

# Financials

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# F100 Financials: Basic

## Training Guide

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Software Version: 2020 R2

# How To Use This Course

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This course is to complete on Acumatica ERP 2020 R2. For this course, ask your system administrator to deploy an instance of Acumatica ERP for training and to create a tenant and preload the *U100* dataset to it; this data set provides the preconfigured settings and entities you will need as you complete the course. (You can find detailed instructions on creating a tenant below.)

This course consists of five parts, each part providing a set of lessons that illustrate the basic financial management processes in a midsize company. In the course, you will learn how to work with GL batches, AR documents, AP documents, run reports, perform bank reconciliation and period-end and year-end procedures.

Follow these steps to complete the course:

1. Prepare an Acumatica ERP 2020 R2 instance with two tenants, as described in *How to Create a Tenant with an Out-of-the-Box Company* and *How to Create a Tenant with the U100 Dataset* sections below.
2. In the out-of-the-box company, you complete the activities of Part 1 to learn how to configure a company without branches and the needed subledgers of Acumatica ERP.
3. In the company with the *U100* dataset, complete the rest of the lessons of the guide (Part 2 through 6).
4. Take the assessment tests at Partner University.
5. Complete course survey at Partner University to finish the course and get the Partner University certificate of course completion.

## What Is in a Guide?

The guide includes the *Company Story* topic and lessons, including general information and activity related to the lesson. *Company Story* explains the organizational structure of the companies preconfigured in the *U100* dataset, as well as the company's business processes and requirements. General information topics provide overviews of the processes that are performed in Acumatica ERP. Each of the lessons of the course is dedicated to a particular user scenario and consists of processing steps that you complete.

## What Is in a Configuration Lesson?

A lesson dedicated to configuring system settings and entities typically includes general information that provides a brief overview of required system configuration and description of other settings that could affect workflow. Also, the lesson could provide information about reports and inquiry forms that can be used for gathering information. Each lesson includes an implementation activity that you have to complete in your Acumatica ERP instance to configure the core system settings, or prepare system entities.

## What Is in a Process Lesson?

A lesson dedicated to performing a particular business process typically includes general information, provides a brief overview of settings and entities that are required to be prepared in the system before you start to perform the business process. Also, the lesson could provide information about reports and inquiry forms that can be used for gathering information related to a described business process and transactions generated during performing a business process. Each lesson includes a process activity

that you have to complete in your Acumatica ERP instance to learn how to perform the described business process.

## What Are the Documentation Resources?

The complete Acumatica ERP documentation is available on <https://help.acumatica.com/> and is included in the Acumatica ERP instance. While viewing any form used in the course, you can click the **Open Help** button in the top pane to bring up a form-specific Help menu; you can use the links on this menu to quickly access form-related concepts and procedures and to open a reference topic with detailed descriptions of the form elements.

## How to Create a Tenant with an Out-of-the-Box Company

To add to an existing Acumatica ERP instance a tenant with an out-of-the-box company, perform the following instructions:

1. Launch the Acumatica ERP instance, and sign in.
2. Open the [Tenants](#) (SM203520) form, and click **Add New Record** on the form toolbar.
3. In the **Login Name** box, type a name to be used for the tenant.
4. On the form toolbar, click **Save**.

The system creates the tenant.

5. Sign out of the current tenant.

You are now on the Welcome page and you can sign in to the tenant you have just created.

## How to Create a Tenant with the U100 Dataset

To add to an existing Acumatica ERP instance a tenant with the *U100* dataset, which is required for the completion of this course, perform the following instructions:

1. Go to <http://acumatica-builds.s3.amazonaws.com/index.html?prefix=builds/>.
2. Open the folder of your Acumatica ERP instance version.
3. In this folder, open the `Snapshots` folder, and download the `u100.zip` file.
4. Launch the Acumatica ERP instance, and sign in.
5. Open the [Tenants](#) (SM203520) form, and click **Add New Record** on the form toolbar.
6. In the **Login Name** box, type the name to be used for the tenant.
7. On the form toolbar, click **Save**.
8. On the **Snapshots** tab, click **Import Snapshot**.
9. In the **Upload Snapshot Package** dialog box, select the `u100.zip` file, which you have downloaded, and click **Upload**.

