approved Grand Total / Number of Transactions tells us:

- That the transaction total for transactions with an “approved” status is zero
- That there are no approved transactions



NOTE: We haven't approved any transactions, we have only created them. We need to reconcile the transactions before they can be approved.

Created / Approved Grand Total / Number of Transactions tells us:

- That the total of all “created” and “approved” status transactions is \$1008
- That the total number of transactions is 2

We have created some transactions so our next step is to reconcile them. To reconcile transactions we need to create a “Reconciliation” and then link the “Reconciliation” to the transactions we have just created.

Reminder: We have come across “Reconciliations” before, as part of the Account Reconciliation Process in Chapter 5 Accounting Transactions

We can see the list of transactions that have not yet been linked to a Reconciliation as follows:

- ↳ Select “Not Assigned” from the “GL Reconciliation Id” drop down selection
- ↳ Click “Search”

The screenshot shows a search interface for financial transactions. At the top, there's a navigation bar with tabs: Financial Account, Role(s), Transactions, Deposit/Withdraw, Deposit Slips, and Reconciliation. The 'Transactions' tab is active. Below the navigation bar is a search bar with fields for 'GL Reconciliation Id' (set to 'Not Assigned') and 'Status' (set to 'Created'). There are also date range fields for 'From Transaction Date' and 'Thru Transaction Date', and 'From Entry Date' and 'Thru Entry Date'. A 'Search' button is located at the bottom left of the search area, with a red arrow pointing to it. Below the search area is a section titled 'Search Results' which displays a table of transaction details. The table has columns for Fin Account Trans Id, Fin Account Trans Type Id, Party, GL Reconciliation Name, Transaction Date, Entry Date, Amount, Payment Method, Payment Method Status, and Transaction Status. Two rows of data are shown:

Fin Account Trans Id	Fin Account Trans Type Id	Party	GL Reconciliation Name	Transaction Date	Entry Date	Amount	Payment Method	Payment Method Status	Transaction Status
10011	Deposit	Demo Customer [DemoCustomer]		2014-05-22 09/22/07:000	2014-05-22 19:32:55.087	150		Created	<input type="button" value="Cancel"/>
10012	Deposit	Demo Customer [DemoCustomer]		2014-05-22 09/41:56:000	2014-05-22 19/42/22:217	658		Created	<input type="button" value="Cancel"/>

At the bottom of the results table, there are summary rows for 'Grand Total / Number of Transaction' (1006 / 2) and 'Approved Grand Total / Number of Transaction' (0 / 0). To the right of these summary rows is a column labeled 'Created/Approved Grand Total / Number of transaction' with the value '1006 / 2'.

Figure 12.13: Non Assigned Transactions

The transactions we have just created are displayed because they haven't been linked to a Reconciliation yet.



NOTE: Businesses will normally do reconciliations on a regular basis. Whether this is daily, weekly or some other period, a process will be in place to validate that the transactions entered are correct.

We are going to create a Reconciliation for our transactions.

- ↳ Click "Reconciliation"

A screen similar to the following will be displayed.

The screenshot shows a search interface for financial account reconciliations. At the top, there's a navigation bar with tabs: Financial Account, Role(s), Transactions, Deposit/Withdraw, Deposit Slips, and Reconciliation. The 'Reconciliation' tab is active. Below the navigation bar is a search bar with a button labeled 'Create New Financial Account Reconciliations' with a red arrow pointing to it. There are also search fields for 'GL Reconciliation Id', 'GL Reconciliation Name', 'Status', 'Organization Party Id', and 'GL Account Id'. A 'Search' button is located at the bottom left of the search area.

Figure 12.14: Create New Financial Account Reconciliation

- ↳ Click “Create New Financial Account Reconciliation”

Enter the following details

- ↳ Enter “My Fin Account Rec 1” in GL Reconciliation Name
- ↳ Enter “My First Financial Account Rec” in Description
- ↳ Enter “Company” as the Organization Party Id
- ↳ Enter 0 (zero) as the Opening Balance
- ↳ Click “Create”

The screenshot shows a web-based application interface for managing financial account reconciliations. At the top, there's a navigation bar with tabs: Financial Account, Role(s), Transactions, Deposit/Withdraw, Deposit Slips, and Reconciliation. The 'Reconciliation' tab is active. Below the navigation, a sub-header reads 'Edit Financial Account Reconciliations for Financial Account : My Own Financial Account [10001]'. A sub-sub-header 'Add Financial Account Reconciliations for Financial Account : My Own Financial Account [10001]' is present. The main area contains several input fields with labels: 'GL Reconciliation Name' (containing 'My Fin Account Rec 1'), 'Description' (containing 'My First Financial Account Rec'), 'Created Date' (with a calendar icon), 'Last Modified Date' (with a calendar icon), 'Organization Party Id' (containing 'Company' and a dropdown placeholder 'Your Company Name Here'), 'Opening Balance' (containing '0'), and 'Reconciliation Date' (with a calendar icon). A 'Create' button is at the bottom left. Five black arrows point from the list items in the previous section to these specific fields.

Figure 12.15: Enter Reconciliation Details

A “GL Reconciliation” will be created and the “Id” will be displayed.



Figure 12.16: GL Reconciliation ID

Next we need to add our two transactions to this Reconciliation.

- ↳ Click “Transactions”
- ↳ Select “Not Assigned” from the drop down selection for GL Reconciliation Id
- ↳ Click “Search”

The transactions we created earlier should be displayed.

The screenshot shows the 'Find Transactions for Financial Account' screen. At the top, there are tabs for 'Financial Account', 'Role(s)', 'Transactions', 'Deposit/Withdraw', 'Deposit Slips', and 'Reconciliation'. Below the tabs are buttons for 'Create New' and 'Bank Reconciliation'. A 'Search Options' section includes fields for 'Fin Account Trans Type Id', 'Status', 'From Transaction Date', 'From Entry Date', 'GL Reconciliation Id' (set to 'Not Assigned'), 'Thru Transaction Date', 'Thru Entry Date', and a 'Search' button. A large table below is titled 'Search Results' and lists two transactions. Each transaction row has a 'Select' checkbox and an 'Assign to Reconciliation' button. The table includes columns for Fin Account Trans Id, Fin Account Trans Type Id, Party, GL Reconciliation Name, Transaction Date, Entry Date, Amount, Payment Id, Payment Type, Payment Method Type, Status, and Comment/Link to Transaction.

Fin Account Trans Id	Fin Account Trans Type Id	Party	GL Reconciliation Name	Transaction Date	Entry Date	Amount	Payment Id	Payment Type	Payment Method Type	Status	Comment/Link to Transaction
10011	Deposit	Demo Customer [DemoCustomer]		2014-05-22 09:23:07.000	2014-05-22 19:32:56.087	150				Created	<input type="button" value="Cancel"/>
10012	Deposit	Demo Customer [DemoCustomer]		2014-05-22 09:41:56.000	2014-05-22 19:42:22.217	858				Created	<input type="button" value="Cancel"/>
Grand Total / Number of Transaction				Created Grand Total / Number of Transaction		Approved Grand Total / Number of Transaction				Created/Approved Grand Total / Number of Transaction	
1008 / 2				1008 / 2		0 / 0				1008 / 2	

Figure 12.17: Viewing Transactions to Assign

Look at the Right Hand Side of the screen above the transactions - some new fields are displayed.

We need to link our transactions to the Reconciliation we have just created.

- ↳ Select “My Fin Account Rec1” from the drop down selection
- ↳ Check the “Select All” box
- ↳ Click “Assign to Reconciliation”

The transactions will be removed because they are no longer unassigned.

- ↳ Select “My Fin Account Rec 1” from the GL Reconciliation Id drop down selection
- ↳ Click “Search”

Our transactions are re-displayed with the GL Reconciliation Name they are linked to.

The screenshot shows the 'Find Transactions for Financial Account' screen after assignments. The transactions now have their GL Reconciliation Name populated in the 'GL Reconciliation Name' column. An arrow points from the 'GL Reconciliation Name' column to the value 'My Fin Account Rec 1[10017]' for the first transaction. The table structure is identical to Figure 12.17, with columns for Fin Account Trans Id, Fin Account Trans Type Id, Party, GL Reconciliation Name, Transaction Date, Entry Date, Amount, Payment Id, Payment Type, Payment Method Type, Status, and Comment/Link to Transaction.

Fin Account Trans Id	Fin Account Trans Type Id	Party	GL Reconciliation Name	Transaction Date	Entry Date	Amount	Payment Id	Payment Type	Payment Method Type	Status	Comment/Link to Transaction
10011	Deposit	Demo Customer [DemoCustomer]	My Fin Account Rec 1[10017]	2014-05-22 09:23:07.000	2014-05-22 19:32:56.087	150				Created	<input type="button" value="Cancel"/>
10012	Deposit	Demo Customer [DemoCustomer]	My Fin Account Rec 1[10017]	2014-05-22 09:41:56.000	2014-05-22 19:42:22.217	858				Created	<input type="button" value="Cancel"/>
Grand Total / Number of Transaction				Created Grand Total / Number of Transaction		Approved Grand Total / Number of Transaction				Created/Approved Grand Total / Number of Transaction	
1008 / 2				1008 / 2		0 / 0				1008 / 2	

Figure 12.18: Transactions Assigned

Getting Started with Apache OFBiz® Accounting

So now they are assigned to Reconciliation - how do we approve them?

↳ Click “Reconciliation”

You'll notice that our Reconciliation will be displayed by default.

GL Rec ID	GL Rec Name	Description	Created Date	Last Modified Date	GL Account ID	Status	Party	Reconciled Balance	Opening Balance	Closing Balance	Reconciled Date	Cancel Bank Reconciliation
10012	My Fin Account Rec 3	My First Financial Account Rec	2014-05-22 09:23:07.000	2014-05-22 09:41:56.000	111100	Created	Your Company Name Here [Company]	\$0.00	\$0.00	\$0.00	2014-05-22 09:41:56.000	[Cancel]

Figure 12.19: Viewing the Reconciliation

↳ Click the link to the GL Reconciliation Id

A screen similar to the following will be displayed.

GL Account Group	To Account Name	Party	Transaction Date	Entry Date	Amount	Payment Id	Payment Type	Payment Method	Status	Comments/Reasons From Reconciliation	GL Rec ID	Action
10011	Deposit	Demo Customer [DemoCustomer]	2014-05-22 09:23:07.000	2014-05-22 09:23:07.000	\$150.00				Created	[Remove]	10012	
10012	Deposit	Demo Customer [DemoCustomer]	2014-05-22 09:41:56.000	2014-05-22 09:41:56.000	\$958.00				Created	[Remove]		

Figure 12.20: Viewing the Reconciliation Details

You will see that we have options to cancel the Reconciliation, edit it or remove any of the transactions.

It also displays the value of any previous Reconciliation so that we can check the Opening and Closing Balances.

We have no previous Reconciliations, we just want to validate and reconcile it.

- ↳ Click “Reconcile”

A screen similar to the following will be displayed.

Fin Account Trans Id	Fin Account Trans Type	Party	Transaction Date	Entry Date	Amount	Payment Id	Payment Type	Payment Method Type	Status	Comments
10011	Deposit	Demo Customer [DemoCustomer]	2014-05-22 09:23:07.000		\$150.00				Approved	
10012	Deposit	Demo Customer [DemoCustomer]	2014-05-22 09:41:56.000		\$858.00				Approved	

Figure 12.21: Reconciled Reconciliation

Notice what has changed

- The transactions have now been changed to “Approved” status
- The transactions can no longer be removed from the Reconciliation
- The Reconciliation can no longer be cancelled
- Only the Reconciliation header details can be modified

Let's go back and take a look at the transaction listing again now that we have approved and reconciled them.

- ↳ Click “Transactions”
- ↳ Click “Search”

Find Transactions for Financial Account: My Own Financial Account [10001]

Financial Account	Role(s)	Transactions	Deposit/Withdraw	Deposit Slips	Reconciliation
Create New	Bank Reconciliation				

Search Options

Fin Account Trans Type Id:

Status:

GI Reconciliation Id:

From Transaction Date: To:

Thru Transaction Date: To:

From Entry Date: To:

Thru Entry Date: To:

Search Results

Trans Id	Fin Account Item Type Id	Party	GI Reconciliation Name	Transaction Date	Entry Date	Amount/Paymet Id	Payment Type	Payment Method	Status	Comments/Initial Transaction Status
10011	Deposit	Demo Customer [DemoCustomer]	My Fin Account Rec [10017]	2014-05-22 09:23:07.000	2014-05-22 19:32:56.087	150			Approved	
10012	Deposit	Demo Customer [DemoCustomer]	My Fin Account Rec [10017]	2014-05-22 09:41:56.000	2014-05-22 19:42:22.217	850			Approved	
Grand Total / Number of Transaction	Created Grand Total / Number of Transaction			Approved Grand Total / Number of Transaction				Created/Approved Grand Total / Number of transaction		
1008 / 2	0 / 0			1008 / 2				1008 / 2		

Figure 12.22: Transactions After Reconciliation

Our reconciliation is approved and complete.

Working With Deposits and Withdrawals

As well as creating individual transactions for a Financial Account, OFBiz gives us the ability to integrate a Payment or Withdrawal that has been processed into the system using any of the automatic transaction triggers.

For example when you click the “Receive Payment” for a Sales Order - this triggers an automatic accounting transaction.

Let's take a look.

- ↳ Click “Deposit/Withdraw”
- ↳ Click “Find”

A list of all Payment transactions (both Incoming and Outgoing) will be displayed.

Applications > Accounting Manager > Deposit Or Withdraw Payments for Financial Account: My Own Financial Account [10001]

Financial Account	Role(s)	Transactions	Deposit/Withdraw	Deposit/Sys	Reconciliation																																																																																																								
Create New Deposit Payment Create New Withdrawal Payment																																																																																																													
Search Options																																																																																																													
Payment Method Type: <input type="button" value="Select Credit Card from above list of Payment Method Types."/>																																																																																																													
Card Type: <input type="button" value="Select Credit Card from above list of Payment Method Types."/>																																																																																																													
Party Id From: <input type="text"/>																																																																																																													
From Date: <input type="text"/> <input type="button" value="From"/>																																																																																																													
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Search Results																																																																																																													
Running Total: <table border="1"> <thead> <tr> <th>Payment Id</th> <th>Payment Type</th> <th>From Party</th> <th>To Party</th> <th>Amount</th> <th>Date</th> <th>Group in one Transaction</th> <th><input checked="" type="checkbox"/> Deposit/Withdraw</th> </tr> </thead> <tbody> <tr><td>demo10010</td><td>Customer Refund</td><td>Your Company Name Here</td><td>Acct Buyer</td><td>\$20.00</td><td>2006-04-25 13:11:05.940</td><td></td><td><input type="button" value="Deposit"/></td></tr> <tr><td>8000</td><td>Vendor Payment</td><td>Your Company Name Here</td><td>Acct Big Supplier</td><td>\$70.00</td><td>2009-07-06 16:52:52.901</td><td></td><td><input type="button" value="Deposit"/></td></tr> <tr><td>10012</td><td>Vendor Payment</td><td>Your Company Name Here</td><td>Demo Supplier</td><td>\$141.25</td><td>2014-04-19 10:21:00.000</td><td></td><td><input type="button" value="Deposit"/></td></tr> <tr><td>demo10001</td><td>Customer Payment</td><td>Euro Customer</td><td>Your Company Name Here</td><td>\$820.97</td><td>2006-04-25 12:56:54.292</td><td></td><td><input type="button" value="Deposit"/></td></tr> <tr><td>8004</td><td>Customer Payment</td><td>Demo Customer</td><td>Your Company Name Here</td><td>\$127.09</td><td>2009-08-17 14:57:24.990</td><td></td><td><input type="button" value="Deposit"/></td></tr> <tr><td>10005</td><td>Customer Payment</td><td>Demo Customer</td><td>Your Company Name Here</td><td>\$66.33</td><td>2014-04-10 20:02:26.209</td><td></td><td><input type="button" value="Deposit"/></td></tr> <tr><td>10008</td><td>Customer Payment</td><td>Demo Customer</td><td>Your Company Name Here</td><td>\$66.33</td><td>2014-04-10 20:38:30.910</td><td></td><td><input type="button" value="Deposit"/></td></tr> <tr><td>10011</td><td>Customer Payment</td><td>Demo Customer</td><td>Your Company Name Here</td><td>\$50.00</td><td>2014-04-18 23:42:09.448</td><td></td><td><input type="button" value="Deposit"/></td></tr> <tr><td>10029</td><td>Customer Payment</td><td>Demo Customer</td><td>Your Company Name Here</td><td>\$166.82</td><td>2014-05-16 20:55:09.302</td><td></td><td><input type="button" value="Deposit"/></td></tr> <tr><td>10031</td><td>Customer Payment</td><td>Demo Customer</td><td>Your Company Name Here</td><td>\$1,205.53</td><td>2014-05-17 00:20:03.713</td><td></td><td><input type="button" value="Deposit"/></td></tr> <tr><td>10038</td><td>Customer Payment</td><td>Demo Customer</td><td>Your Company Name Here</td><td>\$560.00</td><td>2014-05-22 00:03:18.815</td><td></td><td><input type="button" value="Deposit"/></td></tr> <tr><td>10039</td><td>Customer Payment</td><td>Demo Customer</td><td>Your Company Name Here</td><td>\$67.00</td><td>2014-05-22 00:38:49.728</td><td></td><td><input type="button" value="Deposit"/></td></tr> </tbody> </table>						Payment Id	Payment Type	From Party	To Party	Amount	Date	Group in one Transaction	<input checked="" type="checkbox"/> Deposit/Withdraw	demo10010	Customer Refund	Your Company Name Here	Acct Buyer	\$20.00	2006-04-25 13:11:05.940		<input type="button" value="Deposit"/>	8000	Vendor Payment	Your Company Name Here	Acct Big Supplier	\$70.00	2009-07-06 16:52:52.901		<input type="button" value="Deposit"/>	10012	Vendor Payment	Your Company Name Here	Demo Supplier	\$141.25	2014-04-19 10:21:00.000		<input type="button" value="Deposit"/>	demo10001	Customer Payment	Euro Customer	Your Company Name Here	\$820.97	2006-04-25 12:56:54.292		<input type="button" value="Deposit"/>	8004	Customer Payment	Demo Customer	Your Company Name Here	\$127.09	2009-08-17 14:57:24.990		<input type="button" value="Deposit"/>	10005	Customer Payment	Demo Customer	Your Company Name Here	\$66.33	2014-04-10 20:02:26.209		<input type="button" value="Deposit"/>	10008	Customer Payment	Demo Customer	Your Company Name Here	\$66.33	2014-04-10 20:38:30.910		<input type="button" value="Deposit"/>	10011	Customer Payment	Demo Customer	Your Company Name Here	\$50.00	2014-04-18 23:42:09.448		<input type="button" value="Deposit"/>	10029	Customer Payment	Demo Customer	Your Company Name Here	\$166.82	2014-05-16 20:55:09.302		<input type="button" value="Deposit"/>	10031	Customer Payment	Demo Customer	Your Company Name Here	\$1,205.53	2014-05-17 00:20:03.713		<input type="button" value="Deposit"/>	10038	Customer Payment	Demo Customer	Your Company Name Here	\$560.00	2014-05-22 00:03:18.815		<input type="button" value="Deposit"/>	10039	Customer Payment	Demo Customer	Your Company Name Here	\$67.00	2014-05-22 00:38:49.728		<input type="button" value="Deposit"/>
Payment Id	Payment Type	From Party	To Party	Amount	Date	Group in one Transaction	<input checked="" type="checkbox"/> Deposit/Withdraw																																																																																																						
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10029	Customer Payment	Demo Customer	Your Company Name Here	\$166.82	2014-05-16 20:55:09.302		<input type="button" value="Deposit"/>																																																																																																						
10031	Customer Payment	Demo Customer	Your Company Name Here	\$1,205.53	2014-05-17 00:20:03.713		<input type="button" value="Deposit"/>																																																																																																						
10038	Customer Payment	Demo Customer	Your Company Name Here	\$560.00	2014-05-22 00:03:18.815		<input type="button" value="Deposit"/>																																																																																																						
10039	Customer Payment	Demo Customer	Your Company Name Here	\$67.00	2014-05-22 00:38:49.728		<input type="button" value="Deposit"/>																																																																																																						

Figure 12.23: List of Incoming and Outgoing Payment Transactions

We are going to select a few transactions to deposit into our Financial Account.

- ↳ Select any 3 transactions by checking the box at the end of the entry
- ↳ Leave the “Group in one Transaction” box checked
- ↳ Click “Deposit/Withdraw”

Search Results

Payment Id	Payment Type	From Party	To Party	Amount	Date	Group in one Transaction	<input checked="" type="checkbox"/> Deposit/Withdraw
demo10010	Customer Refund	Your Company Name Here	Acct Buyer	\$20.00	2006-04-25 13:11:05.940		<input type="button" value="Deposit"/>
8000	Vendor Payment	Your Company Name Here	Acct Big Supplier	\$70.00	2009-07-06 16:52:52.901		<input type="button" value="Deposit"/>
10012	Vendor Payment	Your Company Name Here	Demo Supplier	\$141.25	2014-04-19 10:21:00.000		<input type="button" value="Deposit"/>
demo10001	Customer Payment	Euro Customer	Your Company Name Here	\$820.97	2006-04-25 12:56:54.292		<input type="button" value="Deposit"/>
8004	Customer Payment	Demo Customer	Your Company Name Here	\$127.09	2009-08-17 14:57:24.990	<input checked="" type="checkbox"/>	<input type="button" value="Deposit"/>
10005	Customer Payment	Demo Customer	Your Company Name Here	\$66.33	2014-04-10 20:02:26.209	<input checked="" type="checkbox"/>	<input type="button" value="Deposit"/>
10008	Customer Payment	Demo Customer	Your Company Name Here	\$66.33	2014-04-10 20:38:30.910	<input checked="" type="checkbox"/>	<input type="button" value="Deposit"/>
10011	Customer Payment	Demo Customer	Your Company Name Here	\$50.00	2014-04-18 23:42:09.448	<input checked="" type="checkbox"/>	<input type="button" value="Deposit"/>
10029	Customer Payment	Demo Customer	Your Company Name Here	\$166.82	2014-05-16 20:55:09.302	<input checked="" type="checkbox"/>	<input type="button" value="Deposit"/>
10031	Customer Payment	Demo Customer	Your Company Name Here	\$1,205.53	2014-05-17 00:20:03.713	<input checked="" type="checkbox"/>	<input type="button" value="Deposit"/>
10038	Customer Payment	Demo Customer	Your Company Name Here	\$560.00	2014-05-22 00:03:18.815	<input checked="" type="checkbox"/>	<input type="button" value="Deposit"/>
10039	Customer Payment	Demo Customer	Your Company Name Here	\$67.00	2014-05-22 00:38:49.728	<input checked="" type="checkbox"/>	<input type="button" value="Deposit"/>

Figure 12.24: Selecting Transactions to Deposit



NOTE: There is a running total of the transactions you have selected on the Left Hand Side of the screen

Let's go back and see what has happened to our Financial Account.

- ↳ Click "Transactions"
- ↳ Click "Search"

A list of transactions for our Financial Account will be displayed.

No notice that a new transaction has been created and it has a link to a "Deposit Slip"

The screenshot shows a web-based application for managing financial accounts. At the top, there's a navigation bar with tabs: 'Financial Account', 'Bank Rec.', 'Transactions' (which is currently selected), 'Deposit/Withdraw', 'Deposit Slip', and 'Reconciliation'. Below the tabs are several search filters: 'Fin Account Trans Type Id', 'Status', 'From Transaction Date', 'Thru Transaction Date', 'From Entry Date', and 'Thru Entry Date'. A 'Search' button is located at the bottom left of this filter area, with a black arrow pointing towards it. The main content area is titled 'Search Results' and displays a table of transactions. The table has columns: 'Fin Account Trans Type Id', 'Party', 'GL Reconciliation Name', 'Transcation Date', 'Entry Date', 'Amount', 'Payment Id', 'Payment Type', 'Payment Method', 'Status', and 'Comments/Initial Transaction Status'. There are three rows of data:

- Row 1: ID 10011, Deposit, Demo Customer [DemoCustomer], My Fin Account Rec 1[10017], 2014-05-22, 2014-05-22, 150, 150, 150, Approved.
- Row 2: ID 10012, Deposit, Demo Customer [DemoCustomer], My Fin Account Rec 1[10017], 2014-05-22, 2014-05-22, 358, 358, 358, Approved.
- Row 3: ID 10013, Deposit, Demo Customer [DemoCustomer], Your Company Name Here[Company], 2014-05-22, 2014-05-22, 21:59:15.535, 21:59:15.535, 260.42, Customer Payment, Cash, Created, Cancel.

