

This page contains GitLab's accounting and reporting policies, desktop procedures and guidelines. Our goal is to complete the monthly accounting close process within 10 business days from the last day of the month. Accounting and reporting process at GitLab is classified as enumerated below.

Quote to cash

Invoicing to customers

Calculated Billings Calculated billings is defined as revenue plus the sequential change in total deferred revenue as presented on the balance sheet.

We do not believe that calculated billings provides a meaningful indicator of financial performance as billings can be impacted by timing volatility of renewals, co-terming upgrades and multi year prepayment of subscriptions.

For order approval and invoicing process please view the [Billing Ops page. \(/handbook/finance/accounting/finance-ops/billing-ops/\)](/handbook/finance/accounting/finance-ops/billing-ops/).

Invoicing: One Time Events

1. Send the below information via email to ar@gitlab.com
 - o Company name
 - o Company AP email
 - o Address
 - o Billing contact name
 - o Billing contact email
 - o Charge amount
 - o Event name and subject

Amendments to Subscriptions

To amend a customer's account, choose one of the options below from the subscription page in Zuora.

1. Terms and Conditions - used to change the end date of a product
2. New Product - choose when adding a product
3. Update a product - choose when making a change to a current product
4. Remove a product - used when removing a product
5. Renewal

Zuora Subscription Data Management

Basic Assumptions

- Subscriptions should only be cancelled with 45 days of the start. Exceptions can be made (see [Support Workflows \(/handbook/support/workflows/\)](/handbook/support/workflows/))
- Subscriptions can be linked across multiple Zuora and Salesforce (SFDC) Accounts, but not SFDC Ultimate Parent Accounts.

- All Zuora Accounts must be linked to a valid SFDC Account.
- MRR can change historically due to customer behavior (renewals, cancellations, etc.)

New Accounts vs New Subscriptions

There are instances where a new account in Zuora is required rather than just a new subscription in an existing account.

This is determined by the sold-to contact person.

Within the customer account portal, customers can only see a single Zuora account at a time. If a customer wants to add a subscription and the contact information is the same, then the subscription can be added to the existing account.

If a customer wants an additional subscription for a different sold to contact, then a new Zuora account will be created so that every sold to contact can log into the portal and manage their subscriptions.

Linking Renewal Subscriptions

When a customer renews their subscription, a new subscription is typically created. This can create challenges for calculating metrics like dollar retention for a subscription because once subscription has ended and another has started.

To address this, a linkage is made between the original subscription and its renewal(s).

The field `Renewal subscription` is used to create the mapping. These are the following constraints on this field:

- This field defines a unidirectional relationship that points to a separate subscription name.
- A renewal subscription can start on the same or future day as the original subscription start date to which it is linked to, but never in the past.
- Any number of subscriptions can point to the same renewal subscription as long as the time constraint is met.
- A subscription may have any number of renewal subscriptions that it points to as long as the time constraint is met. This is a one-to-many relationship. Each renewal subscription to which the original subscription is linked is input in the field and are separated by two pipes.
 - For example, subscription `A-S00009093` (<https://www.zuora.com/apps/Subscription.do?method=view&id=2c92a0ff635c92e601635fdb126b3967>) is linked to `A-S00009096 || A-S00009095`
- Renewal subscriptions can point to subscriptions under separate Zuora Accounts
- Renewal subscriptions can start 12 months or less after the original subscription. Practically, this is because a linkage of greater than 12 months has no effect on any relevant metrics (Retention or Yearly counts).

The process to make the linkage is as follows:

1. Cancel the old subscription in Zuora.
2. Copy and paste the new subscription in "Renewal Subscription" field with no trailing spaces.

