Using the General Ledger Interfaces

COM Transactions

Jim Simunek, CPIM

jim.simunek@cistech.net

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Overview

- Individual COM transactions are used by the GL Interface to collect cost & revenue dollars
- Break down the transactions by group:
  - Cost – Sales & Returns
  - Sales (Revenue)
  - Credits – Returns & Allowances
- Each transaction group is broken into 4 sub-categories:
  - Inventory
  - Non-Inventory
  - Special Charges (includes Surcharges)
  - Taxes

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Overview

- Review COM options (special charges, surcharges) and the rules required to support them
  - Orders or credits entered on "Non-Inventory Item" screens
  - Use of Special Charges for freight, handling, etc.
  - Use of Surcharges for add-on (CIF) or credit (warranty)

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Overview

- COM will allow both credit and sales items on the same order or credit memo
  - A credit amount on an invoice is viewed as a reduction in sales not a credit
  - A debit amount on a credit memo is viewed as a reduction in the return or allowance not a sale

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Overview

Overview

IFM vs. AM Financials

- If your company is using the AM Financials, then you will have to run the Account Assignment and Journal Entry Create jobs to get journal entries

- If your company is using the IFM Financials, every time you ship an order you will create COGS entries and each time you invoice you will create Revenue (Sales) journal entries

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Questions

- Any questions on the Overview?
- Next topic will be Rules and the fields that support them….

Transaction Types


```
ESERVER                                                                    _ |8| x|
File  Edit  View  Communication  Actions  Window  Help

AMVLIO1                          Maintain Interface Control File


   Position to transaction type . . . . .  ____


   Type option; then press Enter.
     2=Change


                                                        More: - +
                                              Interface   Application
   Option   Type   Description                 Code       Indicator
     _      CR**   Cost returns - all items      2           B
     _      C***   Cost - all                    2           B
     _      RALI   Allowances - inventory items  1           B
     _      RALN   Allowances - non-inventory items 1        B
     _      RALS   Allowances - special charges  1           B
     _      RALT   Allowances - taxes            1           B
     _      RAL*   Revenue allows.- inventory/non inventory 2   B
     _      RA**   Revenue allows. - all items   2           B
     _      RILI   Invoices - inventory items    1           B
     _      RILN   Invoices - non-inventory items 1          B



   F1=Help           F3=Exit          F5=Refresh        F7=Backward
   F8=Forward
```

Global Types

- Transactions with an asterisk (*) in them serve as a global transaction that will be used for all transactions within that group

- For example, a rule for transaction code "C***" will be used for CILI, CILN, CLIS, CRLI, CRLN and CRLS transactions

- The interface code "2" is pre-defined by XA for Global Rules which means that they are always active

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Selecting Transactions

- Use the "Maintain Interface Control File" option on the General Ledger Management menu to select which transactions will be collected for GL entry

- Time this with the beginning of a fiscal period for complete transactions for that period

- Interface code "1" means that XA is collecting the transactions

Transaction Types

- Accounting will need to review the Customer Service Order Entry procedures to set up correct rules
  - Inventory Sales
  - Non-Inventory Sales
  - Use of Special Charges
  - Taxes
  - Use of Surcharges (Warranty, Re-stocking fees, CIF, etc.)

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Rules

- Rules define the Charge and Offset account for each transaction
- If your company has multiple inventory accounts in the ledger, use the Item Class and/or Item Accounting Class to designate the different accounts for inventory relief in cost of sales entries
- If your company books sales by product line, use the same fields to designate different accounts for revenue entries

Fields for Rules

AMBG501   Specify Rules to Maintain

Specify rules to maintain and include any ranges; or press Enter.

Maintain rules defined for company . . . . ▮_
Maintain rules defined for transaction type . . . . ____

```
Include only these ranges (optional):          From              To
  Customer number . . . . . . . . . . . .      _____          _____
  Customer class code . . . . . . . . . .      _____             _____
  Sales code  . . . . . . . . . . . . . .      _                 _
  Salesrep number . . . . . . . . . . . .      _____             _____
  Territory number  . . . . . . . . . . .      __                __
  Special charge reference  . . . . . . .      ___               ___
  Tax code  . . . . . . . . . . . . . . .      _____             _____
  Item number . . . . . . . . . . . . . .      _____     _____
  Item class  . . . . . . . . . . . . . .      ____              ____
  Item accounting class . . . . . . . . .      ___               ___
  Warehouse . . . . . . . . . . . . . . .      ___               ___
```

F1=Help   F3=Exit   F5=Refresh
F14=Simulate   F16=Priority   F21=Group copy   F22=Group delete

Questions?