At the bottom of the table, there are summary rows: 'Created Grand Total / Number of Transaction' (260.42 / 1), 'Approved Grand Total / Number of Transaction' (1008 / 2), and 'Created/Approved Grand Total / Number of Transaction' (1268.42 / 3). A red circle highlights the 'Deposit Slip' entry in the third row of the table.

Figure 12.25: Deposit Slip and New Transaction Created

So what has happened?

OFBiz has created one transaction that is made up of three entries (i.e. the three transactions that we selected previously).

- ↳ Click the "+" to see an online summary of the transactions
- ↳ Click "Deposit Slip" to get a PDF summary of the transactions

So what can the “Deposit Slip” functionality be used for?

If your business deals with cash or cheque based payments then you will need to deposit these into the bank. OFBiz gives us the functionality to group these transactions together and pre-print your bank Deposit Slip as a validation.



NOTE: Deposit Slips are currently created for AR Batch Payments only. If you try to select an outgoing (AP Payment) then you will get an error message.

We have successfully completed our example.

Financial Account Roles

OFBiz allows you to link a Party (a person, group or organisation) in a particular role to a Financial Account.

For example you may want to add someone as an “Approver” or “Administrator” for credit limits or updates to the account.

If the account belongs to a company then you may want to add a person as a “Contact” for dealing with the account.

Figure 12.26: Financial Account Roles

Other Ways to Create and Use Financial Accounts

OFBiz also includes the option of another way to create a Financial Accounts that is not so apparent.

The OFBiz demo data includes the following products:

- FA-001 - Financial Account Activation
- GC-001 Gift Card Activation
- GC-002 Gift Card Reload

Each of these products make use of the Financial Account functionality by using a product that a customer can buy that will activate (or create) a Financial Account. The customer can then pay money into this account and then use it to pay for products that they buy from you.

It can also be referred to as a “Pre Payment” account because the customer has to already have money in the account before they can use it.

The account creation trigger is stored as part of the Product Content so when any of these products are bought it will be triggered.

Catalog Manager → Edit Product Content

Product Prices Content Geos IDs Categories Keywords Associations Manufacturing Costs Attributes Features Facilities Locations Inventory Suppliers Agreements Accounts Payment Types Maintenance Metrics Subscription Resources Quick Admin Vendor Variants Work Effort Parties Orders Communications GroupOrder

New Product New Virtual Product Product Page Barcode Tags

Content For: Financial Account Activation [ID:FA-001]

Content	Type	From Date	Thru Date	Purchase From Date	Purchase Thru Date	Use Count Limit	Use Time	Use Time Uom Id	Use Role Type Id	Sequence Num	Edit Content
[FA-001-ALT]	Alternative URL	2001-05-13	12:00:00.000								[FA-001-ALT] Delete
[FA_ACTIVATION]	Fulfillment External (Async)	2000-01-01	00:00:00.000								[FA_ACTIVATION] Delete

Create New Product Content

Figure 12.27: Trigger for FA-001 Financial Account Creation



IMPORTANT NOTE: At the time of writing the Financial Account Activation functionality was no longer working. A JIRA had been created that may fix this.

Financial Accounts Summary

Let's review what we have covered in this chapter to demonstrate what Financial Accounts are and how to use them.

- We have defined what a Financial Account is and the different options for using it
- We showed you how Financial Accounts are linked to the GL Account Defaults so that transactions can be posted automatically to a default account
- We looked at how Financial Account transactions details are stored
- As an example we went through the steps involved in creating a new Financial Account
- We then created some transactions to add to our new account
- We created a Reconciliation (i.e. a validation step for ensuring the transactions entered have been done so correctly)
- We assigned our newly created transactions to the Reconciliation, recorded our balance and then approved them
- We then looked at how we can create transactions for Financial Accounts that are linked to the OFBiz Payments functionality
- We created a summary transactions that generated a Deposit Slip
- Finally we briefly discussed other methods of creating Financial Accounts

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Chapter 13:

Payment Gateway Configuration and Transactions

Payment Gateway Configuration

A “Payment Gateway” is an application that allows you to setup the authorisation of credit cards or other electronic payments that can be used with an e-commerce webstore.

There are many different ways that your customers can pay you. Examples include:

- PayPal
- PayFlow
- Authorize.net
- Clear Commerce

To help you with the configuration, OFBiz already includes some of the most common gateways. The only thing that you will need to do is fill in the necessary parameters.

To access the Payment Gateway application

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Payment Gateway Config” from the Accounting Manager drop down menu

A screen similar to the following will be displayed.

The screenshot shows a web-based application interface titled "Find Payment Gateway Config". At the top, there are two tabs: "Payment Gateway Config" (which is selected) and "Payment Gateway Config Types". Below the tabs is a "Search Options" section with three input fields: "Payment Gateway Config Id" (with dropdown menus for "Contains" and a search field), "Payment Gateway Config Description" (with dropdown menus for "Contains" and a search field), and "Payment Gateway Config Type Id" (with a dropdown menu and a "Find" button). The main area is titled "Search Results" and contains a table with two columns: "Payment Gateway Config Type Id" and "Payment Gateway Config Description". The table lists various payment gateway configurations, such as "Authorize Dot Net Payment Gateway", "Clear Commerce Payment Gateway", "CyberSource Payment Gateway", etc. An arrow points to the "Authorize Dot Net Config" entry in the "Description" column.

Figure 13.1: Default Accounting Manager Screen

This shows the default list of Payment Gateways that is included with OFBiz.

- ↳ Click “Authorize Dot Net Config”

The screenshot shows a web-based configuration interface for payment gateways. At the top, there are two tabs: "Payment Gateway Config" and "Payment Gateway Config Types". The "Payment Gateway Config" tab is selected. Below the tabs, there are two input fields: "Payment Gateway Config Description" containing "Authorize Dot Net Config" and "Payment Gateway Config Type Id" containing "Authorize Dot Net Payment Gateway". A large "Update" button is positioned below these fields. The main content area is titled "Update Payment Gateway Config Authorize Dot Net". It contains numerous configuration parameters, each with a label and a corresponding input field or dropdown menu. The parameters include:

- Transaction URL:** https://certification.authorize.net/gateway/transact.dll
- Certificate Alias:** certification.authorize.net-1
- Authorize Dot Net API Version:** 3.1
- Delimited Data:** True
- Delimited Char:** [empty]
- Card Present API Version:** [empty]
- Card Present Market Type:** [empty]
- Card Present Device Type:** [empty]
- Method (only CC supported):** CC
- Email to Customer:** False
- Email to Merchant:** False
- Test Mode:** True
- Relay Response:** False
- Transaction Key:** [empty]
- User Id:** [empty]
- Pwd:** [empty]
- Trans Description:** OFBizAuthNet
- Duplicate Window:** [empty]

At the bottom right of the configuration area is another "Update" button.

Figure 13.2: Default Accounting Manager Screen

The screen shows all the details needed for the configuration of this particular Payment Gateway.



IMPORTANT NOTE: There isn't an option to create a new Payment Gateway here. We suggest that if you need a new one setup then create a new JIRA with the details

Transactions

Payment Gateways are used to receive and process electronic transactions for payment.

If you accept electronic payments via a Payment Gateway then you will need to be able to track these transactions and their status.

To view the list of electronic payment transactions

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Transactions” from the Accounting Manager drop down menu
- ↳ Click “Find”

The screenshot shows a web-based application interface titled "Find Gateway Responses". At the top, there is a navigation bar with tabs: "Authorize", "Capture", "Gateway Responses", and "Manual Electronic Transaction". Below the navigation bar is a "Search Options" section containing five dropdown menus with "Contains" selected, each followed by an "Ignore Case" checkbox. The dropdowns are labeled: "Accounting Payment Gateway Response Id", "Payment Service Type Enum Id", "Accounting Order Payment Preference Id", "Payment MethodType", and "Trans Code Enum Id". Below these dropdowns is a "Reference Num" field with a "Contains" dropdown and an "Ignore Case" checkbox, followed by a "Find" button. A large downward-pointing arrow is positioned over the "Find" button. Below the search options is a "Search Results" table. The table has columns: Payment Gateway Response Id, Payment Service Type Enum Id, Order Payment Preference Id, Payment MethodType, Payment Method Id, Payment Trans Code Enum Id, Amount, Currency, Reference Num, Alt Reference, Sub Reference Code, Gateway Flag, Gateway Avs Result, Gateway Cv Result, Gateway Score Result, Gateway Message, Transaction Date, Result Declined Nsf, Result Bad Card Expire, and Result Bad Card Expire Number. Three transaction rows are listed:

Payment Gateway Response Id	Payment Service Type Enum Id	Order Payment Preference Id	Payment MethodType	Payment Method Id	Payment Trans Code Enum Id	Amount	Currency	Reference Num	Alt Reference	Sub Reference Code	Gateway Flag	Gateway Avs Result	Gateway Cv Result	Gateway Score Result	Gateway Message	Transaction Date	Result Declined Nsf	Result Bad Card Expire	Result Bad Card Expire Number
9002	Payment Capture Service	9001	Credit Card	9015	Capture	127.09	USD	1250501224763	250501224763	C					This is a test capture: no money was transferred	2009-08-17 14:57:04.836			
9001	Payment Authorization Service	9001	Credit Card	9015	Authorize	127.09	USD	1250501206473	1250501206473	100	A				This is a test processor: no payments were captured or authorized.	2009-08-17 14:56:46.498			
9000	Payment Authorization Service	9000	Credit Card	9015	Authorize	50.65	USD	1250501206473	250501206473	100	A				This is a test processor: no payments were captured or	2009-08-17 14:56:46.498			

Figure 13.3: List of Gateway Transactions

You may have noticed that the transactions have different “Transaction Codes”. (Trans Code)

- Capture
- Authorize

So what does "Capture" and "Authorize" mean?

Authorize Transaction

An "authorization" is a temporary transaction that shows a commitment to take money from an account.

The "Authorize" process is the first step in allowing a sales transaction payment to be accepted. In OFBiz a service would be defined to carry out the authorisation process each time for example, a credit card is used. It will perform specific validation tests before the payment can be classed as "authorised".

- ↳ Click "Authorize"

A screen similar to the following will be displayed.

The screenshot shows a web-based application window titled "Accounting Manager". At the top, there is a navigation bar with tabs: "Authorize" (which is highlighted with a red oval), "Capture", "Gateway Responses", and "Manual Electronic Transaction". Below the navigation bar, the word "Authorize" is repeated in a larger, bold font. The main area contains a form with the following fields:

- Order Id:** An input field.
- Order Payment Preference Id:** An input field.
- Payment Method Type:** A dropdown menu set to "Credit Card".
- Amount:** An input field.
- Authorize:** A button at the bottom of the form.

Figure 13.4: Authorize a Payment Gateway Transaction

When a payment is authorised it means that it has been validated and that the credit card or bank account has been checked to ensure that it has sufficient funds available to cover the proposed transaction. A number or code may be issued as evidence of the authorisation.



IMPORTANT NOTE: The OFBiz Webstore has a "Payment Settings" link where you can specify various services that will process a payment transaction all the way through to completion.

Payment Method Type	Service Type	Service Name	Custom Method	Payment Gateway Config Id	Payment Props	Apply To All
Credit Card	Payment Authorization Service	alwaysApproveCCProcessor	CC Always authorize (alwaysApproveCCProcessor)			Edit Delete
Credit Card	Payment Capture Service	testCCCapture	CC Test capture (testCCCapture)			Edit Delete
Credit Card	Payment Re-Authorization Service	alwaysApproveCCProcessor	CC Always authorize (alwaysApproveCCProcessor)			Edit Delete
Credit Card	Payment Refund Service	testCCRrefund	CC Test refund (testCCRrefund)			Edit Delete
Credit Card	Payment Release Authorization Service	testCCRRelease	CC Test release (testCCRRelease)			Edit Delete
Electronic Funds Transfer	Payment Authorization Service	alwaysApproveEFTProcessor	EFT always authorize (alwaysApproveEFTProcessor)			Edit Delete
Billing Account	External Payment (No Service)					Edit Delete
Cash On Delivery	External Payment (No Service)					Edit Delete
Offline Payment	External Payment (No Service)					Edit Delete
PayPal	External Payment (No Service)					Edit Delete
RBS WorldPay	External Payment (No Service)					Edit Delete
Financial Account	Payment Authorization Service	ofbfAuthorization	FIN account authorize (ofbfAuthorization)			Edit Delete
Financial Account	Payment Capture Service	ofbfCapture	FIN account capture (ofbfCapture)			Edit Delete
Financial Account	Payment Re-Authorization Service	ofbfReAuthorization	FIN account authorize (ofbfAuthorization)			Edit Delete
Financial Account	Payment Refund Service	ofbfRefund	FIN account refund (ofbfRefund)			Edit Delete
Financial Account	Payment Release Authorization Service	ofbfRelease	FIN account release (ofbfRelease)			Edit Delete
Gift Card	Payment Authorization Service	ofbgAuthorization	GIFT card authorize (ofbgAuthorization)			Edit Delete

Figure 13.5: E-Commerce Webstore Payment Settings

Notice that this also includes a range of services not only limited to Credit Card processing such as:

- Authentication (e.g. validating a PIN)
- Re-authorization (i.e. if the first authorization fails)
- Payment refunds (e.g. where you can refund a payment back to the card or account from which the original amount was taken)

As part of the standard OFBiz Sales Order process, if an order is created and the payment method is specified as “Credit Card”, OFBiz will attempt to authorise the payment at the time of the order.

- ↳ Create a Sales Order for DemoCustomer
- ↳ Select Credit Card as the Payment Method

The authorisation details are then accessible from the View Sales Order screen as shown.

The screenshot shows a "Payment Information" dialog box. At the top, it displays "Status History" with entries for "Authorized - 6/11/14 10:03:14 PM By - [admin]" and "Not-Authorized - 6/11/14 10:03:13 PM By - [admin]". Below this, it shows a "Credit Card" section with a "Max Amount: \$51.39". A "DEMO CUSTOMER" entry is present with a "Visa" card ending in "1111 02/2021" marked as "Authorized". There are "Authorize" and "Capture" buttons, along with a "Cancel" button. The transaction details are listed as "Authorize: 6/11/14 10:03:14 PM \$51.39" and "(Reference 1402480994580 AVS N/A Score N/A) [Details]". Below this, the customer address is given as "To Demo Customer, 2004 Factory Blvd, Orem, UT 84057, USA". The "Payment Method" section shows "Visa" selected. The "Amount" field contains "0" and has an "Add" button below it.

Figure 13.6: Authorising a Credit Card Payment

We can now go and take a look at this transaction in Payment Gateway Config.

- ↳ Click “Details”

The screenshot shows the "View Gateway Response" page. It starts with "Order Id: WSC010005" and "Order Payment Preference Id: 10007". Below this is a "Payments" table with columns: Payment Id, Payment Type, Status, Comments, From Party, To Party, Effective Date, and Amount. The table shows one row for the transaction. The main area is titled "View Gateway Response" and lists various parameters and their values. Key entries include:

Payment Gateway Response Id	10004
Payment Service Type Enum Id	Payment Authorization Service
Order Payment Preference Id	10007
Payment Method Type	Credit Card
Payment Method Id	9015
Trans Code Enum Id	Authorize
Amount	51.39
Currency	USD
Reference Num	1402480994580
Alt Reference	1402480994580
Sub Reference	
Gateway Code	100
Gateway Flag	A
Gateway Avs Result	
Gateway Cv Result	
Gateway Score Result	This is a test processor: no payments were captured or authorized.
Gateway Message	
Transaction Date	2014-06-11 22:03:14.581
Result Declined	
Result Nsf	
Result Bad Expire	
Result Bad Card Number	

Figure 13.7: Credit Card Authorize Transaction

NOTE: The OFBiz demo data payment settings for the “Payment Authorisation Service” is set to always approve so you may not see anything “waiting for authorization”

Capture Transaction

The “capture” function will actually deduct the amount (e.g. from a credit card) and apply the payment to a specific order.

- ↳ Click “Capture”

The screenshot shows the 'Capture' screen of the Apache OFBiz Accounting Manager. The 'Capture' tab is highlighted. The form contains fields for Order Id, Order Payment Preference Id, Payment Method Type (set to Credit Card), Payment Type (set to Customer Payment), Amount, and a 'Capture' button.

Figure 13.8: Credit Card Authorize Transaction

It is likely that before a payment is “captured” it would have first been through an authorisation.

Manual Electronic Transaction

The Manual Electronic Transaction screen allows the you to manually input and process a Payment Gateway related transaction.

The screenshot shows the 'Manual Electronic Transaction' screen of the Apache OFBiz Accounting Manager. The 'Manual Electronic Transaction' tab is selected. The form includes fields for Payment Method Type (set to Credit Card), Product Store (set to OFBiz E-Commerce Store), and Transaction Type, which displays a dropdown menu with various service options.

Figure 13.9: Manual Electronic Transaction

This can be useful if you are for example, speaking to a customer on the phone and need to process a payment from them at the same time.

Options available include the following:

- Authorising payment transactions
- Refunding payments
- Payment Re-Authorisation
- Payment Capture

The screen parameters will change depending on which option is selected.

This completes the overview of Payment Gateway Configuration and Transactions.

Payment Gateway Configuration and Transactions Summary

Let's do a quick review of what we have covered in this chapter.

- We have defined what a Payment Gateway is and how it is used
- We took a look at an example configuration required for a Payment Gateway
- We showed you where all the Payment Gateway transactions are stored
- We talked about Authorising Gateway transactions and what it means
- We took a quick look at the links that Payment Gateway processing has to the e-commerce store
- We talked about how OFBiz automatically authorises credit card transactions and where to find the details of the authorisation
- We briefly looked at the Capture function and what it does
- Finally we looked at the Manual Electronic Transaction function and how it allows you to manually create and process Payment Gateway transactions

Appendix A:

Accounting

Tutorial

This tutorial gives you the basics you need to get up and running with OFBiz Accounting Manager.

It contains a quick overview of some common accounting concepts, a list of the setup required and an example for you to work through.

By the end of this tutorial you should have enough information to begin your own accounting setup in OFBiz.

Target Audience

This document is written for the complete novice end user. No programming or technical experience is required.

What is Accounting?

Accounting can be defined as the “systematic recording, reporting and analysis of financial transactions for a business”. A business generally exists to make money. Accounting then is that basic function that tracks the financial success (or failure) of a business.

Mapping Business Processes to OFBiz Features

OFBiz is a full ERP and you may not be using all the functionality - so by defining what you want will ensure you don't waste time setting up something that you won't use.

If you are using OFBiz E-Commerce then the main process used will be Sales Order Management. This covers the complete cycle from a customer placing an order through the webstore all the way to product delivery and payment.

The sequence of your customer payment is important in determining how you setup your OFBiz accounting.

For example:

- Does your customer need to pay you before the product is dispatched?
- Or do you dispatch the product and allow the customer a certain number of days in which to pay?

OFBiz supports both of these variations in the order process out of the box.

AN EXAMPLE SCENARIO

Each business accounting setup will be different. For demonstration purposes we'll use an example scenario to take you through the accounting setup required step-by-step.

THE E-COMMERCE ONLINE STORE

Our business has an online store that sells a range of goods and services ("products") to customers.

- We don't allow our customer credit as we like them to pay for our products before we deliver them.
- Customers can pay us using a variety of methods including cash, cheque, direct credit into our bank, credit card and Paypal.

If we do an analysis of our business processes then we have the following activity flow for our Sales Order Management process:

- A customer places an order through the E-Commerce online store. This automatically creates a "Sales Order"
- The customer pays for the order using a credit card, Internet banking or some other allowed payment method
- We verify and confirm receipt of the customer payment, then dispatch the goods purchased to the customer.

Our Objective for OFBiz

We will setup this business in OFBiz with a simple chart of accounts and configure the accounting rules to record the accounting transactions for customers ordering products from us.

OFBiz has several default accounting transactions configured as part of the out-of-the-box accounting setup. We shall use our knowledge of these defaults to help us set up our unique accounting system

Default OFBiz Transactions

OFBiz has what we call "default transactions". These transactions are integral to OBiz and you will need to use and understand them for accounting.

An OFBiz transaction is a balanced accounting transaction (remember our transaction needs to balance to zero).

OFBIZ TRANSACTION	TRANSACTION USE
Incoming Payment	Tracks the money that comes from the customer to pay for the order
Sales Invoice	Produces an invoice to the customer for the order
Payment Applied	Allocates the money from a payment to an order and/or an invoice
Sales Shipment	Dispatches products out of the warehouse to the customer

When a customer sends products back and you refund the money then this has an accounting impact too because it involves the movement of money.

OFBIZ TRANSACTION	TRANSACTION USE
Outgoing Payment	Track the money that needs to be paid out by the business
Sales Invoice***	Reversal of the customer invoice for the returned product. This becomes a credit to the customer.
Sales Shipment	Reversal of dispatch of products and becomes a transaction to receive the returned products into the warehouse.

All of this will help us track:

- How much sales we have made,
- How much tax we charge (or have been charged)
- How much our customers owe us
- How much is in our company bank account

The 5 Main Steps

To simplify the setup, we have broken it down into five main steps which are listed below.

Before you begin these steps you will need to have a version of OFBiz downloaded and installed with the demo data.



NOTE: You can use the online demo at the OFBiz site but other users may also be using the system and so the results may be inconsistent. It is recommended that you download your own version and get it up and running on your own PC.

Step 1: Create Your Company

The first step is to begin setting up your business in OFBiz. You will need to enter your company details including address, contacts and basic bank information.

Step 2: Setup Basic Accounting Details

In this step you will establish basic company accounting information such as Financial Period, Currency and Invoice Numbering Sequences and error Journal.

Step 3: Tax Setup

This step involves creating an entity to represent your Tax Authority, setting up a tax rate and then linking this to your company or products.

Step 4: Create the Company Chart of Accounts

This step involves setting up your chart of accounts and the rules for mapping transactions to particular general ledger accounts to be used for your business.

Step 5: Test Your Accounting Setup

Finally you will test the setup by placing an order and then track it through the complete accounting cycle.

Step 1: Create Your Company

Our first task is to setup a company in OFBiz. This company will be used to receive payments for goods and services sold through our e-commerce storefront.

Tip: This is also covered in Chapter 4 Business Accounting Setup

The first step is to create a party that represents our business or organisation. This is done in Party Manager.

NOTE: Party Manager is the application where we create all the entities (companies, people, groups, departments) that we deal with in the course of doing business.

To access Party Manager

- ↳ Select “Party” from the Applications drop down menu

A screen similar to the one below will be displayed.

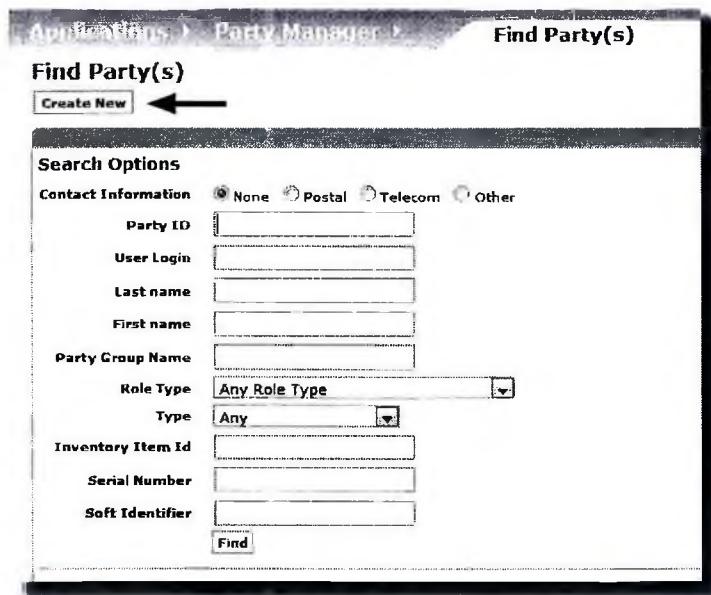


Figure A.1: Party Manager Default Screen

Let's create our new company.

- ↳ Click “Create New”

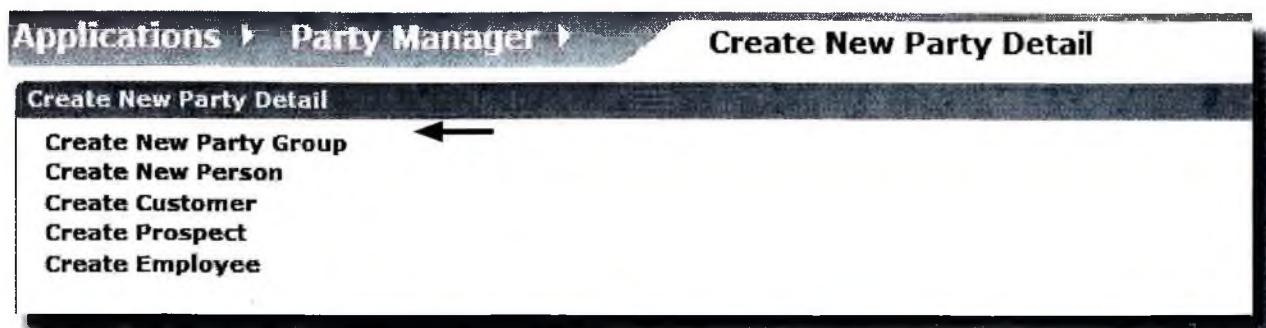


Figure A.2: Create New Party

The company we are creating is not an individual (person, customer, prospect or employee). It is an organisation and in OFBiz this is called a “party group” (i.e. a group of people).