The system uploads the snapshot to the **Snapshots** tab of the [Tenants](#) form.

10. On the form toolbar, click **Restore Snapshot**.
11. If the **Warning** dialog box appears, click **Yes**.

12. In the **Restore Snapshot** dialog box, make sure that the correct snapshot package is being uploaded, and click **OK**.
13. Sign out of the current tenant.

You are now on the Sign-In page, and you can sign in to the tenant you have just created.

## **Licensing Info**

For the educational purposes of this course, you will use Acumatica ERP under the trial license, which doesn't require activation and provides all available features. For production, you have to activate the purchased license; each particular feature may be a subject to additional licensing; please consult the Acumatica ERP sales policy for details.

# Company Story

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This topic explains the organizational structure and operational activity of the company with which you will work during this training.

## Company Structure

The SweetLife Fruits & Jams company is a midsize company located in New York City. The company consists of the following branches:

- SweetLife Head Office and Wholesale Center: This branch of the company consists of a jam factory and a large warehouse where the company stores fruit (purchased from wholesale vendors) and the jam it produces. Warehouse workers perform warehouse operations by using barcode scanners or mobile devices with barcode scanning support.
- SweetLife Store: This branch has a retail shop with a small warehouse to which the goods to be sold are distributed from the company's main warehouse.
- Service and Equipment Sales Center: This branch is a service center with a small warehouse where juicers are stored. This branch sells juicers, installs juicers, trains customers' employees to operate juicers, and provides juicer servicing.

## Operational Activity

The company has been operating starting in the *01-2019* financial period. In November 2019, the company started using Acumatica ERP as an ERP and CRM system and migrated all data of the main office and retail store to Acumatica ERP. Because the company has grown, the equipment center has begun its operations in *01-2020*.

## Company Purchases

The company purchases fruits and spices from large fruit vendors for sale and for jam production. For producing jams and packing jams and fruits, the company purchases jars, labels, and paper bags from various vendors. For the internal needs of the main office and store, the company purchases stationery (printing paper, pens, and pencils), computers, and computer accessories from various vendors. The company also purchases juicers for sale from a large juicer vendor and either purchases the installation service for the juicers or provides the installation service on its own, depending on the complexity of the installation.

## Company Sales and Services

Each company's branch has its own business processes, as follows:

- SweetLife Head Office and Wholesale Center: In this branch, jams and fruit are sold to wholesale customers, such as restaurants and cafés. The company also conducts home canning training at the customer's location and webinars on the company's website.
- SweetLife Store: In the store, small retail customers purchase fresh fruit, berries, and jams, or pick up the goods they have ordered on the website. Some of the goods listed in the website catalog are not stored in the retail warehouse, such as tropical fruits (which are purchased on demand) and tea (which is drop-shipped from a third-party vendor).
- Service and Equipment Sales Center: This branch sells juicers, provides training on equipment use, and offers equipment installation, including site review and maintenance services.

# Part 1: Basic Company Configuration

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This part of the training illustrates the operations that are necessary to implement the basic configuration of a company without branches.

For completing a lesson of this part of the course, you will use an empty company, and you will complete an implementation activity under an administrator user account.

## Lesson 1.1: Configuration of a Company Without Branches

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### Company Without Branches: General Information

When you initially implement Acumatica ERP, you perform the company configuration that makes it possible for system implementation to proceed. This configuration includes enabling the default set of features and configuring the company in the system. You can proceed to further Acumatica ERP implementation, which includes specifying the basic settings related to the general ledger and to cash management, accounts payable, and accounts receivable.