Zuora subscription status 'active'

The active subscription status in Zuora needs to be reviewed in connection to the end date. If the end date is in the future it means that the subscription is still within the term and the customer is able to use the product. An 'active' subscription with an end date in the past means that the subscription was not renewed and the customer doesn't have access to the

product since the end date. We currently don't actively cancel these subscriptions as this is a manual process and the cancellation or lack of it does not have any impact on other processes. Additionally, where subscriptions remain in an active status they can be renewed by the customers on the CustomersDot

Invoice cancellations and refunds

For step by step processes please view [Billing_Ops_page_ \(/handbook/finance/accounting/finance-ops/billing-ops/\)](/handbook/finance/accounting/finance-ops/billing-ops/).

How to process a partial refund in Stripe

1. Log in to Stripe.
2. Type in the cardholder's name in the search field at the top of the screen.
3. Click on the original charge that will be refunded.
4. Click on the refund button.
5. Enter in the amount to refund.
6. Enter in the reason code.
7. In the description field, enter the reason for the refund and include the invoice that was created in Zuora for the refunded amount.
8. Click on refund.
9. Go back to Zuora.
10. Put the customer account in silent mode under "Communication Profile."
11. Post the invoice draft.
12. Transfer to credit balance.
 - Accounting Code: Stripe - Inc
13. Put the customer account back into Default/B2B under "Communication Profile."
14. Verify that the balance due is \$0.00 on the refund invoice that was created.
15. Manually e-mail the customer, do not use Zuora to create the email as you cannot update the contents. Include a screenshot of the partial refund from Stripe and attach a copy of the refund invoice.

Accounting for income from sale of merchandise

Posting Swag Shop transactions in NetSuite Transactions from the Swag Shop are remitted to the Comerica checking account daily and should be booked in NetSuite at the end of each month.

1. In Shopify, download the transaction report in CSV format (found under Orders, then Export).
- This report contains swag shop revenue and tax data to be recorded in NetSuite.
1. In portal used for swag download the orders report which should include cost for swag sold.
 2. Record the revenue, tax, cost and cash received. At times cost maybe estimated using a historical average.
 3. Record the tax collected in the Ava Tax Portal.
 4. Create a journal entry in NetSuite under the GitLab Inc subsidiary, using the last day of the month as the entry date.

Accounts receivable

Accounting for customer collections Cash Receipt

Credit card customer

Follow this procedure if the customer paid by credit card. You may recall from the invoicing process that there was still a balance due when saving the invoice. The following steps will record the payment and remove the balance due.

1. Login to Stripe dashboard and click on Payments under Transactions (left hand side). You will see a listing of the latest Stripe transactions listed by amount, Recurly transaction, name, date, and time. There is also an option to filter the report by clicking on XXX at the top left. Click on XXX to export to excel. This will give you a workbook area and also a breakdown of the fees which we will work on later.
2. In NetSuite, click on the "Transactions" tab on the left.
 - o Click on the orange "OPEN INVOICES " tab. This will bring up all open invoices listed by date, invoice #, customer, etc.
3. Match invoice #s between the Stripe dashboard and NetSuite. If you click on a transaction in the Stripe dashboard, it will take you to a screen that shows more detail, including the invoice # being paid. You can work your way from the bottom up.
4. In NetSuite, click "Receive Payment" on the matched payment and invoice.
5. Receiving the payment
 - o Enter the payment date, which is the payment date from Stripe dashboard.
 - o Payment method = Credit Card.
 - o Reference no. = "Recurly Transaction ID:" found under Metadata in Stripe dashboard.
 - o Deposit to = Stripe.
 - o NetSuite will auto-fill the payment amount with the entire balance due. No need to change this unless the payment amount from Stripe is different.
 - o Click on "Save and Close".
 - o Repeat the above for all the remaining invoices that were paid by credit card.
6. Post a journal entry to record Stripe Fees.
 - o In NetSuite, click on the "+" sign. Under "Other", select "Journal Entry".
 - o It is okay to leave the journal date as long as it is within the month the fees were incurred. If not, change it to the last day of the month.
 - o NetSuite will auto fill the journal number. Do not change.
 - o Account #1 Entry
 - Fill the "Account #1" entry with "Credit Card Transaction fees".
 - Fill the "Debits" entry with the value from the Stripe report that was exported. The value will be the sum of "Column I" in the Stripe report, which is the fee amount. Be sure to only sum the rows which you just posted payments for.
 - Leave the "Credits" entry empty.