- ↳ Click “Create New Party Group”

A screen similar to the one below will be displayed.

Figure A.3: Creating a New Party Group

- ↳ Enter “My New Test Company” in the Group Name
- ↳ Click “Save”

A screen similar to the following will be displayed.

Getting Started with Apache OFBiz® Accounting

The screenshot shows the 'View Party Profile' page for a newly created party. The top navigation bar includes links for Profile, Preferences, Roles, Identification Numbers, Link Party, Relationships, Vendor, Tax Infos, Rates, Shopping Lists, Segments, Classifications, Contact Lists, Party Content, and Party Skills. Below this are links for Resources, Employment Applications, Fin. History, Geo Location, and Product Store Roles. A horizontal menu bar at the bottom includes Billing Account, Financial Accounts, Communications, Requests, Quotes, Orders, New quote, and New order. A 'Show Old' button is also present.

Party Group Information:

- Party Id: 10000
- Group Name: My New Test Company
- Group Name Local:
- Office Site Name:
- Annual revenue:
- Number of employees:
- Ticker symbol:
- Description:
- Currency: American Dollar
- External Id:
- Status ID: Enabled

User Details:

- User Name(s): No UserLogic(s) found for this party.

Party Attribute(s):

- No party attribute found.

AVS Override (CC Fraud Screening):

- AVS String: Global Edt | Reset

Party Content:

- No Content

Attach Content:

- Browse... No file selected.
- Select Purpose: To Public
- No | Not Applicable | Upload

Contact Information:

- No contact information on file.

Loyalty Points:

- You have 0 points from 0 order(s) in the last 12 Months.

Payment Method Information:

- Create New Credit Card | Create New Gift Card | Create New EFT Account | Create Banking Account

Notes:

- No notes for this party.

Visits:

- No Visit(s) found for this party.

Stores:

- No product store(s) found for this party.

Figure A.4: Newly Created Party Details

Next we need to add some contact details.

Locate the “Contact Information” section

- ↳ Click “Create New”

The screenshot shows the 'Contact Information' creation form. At the top right is a 'Create New' button. The main area displays the message 'No contact information on file'.

Figure A.5: Create Party Contact Details

- ↳ Select “Postal Address”
- ↳ Click “Create”

The screenshot shows the 'Edit Contact Mech' page under the 'Party Manager' section. The top navigation bar and menu bar are identical to Figure A.4. The main content area is titled 'Create New Contact Information'. It includes fields for 'Select Contact Type' (set to 'Postal Address') and a 'Create' button. A 'Go Back' button is also present. An arrow points to the 'Create' button.

Figure A.6: Select Postal Address

- ↳ Enter “123 Any Street” for Address Line 1
- ↳ Enter “Any City”
- ↳ Select “Utah” for State/Province
- ↳ Enter “UT123” for Zip/Postal Code
- ↳ Select “United States” for Country
- ↳ Click “Save”

The screenshot shows the 'Edit Contact Mech' interface. At the top, there's a navigation bar with links like Profile, Preferences, Role(s), Identification Numbers, Link Party, Relationships, Vendor, Tax Info, Rates, Shopping Lists, Segments, and Employment Applications. Below the navigation bar is a toolbar with tabs: Billing Account, Financial Accounts, Communications, Requests, Quotes, Orders, New quote, and New order. The main area is titled 'Create New Contact Information'. It contains several input fields: 'To Name' (empty), 'Attention Name' (empty), 'Address Line 1' with value '123 Any Street' (arrow pointing to it), 'Address Line 2' (empty), 'City' with value 'Any City' (arrow pointing to it), 'State/Province' with value 'Utah' (arrow pointing to it), 'Zip/Postal Code' with value 'UT123' (arrow pointing to it), 'Country' with value 'United States' (arrow pointing to it), and 'Is USPS' with checked 'N'. There's also a dropdown for 'Allow Solicitation?' with 'N' selected. At the bottom are 'Go Back' and 'Save' buttons, with an arrow pointing to the 'Save' button.

Figure A.7: Adding a New Address

The address will be added - but there is still some missing setup. We need to include a purpose (or use) for the address.

- ↳ Click “Update” next to the address details
- ↳ Select “Primary Address”
- ↳ Click “Add Purpose”
- ↳ Add “Shipping Origin Address” and “Shipping Destination Address” in the same way.

The screenshot shows the 'Edit Contact Mech' interface again. The top navigation bar and toolbar are identical to Figure A.7. The main area is titled 'Edit Contact Information'. It lists three address purposes: 'Primary Address (Since: 2014-06-16 19:28:23.565)', 'Shipping Destination Address (Since: 2014-06-16 19:28:36.399)', and 'Shipping Origin Address (Since: 2014-06-16 19:28:30.675)'. Each purpose has a 'Delete' button to its right. Below the address list are input fields for 'To Name' (empty), 'Attention Name' (empty), and 'Address Line 1' with value '123 Any Street'.

Figure A.8: Adding Address Purpose

Getting Started with Apache OFBiz® Accounting

The address purpose will be updated.

We now need to add a specific role to our company to let OFBiz know that it is an organisation that will have an accounting setup. To do this:

- ↳ Click “Roles”

The screenshot shows the 'View Party Roles' page with the 'Role(s)' tab selected. In the 'Member Roles' section, there is a form titled 'Add To Role'. It contains a dropdown menu labeled 'Role Type Id' with 'Internal Organization' selected, and an 'Add' button below it. Two arrows point to these elements: one from the left towards the dropdown, and another from the right towards the 'Add' button.

Figure A.9: Adding the Internal Organization Role

- ↳ Select “Internal Organization” for the Role Type Id
- ↳ Click “Add”

The internal organization role will be added to our new Party Group.

The screenshot shows the 'View Party Roles' page with the 'Role(s)' tab selected. In the 'Member Roles' section, a table lists the roles. One row shows 'INTERNAL_ORGANIZATION' as the Role Type ID, 'Internal Organization' as the Role, and 'Organization' as the Parent Type ID. There is a 'Remove' link next to the Parent Type ID column.

RoleType ID	Role	Parent Type Id	Remove
INTERNAL_ORGANIZATION	Internal Organization	Organization	Remove

Figure A.10: Internal Organization Role Added

Now this is done we can begin the Accounting setup.

Step 2: Setup Basic Accounting Details

Next we need to do the basic accounting setup for “My New Test Company” that we have just created.

Tip: This is also covered in Chapter 4 Business Accounting Setup

Let's go back to “Organization GL Settings”:

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Organization GL Settings” from the Accounting Manager drop down menu

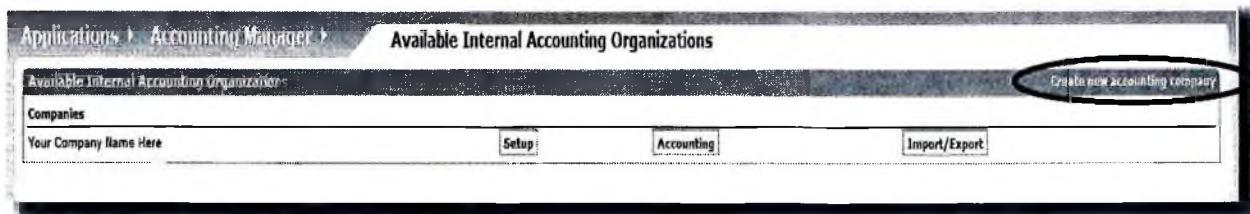


Figure A.11: Available Internal Organizations

You will notice that our new company doesn't appear yet. That's because we need to create another link.

- ↳ Click “Create new accounting company”

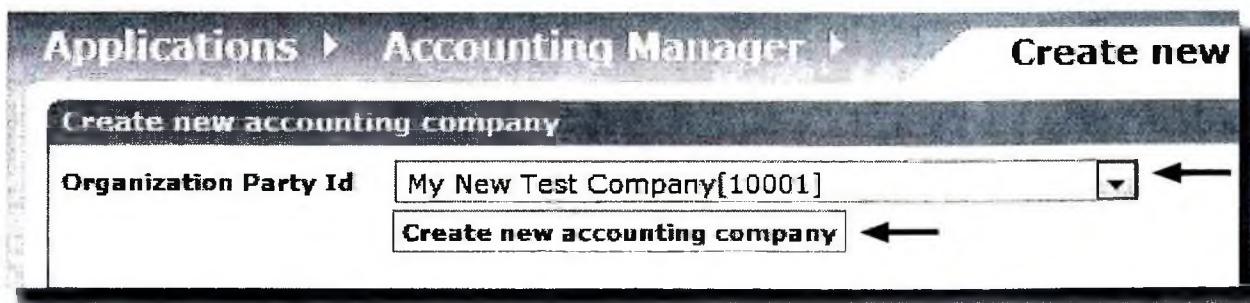


Figure A.12: Create New Accounting Company

- ↳ Select “My New Test Company” for the Organization Party Id
- ↳ Click “Create new accounting company”

The Accounting Preferences screen for the new company will be displayed.

The screenshot shows the 'Accounting Preferences' page for 'My New Test Company [10001]'. The page has tabs for 'Accounting Preferences', 'Chart of Accounts', 'Journals', 'GL Account defaults', and 'Time Period'. The 'Accounting Preferences' tab is selected. The form contains the following fields:

- Organization Party Id: 10001
- Fiscal Year Start Month: 01-Jan
- Fiscal Year Start Day: 1
- Tax Form for Organization: Form 1040 (US IRS)
- Cost Of Goods Sold (COGS) Method: Average Cost
- Base Currency: American Dollar - USD
- Invoice Seq Cust Meth Id: TI (with an arrow pointing to the field)
- Invoice Id Prefix: TI
- Last Invoice Number: (empty)
- Last Invoice Restart Date: (empty)
- Use Invoice Id For Returns: (empty)
- Quote Seq Cust Meth Id: TQ (with an arrow pointing to the field)
- Quote Id Prefix: TQ
- Last Quote Number: (empty)
- Order Seq Cust Meth Id: TO (with an arrow pointing to the field)
- Order Id Prefix: TO
- Last Order Number: (empty)
- Refund Payment Method Id: (empty)
- Error Gl Journal Id: (empty)
- Old Invoice Sequence Enum Id: Enforced Sequence (no gaps, per organization) (with an arrow pointing to the field)
- Old Order Sequence Enum Id: Enforced Sequence (no gaps, per organization) (with an arrow pointing to the field)
- Old Quote Sequence Enum Id: Enforced Sequence (no gaps, per organization) (with an arrow pointing to the field)
- Add: (with an arrow pointing to the button)

Figure A.13: Accounting Preferences for New Accounting Company

- ↳ Enter the details (NOTE: In our example we left the defaults and entered only the prefixes TI, TO and TQ for Invoices, Orders and Quotes)
- ↳ Click "Add"

Our new Accounting Preferences have now been created.

Journals

When we created our new company (My New Test Company) we didn't include an Error Journal for it. Error Journals are important because it is used to store any accounting transactions that fail because of errors.

We need to create an error journal and then link it to our new company.

To create the new journal

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Organization GL Settings” from the Accounting Manager drop down menu
- ↳ Click “Setup” for My New Test Company
- ↳ Click “Journals”

To enter the Journal details

- ↳ Enter “My Test Journal” for GL Journal Name
- ↳ Click “Submit”

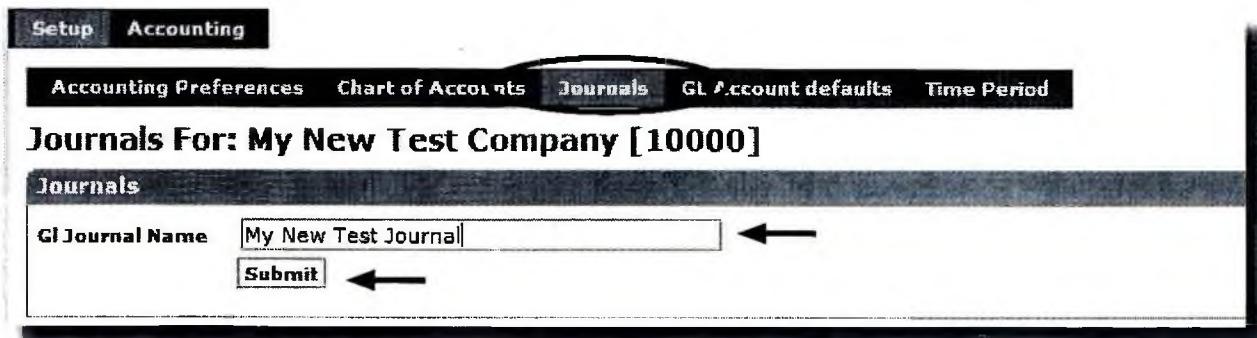


Figure A.14: Creating a New Journal

The new journal will be displayed.

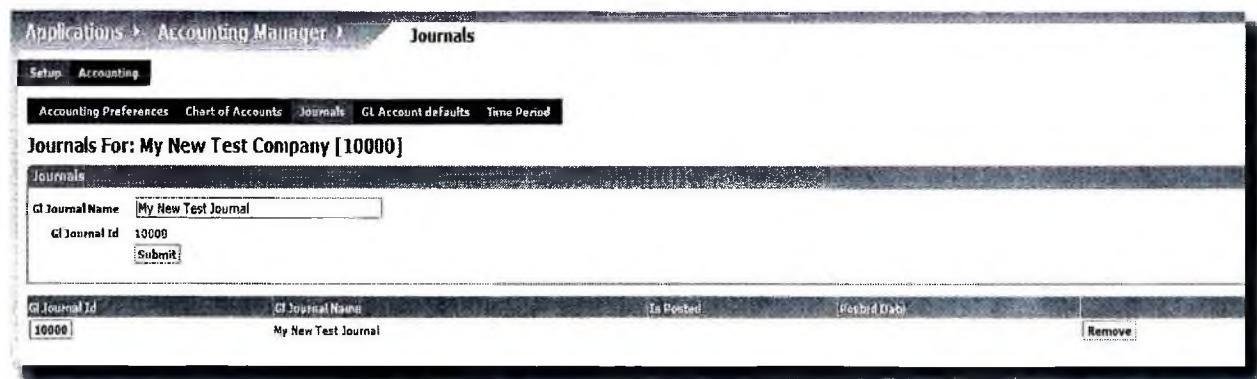


Figure A.15: Newly Created Journal

Next we need to add this journal to the Accounting Preferences setup for My New Test Company.

- ↳ Click “Accounting Preferences”

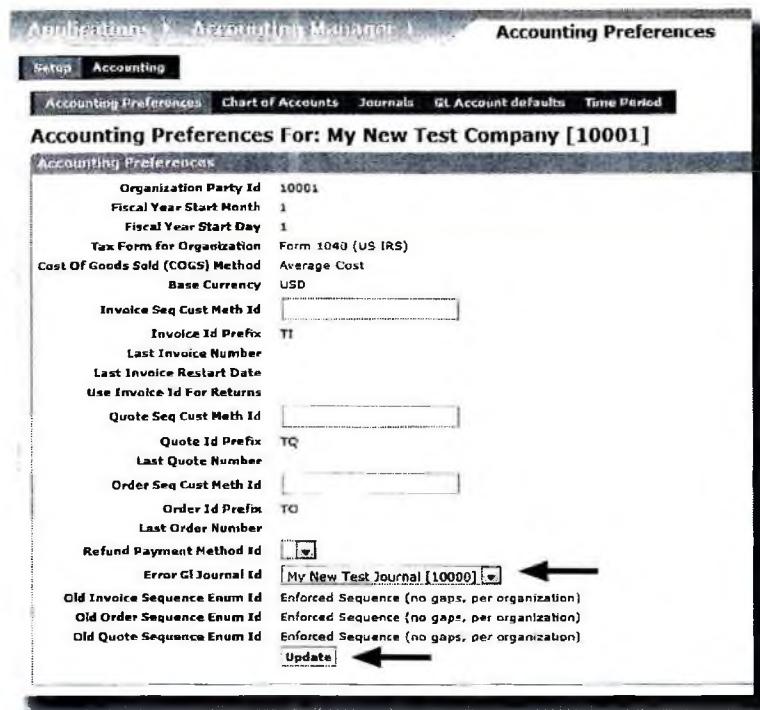


Figure A.16: Adding the Journal to Accounting Preferences

- ↳ Select the newly created journal for “Error GL Journal Id”
- ↳ Click “Update”

Our Error Journal is now linked to our company.

SETUP A FINANCIAL YEAR

A “Financial Year” is a defined period, usually 12 months, that is aligned to your country’s tax period.

We need to setup a Financial Year for our new company. Our Financial Year will begin on 1st January 2014 and run through to the 31st December 2014.

To create a Financial Year

- ↳ Select “Organization GL Settings”
- ↳ Click “Setup” next to “My New Test Company”
- ↳ Click “Time Period”

↳ Enter the details from the following table

FIELD	VALUE
Period Type Id	Fiscal Year
Period Num	1
Period Name	My New Fiscal Year
From Date	1st January 2014
Thru Date	31st December 2014
Is Closed	No

↳ Click “Create”

Figure A.17: Creating a New Fiscal Year

The time period is created.

Tip: The minimum setup you need for OFBiz is a Financial Year. You can create other periods (e.g. monthly or quarterly) but this will depend on how you want to track your financial transactions

Our next step is to do the Tax Setup for this company.

Step 3 Tax Setup

A “Tax Authority” is legal organisation representing the government (of a country, state, region, province or city) that is responsible for imposing and collecting the financial levies determined by the government.

These levies are normally imposed on business transactions as a “tax”. In OFBiz tax authorities are used to calculate where business or related taxes are due.

Tax setup is very important as it links into the calculated price that you charge your customers and also flows through into any related legal documents that are generated (e.g. Sales Order, Sales Invoice, Purchase Order etc).

The OFBiz demo data comes with some default tax authorities and parties for the US and Canada. If you are within these areas then you can use or modify these. However if you are outside these areas you will need to create a new one.

Tip: This is covered in Chapter 6 Tax Authorities

We are going to:

- Create a new Tax Authority,
- Setup a specific tax rate to use
- Then link the Tax Authority to our new company.

The first step is to create a new party to represent our Tax Authority. This is done using Party Manager.

To access Party Manager:

- ↳ Select “Party” from the Applications drop down menu

The screenshot shows the 'Find Party(s)' screen under the 'Party Manager' application. At the top, there is a 'Create New' button with an arrow pointing to it. Below this is a 'Search Options' section containing fields for Contact Information (None, Postal, Telecom, Other), Party ID, User Login, Last name, First name, Party Group Name, Role Type (Any Role Type dropdown), Type (Any dropdown), Inventory Item Id, Serial Number, and Soft Identifier. There is also a 'Find' button. At the bottom, a 'Search Results' section displays the message 'No parties found.'

Figure A.18: Party Manager Default Screen

We need to create a new party

- ↳ Click “Create New”

The screenshot shows the 'Create New Party Detail' screen under the 'Party Manager' application. At the top, there is a 'Create New Party Group' button with an arrow pointing to it. Below this are five other options: Create New Person, Create Customer, Create Prospect, and Create Employee.

Figure A.19: Creating a New Party

The Tax Authority we are creating is not an individual (person, customer, prospect or employee). It is an organisation and in OFBiz this is called a “party group” (i.e. a group of people!).

- ↳ Click “Create New Party Group”

A screen similar to the following will be displayed.

Getting Started with Apache OFBiz® Accounting

The screenshot shows the 'Edit Group Information' dialog box. The 'Group Name' field contains 'MyNewTaxAuthority'. A red arrow points to the word 'Required' in a validation message above the field. Another red arrow points to the 'Save' button at the bottom left of the form.

Figure A.20: Creating a New Tax Authority Party Group

- ↳ Enter “MyNewTaxAuthority” in the Group Name
- ↳ Click “Save”

The screenshot shows the 'View Party Profile' page. The 'Party Group Information' section lists details such as Party Id (10000), Group Name (MyNewTaxAuthority), and Status ID (Enabled). To the right, various sections are displayed, each showing a message like 'No UserLogIn(s) found for this party.' or 'No party attributes found.' These sections include User Logins, Party Attributes, AVS Overrides, Party Content, Attach Content, Select Purpose, Notes, Visits, and Stores.

Figure A.21: Newly Created Party

The new party group has been created but we need to add a specific role to it - to let OFBiz know that it is Tax Authority.

To do this:

- ↳ Click “Roles”

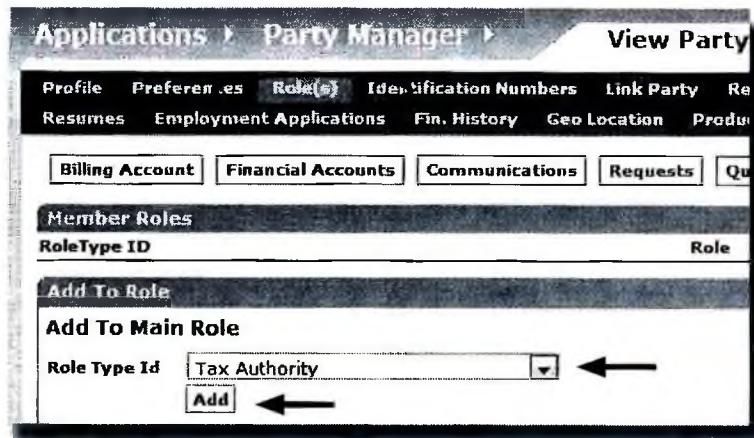


Figure A.22: Adding the Tax Authority Role

Under the “Add to Main Role”

- ↳ Select “Tax Authority” for the Role Type Id
- ↳ Click “Add”

Applications > Party Manager > View Party Roles			
Profile Preferences Relief(s) Identification Numbers Link Party Relationships Vendor Tax Infos Rates Shopping Lists Segments Classifications Contact Lists Party Content Party Skills Resumes Employment Applications Fin. History Geo Location Product Store Roles			
Billing Account Financial Accounts Communications Requests Quotes Orders New quote New order			
Member Roles			
RoleType ID	Role	Parent Type Id	remove
TAX_AUTHORITY	Tax Authority	Organization	Remove

Figure A.23: Tax Authority Role Added

Now this is done - we can use the Tax Authorities menu to complete the Tax Authority setup.

Setting up Tax Authority Region and Rates

Next we need to specify what region the Tax Authority relates to and what tax rates need to be applied.

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Tax Authorities” from the Accounting Manager drop down menu

Tax Auth Geo ID	Tax Authority Party	Require Tax Id For Exemption	Tax Id Format Pattern	Include Tax In Price	Action
California [CA] [CA]	State of California Board of Equalization CA_BOE	N		N	Edit
Canada [CA] [CAN]	Canada Tax Authority CAN_TAXMAN	N		N	Edit
New York [NY] [NY]	New York Department of Taxation and Finance NY_DTF	N		N	Edit
ON (ON) [ON]	Ontario Sales Tax (VAT) Authority ON_TAXMAN	Y		Y	Edit
Texas [TX] [TX]	Texas Sales Tax Authority TX_TAXMAN	N		N	Edit
United States [US] [USA]	United States of America - Internal Revenue Service USA_IRS		\d{2}\-\d{7}\ \d{3}\-\d{2}\-\d{4}	N	Edit
Utah [UT] [UT]	Utah Sales Tax Authority UT_TAXMAN	N		N	Edit
Utah County [UTAH] [UT-UTAH]	Utah County, Utah Sales Tax Authority UT_UTAH_TAXMAN	N		N	Edit
Not Applicable [NA] [NA]	NA	N		N	Edit

Figure A.24: Accounting Tax Authorities Screen

- ↳ Click “New Tax Authority”

In reality we have already created our Tax Authority in Party Manager and we are just adding to that setup.