When you configure a company in Acumatica ERP, it can be defined as being without branches, as consisting of branches that require balancing entries (if transactions involve multiple branches), or as having branches that do not require balancing entries. The topics of this chapter describe the configuration of a company without branches.

### Learning Objectives

In this chapter, you will learn how to do the following:

- Enable the default set of features before you start the configuration of a company
- Perform the configuration of a company without branches

### Applicable Scenarios

You configure a company without branches if the company has only one business location. You perform this company configuration as a first phase of the implementation of Acumatica ERP, before the entities needed for business processes are created. You can also add a new company without branches to the existing companies in an existing tenant at any time.

### Workflow of the Configuration of a Company Without Branches

To implement the basic configuration of a company without branches in Acumatica ERP, you perform the following general steps:

1. On the [Enable/Disable Features](#) (CS100000) form, you enable the default set of features. For details, see [Company Without Branches: To Configure a Company Without Branches](#).



In a production environment, after the features are enabled, you have to activate the Acumatica ERP license by using the [Activate License](#) (SM201510) form. Each particular feature may be subject to additional licensing; please consult the Acumatica ERP sales policy for details.

2. On the [Companies](#) (CS101500) form, you create the company entity in the system; you also create its actual ledger. For details, see [Company Without Branches: To Configure a Company Without Branches](#) and [General Ledger: To Create an Actual Ledger](#).
3. On the [Chart of Accounts](#) (GL202500) form, you add the accounts that are necessary for performing the financial operations of the company, as described in [General Ledger: To Create a Chart of Accounts](#).
4. On the [General Ledger Preferences](#) (GL102000) form, you specify the settings for processing transactions in the general ledger. For details, see [General Ledger: To Specify General Ledger Preferences](#).
5. On the [Financial Year](#) (GL101000) form, you set up the first financial year when the company starts processing its operations in Acumatica ERP. You then generate periods on the [Master Financial Calendar](#) (GL201000) form and open them on the [Manage Financial Periods](#) (GL503000) form. For more information, see [General Ledger: To Define a Financial Year](#).
6. On the [Cash Management Preferences](#) (CA102000) form, you specify the settings to be used in the system for processing cash transactions. For details, see [Cash Management: To Specify Cash Management Preferences](#).
7. On the [Entry Types](#) (CA203000) form, you add the necessary entry types for processing cash payments. For details, see [Cash Management: To Create an Entry Type](#).
8. On the [Cash Accounts](#) (CA202000) form, you define the cash accounts to be used to record cash entries and funds transfers. For more information, see [Cash Management: To Create Cash Accounts](#).
9. On the [Payment Methods](#) (CA204000) form, you define the payment methods that the company uses to pay its vendors, as well as the payment methods that are used by customers to pay the company. For more information, see [Cash Management: To Modify a Payment Method](#).
10. On the [Credit Terms](#) (CS206500) form, you create the sets of credit terms that are commonly used by vendors in their relations with the company and by the company in its relations with customers. These will be assigned to particular vendors and customers and specified in their bills and invoices, respectively. For more information, see [Credit Terms: To Define Credit Terms](#).
11. On the [Vendor Classes](#) (AP201000) form, you create the default vendor class, which will provide default values for vendor accounts of the class and for other vendor classes you create later. For details, see [Accounts Payable: To Create a Vendor Class](#).
12. On the [Accounts Payable Preferences](#) (AP101000) form, you specify the settings to be used in accounts payable. See [Accounts Payable: To Specify Accounts Payable Preferences](#) for more information.
13. On the [Statement Cycles](#) (AR202800) form, you define the necessary statement cycles to track customers' outstanding balances, as described in [Accounts Receivable: To Create a Statement Cycle](#). These cycles will be used later, when you are sending electronic or printed statements to the customers.
14. On the [Customer Classes](#) (AR201000) form, you create the default customer class, which will provide default values for customer accounts and for other customer classes you create later. For details, see [Accounts Receivable: To Create a Customer Class](#).