- Fill the "Description" entry with "To record credit card transaction fees for period (enter the date range for the transactions posted)".
- Leave the "Name" entry empty.
- Fill the "Class" entry with "Sales".
- Account #2 Entry
 - Fill the "Account #2" entry with "Stripe".
 - Leave the "Debits" entry empty.
 - The "Credits" entry will autofill. This should be the same amount as the "Debits" entry for Account #1.
 - The "Description" entry will autofill. This should be the same as the "Description" entry for Account #1.
 - Leave the "Name" entry blank.
 - Leave the "Class" entry blank.
 - Click "Save".

This transaction transfers the payment obligation from the customer to Stripe. The payment obligation from Stripe is removed when Stripe transfers the funds to GitLab's bank account.

Posting a payment from Stripe when a transfer is received from Stripe

Post a journal entry:

1. Fill the "Journal Date" with the date that payment was received in the bank.
2. Fill the "Credit Account" with Stripe.
3. Fill the "Debit Account" with "Comerica Checking - GitLab Inc."
4. Leave "Name" blank.
5. Leave "Class" blank.
6. Fill the "Description" with "To record Stripe transfer (date of transfer)".
7. Click "Save".

Posting a payment from a "bank customer"

In Netsuite:

1. Click on the "+" sign.
2. Click on "Receive Payment" under Customers.
3. Fill the "Payment Date" with the date payment was received.
4. Fill the "Payment Method" choose from the dropdown menu.
5. Fill the "Reference No." with the check # or bank reference # from incoming wire.
6. Fill the "Deposit to" with "Comerica Checking".
7. Fill the "Amount Received" with the amount received from the incoming wire.

For step by step cash collections process please view [Billing Ops page. \(/handbook/finance/accounting/finance-ops/billing-ops/\)](/handbook/finance/accounting/finance-ops/billing-ops/)

Account receivable provisions, bad debts and other period close adjustments

Accounts Receivable Performance Indicators

Time for Invoices to be generated when a deal is closed won in Salesforce < 24 hours

The time from when a deal is closed won in Salesforce to when the invoice is generated. Professional services are excluded from this performance indicator. This is tracked over a calendar month. The target is < 24 hours.

Accounts Receivable Process for Non-Payment of Invoices

1. Billing & Revenue team review AR Aging as on a monthly basis. Fifty (50) percent of the balances that are Ninety (90) days or more after the due date and One Hundred (100) percent of the balances that are One Hundred and Twenty (120) days or more after the due date are reserved as allowance for doubtful debt. Bad debt expense is recorded based on revenue recognised, future revenue recognition is stopped and deferred revenue is reversed all at the Netsuite level.
2. Future amortisation of commissions expenses related to reserved invoices should also be stopped to ensure alignment with pattern of revenue recognition.
3. Allowance for doubtful debt will be shared with Sales Operations on a monthly basis to ensure they have visibility of what may be written off in the future.
4. On a quarterly basis, Senior Billing Manager and Revenue Director will determine the aged invoices that are uncollectible. They will create an issue ten (10) days before the end of the quarter to seek approval according to the [signature authorization matrix \(https://about.gitlab.com/handbook/finance/authorization-matrix/\)](https://about.gitlab.com/handbook/finance/authorization-matrix/) to write off invoices and to also notify the Sr. Director of Sales Operations. Sales Operations will then create decommission opportunities in SFDC for approved write offs before the end of the quarter and these will be synced to Zuora to reverse original invoicing and revenue. Sales Operations will claw back commissions accordingly.
5. Revenue team will review write-offs processed in zuora to ensure correct revenue reversal and will book MJEs in Netsuite to reclass impact to Bad Debt Reserve.
6. Customers that have had their invoices written off, consider no discounts or credit given for future deals.
7. Where payment is received for an invoice after it has been written off, the write off will be reversed and the related commission will be reinstated.