- ↳ Enter the details from the following table

FIELD	VALUE
Geo	USA (This is the region the Tax Authority represents)
Party ID	10000 (**This is the Party ID of the MyNewTax Authority that we created earlier)
Require Tax Id for Exemption	"Y" (This ensures that a valid Tax ID needs to be input to exempt an order or customer from the Tax Calculation.) NOTE: This must be set to "N" if you cannot verify the Tax ID of a customer or supplier. This is especially important for Export Sales as your company is liable for not charging tax in these circumstances.
Tax ID Format Pattern	Leave blank (This allows you to specify format of the Tax ID)
Include Tax in Price	"N" (This ensures that the tax amount will be calculated on top of the stated price. If you set this to "Y" then your product prices are show fully inclusive of the tax amount. This could be complicated if you offer discounts or promotions)



NOTE: An example of the Tax Id Format Pattern is as follows: \d{2}\-\d{7}\|\d{3}\-\d{2}\-\d{4} which translates to two formats 99-9999999 or 999-99-9999

Edit Tax Authority

Geo: USA Party: 10000

Require Tax Id For Exemption: Y

Tax Id Format Pattern: Use regular expression validation pattern

Include Tax In Price: N

Update

Figure A.25: Enter Tax Authority Region Details

↳ Click “Update”

You should get a screen similar to the one below.

Edit Tax Authority

New Tax Authority

Edit Tax Authority For: Tax Authority Party " MyNewTaxAuthority" [ID:10000], Geo "United States" [ID:USA]

Geo: USA Party: 10000

Require Tax Id For Exemption: Y

Tax Id Format Pattern: Use regular expression validation pattern

Include Tax In Price: N

Update

Figure A.26: Newly Created Tax Authority

NOTE: There is no message. If the screen re-displays then this means that the Tax Authority has been created successfully.

We now need to add the Tax Rate (e.g. GST or VAT) that will be applied when anyone buys something from us via the E-Commerce store.

↳ Click “Product Rates”

↳ Enter the details from the following table

FIELD	VALUE
Type	"Sales Tax"
Store ID	Leave blank (NOTE: If left blank this means that the Tax Rate is valid for all stores. If you specify a Store ID it will only be valid for that store)
Category	Leave blank (NOTE: If Categories have been created via the Categories link then they will be available to select here)
Title Transfer	Leave blank (NOTE: This is normally related to the legal transfer of ownership of goods.)
Min Item Price	Leave blank (NOTE: This allows you to enter a minimum value for a product where the tax is to be applied. If left blank then it is zero)
Min Purchase	Leave blank (NOTE: This allows you to specify a minimum purchase for where the tax is to be applied.)
Tax Shipping	"Y" (NOTE: This specifies whether to apply the tax to shipping charges)
Tax Percentage	"12.5" (This is the tax rate used to calculate our Sales Tax)
Tax Promotions	"Y" (NOTE: This specifies whether to apply the tax to promotional prices, items or discounts)
From Date	Use the Date Picker to select "Now"
Thru Date	Leave Blank
Description	"MyOwn Sales Tax" (This description will displayed and printed on documents when the tax is applied)



IMPORTANT NOTE: You can setup multiple entries (i.e. different rates for product categories or different stores) but there is a current OFBiz warning not to create more than one entry with Tax Shipping and Promotions = "Y"

New Tax Authority
Edit Tax Authority Product Rates For: Tax Authority Party " MyNewTaxAuthority" [ID:10000], Geo "United States" [ID:USA]

Beware: don't use more than one line with "Tax Shipping" and/or "Tax Promotions" value = "Y"

Type	Sales Tax
Store ID	
Category	<input checked="" type="checkbox"/> Use the Categories tab to add other category options
Title Transfer	
Min Item Price	
Min Purchase	
Tax Shipping	Y
Tax Percentage	12.5
Tax Promotions	Y
From Date	6/5/2014 2:26:30 AM
Thru Date	
Description	MyOwn Sales Tax
Add	

Figure A.27: Entering Product Rates

↳ Click "Add"

An new entry will be created on the lower part of the screen.

Type	Store ID	Category	Title Transfer	Net Item Price	Min Purchase	Tax Shipping	Tax Percentage	Tax Promotions	From Date	Thru Date
Sales Tax						Y	12.5	Y	6/5/2014 2:26:30 AM	

Figure A.28: New Sales Tax Rate



NOTE: To update or delete this Sales Tax entry just scroll to the end of the line to find the links.

We have setup the tax authority and specified a tax rate. Now we need to link this to our new company.

To create the link

↳ Click "Parties"

Party Id	From Date	Thru Date	Party Tax Id	Is Exempt

Figure A.29: Party Info

You will see that there aren't any parties are linked to our Tax Authority yet. We need to add our new company.

- ↳ Click “New Tax Authority Party Info”
- ↳ Enter the following information from the table

FIELD	VALUE
Party ID	The Party ID of “My New Test Company” (Type this in or use the lookup)
From Date	Current date (Use the date picker to select “Now”)
Thru Date	Leave blank
Party Tax ID	Leave blank (Or enter the VAT or GST Number)
Is Exempt?	“N” (Only specific businesses are tax exempt)
Is Nexus?	“N” (See note below)



NOTE: “Nexus” is a term that refers to an agreement between the Tax Authority and the potential tax payer (e.g. your company) that the Tax Authority can impose the tax on. This usually applies to Sales Taxes. If you have a Sales Tax that is uniformly applied to a product or range of products then the “Nexus” field can be set to “Y”.

Figure A.30: Adding “Company” to Tax Authority

- ↳ Click “Create”

Our Tax setup is now complete.

Step 4: Setup Detailed Accounting Information

If you are following along and attempting these tasks, expect to take approximately 30 minutes to complete this step.

Our chart of accounts is simple one. The things we want to track include:

THINGS WE WANT TO TRACK	OFBIZ CHART OF ACCOUNTS NAME
Our company bank account	GENERAL CHECKING ACCOUNT
Any cash we receive	CASH
Money not yet deposited in our company company's bank account	UNDEPOSITED RECEIPTS
Money our customers owe us	ACCOUNTS RECEIVABLE
Money we owe our suppliers	ACCOUNTS PAYABLE
The value of products we have in stock but have not yet sold	INVENTORY
Customer Sales	GENERAL SALES
Sales Tax	SALES TAX COLLECTED
Delivery or Shipment Charges	MISCELLANEOUS SALES
Discounts given to customers	DISCOUNTS ON SALES
Money returned to customers when they return our products	CUSTOMER RETURNS
Cost of Goods Sold	COST OF GOODS SOLD

This translates into a General Ledger organisation as follows:

ASSETS
GENERAL CHECKING ACCOUNT
CASH
UNDEPOSITED RECEIPTS
ACCOUNTS RECEIVABLE
INVENTORY

LIABILITIES
SALES TAX COLLECTED
ACCOUNTS PAYABLE

EXPENSE
COST OF GOODS SOLD
INCOME
GENERAL SALES
MISCELLANEOUS SALES
DISCOUNTS ON SALES
CUSTOMER RETURNS
COST OF GOODS SOLD

A standard chart of accounts would also include other accounts for expenses (i.e. the money spent to keep the business going such as rent, stationery, salaries etc) and equity (which is the total value of the company).



NOTE: To setup a Chart of Accounts in OFBiz simply means that we need to select the accounts we want to use from the OFBiz Global Master Template. See Chapter 3 Global GL Settings and Chapter 4 Business Accounting Setup for more details

Out of the box the global template is organised as a hierarchy of eleven (11) top level account groupings. Each grouping has a name and a number assigned to it.

ACCOUNT CODE	TOP-LEVEL ACCOUNT GROUPING
100000	ASSETS
200000	LIABILITIES
300000	OWNERS EQUITY AND NET WORTH
400000	SALES
500000	COST OF GOODS SOLD
600000	EXPENSE
700000	OTHER EXPENSES
800000	OTHER INCOME
820000	OTHER EXPENSE
850000	NET INCOME
900000	INCOME TAX

There are over 450 accounts in the template, so grouping them in this way helps us to find individual accounts. Each account we wish to map from the global template will fall into one of these groups and will have an account code that falls within the range for the grouping.

You can see this organisation and how the accounts are arranged under the top level accounts as follows:

- ↳ Select “Accounting” from the drop down menu
- ↳ Select “Global GL Settings”
- ↳ Click “Navigate Accounts”

This will display an expandable list of the template accounts.

From this we may change many aspects of the global account settings including the account name and the accounting code assigned.



NOTE: The OFBiz Global Template is very US focused and other countries may need to either rename the accounts or look at loading their own master template in their own language.

CREATING THE CHART OF ACCOUNTS

We will use the new company (My New Test Company) that we created in the previous section.

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Organization GL Settings” from the Accounting Manager drop down menu

Figure A.31: Organization GL Settings Default Screen

- ↳ Click “Setup” for My New Test Company
- ↳ Click “Chart of Accounts”

The Chart of Accounts will be empty.

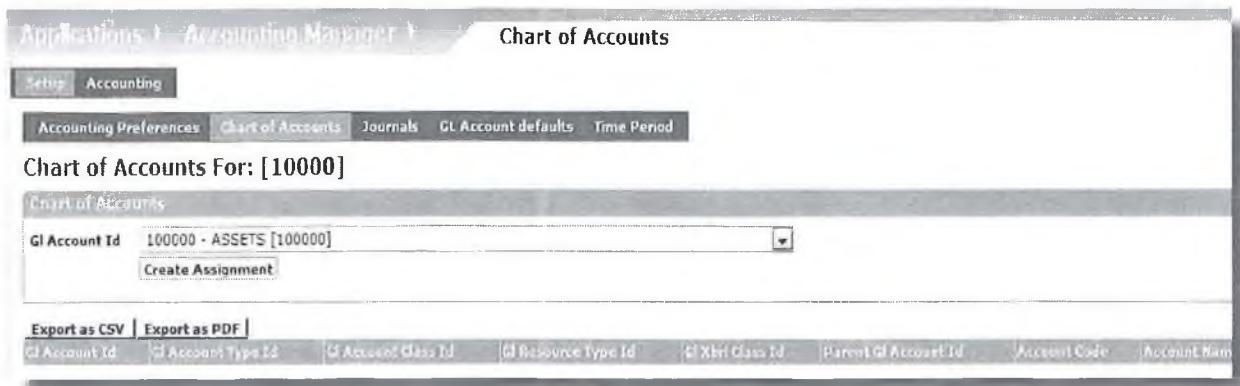


Figure A.32: Empty Chart of Accounts

Reminder: A *Chart of Accounts* is made up of accounts from 5 main areas: *Assets, Income, Expenses, Liabilities, Equity*

We are now going to assign accounts from the Global Template to our specific chart of accounts. The ones accounts we are interested in are as follows:

FIELD	ACCOUNT TYPE
110000 CASH	ASSET
111100 GENERAL CHECKING ACCOUNT	ASSET
112000 UNDEPOSITED RECEIPTS	ASSET
120000 ACCOUNTS RECEIVABLE	ASSET
140000 INVENTORY	ASSET
210000 ACCOUNTS PAYABLE	LIABILITY
224000 SALES TAX	LIABILITY
310000 CAPITAL	EQUITY
401000 GENERAL SALES	INCOME
409000 MISCELLANEOUS SALES	INCOME
410000 DISCOUNTS ON SALES	INCOME
500000 COST OF GOODS SOLD	EXPENSE

The only account that may be new to you is “Capital”. We are including it only for completeness.

Let's add our first account.

- ↳ Select “110000 Cash” from the GL Account Id drop down selection
- ↳ Click “Create Assignment”

The newly assigned account will be displayed in the lower part of the screen.

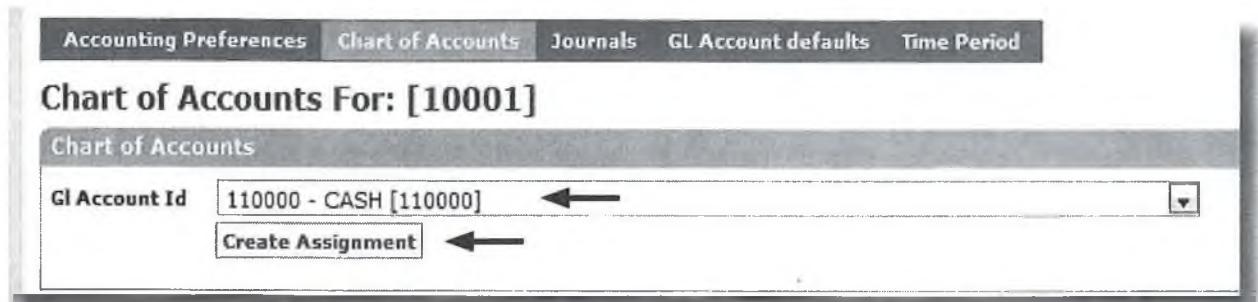


Figure A.33: First Account Added to Chart of Accounts

↳ Add the rest of accounts in the same way.

When you have finished your screen should look similar to the following.

The screenshot shows the 'Chart of Accounts' screen for account [10001] after all accounts have been added. The interface is identical to Figure A.33, with tabs for 'Accounting Preferences', 'Chart of Accounts' (selected), 'Journals', 'GL Account defaults', and 'Time Period'. The title 'Chart of Accounts For: [10001]' is at the top. Below it, the 'Chart of Accounts' section shows the 'GL Account Id' field with '210000 - ACCOUNTS PAYABLE [210000]' and the 'Create Assignment' button. At the bottom of this section, there are two buttons: 'Export as CSV' and 'Export as PDF'. The main area displays a table of accounts:

GL Account Id	GL Account Type Id	GL Account Class Id	GL Resource Type Id	GL Dir Class Id	Parent GL Account Id	Account Code	Account Name	Description	Thumbnail
110000	Current Asset	Cash and Equivalent	MONEY		100000	110000	CASH		
111100	Current Asset	Cash and Equivalent	MONEY		111000	111100	GENERAL CHECKING ACCOUNT		
112000	Current Asset	Cash and Equivalent	MONEY		111000	112000	UNDEPOSITED RECEIPTS		
120000	Accounts Receivable	Current Asset	MONEY		100000	120000	ACCOUNTS RECEIVABLE		
140000	Inventory	Inventory Asset	MONEY		100000	140000	INVENTORY		
210000	Accounts Payable	Current Liability	MONEY		200000	210000	ACCOUNTS PAYABLE		
224000	Current Liability	Current Liability	MONEY		220000	224000	SALES TAX COLLECTED		
310000	Owner's Equity	Owners Equity	MONEY		300000	310000	CAPITAL		
401000		Revenue	MONEY		400000	401000	GENERAL SALES		
409010		Revenue	MONEY		400000	409010	MISCELLANEOUS SALES		
410000		Cost of Goods Sold Expense	MONEY		400000	410000	DISCOUNTS ON SALES		
500000		Cost of Goods Sold Expense	MONEY			500000	COST OF GOODS SOLD		

Figure A.34: Completed Chart of Accounts

We have now finished setting up the chart of accounts for our new company.

Advanced Tip: Removing accounts from a Chart of Accounts is not very straightforward. There is no easy way for removing an assignment in through the user interface. It will need to be done via the Webtools menu and Entity Data Maintenance

SETTING UP THE GL ACCOUNT DEFAULTS

Now that we have created our chart of accounts, our next step is to setup the rules concerning where the accounting transaction information should be stored (or posted) in our chart of accounts.

Tip: This is covered in Chapter 4 Business Accounting Setup

The GL Account Defaults is where we establish these transaction rules.

REMINDER: OFBiz works by using “default transactions” A description of the key transactions we want to use are defined in this tutorial

The minimum defaults (or rules) we need to setup are as follows:

GL ACCOUNT TYPE DEFAULTS

Each transaction coming through your accounting system will have a type (e.g. Accounts Payable, Accounts Receivable, Commission, Purchase Price Variance, Inventory etc) that describes what the transaction is for. The “GL Account Type default” allows us to map this transaction type to a general ledger account.

This is very important because it allows us to automate the generation of accounting transactions and this becomes a huge benefit when there are a large number of transactions.

SALES INVOICE DEFAULTS

The Sales Invoice is not a general ledger account but a document that shows the details relating to a customer sale. These details are also in fact accounting transactions because they show how much income you have received and any tax paid.

This “Sales Invoice default” allows you to setup the GL accounts to specify where the Sales Invoice transactions are generated.

PAYMENT TYPE / GL ACCOUNT TYPE ID

Payments can be organised into “types” that tell us about who made the payment or what it was for. (e.g. Customer , Vendor or Sales Tax Payments).

For our tutorial example we are most interested in tracking the Customer and Sales Tax payment types.



WARNING: This default isn't directly linked to a GL account but instead is linked to another GL default type

PAYMENT METHOD ID / GL ACCOUNT ID

The “Payment Method ID” tells us how payments were made or received. (e.g. Did our customers pay cash, paypal or direct credit into our bank account?)

The “Payment Method Id/GL Account Id” default allows us to link a GL account to the way the money was received.



NOTE: It is important to note that this doesn't cover Credit Cards and a separate GL Account default exists for credit cards.

CREDIT CARD TYPE GL ACCOUNT

This GL Account default allows you to link a GL account to a particular Credit Card Type. This can be useful in reconciliation.

TAXAUTHORITY GL ACCOUNT

This GL Account default is used to map the different tax authorities to different general ledger accounts.

Normal business rules require you to keep track of amounts collected or paid to various tax authorities. This mapping ensures that the tax amounts can be separated out.



NOTE: We are using the minimum setup required. Please refer to Chapter 4 Business Accounting Setup for a detailed description of all the GL Account Defaults.

REMINDER: The default OFBiz Sales Order transactions are "Incoming Payment", "Sales Shipment", "Sales Invoice" and "Payment Applied". Each of these transactions are triggered automatically when certain events occur after a product is purchased.

Default General Ledger Account Type Settings

An important account that we want to monitor is the "Accounts Receivable" type.

Usually these type of accounts receive money because a customer has paid us or is going to pay us. So our first task is to setup this account so that we can receive the money regardless of how it comes in (e.g. cash, cheque etc)

Setting up the "Incoming Payment" Transaction

In accounting terms if you expect to receive money from a customer for an order then information about this anticipated event is stored in the Accounts Receivable account until the debt is paid (i.e. we actually receive the money into our bank account).

To do this we need to map our chart of accounts ACCOUNTS RECEIVABLE (accounting code 120000) to the "Accounts Receivable" GL Type. This is done as follows:

- ↳ Select "Accounting" from the application menu
- ↳ Select "Organization GL Settings" from the drop down menu
- ↳ Click "Setup" next to the entry for "My New Test Company"

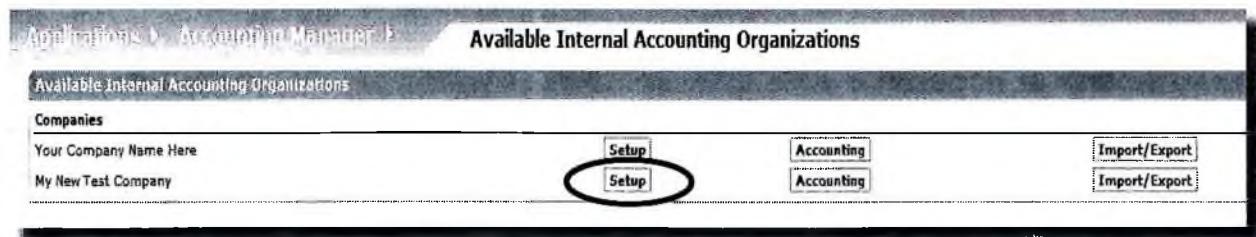


Figure A.35: Organization GL Settings Default Screen

- ↳ Click "GL Account defaults"
- ↳ Click "GL Account Type Defaults"

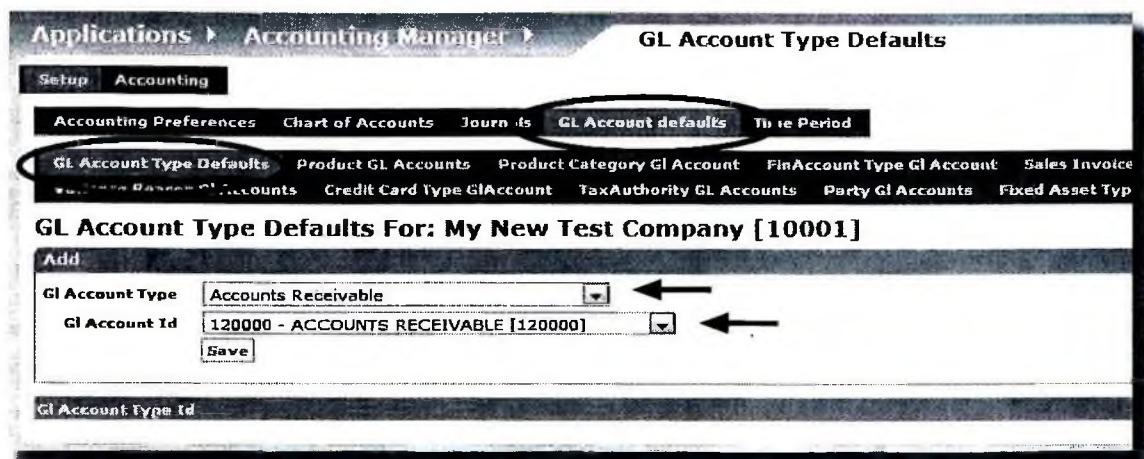


Figure A.36: Selecting the GL Account Organization GL Settings Default Screen

- ↳ Select “Accounts Receivable” from the GL Account Type drop down box
- ↳ Select “1200000 ACCOUNTS RECEIVABLE [1200000]” from the GL Account Id drop down box
- ↳ Click “Save”

The newly created mapping is now displayed at the bottom of the screen.

GL Account Type Id	GL Account Id	Remove
Accounts Receivable	1200000 ACCOUNTS RECEIVABLE [1200000]	

Figure A.37: Accounts Receivable Entry Added

SETTING UP THE “CASH” PAYMENT METHOD

In the previous section we told OFBiz that we have a general ledger account (called Accounts Receivable) to use for receiving money into our company. Next, we want to tell OFBiz how the payment is being made. (e.g. cash, cheque etc).

To set this up we need to map the “Incoming Payment” transaction to the payment methods we need. These will be as follows:

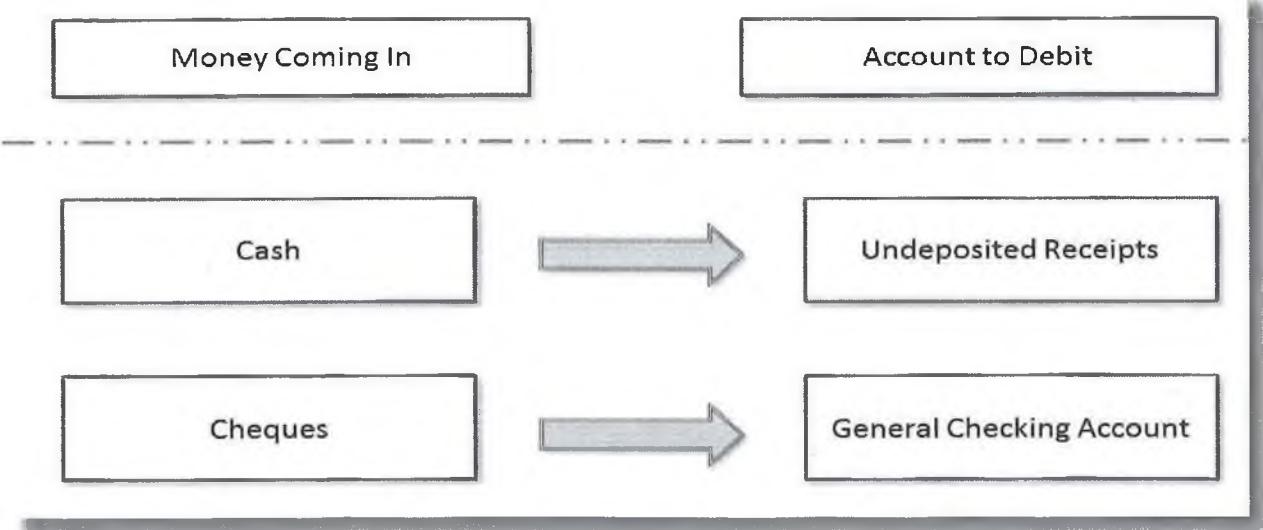


Figure A.38: Mapping Money Coming In



NOTE: Undeposited Receipts is another way of saying - money received that has not yet been paid into the bank account. (E.g. you have a pile of cheques to bank)

To create the details for a Cash payment.

- ↳ Click “Payment Method/GL Account ID”
- ↳ Select “Cash” from the Payment Method Type drop down box
- ↳ Select “112000 UNDEPOSITED RECEIPTS [112000]” from the Gl Account Id drop box
- ↳ Click “Save”

The screenshot shows the 'Payment Method Id/GL Account ID' configuration screen. At the top, there's a navigation bar with tabs like 'Setup', 'Accounting', 'Accounting Preferences', 'Chart of Accounts', 'Journals', 'Account Details', 'Time Period', and 'Payment Method Id/GL Account ID'. The 'Payment Method Id/GL Account ID' tab is highlighted with a red oval. Below the tabs, there's a message 'For: My New Test Company [10001]'. A modal dialog box is open, showing a dropdown for 'Payment Method Type' set to 'Cash' and another dropdown for 'Gl Account Id' set to '112000 - UNDEPOSITED RECEIPTS [112000]'. At the bottom of the dialog is a 'Save' button. Three arrows point to these three elements: one arrow points to the 'Payment Method Type' dropdown, another to the 'Gl Account Id' dropdown, and a third to the 'Save' button.