15. On the [Accounts Receivable Preferences](#) (AR101000) form, you specify the settings to be used in accounts receivable. See [Accounts Receivable: To Specify Accounts Receivable Preferences](#) for more information.

## Company Settings

In Acumatica ERP, you can create new companies or maintain existing companies by using the [Companies](#) (CS101500) form. A company may have no branches, or it may consist of multiple branches, with each being a separate office or point of sale.

To configure the company without branches, you have to specify the company's identifier, name, address, units of measure, and ensure that the *Without Branches* type is selected on the [Companies](#) form. You have to specify the company's identifier, name, address, and units of measure. You also specify the base currency of the company, which you cannot change after you save the newly created company for the first time. If you create multiple companies in the tenant, this base currency will be used automatically for all companies and cannot be changed.

After the company has been configured, the *Without Branches* company type can still be changed to *With Branches Not Requiring Balancing* and *With Branches Requiring Balancing* at any time. (If the *Multi-Branch Support* feature is selected on the [Enable/Disable Features](#) (CS100000) form.)

## Company Without Branches: To Configure a Company Without Branches

In this activity, you will learn how to enable the minimum set of features and define settings for a company without branches.

### Story

Suppose that as an administrator, you are going to start configuring a new company without branches in Acumatica ERP. The company is going to use the default features. You need to enable these features and then you need to configure a company entity in Acumatica ERP for the SweetLife Fruits & Jams company, which at this time has only one office in New York.

### System Preparation

Before you start configuring a company without branches, sign in to a tenant with the out-of-the-box company as a system administrator with the *admin* username.

### Step 1: Enabling the Minimum Set of Features

To enable the minimum set of features, do the following:

1. Open the [Enable/Disable Features](#) (CS100000) form.
2. On the form toolbar, click **Enable** to enable the default set of features, for which the corresponding check boxes have been selected on the form. This set of features consists of *Finance, Standard Financials, Centralized Period Management, Monitoring & Automation, Scheduled Processing, Workflow Automation, GDPR Compliance Tools, Third-Party Integrations, and Advanced Authentication*.

In a production environment, after the features are enabled and before you proceed with implementation, you have to activate the Acumatica ERP license by using the [Activate License](#)

(SM201510) form. In this practice activity, you are using Acumatica ERP under the trial license, which doesn't require activation and provides all available features.

## Step 2: Defining a Company Without Branches

To configure the company without branches for SweetLife, do the following:

1. Open the [Companies](#) (CS101500) form.
2. In the Summary area, specify the following settings:
  - **Company ID:** SWEETLIFE
  - **Company Name:** SweetLife Fruits & Jams

In the **Company Type** box, notice that *Without Branches* is selected; you will leave this default setting.

3. In the **Main Address** section of the **Company Details** tab, specify the following address settings:
  - **City:** New York
  - **Country:** US - United States of America
  - **State:** NY - New York
4. In the **Base Currency Settings (Shared)** section, specify *USD* in the **Base Currency ID** box.

The system fills in the **Description**, **Currency Symbol**, and **Decimal Precision** boxes automatically, based on the currency you have selected.



The settings you specify in this area for the first company in the tenant will be applied to all companies in the tenant. After you specify the base currency and save your changes, the base currency can be overridden until GL preferences are saved on the [General Ledger Preferences](#) (GL102000) form. Once the GL preferences are saved, the base currency cannot be overridden.

5. In the **Miscellaneous Settings (Shared)** section, enter 2 in the **Price/Cost Decimal Places** box.



If you later add additional companies to the tenant, the settings you specify in this area for the first company in the tenant will be applied to all companies in the tenant.

6. On the form toolbar, click **Save**.

On the same form, you can now create an actual ledger for the company you have created. For details, see [General Ledger: To Create an Actual Ledger](#).