Procure to Pay

Procure to pay is the process of requisitioning, purchasing, receiving, paying for and accounting for goods and services. It includes the following sub processes of both the [Procurement \(/handbook/finance/procurement/\)](/handbook/finance/procurement/) and [Accounts Payable \(/handbook/finance/accounts-payable/\)](/handbook/finance/accounts-payable/) departments:

Vendor Master Management

- If the vendor is not already set up in NetSuite it is considered a new vendor.
- According to the new vendor's Legal Entity, they will be onboarded into Coupa.

New Vendor Onboarding - Coupa

Coupa is a procure-to-pay system that streamlines the purchase request process, initiate workflow with approvals, and enable Purchase Orders. We will be rolling out in a phased approach, with the US and Netherlands entities (GitLab Inc, Federal, IT BV and BV) in Phase I (2021-06-01). The remaining entities will be part of Phase II (2021-12-13).

You can learn more about Coupa on our [FAQ Page \(/handbook/finance/procurement/coupa-faq/\)](/handbook/finance/procurement/coupa-faq/).

How vendors are added into Coupa:

1. Any Coupa user can request a new supplier using the New Supplier Request form.
 - Check [How to Request a New Supplier in Coupa \(/handbook/business-technology/enterprise-applications/guides/coupa-guide/#how-to-request-a-new-supplier\)](/handbook/business-technology/enterprise-applications/guides/coupa-guide/#how-to-request-a-new-supplier) for a detailed guide.
2. Once the New Supplier Request is approved, an External Supplier Form will be automatically sent to the Supplier to gather additional information.
 - Supplier must complete the form and submit it back.
3. After supplier submission, the external form will be routed to Accounts Payable Approval Group for review and approval.
4. After approval, the Supplier details will be integrated to NetSuite. Once the supplier is successfully created in NetSuite, it will flow back to Coupa to complete the New Supplier creation. By then, the Supplier should be available when creating Purchase Requests and Invoices.

If you are a GitLab recurring vendor and did not receive an onboarding email from Coupa, please reach out to ap@gitlab.com.

Invoice Accounting

Entering a Bill (invoice) in NetSuite Please note the below steps reference how to manually enter bills into NetSuite. Effective 2019-11-01 all AP invoices were processed through Tipalti. Effective 2021-06-01 (Coupa Phase I) and 2021-12-13 (Coupa Phase II), AP invoices will be processed in Coupa. These systems will automatically record the transaction into NetSuite after the invoice has been approved by the corresponding business partner in the respective system.

1. On the NetSuite home page, click the "+" icon near the global search bar at the top of the screen and select "Bill."
2. Select the appropriate vendor record. If adding a new vendor, follow the bullets below before proceeding, otherwise skip to step 3.
 - Enter the company name, email address, applicable subsidiary, physical address, payment terms, primary currency, and Tax ID. (Note that the address field is located under the "Address" tab, while the Tax ID, primary currency, and payment terms fields are located under the "Financial" tab)
 - Enter the banking information in the "Comments" field then click "Save."
 - Go to the "+" icon at the top of the vendor record and select "Bill" from the dropdown box.
3. Enter Bill date. The due date should auto-fill based on payment terms entered during vendor setup. If not, select the correct due date and update the vendor record after the bill has been entered and saved.
4. Enter Bill number.
5. Go to the "Expense and Items" tab below to enter the expense details.