Figure A.39: Setting Up Cash Payment Method

The new entry will be added to the lower part of the screen

Payment Method Type	GL Account Id	Default GL Account Id	
Cash	UNDEPOSITED RECEIPTS [112000]	122000 :	<input type="button" value="Remove"/>

Figure A.40: Cash Payment Method Created

SETTING UP THE “PERSONAL CHECK” PAYMENT METHOD

We still need to setup the link between “Personal Check” and the main bank account. This is done as follows:

- ↳ Click “GL Account defaults”
- ↳ Select “Payment Method Id/GL Account ID”
- ↳ Select “Personal Check” from the Payment Method Type drop down selection
- ↳ Select “111100 - GENERAL CHECKING ACCOUNT [111100]” from the GL Account Id drop down selection
- ↳ Click “Save”

Your screen should now include both entries.

Payment Method Type	GL Account Id	Default GL Account Id	
Cash	UNDEPOSITED RECEIPTS [112000]	122000 :	<input type="button" value="Remove"/>
Personal Check	GENERAL CHECKING ACCOUNT [111100]	122000 :	<input type="button" value="Remove"/>

Figure A.41: Personal Check Payment Method Added



NOTE: Only the accounts we setup with mappings to our chart of accounts will show up in the “GL Account Id” drop down selection box. This is because OFBiz will not allow us to post a transaction to an account that has not been defined beforehand.

To recap, so far we have created two possible money flows and two ways to account for our “Incoming Payment” transaction.

If a customer pays us using cash, OFBiz will generate the following transaction:

TRANSACTION TYPE	GENERAL LEDGER ACCOUNT IMPACTED
Debit (DR)	126000 ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS
Credit (CR)	112000 UNDEPOSITED RECEIPTS

If a customer pays using a personal cheque, OFBiz will generate the following alternative transaction:

TRANSACTION TYPE	GENERAL LEDGER ACCOUNT IMPACTED
Debit (DR)	126000 ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS
Credit (CR)	111100 GENERAL CHECKING ACCOUNT

The setup of what happens when a payment is received is now complete.



NOTE: The account “126000 ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS” doesn’t yet exist in our Chart of Accounts but we will be adding this later on in this tutorial.

Payment Type Default

Next, we want to track “who” made the payment. Was it a Customer, a Vendor or other payment type? To set this up in the transaction rules we need to use the “Payment Type/GL Account Type Id” default.

In OFBiz a “Payment Type” is just another way to categorise transactions. The payment type we are interested in is called “Customer Payment” since we want to track our customer payments to us.

Our business will receive payments from our customers so when we receive a payment we want to be able to flag it as this type.

REMEMBER: We know that when customers pay us it affects “Accounts Receivable” because all incoming payments do.

So putting that together means that we need to link a "Customer Payment" to "Accounts Receivable"

In reality we are going to link "Customer Payments" to "Accounts Receivable - Unapplied Payments" and once we "apply the payment" it will be moved to Accounts Receivable. (NOTE: We will explain more about this when we setup the OFBiz "Payment Applied" transaction)

To map "Customer Payment" to "Accounts Receivable - Unapplied Payments"

- ↳ Click "Payment Type/GL Account Id"
- ↳ Select "Customer Payment" from the Payment Type drop down selection
- ↳ Select "Accounts Receivable - Unapplied Payments" from the GL Account Type drop down selection
- ↳ Click "Save"

Figure A.42: Entering the Payment Type

The entry will be created in the lower part of the screen.

Setting up Credit Cards

In our example we want our customers to have the option to pay us using a credit card. Normally this is tracked in a separate general ledger account.

The OFBiz Global accounting template includes accounts such as:

- Accounts Receivable - Visa
- Accounts Receivable - AMEX
- Accounts Receivable - Paypal

This is done so we can separate out exactly how much money has been paid to us via these methods. It would also help us to reconcile the payments we receive.

Reminder: In our chart of accounts we didn't create separate accounts for this as we will be keeping it all together in one account called "Accounts Receivable".

Let's map any credit card payment to use our "Accounts Receivable" account.

- ↳ Click "Credit Card Type GI Account"
- ↳ Select "Visa" from the "Card Type" drop down selection
- ↳ Select "120000 - ACCOUNTS RECEIVABLE [120000]" from the "GL Account ID" drop down selection
- ↳ Click "Add"

The screenshot shows the 'Credit Card Type GI Account' configuration page. At the top, there are tabs for 'Setup' and 'Accounting'. Below them is a navigation bar with links like 'Accounting Preferences', 'Chart of Accounts', 'Journals', 'GL Account defaults', 'Time Period', 'GL Account Type Defaults', 'Product Category GI Account', 'FinAccount Type GI Account', 'Sales Invoice', 'Purchase Invoice', 'Payment Type', 'Variance Reason GI Accounts', 'Credit Card Type GI Account' (which is currently selected), 'Tax Authority GI Accounts', 'Party GI Accounts', and 'Fixed Asset Type GI Mappings'. The main content area is titled 'Credit Card Type GI Account For: My New Test Company [10001]'. It contains a form with fields for 'Card Type' (set to 'Visa') and 'GL Account ID' (set to '120000 - ACCOUNTS RECEIVABLE [120000]'). An 'Add' button is located at the bottom of the GL Account ID field. Arrows point from the text description to each of these three fields.

Figure A.43: Adding Credit Card Default Entry

The details will be added to the lower part of the screen.

The screenshot shows a modal dialog box titled 'GL Account ID - Update'. It contains two input fields: 'Card Type' with the value 'CCT_VISA' and 'GL Account ID' with the value '120000 - ACCOUNTS RECEIVABLE [120000]'. Below the GL Account ID field is an 'Update' button. To the right of the GL Account ID field is a 'Remove' button. This dialog is part of the process shown in Figure A.43.

Figure A.44: Credit Card Entry Added

You can add any other credit card type in the same way.

Setting up the “Sales Shipment” Transaction

The “Sales Shipment” transaction records that you have taken a product out of the warehouse and sent it to the customer.

Tip: Anything to do with warehousing involves the “Inventory” account

In our chart of accounts we have an inventory account called “140000 INVENTORY”. The inventory account keeps track of the value of the products you have in stock.

When we ship products to our customer we can calculate the profit we have made (i.e the difference between what we paid to make or buy our product, and the amount the customers pays us for it). This calculation is tracked using an account called “Cost of Goods Sold” sometimes abbreviated to COGS.

To track the effect of Sales, Inventory and Cost of Goods Sold, we will set up three different “GL Account Type Defaults”; these are

- Inventory
- Costs of Goods Sold
- Sales

We will map each of these to their respective “GL Account ID” in our chart of accounts as shown.

GL ACCOUNT TYPE ID	GENERAL LEDGER ACCOUNT
Inventory	140000 INVENTORY
Cost of Goods Sold	500000 COST OF GOODS SOLD
Sales	401000 GENERAL SALES

To setup the Inventory mapping

- ↳ Click “GL Account Type Defaults”
- ↳ Select “Inventory” from the “GL Account Type” drop down selection
- ↳ Select “140000 - INVENTORY” from the “GL Account Id” drop down selection
- ↳ Click “Save”

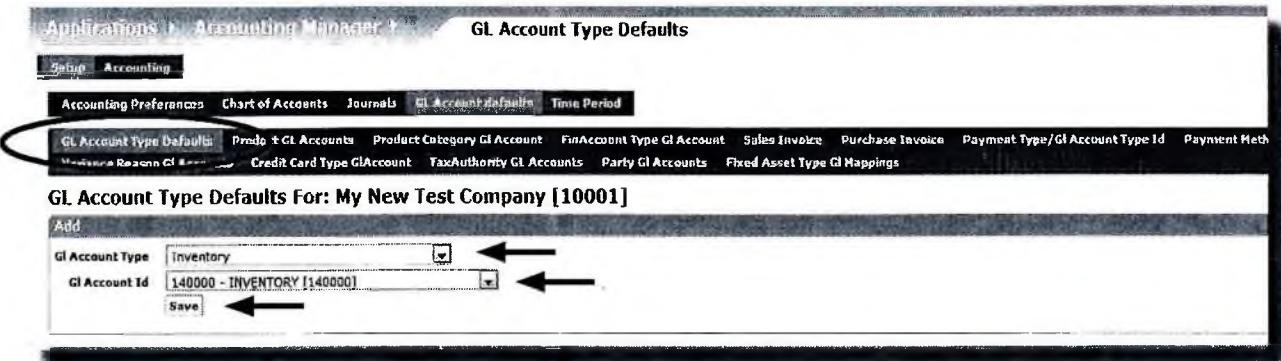


Figure A.45: Creating the Inventory GL Type Default Mapping

The Inventory mapping will be added.

- ↳ Add the mappings for the Cost of Goods Sold and Sales in the same way.

After you have added these your screen should be similar to the following:

GL Account Type Id	GL Account Id	
Accounts Receivable	120000 ACCOUNTS RECEIVABLE 120000	Remove
Cost of Goods Sold	500000 COST OF GOODS SOLD 500000	Remove
Inventory	140000 INVENTORY 140000	Remove
Sales	401000 GENERAL SALES 401000	Remove

Figure A.46: Completed GL Type Default Mapping

As a quick recap - now this setup has been done, whenever the “Sales Shipment” transactions is triggered in OFBiz it will produce the following accounting transaction:

TRANSACTION TYPE	GENERAL LEDGER ACCOUNT IMPACTED
Debit (DR)	500000 COST OF GOODS SOLD
Credit (CR)	140000 INVENTORY

And this transaction will be triggered whenever we ship a order to a customer.

Setting up the “Payment Applied” Transaction

The “Payment Applied” transaction links the “Customer Payment” to the “Sales Invoice”

We may receive payments from customers but when we receive the payment we are not exactly sure which invoice it is for. (E.g. we may need to look at the payment reference to match it to one of our orders or invoices).

OFBiz allows us to keep the “unmatched” payments separately from the “matched” ones.

- Unapplied Payments are the “Unmatched” payments
- Applied Payments are the “Matched” payments



IMPORTANT NOTE: We haven't included an account in our Chart of Accounts for Unapplied Payments so we will need to add it before we can do this mapping.

- ↳ Click “Chart of Accounts”
- ↳ Select “126000 ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS” as the GL Account ID
- ↳ Click “Create Assignment”

Applications > Accounting Manager > Chart of Accounts

Setup Accounting

Accounting Preferences Chart of Accounts Journals GL Account defaults Time Period

Chart of Accounts For: [10001]

Chart of Accounts

GL Account Id: 126000 - ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS [126000]

Create Assignment

Figure A.47: Adding Unapplied Payments to the Chart of Accounts

The account will be added to the chart of accounts.

Now we need to can add another mapping to the “GL Account Type Default”.

- ↳ Click “GL Account Type Defaults”
- ↳ Select “Accounts Receivable - Unapplied Payments”
- ↳ Select “126000 ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS”
- ↳ Click “Save”

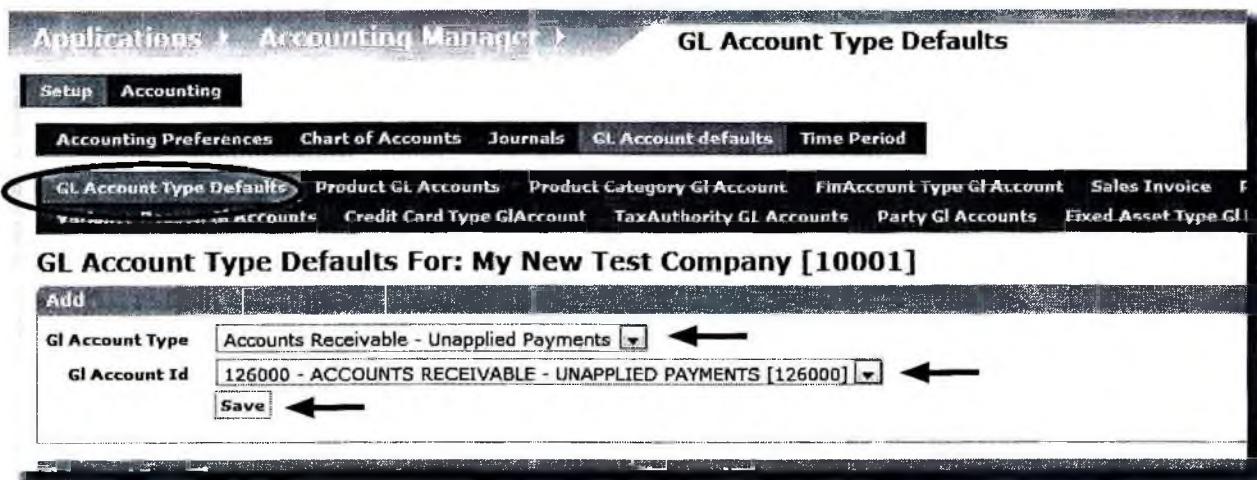


Figure A.48: Adding the Unapplied Payments Entry

The entry is added to the lower part of the screen.

The “Payment Applied” transaction will generate the following accounting transaction:

TRANSACTION TYPE	GENERAL LEDGER ACCOUNT IMPACTED
Debit (DR)	120000 ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS
Credit (CR)	120000 ACCOUNTS RECEIVABLE

Reminder: This transaction moves money from “unmatched” to “matched” (e.g. unapplied to applied)

Setting up the “Sales Invoice” Transaction

A “Sales Invoice” is a document generated when a customer buys a product from our company’s e-commerce store.

Sales invoices can be made up of a variety of items as well as information about the product purchased. For example, an invoice may contain information about discounts, promotions, work effort, labour costs and taxes.

The majority of businesses will want to track these type of items separately in the chart of accounts.



IMPORTANT NOTE: Failing to keep track of the tax charged on your sales is a criminal offence in many jurisdictions - which is why keeping accurate records of the your sales is important.

In OFBiz a Sales Invoice is automatically created once we ship an order to a customer.

Our next task is to setup the accounting entries we want to generate and record from our Sales Invoice. In particular, we want the creation of a Sales Invoice to automatically generate the following accounting transactions:

TRANSACTION TYPE	GENERAL LEDGER ACCOUNT IMPACTED
Debit (DR)	120000 ACCOUNTS RECEIVABLE
Debit (DR)	410000 DISCOUNTS ON SALES
Credit (CR)	400000 GENERAL SALES
Credit (CR)	224000 SALES TAX COLLECTED

Out of the box, OFBiz supplies mappings for General Sales, Discounts on Sales, Miscellaneous Sales in the Global Template,¹ but we still need to map the account for the “Sales Tax Collected”.

In all the defaults we have encountered so far, we have had to manually set them up but the Sales Invoice is automatically brought through from the mappings in the Global Template. (See Chapter 3 Global GL Settings).

¹ OFBiz allows us to specify override accounts if we don’t want to use the default accounts from the Global Template. For Sales Invoice the Global Template accounts are the default.

To see the default entries that have been brought through from the Global Template

- ↳ Select “Organization GL Settings”
- ↳ Click “Setup” next to “My New Test Company”
- ↳ Click “GL Account Type Defaults”
- ↳ Click “Sales Invoice”

The screen will be similar to the one below.

Description	Default GL Account Id	Override GL Account Id	Active GL Description
Invoice Adjustment	410000		DISCOUNTS ON SALES
Invoice Header Adjustment			
Invoice Item Adjustment	410000		DISCOUNTS ON SALES
Invoice Additional Feature(Sales)	409000		MISCELLANEOUS SALES
Invoice Discount(Sales)	410000		DISCOUNTS ON SALES
Invoice Digital Good Item(Sales)	401000		GENERAL SALES
Invoice Finished/Digital Good Item(Sales)	401000		GENERAL SALES
Invoice Finished Good Item(Sales)	401000		GENERAL SALES
Invoice Interest Charge	810000		INTEREST INCOME ON FINANCE CHARGES OR CUSTOMER ACCOUNTS
Invoice Miscellaneous Charges(Sales)	409000		MISCELLANEOUS SALES
Invoice Product-Feature Item(Sales)	401000		GENERAL SALES
Invoice Product Item(Sales)	401000		GENERAL SALES
Invoice Promotion(Sales)	410000		DISCOUNTS ON SALES
Invoice Sales Tax(Sales)			
Invoice Shipping and Handling(Sales)	409000		MISCELLANEOUS SALES
Invoice Service Product Item(Sales)	401000		GENERAL SALES
Invoice Surcharge(Sales)	409000		MISCELLANEOUS SALES
Invoice Time-Entry Item(Sales)	401000		GENERAL SALES
Invoice Warranty(Sales)	409000		MISCELLANEOUS SALES
Invoice Work-Effort Item(Sales)	401000		GENERAL SALES

Figure A.49: Sales Invoice Defaults

If you look closely at the screenshot above you will notice a couple of things.

- There is no mapping for Sales Tax
- At least one account listed here has not been setup in our chart of accounts.

“Sales Tax” has its own special account mapping and we will do this in the next section “Mapping the Sales Tax Transaction”.

The missing account is “810000 INTEREST INCOME ON FINANCE CHARGES OR CUSTOMER ACCOUNTS”

We will not be using this account for our example company since we do not plan to charge interest for late payments.

Also as we will not be creating any transactions for late payments, we can leave this account mapping here rather than try to remove it.

Tip: Clicking “Remove” on the Sales Invoice default will not remove the mapping entry. This is because the mapping is done at the Global Template level. If you have overridden the default account with another, then “Remove” will return the mapping back to the Global Template default.



IMPORTANT NOTE: We know that we have something mapped in our accounting setup that doesn't exist in our chart of accounts. If we generated a Sales Invoice that contains interest charges then the accounting transaction would fail.

Remember: When an accounting transaction fails, it gets put in our Error Journal that we created as part of our basic setup.

Mapping the Sales Tax Transaction

“Sales Tax” is mapped using the “Tax Authority GL Account” default. We are going to map our Sales Tax to the Account “224100 SALES TAX COLLECTED”

To do this

- ↳ Click “Tax Authority GL Accounts”

Reminder: During the basic setup we created My New Tax Authority and linked it to the tax setup and rate for our company and its products.

- ↳ Locate the “MyNewTaxAuthority” that we created earlier
- ↳ Select “224100 SALES TAX COLLECTED” from the GL account ID drop down selection
- ↳ Click “Add”

Tax Authority Geo	Tax Authority Party	GL Account ID - Add
[CA] California	State of California Board of Equalization [CA_BOE]	110000 - CASH [110000] <input type="button" value="Add"/>
[CAN] Canada	Canada Tax Authority [CAN_TAXMAN]	110000 - CASH [110000] <input type="button" value="Add"/>
[NY] New York	New York Department of Taxation and Finance [NY_DTF]	110000 - CASH [110000] <input type="button" value="Add"/>
[ON] ON	Ontario Sales Tax (VAT) Authority [ON_TAXMAN]	110000 - CASH [110000] <input type="button" value="Add"/>
[TX] Texas	Texas Sales Tax Authority [TX_TAXMAN]	110000 - CASH [110000] <input type="button" value="Add"/>
[USA] United States	MyNewTaxAuthority [10000]	224100 - SALES TAX COLLECTED [224100] <input type="button" value="Add"/>
[USA] United States	United States of America - Internal Revenue Service [USA_IRS]	110000 - CASH [110000] <input type="button" value="Add"/>
[UT] Utah	Utah Sales Tax Authority [UT_TAXMAN]	110000 - CASH [110000] <input type="button" value="Add"/>
[UT-UTAH] Utah County	Utah County, Utah Sales Tax Authority [UT_UTAH_TAXMAN]	110000 - CASH [110000] <input type="button" value="Add"/>
[NA] Not Applicable	[NA]	110000 - CASH [110000] <input type="button" value="Add"/>

Figure A.50: Tax Authority GL Defaults

This step is now complete.

Step 5: Test Your Accounting Setup

To test the setup we are going to place an order using the OFBiz e-commerce storefront and track it through the complete order cycle using our newly created accounting setup.

Before we do anything, we need to change some out-of-the-box defaults. OFBiz is automatically setup to use “Company” as the default company and not our newly created one. We will change it so that it will use “My New Test Company” and its newly created accounting setup as the default.

The things we are going to change are as follows:

- The e-commerce store owner and payee,
- The storefront warehouse owner, and
- We need to disable the default tax setup (so that it will use ours instead)

USING CATALOG MANAGER TO UPDATE THE WEBSTORE

Let's start by doing the changes to the e-commerce store. For this we need to use another OFBiz application called “Catalog Manager”.

To get to Catalog Manager

- ↳ Select “Catalog” from the “Applications” drop down menu
- ↳ Select “Stores” from the Catalog Manager drop down menu

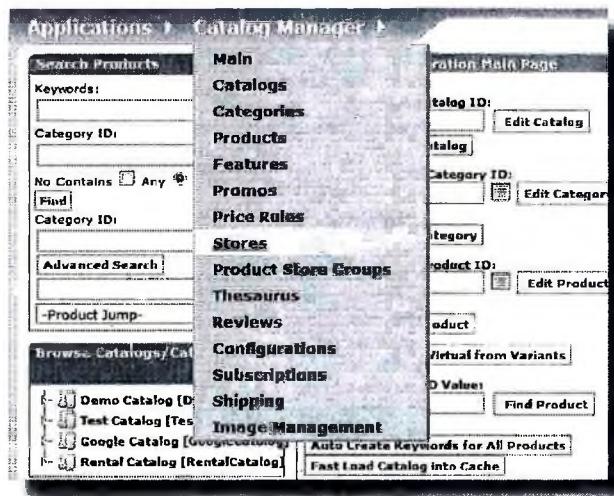


Figure A.51: Catalog Manager

A screen similar to the following will be displayed



Figure A.52: List of Product Stores

- ↳ Click on Store ID “9000”

This will display the details available to edit

- ↳ Scroll down to the “Payments” section
- ↳ Click the “+” to expand the payment configuration information
- ↳ Update the “Pay to Party ID” to “My New Test Company” (Tip: You can do this easily using the lookup. This is the small icon at the end of the field)
- ↳ Click “Update”

The screenshot shows the 'Edit Product Store' screen for the store 'OFBiz E-Commerce Store [ID:9000]'. On the left is a sidebar with 'Search Products' and 'Browse Catalogs/Categories' sections. The main area has tabs for 'Store', 'Role(s)', 'Primary Catalogs', 'Web Sites', 'Shipping', 'Shipping Estimates', 'Payments', 'Fin Accts', and 'Facility'. The 'Payments' tab is selected. A left sidebar lists 'Product Store', 'Inventory', 'ShoppingCart', 'Shipping', and 'Payments' (which is expanded, indicated by an arrow). In the main panel, there are fields for 'Store Name' (OFBiz E-Commerce Store), 'Title' (Open For Commerce), 'Sub-Title' (Part of the Open For Business Family of Open Source Software), 'Company Name' (Open For Business), 'Is Demo Store' (checkbox checked), 'Visual Theme' (EC_DEFAULT - OFBiz Ecommerce Standard Floating Layout), and 'Payments'. Under 'Payments', there is a field 'Pay To Party Id' with the value '1G001' and a dropdown menu showing 'My New Test Company' (also indicated by an arrow). Other payment-related fields include 'Store Credit Account Enum Id' (Financial Account), 'Manual Auth Is Capture' (N), 'Retry Failed Auths' (Y), 'Days To Cancel Non Pay' (30), 'Auto Order Cc Try Other Cards' (Y), 'Auto Order Cc Try Later Nsf' (Y), 'Auto Order Cc Try Later Max' (checkbox checked), and 'Store Credit Valid Days' (90).

Figure A.53: Changing the Product Store Pay To Party

Once you update the store configuration, you will be returned to the main “Store” page with the “Payments” section closed.

To verify that you have successfully changed this value, open the “Payments” section again by clicking on the “+” sign.

Using the Facility Manager to Update the Webstore Warehouse

Next we need to do a similar change for the warehouse. By default this too is linked to the default OFBiz company and we need to change it so that it uses “My New Test Company” instead.

We will use the OFBiz Facility Manager application to make this change:

To access “Facility Manager”.

- ↳ Select “Facility” from the “Applications” drop down menu
- ↳ Update the “Owner” to “My New Test Company”
- ↳ Click “Update”

The screenshot shows the 'Edit Facility Web Store Warehouse [WebStoreWarehouse]' form. The facility ID is 'WebStoreWarehouse' (disabled). The facility type is 'Warehouse'. The owner is set to '10001' with 'My New Test Company' selected, indicated by a red arrow. The product description is 'Warehouse exclusively for the Web Store'. The default days to ship is '25'. The 'Update' button at the bottom is highlighted with a red arrow. The top navigation bar includes links for Applications, Facility Manager, Find Facilities, and various facility management options like Stock Moves, Manage Picklists, Verify Pick, Packing, Scheduling, Incoming Shipments, Outgoing Shipments, Content, and Geo.