## Lesson 1.2: Configuration of the General Ledger

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## General Ledger: Actual Ledger

In Acumatica ERP, a ledger of the *Actual* type is at the core of your company's financial records. The records in the actual ledger make up the history of all financial transactions of your organization. The system updates the actual ledger every time you release and post a financial transaction in the system.

In this topic, you will read about creating actual ledgers in the system.

### Creation of an Actual Ledger

You can specify only one ledger of the *Actual* type for each company. You add a new actual ledger in either of the following ways:

- To first add a new ledger and then associate it with existing companies and branches, you use the [Ledgers](#) (GL201500) form. After you create the actual ledger, you can associate it with existing companies in the system.
- To first create a new company and then add a new ledger, you use the [Companies](#) (CS101500) form. (You create the ledger directly on this form.)

If you have multiple companies, they can use the same ledger of the *Actual* type, or they can use different ledgers, depending on the transaction processing requirements of your organization and its organizational structure.



You cannot delete a ledger or change its currency or type if the ledger has any journal entries or other records.

## General Ledger: To Create an Actual Ledger

In this activity, you will learn how to create an actual ledger for a company in Acumatica ERP.

### Story

Suppose that as an administrator, you need to create an actual ledger that will hold the history of all financial transactions of the SweetLife Fruits & Jams company.

### System Preparation

Before you start adding an actual ledger, make sure that the company you plan to associate with this actual ledger has been created, as described in [Implementing the General Ledger](#).

### Step: Creating an Actual Ledger

Perform the following instructions to create the actual ledger to be used by the company:

1. Sign in to the company you have prepared with the *admin* username.
2. Open the [Companies](#) (CS101500) form.
3. In the **Company ID** box, select *SWEETLIFE*.
4. On the form toolbar, click **Create Ledger**.
5. In the **Create Ledger** dialog box, which opens, in the **Ledger ID** box, type *ACTUAL*.

**6. Click **Create**.**

The system creates and saves the ledger and closes the dialog box.

**7. On the **Ledgers** tab, verify that the ledger you have created is listed in the table.**

## General Ledger: Chart of Accounts

Each company has its own structured list of general ledger accounts. Acumatica ERP provides you with the ability to define a chart of accounts that suits your company's needs. To define the chart of accounts in the system, you have to perform the following tasks:

1. Plan account identifiers if they have not yet been defined for the configured company
2. Modify the *ACCOUNT* segmented key based on your planned structure, if necessary
3. Add accounts to the chart of accounts (including the Retained Earnings and YTD Net Income accounts)
4. Optional: Restrict user access to accounts

### Account Classes

For convenient grouping, sorting, and filtering of information associated with GL accounts in reports and inquiries, you can assign accounts to account classes on the [Chart of Accounts](#) (GL202500) form. Acumatica ERP provides predefined account classes, which can be modified if needed, and you can add new account classes on the [Account Classes](#) (GL202000) form. For details on how to create an account class in the system, see [To Create an Account Class](#).

Before you add accounts to the chart of accounts, you should review the predefined account classes and learn about the capabilities of account classes, so you can determine which classes to assign to accounts.

### Entry of Chart of Accounts

In Acumatica ERP, you define the chart of accounts on the [Chart of Accounts](#) (GL202500) form. When you define the chart of accounts, you assign to each account a name, a unique identifier, and an account type. You can prepare the chart of accounts in an `.xlsx` or `.csv` file and upload the file to the system. Alternatively, you can add accounts individually.

### Mandatory Accounts

In Acumatica ERP, you must create two system-maintained accounts of the *Liability* type: YTD (Year-to-Date) Net Income and Retained Earnings. Once you have created these accounts, you need to specify them on the [General Ledger Preferences](#) (GL102000) form.

The YTD Net Income account tracks the net income that has been accumulated since the beginning of the financial year—that is, the difference between the amounts that have been posted to all income accounts and the amounts that have been posted to all expense accounts. The system updates this account for every transaction posted to an income or expense account. For a new financial year, the system resets the balance of the YTD Net Income account to zero.