- Any questions on Rules?
- Next topic will be the Cost of Sales and Revenue transactions…

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Cost of Sales Transactions

- CILI: Cost of Sales – Inventory Items
- Transaction is built when the Invoice is created (even though inventory is lowered when the order is shipped)
- *Charge Account:* Cost of Goods Sold (debit)
- *Offset Account:* Inventory (credit)

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Cost of Sales Transactions

- CILN: Cost of Sales – Non-inventory items
- Any item number can be entered on the Non-Inventory Item screen. Cost and Item Class fields are required entry
- *Charge Account:* Cost of Goods Sold (debit)
- *Offset Account:* <u>Not</u> Inventory; expense account (credit)

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Cost of Sales Transactions

- CILS: Cost of Sales – Special Charges
- Type Code of Special Charge determines whether cost is required with the charge.
  - Type 1: Freight, cost not required
  - Type 2: Other Charges, cost not required
  - Type 3: Charge with Cost (cost required)
- *Charge Account:* Cost of Sales (debit)
- *Offset Account:* Expense (credit)

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Sales Transactions

- RILI: Invoices (Revenue) – Inventory
- Transaction is built when the Invoice is created
- COM system tailoring determines if selling price is established when the order is entered or re-priced when shipped
- *Charge Account:* Accounts Receivable (debit)
- *Offset Account:* Sales (Credit)

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Sales Transactions

- RILN: Invoices (Revenue) – Non-Inventory Item

- *Charge Account:* Accounts Receivable (debit)

- *Offset Account:* Sales (credit)

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Sales Transactions

- RILS: Invoices (Revenue) – Special Charge
- Special Charges can be added during Order Entry or during Shipping
- There can be multiple special charges on one order
- Different rules can be built based on the Special Charge Reference Code
- *Charge Account:* Accounts Receivable (debit)
- *Offset Account:* Sales/Freight Recovered (credit)

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Sales Transactions

- A Surcharge is treated by the GL Interfaces as a Special Charge
- Surcharges are an underused feature of COM that can be either a credit or a debit
- Surcharges can be a percent of sales, a flat amount or an amount multiplied by the quantity ordered
- Uses for Surcharges:
  - Warranty (100% negative)
  - Re-Stocking Fees (negative percent on a credit memo becomes a debit)
  - Containerization, Insurance & Freight – one surcharge can have multiple codes

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Sales Transactions

- RILT: Invoices (Revenue) Sales Taxes
- Customer Tax Suffix and Item Tax Indicator work in conjunction to calculate any sales taxes for the item
- *Charge Account:* Accounts Receivable (debit)
- *Offset Account:* Sales Tax Liability (Credit)

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Questions?

- Any questions on Cost of Sales or Sales?
- Next topic will be Credits

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Credit Memos

- Each credit memo must have a Credit Memo code
  - R: Customer Return. This will add items returned to inventory and credit the customer's AR balance. There is a menu option titled "Process Credit Returns" to record the receipt of the returned goods.
  - A: Customer Allowance. This will credit the customer's AR balance with no impact to inventory (even though you enter an item number when creating the credit)

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Credit Memos

Credit Memos

CISTECH, Inc. ☐ 220 N Ames Street, Matthews, NC 28105 ☐ 704-849-6717 ☐ www.cistech.net

Credit Costs

- CRLI: Cost Relief for Returns

- Only created when the Credit Code for the item is an "R"

- Transaction is created when the Invoice Print job is run even though the inventory quantity is updated when Process Credit Return is performed

- *Charge Account:* Cost of Sales (credit)

- *Offset Account:* Inventory (debit)

Credit Costs

- CRLN: Cost Relief for Returns – Non-Inventory Item

- Item cost and Item Class must be entered when Item is added to Credit Memo

- *Charge Account:* Cost of Sales (credit)

- *Offset Account:* <u>Not</u> inventory; expense account (debit)

Credit Costs

- CRLS: Cost Relief for Returns – Special Charge

- If there is a Special Charge with Type Code = 3, then a CRLS transaction will be created

- *Charge Account:* Cost of Sales (credit)

- *Offset Account:* Expense (debit)

Credit Memos

- RALI: Allowances – Inventory Items
- RRLI: Return – Inventory Items
- Line item credit code determines which transaction will be built
- *Charge Account:* Accounts Receivable (credit)
- *Offset Account:* Sales (debit)

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Credit Memos

- RALN: Allowance – Non-Inventory Item

- RRLN: Allowance – Non-Inventory Item

- Non-Inventory items have the same "R" or "A" credit code as inventory items

- *Charge Account:* Accounts Receivable (credit)

- *Offset Account:* Sales (debit)

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Credit Memos

- RALS: Allowance – Special Charge

- RRLS: Return – Special Charge

- Credit Code from the Order Header record becomes the default code for the special charge

- *Charge Account:* Accounts Receivable (credit)

- *Offset Account:* Sales (debit)

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Credit Memos

- RALT: Allowance – Tax
- RRLT: Return – Tax
- If the Customer Tax Suffix and the Item Tax Indicator cause sales tax to also be credited, then one of these transactions will be created (depending on Credit Code)
- *Charge Account:* Accounts Receivable (credit)
- *Offset Account:* Sales Tax Liability (debit)

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Summary

- Can pick which transactions are collected in the "General Ledger Interfaces"

- Build rules to set the Charge and Offset accounts per transaction

- Review the Customer Service Order Entry procedures to verify that the orders are entered in such a way as to support the GL Rules

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