Figure A.54: Changing the Product Store Pay To Party

We only have one more change to make and that is to disable the “out of the box” Tax settings. If these are not disabled then these default settings could get in the way of testing our own accounting setup.

Disable Unwanted Tax Defaults

In a previous step we set up a sales tax rate of 12.5% for all products sold on the e-commerce store for our newly created company.

Now, because OFBiz comes with some other demonstration tax authorities configured that also taxes products purchased from the e-commerce store, we should remove these to avoid any confusion during our testing.

So how do we disable any unwanted settings?

We are going to expire them by setting a “Thru Date” so that OFBiz treats them as being no longer valid.



NOTE: In most cases, data is not removed or deleted from the OFBiz database. Rather it is “expired” or made inactive by setting a field in the database, usually the “thruDate” to a value that indicates that the record is no longer current.

Let's disable three of the demo tax authorities (“Utah”, “Utah County” and “Not Applicable”) by setting a “Thru Date” for the sales tax settings, to a value before the current date. This will effectively expire these entries.

We will start with the tax authority that has a unique partyId of “UT_TAXMAN” also known as the “Utah” tax authority:

- ↳ Select “Accounting” from the Applications drop down menu.
- ↳ Select “Tax Authorities” from the Accounting Manager drop down menu.
- ↳ Locate the entry for “UT_TAXMAN” tax authority and click the adjacent “Edit” link



NOTE: Don't click on the “UT_TAXMAN” link itself. This will bring up the Party Manager profile page for this tax authority and this is NOT the page we want.

Tax Auth Geo ID	Tax Authority Party	Require Tax Id For Exemption	Tax Id Format Pattern	Include Tax In Price	Action
California [CA] [CA]	State of California Board of Equalization [CA_BOE]			N	Edit
Canada [CA] [CAN]	Canada Tax Authority [CAH_TAXMAN]			H	Edit
New York [NY] [NY]	New York Department of Taxation and Finance [NY_DTF]			H	Edit
ON [ON] [ON]	Ontario Sales Tax (VAT) Authority [ON_TAXMAN]			Y	Edit
Texas [TX] [TX]	Texas Sales Tax Authority [TX_TAXMAN]			H	Edit
United States [US] [USA]	MyNewTaxAuthority [10000]			N	Edit
United States [US] [USA]	United States of America - Internal Revenue Service [USA_IRS]	Y	\d{2}\-\d{2}\-\d{4}	H	Edit
Utah [UT] [UT]	Utah Sales Tax Authority [UT_TAXMAN]			H	Edit
Utah County [UTAH] [UT-UTAH]	Utah County, Utah Sales Tax Authority [UT_UTAH_TAXMAN]			H	Edit
Not Applicable [NA] [NA]	[NA]			N	Edit

Figure A.55: Selecting the UT_TAXMAN Tax Authority

- ↳ Click “Product Rates”
- ↳ Locate the “Sales Tax” entry in the lower part of the screen
- ↳ Use the Date Picker to select “Now” (or any value before the current date) in the “Thru Date”
- ↳ Click “Update” (NOTE: You may have to scroll to the end of the line to see the “Update” link)

Type	Store ID	Category	Title Transfer	Min Item Price	Min Purchase	Tax Shipping	Tax Percentage	From Date	Thru Date
Sales Tax				0	0	N	4.75	6/13/2001 12:00:00 AM	6/13/2014 9:09:10 AM

Figure A.56: Expiring the Sales Tax Rate

The Sales Tax rate is now expired and will no longer be used.

Expiring The UTAH and N/A Tax Authorities

You will also need to expire the Tax Authorities “_NA_” and “UT_UTAH_TAXMAN” in the same way.

- ↳ Go back to the list of Tax Authorities and expire the Product Rates for ” _NA_ ” and “UT_UTAH_TAXMAN”



NOTE: If you do not disable these entries, your Sales Orders and customer confirmation documents will have these additional Sales Taxes applied.

Now that these Tax Authorities have been expired we are ready to start testing our new setup.

Running An Initial Trial Balance

Before we do anything that effects accounting we should verify that our accounts are balanced, which means that everything is set to “zero”.

This is important because we want to be able to reconcile all the transactions that are posted. Setting a baseline of “zero” will help us validate our outcome and reconcile transactions.

A “trial balance” is a list of the general ledger accounts showing the debits (DR) in one column and the credits (CR) in another. The main objective of a trial balance is to ensure that the total credits and total debits balance.

When our trial balance debits are equal to credits we are effectively saying that we are set to “zero”.

Let's run the trial balance report for our new company.

- ↳ Select “Accounting” from the Applications drop down menu.
- ↳ Select “Organization GL Settings”.
- ↳ Click “Accounting” next to “My New Test Company”

The Accounts Summary screen for our company will be displayed.

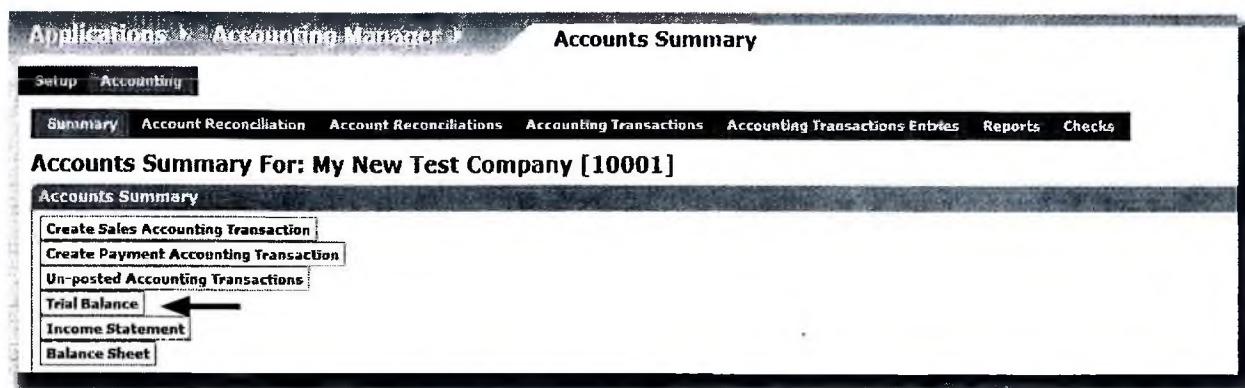


Figure A.57: Selecting the Trial Balance

- ↳ Click "Trial Balance"

A screen similar to the one below will be displayed.

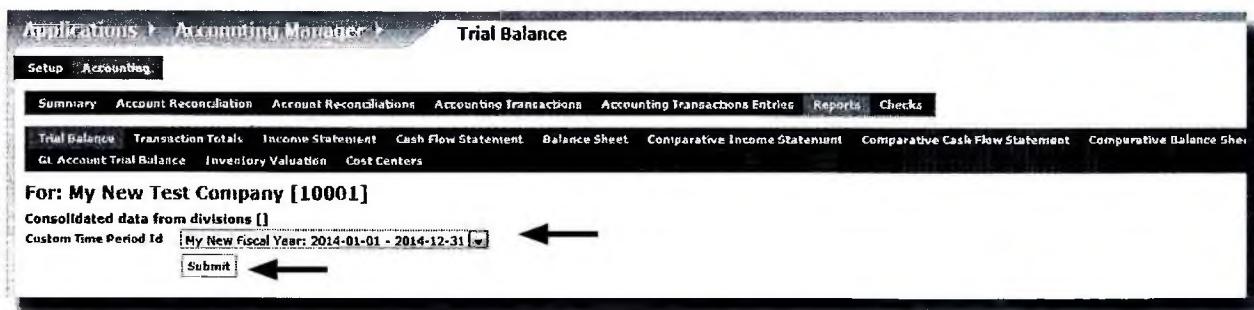


Figure A.58: Running the Trial Balance

- ↳ Select "My New Fiscal Year" (NOTE: This is the one we set up in Step 2) for the Custom Time Period Id
- ↳ Click "Submit"

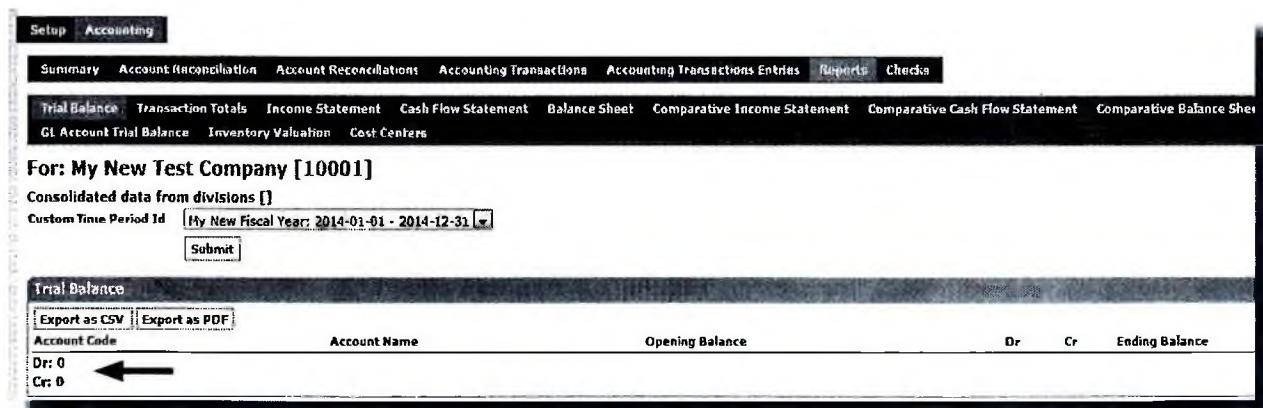


Figure A.59: Zero Trial Balance

If everything is OK, the report should return a zero balance. In our case, no transactions have occurred yet, so we are set to zero.

Processing a Customer Sale

Now that we have verified that our accounts are all ready, we can begin testing with some actual transactions.

- We are going to test our by processing a customer sale
- To purchase a product from the demonstration store (that is now tied to the My New Test Company) we need to access either the OFBiz e-commerce store or Order Manager

We will do it using the e-commerce store. Type the following in the web navigation bar.

<http://localhost:8080/ecommerce>

- ↳ Add a Tiny Chrome Widget (WG-5569) to the Shopping Cart”

Tip: There may be a minimum order quantity of 3 so you may find that you will have to buy 3 Tiny Chrome Widgets instead of 1

The screenshot shows a "Cart Summary" table with two items:

Qty	Item	Subtotal
3	Tiny Chrome Widget	\$144.00
1	Micro Chrome Widget	\$0.00

Total: \$144.00

Below the table are several buttons:

- View Cart**
- Check out**
- Quick Checkout** (highlighted with a black arrow)
- One Page Checkout**

Figure A.60: Shopping Cart

- ↳ Click “Quick Checkout”

- ↳ Complete the checkout process using the user “DemoCustomer” and password “ofbiz”; a payment method of “Mail Check/Money Order” and select the “No Shipping” option.
- ↳ Continue to Final Order Review
- ↳ Submit the Order
- ↳ Logout

We are now ready to begin the accounting tests.

Verify Tax Correctly Applied To Order

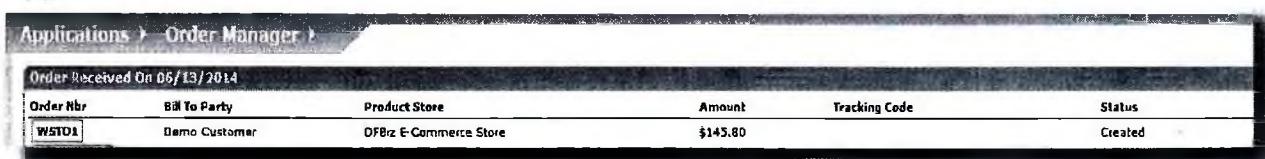
Our first test is to check that the Tax Authority, Product tax rate and tax application (only on the purchased product and not on shipping or any promotional items) is correctly applied to the order, confirmation and Sales Order documents.

- ↳ Login to OFBiz

We are going to take a detailed look at the order that has just been created. We do this using Order Manager.

- ↳ Select “Order” from the Applications drop down menu

By default OFBiz will display any orders that are made during that day.



Order Received On 05/13/2014					
Order Nbr	Billed To Party	Product Store	Amount	Tracking Code	Status
WSTO1	Demo Customer	OFBiz E-Commerce Store	\$145.80		Created

Figure A.61: Sales Order List

Notice the numbering: (WSTO1)

Reminder: In our Accounting Preferences setup we specified that our orders would use “TO” as a prefix.



NOTE: The OFBiz web store also has an Order Prefix (“WS”) which we did not change. This is why the both prefixes have been used.

Getting Started with Apache OFBiz® Accounting

↳ Click the Order Id link

The Order View screen will be displayed.

↳ Scroll down to the “Order Items” section

Product	Status	Quantity	Unit / List	Adjustments	Sub Total																																																																																				
WG-5569 - Tiny Chrome Widget				Catalog Ecommerce																																																																																					
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Ship Group	[00051] 2004 Factory Blvd	1																																																																																							
Inventory	9005	Ship Group G0001	1																																																																																						

Figure A.62: Verifying the Sales Tax

Notice that

- Our Sales Tax (My Own Sales Tax) has been applied to the Order
- The Sales Tax Rate is 12.5%

This is exactly what we setup earlier.

- It confirms that our Tax Setup has worked.

Triggering The “Incoming Payment” Transaction

Now that we have an order, we want to ensure that the money for the products is received before we dispatch the customer order.



NOTE: Not all businesses will work this way but the vast majority of online stores will want you to pay before receiving any products.

Let's view the payment status for our order.

Sales Order Nbr WSTO1 [PDF]		Cancel Order Approve Order	
Status History		Current Status: Created	
		Created - 6/13/14 11:18:39 PM By - [DemoCustomer]	
Date Ordered	6/13/14 11:18:39 PM		
Currency	USD		
Sales Channel	Web Channel		
Product Store	OFBiz E-Commerce Store (0000)		
Origin Facility	WebStoreWarehouse		
Created By	DemoCustomer		
Priority	Normal	Reserve Inventory	
Invoice Per Shipment	Yes	Update	
Mark Viewed	<input type="checkbox"/>		
Payment Information			
Status History Not-Received - 6/13/14 11:18:40 PM By - [DemoCustomer] ←			
Offline Payment Max Amount: \$145.80 → Receive Payment Cancel			
Payment Method	Visa ****1111 02/2021		
Amount	<input type="text"/> 0		
Add			

Figure A.63: Order Payment Information

The payment status is “Not Received” so we are waiting for our customer (DemoCustomer) to pay us.

A few days later DemoCustomer sends us a cheque for \$145.80. We need to link this payment to this order so that it can be shipped.

Apply Payments To Orders

Remember when we created this order we selected the payment option was “Mail Check/Money Order”? This means that we need to wait for the money to arrive and then manually apply it to the order.

“Applying a payment” to an order just means that we link the payment to the order.



NOTE: If this payment had been through an online method where the payment is processed while the customer is still on the webstore the payment would have been automatically applied to the order.

As the customer didn't pay at the time of order the “online”, receiving the payment as a cheque or cash is referred to as an “offline payment”.

- ↳ Click “Receive Payment”
- ↳ Enter 145.80 in the Personal Check field
- ↳ Click “Save”

Payment Type	Amount	Reference
Credit Card		
Gift Card		
Gift Certificate		
Cash		
Electronic Funds Transfer		
Financial Account		
Personal Check	145.80	
Company Check		
Certified Check		
Money Order		
Company Account		

Figure A.64: Receiving an Offline Payment

The “Payment Information” is updated to reflect the new information and a “payment” has been created.

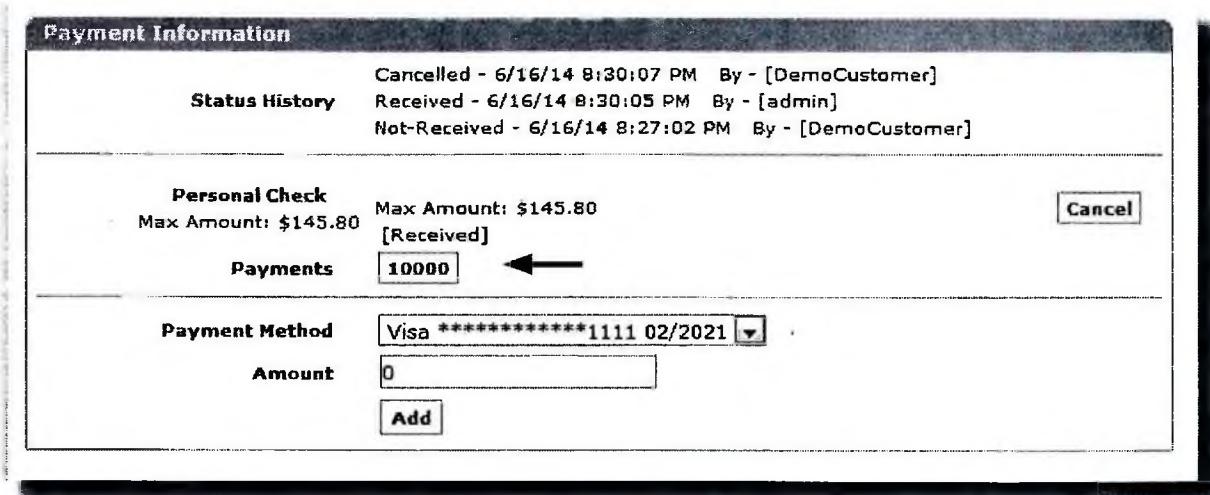


Figure A.65: Payment Received and Applied

↳ Click the Payment link

A screen similar to the following should be displayed.

Payment Overview																																																																										
Create New Status to 'Confirmed' Status to 'Void' Acctg Trans Entries PDF																																																																										
Payment Overview ID:[10000]																																																																										
Payment Header <table border="1"> <tr> <td>Payment Type ID</td><td>Customer Payment</td> <td>Payment Method Type</td><td>Personal Check</td> <td>Comments</td> </tr> <tr> <td>Status</td><td>Received</td> <td>Payment Method Id</td><td></td> <td>Payment received offline and manually entered.</td> </tr> <tr> <td>From Party</td><td>Customer, Demo [DemoCustomer]</td> <td>To Party</td><td>My New Test Company [10001]</td> <td></td> </tr> <tr> <td>Reference No</td><td></td> <td>Payment Preference ID</td><td>10002</td> <td></td> </tr> <tr> <td>Amount</td><td>\$145.80</td> <td>Actual Currency Amount</td><td></td> <td></td> </tr> <tr> <td>Effective Date</td><td>6/16/14</td> <td>Comments</td><td></td> <td></td> </tr> <tr> <td>Override GL Account Id</td><td></td> <td>Payment Gateway Response Id</td><td></td> <td></td> </tr> </table>					Payment Type ID	Customer Payment	Payment Method Type	Personal Check	Comments	Status	Received	Payment Method Id		Payment received offline and manually entered.	From Party	Customer, Demo [DemoCustomer]	To Party	My New Test Company [10001]		Reference No		Payment Preference ID	10002		Amount	\$145.80	Actual Currency Amount			Effective Date	6/16/14	Comments			Override GL Account Id		Payment Gateway Response Id			Payments Applied To ID: [10000] <table border="1"> <tr> <td>Invoice ID</td><td>Item No</td><td>Billing Account ID</td><td>Override GL Account Id</td><td>To payment ID</td><td>Tax Auth Gca ID</td><td>Amount Applied</td> </tr> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>					Invoice ID	Item No	Billing Account ID	Override GL Account Id	To payment ID	Tax Auth Gca ID	Amount Applied																							
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Transactions <table border="1"> <thead> <tr> <th>Acctg Trans Id</th><th>Acctg Trans Entry Seq Id</th><th>Is Posted</th><th>Fiscal Gl Type</th><th>Trans Type Id</th><th>Transaction Date</th><th>Posted Date</th><th>Gl Journal Id</th><th>Trans Type</th><th>Invoice Description ID</th><th>Fixed Asset Account Id</th><th>Product Id</th><th>Debit Credit Flag</th><th>Orig Amount</th><th>Organization Party Id</th><th>Gl Account Type</th><th>Account Code</th><th>Account Name</th><th>Gl Account Class</th><th>Party</th><th>Reconcile Status Id</th><th>Acctg Trans Entry Type Id</th> </tr> </thead> <tbody> <tr> <td>10000 00001 Y</td><td></td><td>ACTUAL</td><td>Incoming Payment</td><td>2014-06-16 20:30:05.795</td><td>2014-06-16 20:30:07.047</td><td></td><td></td><td>Incoming Payment</td><td>111100</td><td>D</td><td>\$145.80</td><td>\$145.80</td><td>10001</td><td>Current Asset</td><td>111100</td><td>GENERAL CHECKING ACCOUNT</td><td>Cash and Equivalent</td><td></td><td>Not Reconciled</td><td>N/A</td></tr> <tr> <td>10000 00002 Y</td><td></td><td>ACTUAL</td><td>Incoming Payment</td><td>2014-06-16 20:30:05.795</td><td>2014-06-16 20:30:07.047</td><td></td><td></td><td>Incoming Payment</td><td>126000</td><td>C</td><td>\$145.80</td><td>\$145.80</td><td>10001</td><td>Accounts Receivable - Unsplied Payments</td><td>126000</td><td>RECEIVABLE - UNAPPLIED PAYMENTS</td><td>Current Asset</td><td></td><td>Not Reconciled</td><td>N/A</td></tr> </tbody> </table>											Acctg Trans Id	Acctg Trans Entry Seq Id	Is Posted	Fiscal Gl Type	Trans Type Id	Transaction Date	Posted Date	Gl Journal Id	Trans Type	Invoice Description ID	Fixed Asset Account Id	Product Id	Debit Credit Flag	Orig Amount	Organization Party Id	Gl Account Type	Account Code	Account Name	Gl Account Class	Party	Reconcile Status Id	Acctg Trans Entry Type Id	10000 00001 Y		ACTUAL	Incoming Payment	2014-06-16 20:30:05.795	2014-06-16 20:30:07.047			Incoming Payment	111100	D	\$145.80	\$145.80	10001	Current Asset	111100	GENERAL CHECKING ACCOUNT	Cash and Equivalent		Not Reconciled	N/A	10000 00002 Y		ACTUAL	Incoming Payment	2014-06-16 20:30:05.795	2014-06-16 20:30:07.047			Incoming Payment	126000	C	\$145.80	\$145.80	10001	Accounts Receivable - Unsplied Payments	126000	RECEIVABLE - UNAPPLIED PAYMENTS	Current Asset		Not Reconciled	N/A
Acctg Trans Id	Acctg Trans Entry Seq Id	Is Posted	Fiscal Gl Type	Trans Type Id	Transaction Date	Posted Date	Gl Journal Id	Trans Type	Invoice Description ID	Fixed Asset Account Id	Product Id	Debit Credit Flag	Orig Amount	Organization Party Id	Gl Account Type	Account Code	Account Name	Gl Account Class	Party	Reconcile Status Id	Acctg Trans Entry Type Id																																																					
10000 00001 Y		ACTUAL	Incoming Payment	2014-06-16 20:30:05.795	2014-06-16 20:30:07.047			Incoming Payment	111100	D	\$145.80	\$145.80	10001	Current Asset	111100	GENERAL CHECKING ACCOUNT	Cash and Equivalent		Not Reconciled	N/A																																																						
10000 00002 Y		ACTUAL	Incoming Payment	2014-06-16 20:30:05.795	2014-06-16 20:30:07.047			Incoming Payment	126000	C	\$145.80	\$145.80	10001	Accounts Receivable - Unsplied Payments	126000	RECEIVABLE - UNAPPLIED PAYMENTS	Current Asset		Not Reconciled	N/A																																																						

Figure A.66: Payment Details

This is the Payments Overview screen.

Notice:

- The comment OFBiz has automatically included “Payment Received Offline and Manually Entered”
- That an accounting transaction has been created and automatically posted to our chart of accounts
- That the accounting transaction matches exactly what we specified in our setup of the “Personal Check” Payment Method
- That the payment amount is still open (it hasn’t yet been applied to an invoice because we haven’t generated one yet)

Triggering Other OFBiz Transactions

At some point we will need to actually remove the product from the warehouse, ship it to the customer and generate an invoice with all the relevant taxes.

In fact our customer invoice (Sales Invoice) will look the same as customer order (Sales Order). Why?

The Sales Order is a customer document allowing the customer to verify what they have ordered and what they will pay.

The Sales Invoice is both a legal business and customer document.

- For the business it is the official registration of what has been sold and the taxes charged.
- For the customer it is an official confirmation receipt showing what has been bought, the date and amount paid.