6. Select appropriate GL-account under the "Account" dropdown box. (Be sure to check whether the invoice represents a prepaid expense, fixed asset, etc.)
7. Enter Bill amount.
8. Select tax code, if applicable.
9. Enter department. (This must be entered if the account you selected in step 6 is an expense account)
10. Add attachments: Go to the "Communication" tab and find the "Files" subtab.
11. Click "New File." A new window will appear, allowing you to select the file you wish to attach.
12. In the new window, select the "Attachments Received" folder in the dropdown box, then click "Choose File" to attach both a copy of the vendor bill and email approval. (The supporting email approval must be attached along with a copy of the invoice)
13. Click "Save."
14. In Google Drive, file invoice in the "Unpaid" folder.

Invoicing in Coupa

Coupa is a Procurement and Invoicing Tool. Similarly to purchase requests for goods/services that must be initiated in Coupa, invoices are also created and approved in Coupa.

For all issues created before Coupa Go-Live (Phase I; 2021-06-01 and Phase II; 2021-12-13), the business will not be setting up Purchase Orders for those and the Accounts Payable team will manually enter the related invoices as Non PO-backed.

Invoices in Coupa can be created via 4 different channels:

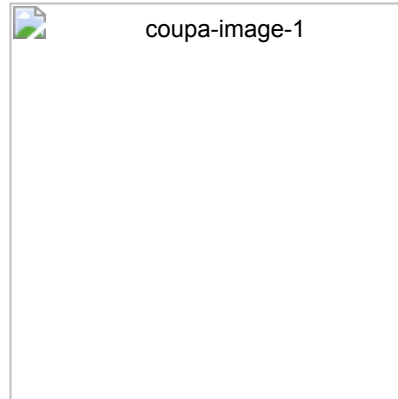
- **Coupa Supplier Portal (CSP)**
 - Free, Web-based portal specifically for suppliers.
 - Suppliers receive POs within CSP Coupa inbox and perform PO Flips to Invoices and is able to see a complete history of all their POs/invoices.
 - Once CSP invoices are submitted by the supplier, Coupa triggers the approval workflows.
- **Supplier Actionable Notification (SAN)**
 - Suppliers act directly (flip PO to invoice) from Coupa PO SAN email.
 - No need to register for/sign into Coupa/CSP, free service available any suppliers (with email).
- **cXML**
 - For "high-touch" suppliers (e.g. Amazon, CDW) with cXML invoicing capability to receive POs and transmit invoices directly.
 - Works well in conjunction with punchouts.
- **Manual Entry in Coupa UI**
 - "Flip PO" option copies data from Coupa PO to pre-populate invoice fields for faster entry.
 - Non PO backed invoice manual entry.

Coupa Integration - troubleshooting for Invoices

A NetSuite error log identifying invoice integration issues will be emailed to the Accounts Payable Team every Tuesday and Friday. The email is sent from **Finance Systems Admins** and the Subject is **Coupa2NS Invoices - Integration Log**. Download the attached file and filter by Type = **Error** and **Audit**. Review the **Details** field to find the invoice

number/document number that needs to be reviewed/corrected. For information regarding common errors and how to correct them, please review this [file \(https://docs.google.com/spreadsheets/d/1KL6ft-kNkeKhvf-iORfar_3vzK6mySHB/edit#gid=1779396759\)](https://docs.google.com/spreadsheets/d/1KL6ft-kNkeKhvf-iORfar_3vzK6mySHB/edit#gid=1779396759); under the column labeled **Script** search for **Coupa Invoice Integration**. If any troubleshooting assistance is needed, please ask in the **#coupa_help** Slack channel.

There is also a View in Coupa that will list invoices not exported to NetSuite. Under Invoices, select View = **Not Exported**



However, there will be no details regarding the integration issue. You will need to review the NetSuite error log (referenced above) for the details.

For vendors who invoice GitLab for multiple entities, all invoices are separated by subsidiary (due to audit standards). If the vendor onboards for the Coupa Supplier Portal (CSP), the vendor will only see the POs related to those entities, and will need to email the others. If you are a GitLab vendor who invoices for multiple entities and you have any questions, please reach out to ap@gitlab.com.