Users cannot post transactions directly to the YTD Net Income account. After any transaction has been posted to an income or expense account, the selected YTD Net Income account cannot be changed in the **YTD Net Income Account** box on the [General Ledger Preferences](#) form.

When the system updates the balance of the YTD Net Income account, it also updates the beginning balance of the Retained Earnings account in the next financial year for which financial periods are defined. The Retained Earnings account accumulates the net income or loss that is retained by the company. Retained earnings are summarized over all years, starting with the first year of company operations in Acumatica ERP. Users can also post direct transactions to this account, such as dividends paid to shareholders. This account is normally reported in the Shareholders' Equity section of the balance sheet.

## General Ledger: To Create a Chart of Accounts

In this activity, you will learn how to modify the *ACCOUNT* segmented key. You will also define the chart of accounts by uploading a list of GL accounts to the system.

### Story

Suppose that as an administrator, you need to add the chart of accounts of the SweetLife Fruits & Jams company to Acumatica ERP. Further suppose that an accountant of the company has provided a file that lists the GL accounts to be used and their settings (including the account classes; you will use the predefined classes). You will review the list of accounts, modify the *ACCOUNT* segmented key, and create the chart of accounts by uploading the file provided by the accountant.

### System Preparation

Before you start defining the chart of accounts in the system, make sure that the following tasks have been performed in the system:

1. The company with an actual ledger has been created; see [Company Without Branches: To Configure a Company Without Branches](#) and [General Ledger: To Create an Actual Ledger](#).
2. Download the [Basic\\_Company\\_COA](#) file with the chart of accounts of the SweetLife company.

### Step 1: Modifying the *ACCOUNT* Segmented Key

To modify the *ACCOUNT* segmented key, do the following:

1. Sign in to the company you have prepared with the *admin* username.
2. Review the [Basic\\_Company\\_COA](#) file that you have downloaded. Notice that the account identifiers consist of only one segment of five characters.
3. Open the [Segmented Keys](#) (CS202000) form.
4. In the **Segmented Key ID** box, select *ACCOUNT*.
5. For the only row in the table, in the **Length** column, specify 5.
6. On the form toolbar, click **Save**.

Users can use account identifiers that are no longer than the specified length for the segmented key.

## Step 2: Uploading the Company's GL Accounts

You can create the chart of GL accounts in any system by entering the accounts manually or by uploading a file that lists them. In this activity, you will upload the file that SweetLife's accountant has provided. Do the following to upload the chart of accounts:

1. Open the [Chart of Accounts](#) (GL202500) form.
2. On the form toolbar, click **Load Records from File**.
3. In the **File Upload** dialog box, which opens, select the file path to the [Basic\\_Company\\_COA](#) file, and click **Upload**.
4. In the **Common Settings** dialog box, which opens, leave the default settings, and click **OK**.
5. In the **Columns** dialog box, leave the current mapping, and click **OK**.
6. On the form toolbar, click **Save**.

You should review the chart of accounts, which now includes all the necessary accounts, including two accounts that are required for Acumatica ERP: Net Income (33000) and Retained Earnings (32000).

- **20000**: The account to be used to record amounts owed to vendors for items and services purchased on credit. This account will later be specified as the AP account.
- **11000**: The account to be used to record amounts owed by customers for services provided to them on credit. This account will later be specified as the AR account.
- **10500**: The account to be used as the intermediate account for funds transfers. This account will later be specified as the cash-in-transit account.

## General Ledger: To Specify General Ledger Preferences

In this activity, you will learn how to specify the basic settings to be used for the general ledger functionality.

### Story

Suppose that a company with an actual ledger has been created and a chart of accounts has been defined in Acumatica ERP. Acting as an administrator, you need to specify the preference settings related to general ledger functionality. You will specify the accounts that are mandatory for the system and other settings that make it easier for users to create entities in the system.