NOTE: As a customer if you want return something you have bought or want a refund - the document you need to do this is the Sales Invoice.

To trigger the other standard OFBiz transactions (Sales Shipment, Payment Applied and Sales Invoice) we need to go back to our Sales Order and tell OFBiz to ship it.

To do this.

- ↳ Locate our Sales Order
- ↳ Click “Quick Ship Entire Order” (Tip: It’s on the left hand side of the screen)

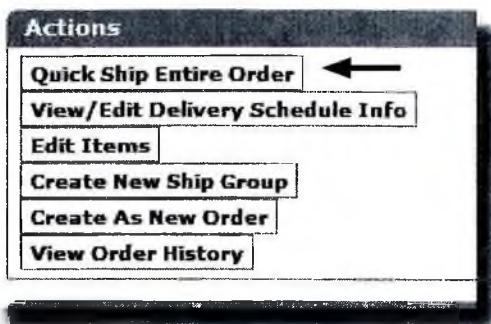


Figure A.67: Quick Ship Entire Order

You will get a message similar to the following confirming the shipment has been made and the order is complete.

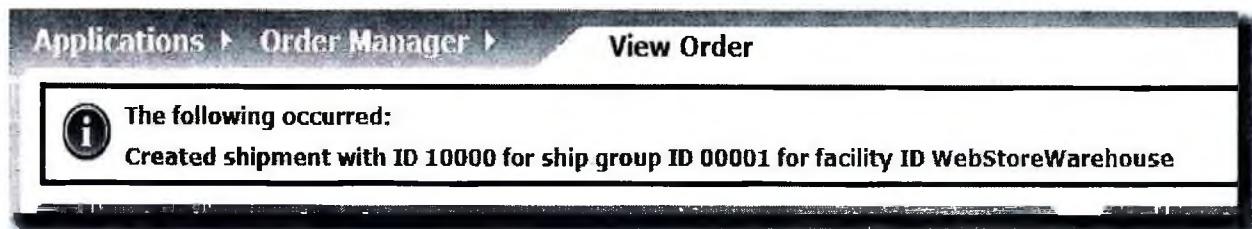


Figure A.68: Shipment Confirmation Message

Also if you look at the Payment Information section again, you will see that an invoice has been created.

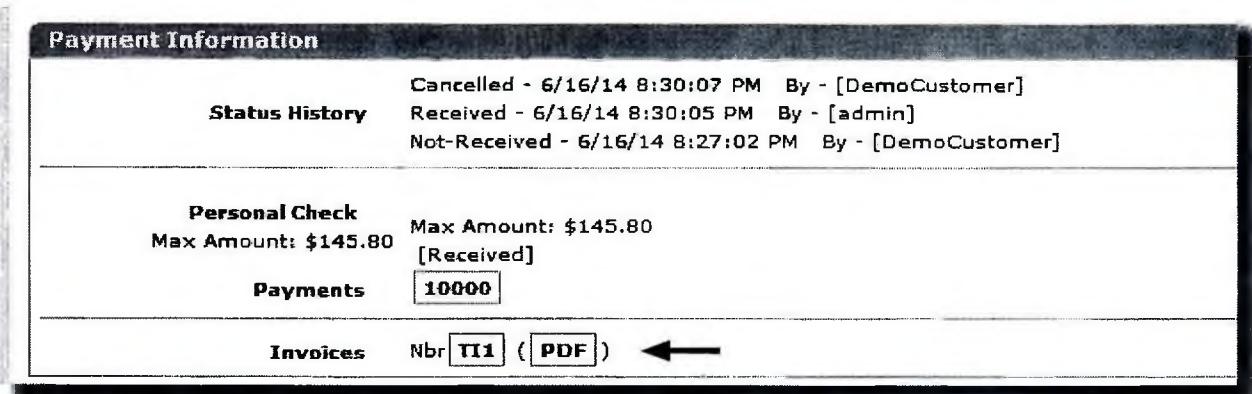


Figure A.69: Sales Invoice Created



NOTE: The Invoice Prefix (TI) is exactly as we specified in our Accounting Preferences setup in Step 2

↳ Click the Invoice ID link

The Invoice Details screen will be displayed.

This is the Sales Invoice that has been created based on our Sales Order. Notice that our Payment has now been fully applied (allocated) to this invoice. The “Open” amount is zero.

Applied Payments \$145.80 Open \$0.00					
Item No	Product Id	Description	Total	Payment Id	Amount Applied
			\$145.80	10000	\$145.80

Figure A.70: Payment Applied to Sales Invoice

↳ Scroll down to the “Transactions” section.

This shows the details of the accounting transactions that have been automatically created and posted.

Transactions																					
Acctg Trans Id	Is Posted	Fiscal Year	Acctg Type	Trans Type	Transaction Date	Posted Date	Gl Journal Id	Trans Description Id	Fixed Asset Id	Gl Account Id	Product Id	Debit Credit Flag	Orig Amount	Organization Party Id	Gl Account Type	Account Code	Account Name	GL Account Class	Party	Reconcile Status Id	Trans Entry Type Id
100030001Y	ACTUAL	Payment	2014-06-16	2014-06-16	Payment Applied	20:34:55.449	20:34:55.535		10000	126000	D	\$145.80	\$145.80	10001	Accounts Receivable	RECEIVABLE	ACCOUNTS RECEIVABLE	Current Asset	Customer	Not Reconciled	NA
100030002Y	ACTUAL	Payment	2014-06-16	2014-06-16	Payment Applied	20:34:55.449	20:34:55.535		10000	126000	C	\$145.80	\$145.80	10001	Unapplied Payments		UNAPPLIED PAYMENTS			Not Reconciled	NA
100040001Y	ACTUAL	Sales Invoice	2014-06-16	2014-06-16	Sales Invoice	20:34:54.793	20:34:55.837		401000	WG-5569C		\$144.00	\$144.00	10001	401000	GENERAL SALES	Revenue			Not Reconciled	NA
100040002Y	ACTUAL	Sales Invoice	2014-06-16	2014-06-16	Sales Invoice	20:34:54.793	20:34:55.837		401000	WG-1111C		\$59.99	\$59.99	10001	401000	GENERAL SALES	Revenue			Not Reconciled	NA
100040003Y	ACTUAL	Sales Invoice	2014-06-16	2014-06-16	Sales Invoice	20:34:54.793	20:34:55.837		410000	WG-1111D		\$59.99	\$59.99	10001	410000	DISCOUNTS ON SALES	Goods Sold Expense			Not Reconciled	NA
100040004Y	ACTUAL	Sales Invoice	2014-06-16	2014-06-16	Sales Invoice	20:34:54.793	20:34:55.837		410000		D	\$14.40	\$14.40	10001	410000	DISCOUNTS ON SALES	Goods Sold Expense			Not Reconciled	NA
100040005Y	ACTUAL	Sales Invoice	2014-06-16	2014-06-16	Sales Invoice	20:34:54.793	20:34:55.837		224000		C	\$16.20	\$16.20	10001	Current Liability	224000	SALES TAX COLLECTED	Current Liability	MylewTaxAuthority	Not Reconciled	NA
100040006Y	ACTUAL	Sales Invoice	2014-06-16	2014-06-16	Sales Invoice	20:34:54.793	20:34:55.837		120000		D	\$145.80	\$145.80	10001	Accounts Receivable	120000	ACCOUNTS RECEIVABLE	Current Asset	Customer	Not Reconciled	NA

Figure A.71: Sales Invoice Accounting Transactions

This includes both the “Payment Applied” and the “Sales Invoice” transactions.

Notice that accounts we specified for Cost of Goods Sold, Sales and Tax have all been used.



IMPORTANT NOTE: At the time of writing the “Sales Shipment” transaction was still being created as part of Company. This is because the storage details (Inventory Item) of our product (WG-5569) still specified “Company” as the product owner.

You can find the “Sales Shipment” transaction under the Accounting Transactions for Company.

Acctg Trans Entry Seq Id	GI Account Type	GI Account Id	Description	Voucher Ref	Party Id	Product Id	Reconcile Status	Summary	Debit Credit Flag	Orig Amount	Amount
00001	Inventory	140000 INVENTORY		Demo Customer	Tiny Chrome Widget	WG-5569	Not Reconciled	C	\$15.00	\$15.00	
00002	Cost of Goods Sold	500000 COST OF GOODS SOLD		Demo Customer	Tiny Chrome Widget	WG-5569	Not Reconciled	B	\$15.00	\$15.00	

Figure A.72: Viewing the Sales Shipment Accounting Transaction

As a final check we would run the “Trial Balance” report again to verify that all the accounting transactions that have been created are balanced.



At the time of writing, there appears to be a bug with the Trial Balance report because if we now run another trial balance - it still displays zero.

Getting Started with Apache OFBiz® Accounting

Instead we will run another report - “Transaction Totals”.

- ↳ Select “Accounting” from the Applications main menu.
- ↳ Select “Organization GL Settings”.
- ↳ Click on the “Accounting” adjacent to “My New Test Company”
- ↳ Click “Transactions Totals”

The screenshot shows the Apache OFBiz Accounting application interface. At the top, there is a navigation bar with links: Trial Balance, Transaction Totals, Income Statement, Cash Flow Statement, Balance Sheet, Comparative Income Statement, Comparative Cash Flow Statement, and Comparative Balance Sheet. Below the navigation bar, there are links for GL Account Trial Balance, Inventory Valuation, and Cost Centers.

The main title of the page is "Transaction Totals For: My New Test Company [10001]". Below the title, there is a search form with fields for Month (dropdown), From Date (1/1/2014 12:00:00 AM), Thru Date (5/16/2014 8:53:24 PM), and Fiscal GL Type (Actual). A "Submit" button and a note "Please enter From and Thru date in fields above" are also present.

Below the search form, there are two tabs: "Export as CSV" and "Export as PDF". The "Posted Totals" tab is selected, displaying a table of transaction details:

Account Code	Account Name	Opening D	Opening C	Dr	Cr	Closing D	Closing C
111100	GENERAL CHECKING ACCOUNT	\$0.00	\$0.00	\$145.80	\$0.00	\$145.80	\$0.00
120000	ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$145.80	\$145.80	\$145.80	\$145.80
126000	ACCOUNTS RECEIVABLE - UNAPPLIED PAYMENTS	\$0.00	\$0.00	\$145.80	\$145.80	\$145.80	\$145.80
224000	SALES TAX COLLECTED	\$0.00	\$0.00	\$0.00	\$16.20	\$0.00	\$16.20
401000	GENERAL SALES	\$0.00	\$0.00	\$0.00	\$203.95	\$0.00	\$203.95
410000	DISCOUNTS ON SALES	\$0.00	\$0.00	\$74.39	\$0.00	\$74.39	\$0.00
						\$511.79	\$511.79

Below the "Posted Totals" section, there is an "UnPosted Totals" section, which is currently empty.

Figure A.73: Viewing the Transactions Totals Report

The accounts impacted by the transactions we have created are displayed.

This completes our tutorial.

The Tutorial Results

We have setup and run our example scenario using the “out of the box” accounting functionality in OFBiz. It has successfully given us the information that we expected.

Here's a quick summary of what we've done in this tutorial

- We created a new company
- We setup the basic accounting details for the new company including financial year, an error journal and a tax authority.
- We defined and then created a Chart of Accounts
- Next we went through the GL Account defaults and set them up to match our new chart of accounts
- We customized some of our setup to create different transactions depending on how a payment was made
- We linked our new company and its accounting setup to the e-commerce store and the facility
- We setup a new rate for Sales Tax and made sure all our orders would use it
- We checked our setup by putting an order through the webstore and tracking through the system
- Finally we verified our results using the Transactions Total Report

A lot of material has been covered in this document and we hope it's given you a good insight of the accounting functionality that's available in OFBiz “out of the box”.

Now that you've been through our example scenario, the next step is for you to have a go at setting up OFBiz up for your own business.

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Appendix B: Importing XML Accounting Data

Importing XML Accounting Data

OFBiz has tools that allow you to import or export data using XML format.

Why would I want to import data into OFBiz?

One reason could be that you already had an accounting system and want to import your existing data or setup into OFBiz. Another could be that you have a large volume of data that you don't want to input manually. Either way the XML import could be a useful tool to use.

The XML import functionality is found under the WebTools menu.

- ↳ Select “Web Tools” from the Applications main dropdown menu

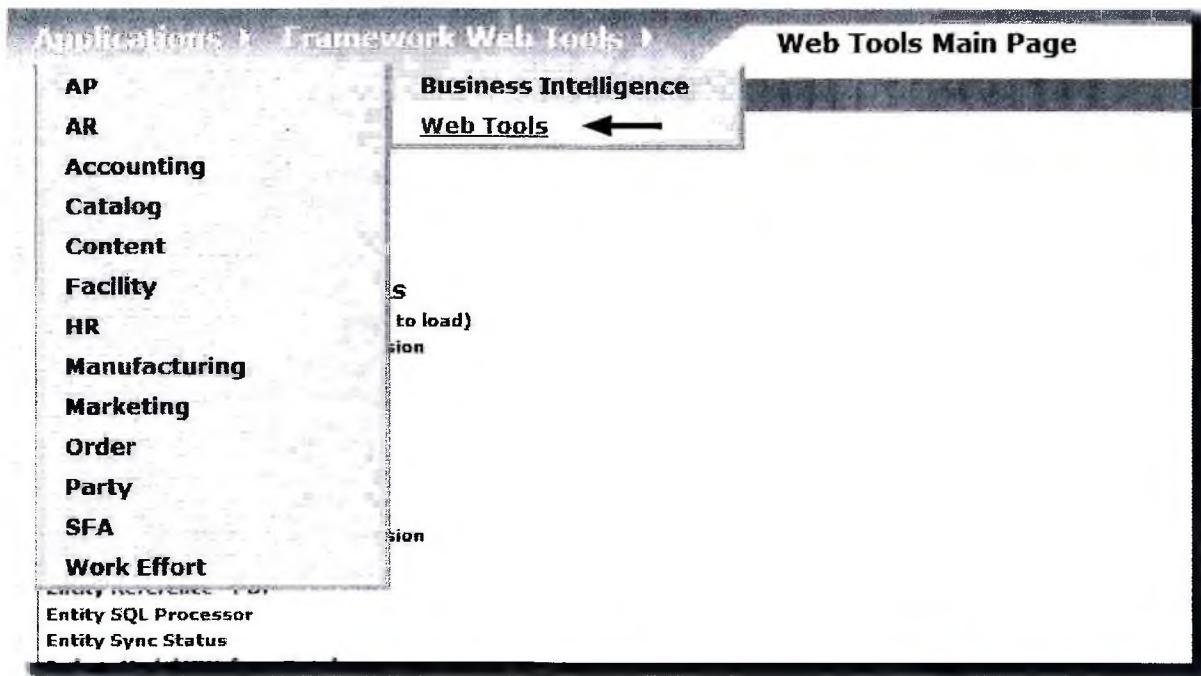


Figure B.1: Web Tools Menu

The Web Tools menu contains a variety of OFBiz technical tools. The one that we are looking for is called “Entity XML Tools” and you will find it near the bottom of the list.

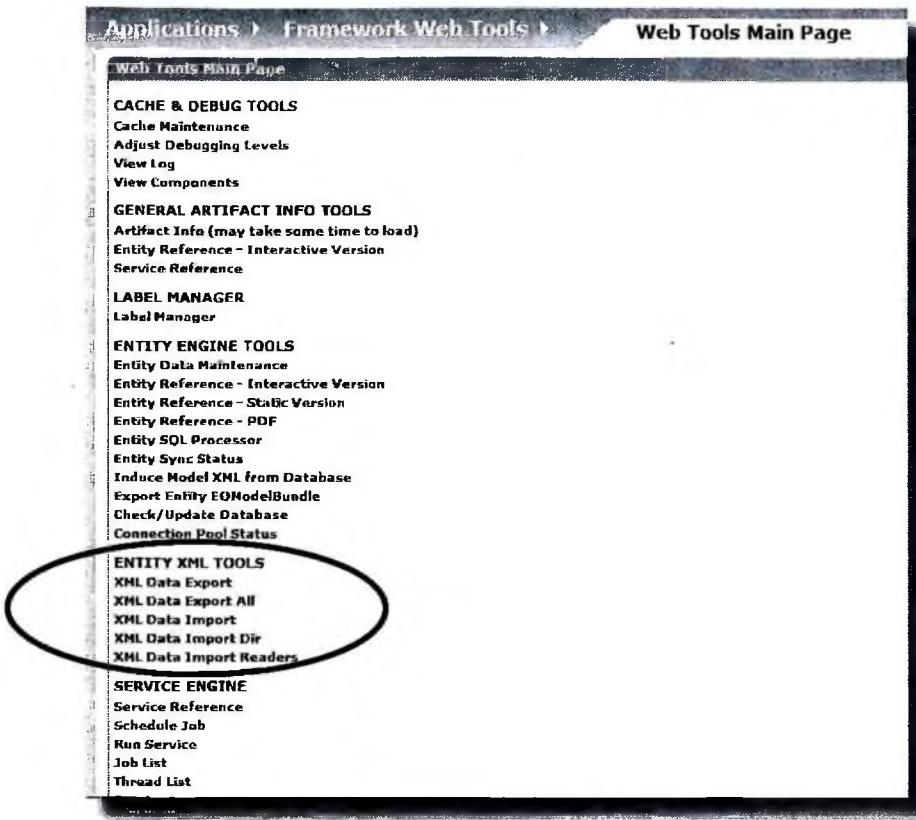


Figure B.2: Entity XML Tools

You will see that there are currently five different options as follows:

- XML Data Export - This option will export data from OFBiz into one XML file.. This is useful if you only want to export specific data (e.g. only Fixed Assets)
- XML Data Export All - This option will export all the data from OFBiz (i.e. the whole database) into a directory
- XML Data Import - This option allows you to import a specific XML data file into OFBiz
- XML Data Import Dir - This option allows you to import a directory of XML data into OFBiz (so you could import the whole database)
- XML Data Import Readers - This option is a configuration setting that tells OFBiz what type of data to import. XML data can include a tag that OFBiz will use to load it.



NOTE: The OFBiz demo data uses the import reader called “seed” and “demo”. If you wanted to setup your own data then this is usually called “ext”

Exporting an XML File

A simple way to import data is first to export a copy of the file (or entity) you want to import. This means that we can then ensure that the data we need to import exactly matches that format.

Tip: If the file or entity doesn't contain any demo or seed data then the XML export will be empty.



NOTE: As a workaround you could create a dummy record in the entity you wanted to export using Entity Data Maintenance and then export the format

OFBiz is made up of data entities. Data Entities are similar to files that are groups of information that have something in common. It is within these entities that the OFBiz data is stored.

For our example:

- We will export the Agreement entity
- We will update the exported details to create a new record
- We will import the new record

Our first step is to export the details from Agreements entity

- ↳ Click “XML Data Export”

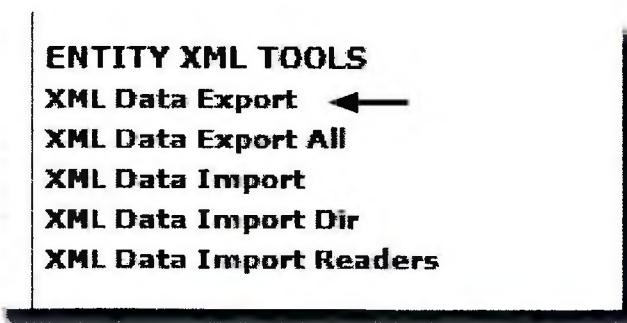


Figure B.3: Selecting XML Export

The XML Data Export screen looks complicated but this is because it contains options for defining more filters for the records that you want to export.

We are only going to focus on what we need to export our Agreement entity.

- ↳ Enter “Exp_Agreement.xml” for “Single Filename”
- ↳ Check the box next to “Agreement”
- ↳ Click “Export”



IMPORTANT NOTE: If you don't select at least one entity to export then you will get an error message.

This page can be used to export data from the database. The exported documents will have a root tag of "<entity-engine-xml>". There

Results:
No filename specified or no entity names specified, doing nothing.

Export:

<p>Output Directory <input type="text"/></p> <p>Max Records Per File <input type="text"/></p> <p>Single Filename <input type="text"/> ←</p> <p>Records Updated Since <input type="text"/></p> <p>Records Updated Before <input type="text"/></p> <p>OR Out to Browser (FireFox, Safari and Opera: view source. Chrome does not work) <input type="checkbox"/></p>
--

Entity Names:

Export **Check All (not views)** **Un-Check All**

Entity Sync Dump: Pre-configured set: **None**

<input type="checkbox"/> AccommodationClass <input type="checkbox"/> AccommodationSpot <input type="checkbox"/> AcctgTransAttribute <input type="checkbox"/> AcctgTransEntryType <input type="checkbox"/> Addendum <input checked="" type="checkbox"/> Agreement ← <input type="checkbox"/> AgreementEmploymentAppl <input type="checkbox"/> AgreementItem <input type="checkbox"/> AgreementItemAndProductAppl <input type="checkbox"/>	<input type="checkbox"/> AccommodationMap <input type="checkbox"/> AcctgTrans <input type="checkbox"/> AcctgTransEntry <input type="checkbox"/> AcctgTransType <input type="checkbox"/> AddressMatchMap <input type="checkbox"/> AgreementAndRole <input type="checkbox"/> AgreementFacilityAppl <input type="checkbox"/> AgreementItemAndFacilityAppl <input type="checkbox"/> AgreementItemAttribute <input type="checkbox"/>	<input type="checkbox"/> AccommodationMapType <input type="checkbox"/> AcctgTransAndEntries <input type="checkbox"/> AcctgTransEntrySums <input type="checkbox"/> AcctgTransTypeAttr <input type="checkbox"/> Affiliate <input type="checkbox"/> AgreementAttribute <input type="checkbox"/> AgreementGeographicalAppl <input type="checkbox"/> AgreementItemAndPartyAppl <input type="checkbox"/> AgreementItemType <input type="checkbox"/>
---	--	--

Figure B.4: Exporting the Agreement Entity

Tip: You can select multiple entities to export. If you do then they will all be included in the same exported XML File

Notice that the number of records exported will be displayed in the “Results” section.

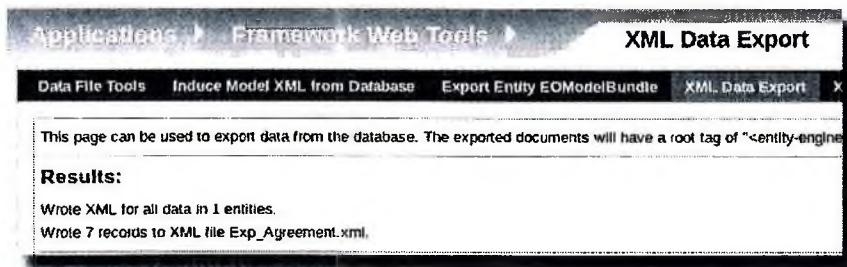


Figure B.5: Export Results

By default OFBiz will export data to the OFBiz main directory (e.g. release13.07). The OFBiz main directory is the one that you run the “./ant start” command to start running OFBiz.

Let's go and find the file that has been exported.