Approving an Invoice in Coupa

Invoices requiring PO receipts or approval will appear in user's To Do list within Coupa. Users will also receive email notifications from Coupa (depending on user's notification setting in Coupa).

PO receipts notifications will enable users to "Create Receipt" by clicking on the button and entering the quantity received and receipt date. Please watch the [End Users training video \(https://drive.google.com/file/d/1ZS5uh7ccPjyD6VYzzlyGX9Elvcs7TJEa/view?usp=sharing\)](https://drive.google.com/file/d/1ZS5uh7ccPjyD6VYzzlyGX9Elvcs7TJEa/view?usp=sharing), (starting at the 30:15 mark) for more information.

Approval notifications will enable users to reject or approve invoices by clicking on the appropriate button.

****Top information to verify before approving an invoice**** { : .panel-heading}

- Verify invoice copy is attached - Verify correct PO is matched - Verify coding (Billing) is correct - Verify service date is entered and correct - Verify tag/class is entered (if applicable) - Verify invoice total is correct

If there are issues with any of the above items, please tag `@Accounts Payable Approval Group` in the Comments section with details.

Disputing an Invoice in Coupa

The invoice dispute process in Coupa enables the Accounts Payable team to request corrections on invoices from suppliers.

Invoices in "AP Hold", "Pending Action", "Pending Receipt", "On Hold", "Pending Approval" or "Rejected" statuses can be disputed to the supplier for corrections. Disputing an invoice requires a dispute reason and sends an email notification to the supplier contact on record and any additional listed recipients.

Once disputed, an invoice can be Withdrawn from Dispute by Accounts Payable or Voided; or Resolved by the supplier.

Rejecting an Invoice in Coupa

The invoice rejection process in Coupa allows the Accounts Payable team to make adjustments on invoices before restarting approvals, continuing approvals or disputing the invoice back to the supplier. This is an internal status that suppliers cannot see indicating that an approver or approval group rejected the invoice. Comments are required when rejecting an invoice - please provide as much detail/information as possible.

Manually Entering a Bill (invoice) in NetSuite

Please note the below steps reference how to manually enter bills into NetSuite. Effective 2019-11-01 all AP invoices should be getting processed through Tipalti and Effective 2021-06-01 we will begin to process in Coupa as well. These 2 systems will automatically record the transaction into NetSuite after the invoice has been approved by the corresponding business partner in the respective system.

1. On the NetSuite home page, click the "+" icon near the global search bar at the top of the screen and select "Bill."
2. Select the appropriate vendor record.

****If adding a new vendor, follow the bullets below before proceeding, otherwise skip to step 3**** {:.panel-heading}

****.** - Enter the company name, email address, applicable subsidiary, physical address, payment terms, primary currency, and Tax ID. (Note that the address field is located under the "Address" tab, while the Tax ID, primary currency, and payment terms fields are located under the "Financial" tab) - Enter the banking information in the "Comments" field then click "Save." - Go to the "+" icon at the top of the vendor record and select "Bill" from the dropdown box.

1. Enter Bill date. The due date should auto-fill based on payment terms entered during vendor setup. If not, select the correct due date and update the vendor record after the bill has been entered and saved.
2. Enter Bill number.
3. Go to the "Expense and Items" tab below to enter the expense details.
4. Select appropriate GL-account under the "Account" dropdown box. (Be sure to check whether the invoice represents a prepaid expense, fixed asset, etc.)
5. Enter Bill amount.
6. Select tax code, if applicable.
7. Enter department. (This must be entered if the account you selected in step 6 is an expense account)
8. Add attachments: Go to the "Communication" tab and find the "Files" subtab.
9. Click "New File." A new window will appear, allowing you to select the file you wish to attach.
10. In the new window, select the "Attachments Received" folder in the dropdown box, then click "Choose File" to attach both a copy of the vendor bill and email approval. (The supporting email approval must be attached along with a copy of the invoice)
11. Click "Save."

12. In Google Drive, file invoice in the “Entered” folder for that entity.