### System Preparation

Before you start specifying the general ledger preference settings, make sure that the following tasks have been completed in the system:

1. The company has been created and its actual ledger has been specified; see [Company Without Branches: To Configure a Company Without Branches](#) and [General Ledger: To Create an Actual Ledger](#).
2. The Net Income and Retained Earnings accounts have been added to the chart of accounts, as described in [General Ledger: To Create a Chart of Accounts](#).

## Step: Specifying the General Ledger Preference Settings

You specify the basic settings related to processing GL transactions as follows:

1. Sign in to the company you have prepared with the *admin* username.
2. Open the [General Ledger Preferences](#) (GL102000) form.
3. In the **YTD Net Income Account** box in the **Chart of Accounts Settings** section, select *33000 - Net Income*. This is a required setting for a company.
4. In the **Retained Earnings Account** box, select *32000 - Retained Earnings*. This setting is also required for a company.
5. On the form toolbar, click **Save**.
6. In the **Posting Settings** section, make sure the **Automatically Post on Release** check box is selected.

All batches will be automatically posted to the general ledger after release. This setting simplifies batch processing, because no batches with an *Unposted* status will be generated.

7. In the **Data Entry Settings** section, clear the **Hold Batches on Entry** check box.

When new batches are saved, they have the *Balanced* status. This setting also simplifies the processing of batches.

8. On the form toolbar, click **Save**.

## General Ledger: Financial Years

In Acumatica ERP, transactions are posted to the financial periods that have been defined in the system. Thus, before any transactions are posted, you have to define the structure of the financial year in the system. Based on this structure of the financial year, you can generate periods for any number of financial years and then open the periods.

### Financial Year Setup

You define the financial year on the [Financial Year](#) (GL101000) form by doing the following:

1. You decide which year should be the first year, and specify it in the system. The first financial year usually designates the year when the company starts processing its operations in Acumatica ERP. However, we recommend that you define the first financial year so that it includes the last period before the company started to use Acumatica ERP, even if this means defining an extra financial year.

You can upload the ending balances of accounts to that period later, after periods have been defined.

2. You define the structure of the financial year that your company will use—that is, you define the periods of the year in the system.
3. If it is necessary to have a special period for posting adjustments at the end of the year, you add an adjustment period.

After you have set up the financial year, you need to generate a master calendar.

## Master Calendar Generation

You generate a master financial calendar on the [Master Financial Calendar](#) (GL201000) form for any number of financial years by clicking **Generate Calendar** on the form toolbar.

After periods have been generated, you can modify them before any transactions have been made. To do so, you select the **User-Defined Periods** check box.

After you have generated the master calendar, you open any number of periods for posting.

## Period Opening

You have to open the periods to which users will post transactions and documents. To open periods, on the [Master Financial Calendar](#) (GL201000) form, you first make sure the necessary year is selected in the **Financial Year** box, and then click **Actions > Open Periods** on the form toolbar.

After you have opened periods, they can be used in transactions and documents. At any time, you can have multiple open periods; opening one period does not require you to close the previous one.

## General Ledger: To Define a Financial Year

In this activity, you will learn how to set up a financial year, generate periods for the first year, and open the generated periods.

### Story

Suppose that the SweetLife company starts its operations in January 2020, each of its financial periods lasts one month, and an additional period for posting adjustments is necessary. Acting as an administrator, you need to set up the financial year that meets these criteria, generate periods for the financial year, and open them.

### System Preparation

Before you start defining the financial year, make sure that the company with an actual ledger has been created, as described in [Company Without Branches: To Configure a Company Without Branches](#) and [General Ledger: To Create an Actual Ledger](#).