- ↳ Navigate to the OFBiz main directory
- ↳ Locate the “Exp_Agreement.xml” file

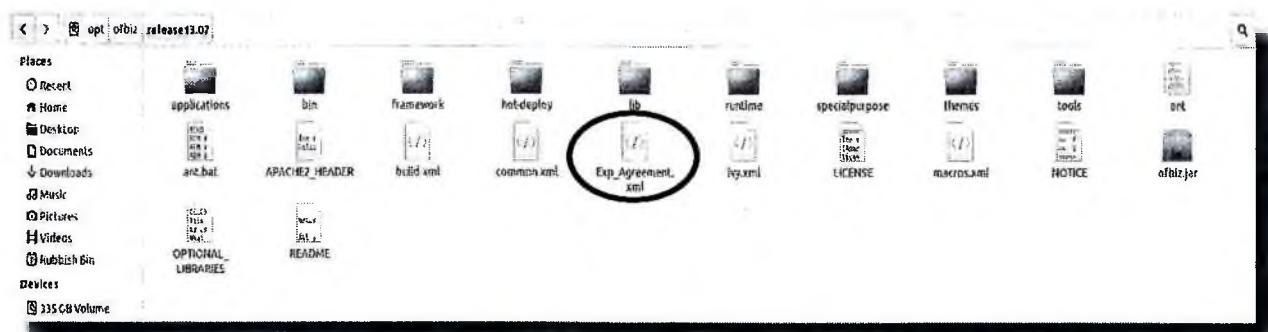


Figure B.6: Locating the Exported File

- ↳ Open the “Exp_Agreement.xml” file with an xml editor to view the details



```

Exp_Agreement.xml
<?xml version="1.0" encoding="UTF-8"?>
<entity-engine-xml>
    <Agreement agreementId="28000" partyIdFrom="Company" partyIdTo="DemoCustAgent" agreementTypeId="COMMISSION AGREEMENT" description="Test New Imported" lastUpdatedStamp="2014-07-19 12:37:34.965" lastUpdatedTxStamp="2014-07-19 12:37:34.965" createdStamp="2014-07-19 12:37:34.965" createdTxStamp="2014-07-19 12:37:34.965" created="2014-07-19 12:37:34.965" createdTx="2014-07-19 12:37:34.965">
        | <Agreement agreementId="1882" partyIdFrom="Company" partyIdTo="EuroSupplier" roleTypeId="SUPPLIER" agreementTypeId="PURCHASE AGREEMENT" description="Test New Imported" lastUpdatedStamp="2014-07-11 16:00:13.746" lastUpdatedTxStamp="2014-07-11 16:00:13.746" createdStamp="2014-07-11 16:00:13.746" createdTxStamp="2014-07-11 16:00:13.746" created="2014-07-11 16:00:13.746" createdTx="2014-07-11 16:00:13.746">
            <Agreement agreementId="1001" partyIdFrom="Company" partyIdTo="EuroSupplier" roleTypeId="SUPPLIER" agreementTypeId="PURCHASE AGREEMENT" description="Test New Imported" lastUpdatedStamp="2014-07-11 16:00:13.743" lastUpdatedTxStamp="2014-07-11 16:00:13.743" createdStamp="2014-07-11 16:00:13.743" createdTxStamp="2014-07-11 16:00:13.743" created="2014-07-11 16:00:13.743" createdTx="2014-07-11 16:00:13.743">
                <Agreement agreementId="1000" partyIdFrom="Company" partyIdTo="BigSupplier" roleTypeId="SUPPLIER" agreementTypeId="PURCHASE AGREEMENT" description="Test New Imported" lastUpdatedStamp="2014-07-11 16:00:13.739" lastUpdatedTxStamp="2014-07-11 16:00:13.739" createdStamp="2014-07-11 16:00:13.739" createdTxStamp="2014-07-11 16:00:13.739" created="2014-07-11 16:00:13.739" createdTx="2014-07-11 16:00:13.739">
                    <Agreement agreementId="AGR_TEST" partyIdFrom="Company" partyIdTo="DemoSupplier" roleTypeId="SUPPLIER" agreementTypeId="PURCHASE AGREEMENT" description="Test New Imported" lastUpdatedStamp="2014-07-11 16:00:13.111" lastUpdatedTxStamp="2014-07-11 16:00:13.111" createdStamp="2014-07-11 16:00:13.111" createdTxStamp="2014-07-11 16:00:13.111" created="2014-07-11 16:00:13.111" createdTx="2014-07-11 16:00:13.111">
                        <Agreement agreementId="9000" partyIdFrom="Company" partyIdTo="DemoRepAll" agreementTypeId="COMMISSION AGREEMENT" description="Commission Agreement w 15:59:13.124" lastUpdatedStamp="2014-07-11 15:59:12.213" createdStamp="2014-07-11 15:59:13.124" createdTxStamp="2014-07-11 15:59:12.213" created="2014-07-11 15:59:12.213" createdTx="2014-07-11 15:59:12.213"/>
                        <Agreement agreementId="8000" partyIdFrom="Company" partyIdTo="DemoCustAgent" agreementTypeId="COMMISSION AGREEMENT" description="Commission Agreement w 15:56:46.243" lastUpdatedStamp="2014-07-11 15:56:33.714" createdStamp="2014-07-11 15:56:46.243" createdTxStamp="2014-07-11 15:56:33.714" created="2014-07-11 15:56:33.714" createdTx="2014-07-11 15:56:33.714"/>
                </Agreement>
            </Agreement>
        </Agreement>
    </Agreement>
</entity-engine-xml>

```

Figure B.7: Viewing the Exported File Details

You will see that the agreement details that have been exported.



NOTE: An “Agreement” is made up of a range of interlinked entities. We have only exported the header details. If we want other details such as Product Rates or Terms, then we would have to select and export the entities that contain those details.

Editing an XML File

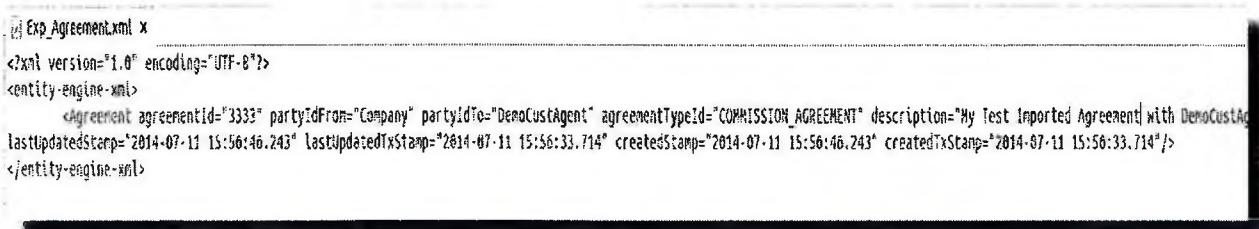
We are going to create a new Agreement header entry and import it into OFBiz.

A simple way to do this is to delete most of the entries from the file we have exported and leave one entry to edit our new details into.

- ↳ Delete all the agreement details except one
- ↳ Amend the Agreement ID to a number less than 10000 (We used “3333”)

Tip: Unless you want to update an existing record then you need to choose an ID that doesn't already exist. OFBiz automatically uses sequence numbers starting from 10000 so ensure you select something less than that for this test

- ↳ Amend the Description (e.g. My Test Imported Agreement with DemoCustAgent)
- ↳ Save the updated file (NOTE: You can use the existing file name or choose a different one. We used the same name)



```
<?xml version="1.0" encoding="UTF-8"?>
<entity-engine-xml>
<Agreement agreementId="3333" partyIdFrom="Company" partyIdTo="DemoCustAgent" agreementTypeId="COMMISSION AGREEMENT" description="My Test Imported Agreement with DemoCustAg" lastUpdatedStamp="2014-07-11 15:56:46.243" lastUpdatedTxStamp="2014-07-11 15:56:33.714" createdStamp="2014-07-11 15:56:46.243" createdTxStamp="2014-07-11 15:56:33.714"/>
</entity-engine-xml>
```

Figure B.8: Editing the XML to Create a New Agreement

Now that we have a file to import, let's go back the Web Tools menu and import it.

- ↳ Select “XML Data Import”

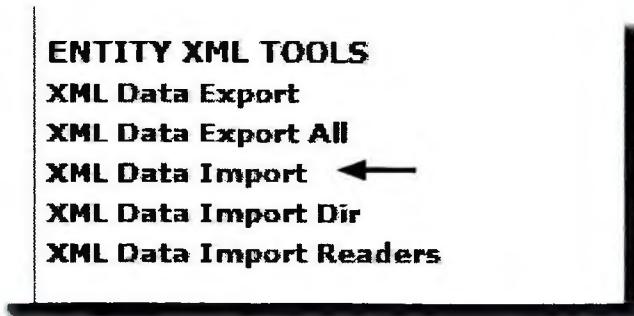


Figure B.9: Selecting XML Data Import

The XML Data Import screen is displayed.

There are a variety of different options related to additional details that can be used to import data files.
We will do an simple import.

Importing an XML File

Let's import the new record that we have just edited.

- ↳ Enter “Exp_Agreement.xml” for the “Absolute Filename or URL”
- ↳ Click “Import File”

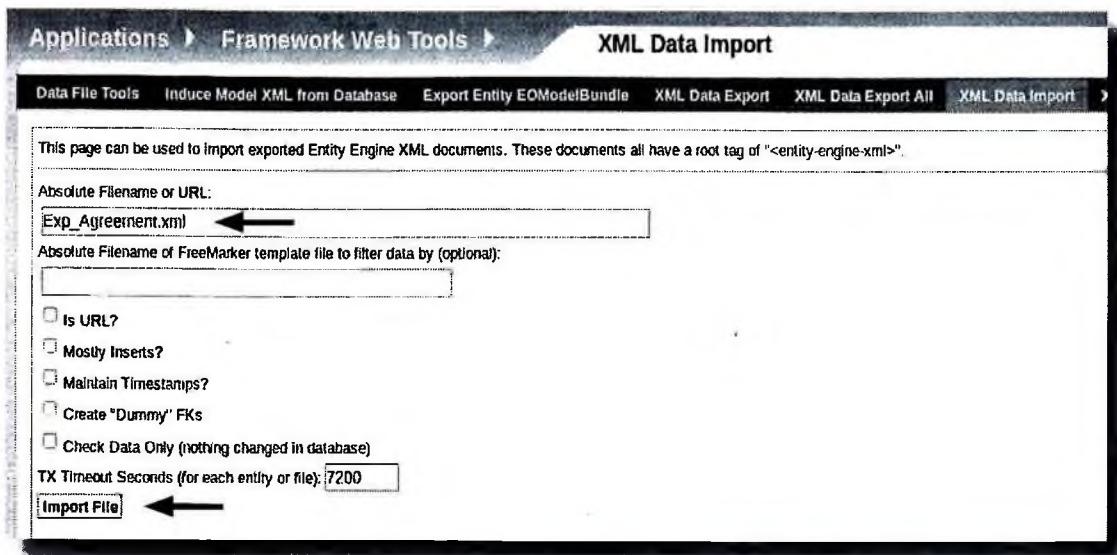


Figure B.10 Importing an XML File

Did you notice that at the bottom of the screen the number of imported records is displayed?

It should tell you that 1 record was written to OFBiz for our entity and since our file contained only one record this is good news.

Let's go and check that our new record really has been created and added in Agreements.

- ↳ Select “Accounting” from the Applications drop down menu
- ↳ Select “Agreements”
- ↳ Click “Find”

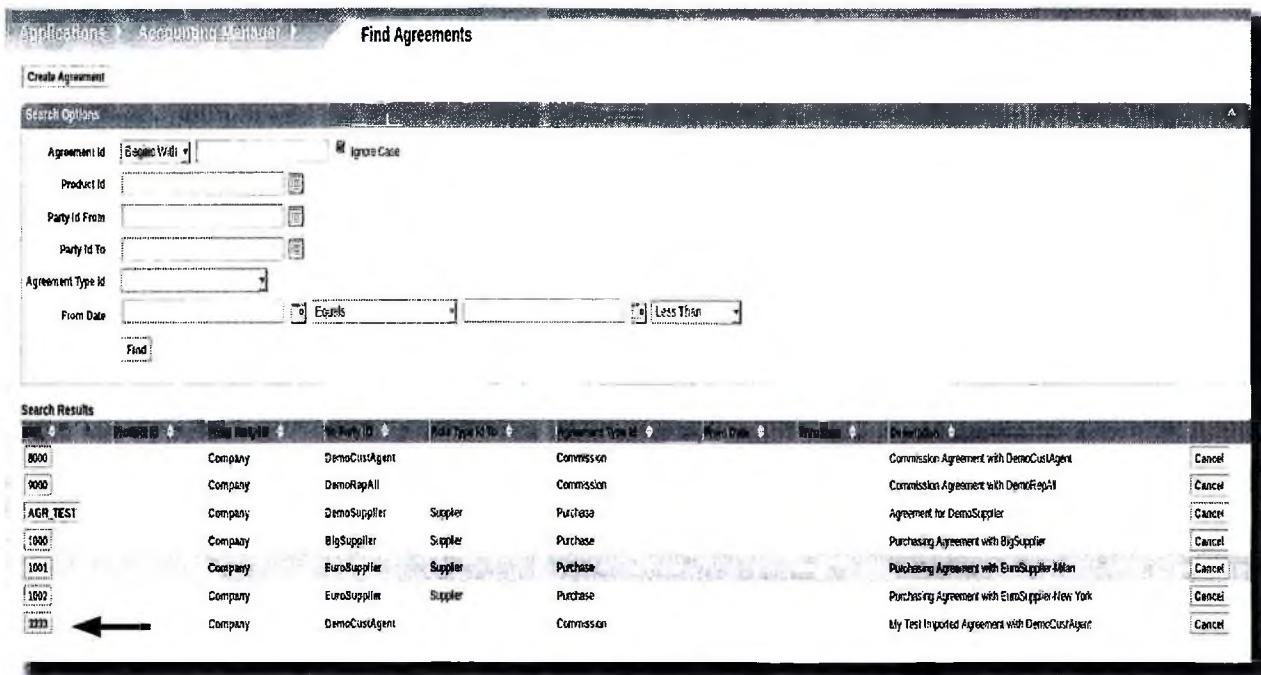


Figure B.11 New Agreement Created

Our new Agreement (3333) has been imported and created.

Importing XML Data Without a File

We have just created a new agreement using an imported XML file but OFBiz contains another tool that allows us to directly upload XML data without a file.

- ↳ Navigate back to the Web Tools menu
- ↳ Select “XML Data Import”

Rather than using the top part of the screen as we did before, look at the lower part of the screen and you will see a window similar to the following:

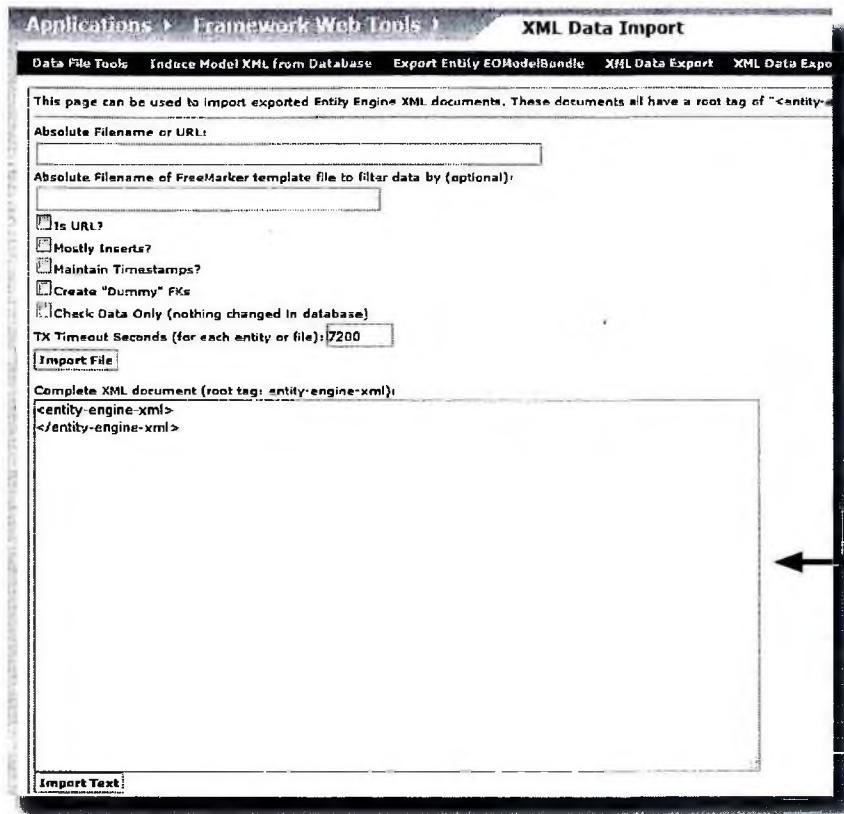


Figure B.12 XML Window

This window allows us to directly type in XML data that we want to import. Let's import another agreement using this window.

Tip: Don't worry if you don't know XML because we are going to use our `Exp_Agreement.xml` file to help us

- ↳ Locate the `Exp_Agreement.xml` file
- ↳ Copy the details from the `Exp_Agreement.xml` file into the XML document window



NOTE Be careful - there should only be one tag called `<entity-engine-xml>` at the beginning and one tag called `<\entity-engine-xml>` at the end. You may have two because of the copy so you may need to remove the duplicates

- ↳ Amend the Agreement ID to “4444”
- ↳ Amend the Description to “My Second Imported Agreement Import with DemoCustAgent”
- ↳ Click “Import Text”

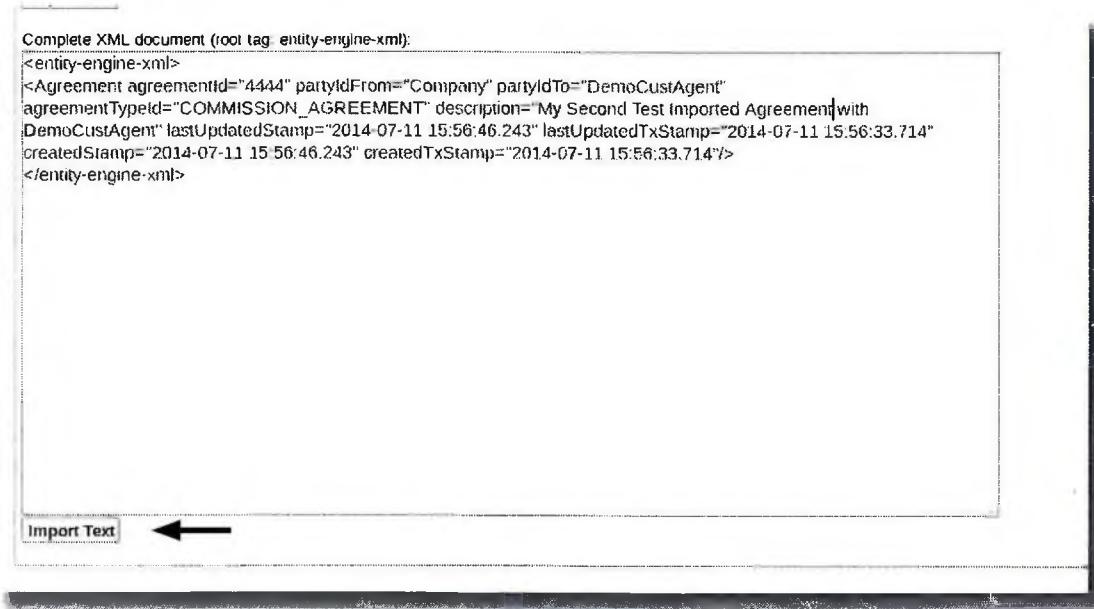


Figure B.13 Import XML Text

Check the results at the bottom of the screen. It should say that 1 entity has been imported.

Finally let's go and check the Agreements screen.

Search Results						
Edit	Product Id	From Party ID	To Party ID	Role Type Id To	Agreement Type Id	From Date
						Entered Date
8990		Company	DemoCustAgent		Commission	Commission Agreement with DemoCustAgent
9990		Company	DemoRepAll		Commission	Commission Agreement with DemoRepAll
AGR_TEST		Company	DemoSupplier	Supplier	Purchase	Agreement for DemoSupplier
1000		Company	BigSupplier	Supplier	Purchase	Purchasing Agreement with BigSupplier
1001		Company	EuroSupplier	Supplier	Purchase	Purchasing Agreement with EuroSupplierMilan
1002		Company	EuroSupplier	Supplier	Purchase	Purchasing Agreement with EuroSupplierNew York
3333		Company	DemoCustAgent		Commission	My Test Imported Agreement with DemoCustAgent
4444		Company	DemoCustAgent		Commission	My Second Test Imported Agreement with DemoCustAgent

Figure B.14 Viewing Second XML Imported Agreement

You should find that another Agreement (4444) has been successfully created.

Using the Demo Data XML Files

Finally the demo data loaded into OFBiz using XML files. You can use the Demo Data XML files as a guide if you want to load your own full accounting data.

The Demo Data files are located in the “applications / accounting / data” directory and contains the following XML files that you can review or adapt to use for loading your own accounting data.

- DemoAccountingUserData.xml
- DemoFinAccountData.xml
- DemoGeneralChartofAccounts.xml
- DemoTaxAuthority.xml
- DemoAcctgTransactionData.xml
- DemoGlSetupData.xml
- DemoPaymentsInvoices.xml

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Appendix C: Accounting Terms Glossary

See below for a list of some common accounting terms.

ACCOUNTING TERM	DEFINITION
Accounts Payable	These are the debts that your business owes to suppliers. It is also called "A/P" for short or "Creditors"
Accounts Receivable	These are the outstanding debts that your customers owe to your business. It is also called "A/R" for short of "Debtors"
Accounts Payable Invoice	An AP invoice is a document raised by a supplier and sent to your company with details of the items sent, quantity sent, price and other details. Your company will enter the invoice details in the Payable module and then pay the customer according to the credit terms. NOTE: This invoice may be sent along with the consignment of goods or may be sent separately at a later date.
Accounts Receivable Invoice	An AR invoice is a document raised by your company and sent to a customer with the details of the items they have bought, quantity sold, price, tax and other details. Based on this invoice the customer will send you their payment.
Accrual Based Accounting	This is a method where you record the income when the sale occurs and not necessarily when you receive the payment. Also you record an expense when you receive the goods or services even though you may not pay for them until later.
Assets	These are items of value owned by the business. Assets are shown as balance sheet accounts. There are different types of assets (fixed, current, intangible). Examples of assets include furniture, computer equipment, bank accounts and goodwill
Balance Sheet	This is like a financial snapshot of your business at a certain point in time. It lists your assets, liabilities, and the difference between the two which is the net worth (or equity) of the business. The Balance Sheet is also called the "Statement of Financial Position"
Capital	This is the money invested in the business by the owners. It is also called "Equity"
Cash Based Accounting	This method is when you record income only when you receive the cash from customer. Also you only record an expense when you actually pay your suppliers
Chart of Accounts	This is the hierarchy or list of account descriptions that you use to keep the accounting records for your business
Cost of Goods Sold	This is the cost of items or services that are sold to your customers. It is often called and abbreviated to "COGS"
Creditor	This is a company or an individual that you owe money to
Credits	One component of every accounting transaction (journal entry) is a credit. Credits increase liabilities and equity but decrease assets

ACCOUNTING TERM	DEFINITION
Current Assets	Normally these are things that the business owns that are in the form of cash or that will generally be converted to cash or used up within a year. Some examples of these are Accounts Receivable and Inventory
Current Liabilities	Normally these are debts that the business owes that are generally payable within a year. Some examples of these are Accounts Payable, Taxes and Payroll
Debits	One component of every accounting transaction (journal entry) is a debit. Debits increase assets but decrease liabilities and equity
Debtor	This is a company or an individual that owes you money
Depreciation	This is a write-off of a portion of the cost of Fixed Assets, such as vehicles and equipment. It is usually done annually but can be done more frequently. Depreciation is also listed as part of the expenses on the "Profit & Loss" or "Income Statement"
Double Entry Accounting	In this method every transaction has two entries: a debit and a credit (also called a journal entry). Debits must always equal credits. Most if not all accounting software use double entry accounting
End of Year Rollover	At the end of the Financial Year, the Profit & Loss account totals are reset to zero and the Balance Sheet account totals are carried forward into the next Financial Year
Equity	This is the net worth of your business. It is also called "Capital" or "Owner's Equity". Equity is made up of investment in the business by the owners plus any profits that the business has made that hasn't been taken out
Fixed Assets	These are assets that are generally not going to be converted to cash within a year. Examples would be plant equipment or vehicles
General Ledger	This is a collection of different types of accounts (balance sheet, income, expense) that are used to keep the accounting records of a business. A general ledger works with double entry accounting and journal entries for each transaction
Income Accounts	These are the accounts that are used to keep track of your sources of income. Some examples are Sales, Consulting Income or Interest
Income Statement	This is also called a "Profit and Loss Statement" or a "P&L". It lists the income, expenses and net profit (or loss) for the business. The net profit (or loss) is equal to the Total Income minus the Total Expenses
Intangible Asset	This is something of value that is owned by the business that cannot be touched physically. Examples include a trademark, patent or goodwill
Inventory (Stock)	These are goods held for sale to customers. Inventory can be items that are bought for resale or it can be products that are manufactured and sold to the customer

ACCOUNTING TERM	DEFINITION
Invoice Date	This is the date that the invoice was created. Normally this will be based on when products were shipped or services were provided
Invoice Due Date	This is the last possible date that payments can be made or received for an invoice without triggering any late payment penalties
Journal (Journal Entry)	This is a detailed accounting transaction that is recorded (or posted) in the General Ledger. It is made up of a debit and a credit component
Liabilities	These are the debts that your business owes to its suppliers, banks or the government. Examples can be taxes or loans
Long Term Liabilities	These are debts that a business owes to its suppliers that are not generally due to be paid off within a year. An example would be a mortgage payment
Net Income	This is also called "Profit" or "Net Profit". It is the Total Income minus the Total Expenses
Profit and Loss Statement	This is also called the "Income Statement" or "P&L". It is the Total Income minus the Total Expenses for the business
Retained Earnings	These are the profits from the business that have been kept or "retained" in the business and not paid out to the owners
Trial Balance	This is a list of the General Ledger accounts showing the debits in one column and the credits in another. The main objective of a Trial Balance is to ensure that the Total Credits and the Total Debits balance (e.g. Total Debits = Total Credits). It also validates that the double entry accounting is working correctly

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