### Step 1: Setting Up a Financial Year

To set up the first financial year, you do the following:

1. Sign in to the company you have prepared with the *admin* username.
2. Open the [Financial Year](#) (GL101000) form.
3. In the **Financial Year Starts On** box of the Summary area, select *1/1/2020*.
4. In the **Period Type** box, make sure *Month* is selected.
5. Select the **Has Adjustment Period** check box.
6. On the form toolbar, click **Create Periods**.
7. Click **Save** to save the settings of the financial year.

## Step 2: Generating Periods for the First Financial Year

To generate the financial periods for the first financial year, you do the following:

1. Open the [Master Financial Calendar](#) (GL201000) form.
2. In the **Financial Year** box of the Summary area, make sure *2020* is selected.
3. On the form toolbar, click **Generate Calendar**.
4. In the **Generate GL Calendar** dialog box, which opens, make sure that *2020* is selected in the **From Year** and **To Year** box, and click **OK**.

The system generates periods for the *2020* financial year.



We do not recommend generating financial periods far into the future, because this limits and complicates any changes to the configuration of the financial year that may be needed due to organizational changes.

## Step 3: Opening the Periods

To open the periods you have generated, you do the following:

1. While you are still on the [Master Financial Calendar](#) (GL201000) form, on the form toolbar, click **Actions > Open Periods**.

The [Manage Financial Periods](#) (GL503000) form opens with the *Open* option selected in the **Action** box of the Summary area.

2. On the form toolbar, click **Process All**.

The system opens the **Processing** dialog box and runs the process of opening periods.

3. Close the **Processing** dialog box.

# Lesson 1.3: Configuration of Cash Management

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## Cash Management: To Specify Cash Management Preferences

In this activity, you will learn how to specify the basic settings to be used for the cash management functionality.

### Story

Suppose that the SweetLife company with an actual ledger has been created and the company's chart of accounts has been defined in Acumatica ERP. Acting as an administrator, you need to specify the cash management preference settings. You will specify the cash-in-transit account to be used, which is mandatory in the system, and the settings that make it easier for users to create entities when using the cash management functionality.

## System Preparation

Before you start specifying the cash management preference settings, make sure that the following tasks have been performed in the system:

1. The company has been created and its actual ledger has been specified; see [Company Without Branches: To Configure a Company Without Branches](#) and [General Ledger: To Create an Actual Ledger](#).
2. The account that you plan to specify as the cash-in-transit account, as described in [General Ledger: To Create a Chart of Accounts](#).

## Step: Specifying the Cash Management Preferences

You specify the basic settings the system will use for the cash management functionality as follows:

1. Sign in to the company you have prepared with the *admin* username.
2. Open the [Cash Management Preferences](#) (CA101000) form.
3. In the **Cash-In-Transit Account** box of the **Reconciliation Settings** section, select the *10500 - Cash in Transit* account.

This account is the only cash management setting that is required for a company.

4. In the **Posting and Release Settings** section, make sure the **Automatically Post to GL on Release** check box is selected.

With this setting, all cash transactions will be automatically posted to the general ledger after release.

5. In the **Data Entry Settings** section, clear the **Hold Transactions on Entry** check box.

With this setting, when new cash documents are saved, they have the *Balanced* status, which simplifies the processing of these documents.

6. Clear the **Require Document Ref. Nbr. on Entry** check box.

This setting prevents users from having to specify a reference number for cash transactions and deposits created in the system.

7. On the form toolbar, click **Save**.

## Cash Management: Entry Types

In Acumatica ERP, you use entry types to classify cash transactions for correct processing and to provide default values for transaction settings.

### Entry Types

An entry type functions like a transaction template, providing default values for a transaction and indicating how the transaction should be processed in the system. When you define an entry type on the [Entry Types](#) (CA203000) form, you specify the type of transactions and documents for which the entry type can be used in the **Module** column, selecting one of the following options:

- CA (default option): The entry type that is used for creating cash transactions (receipts and disbursements) or recording bank service charges on cash management, accounts receivable, and

accounts payable forms. These transactions affect the balances of GL accounts only; that is, they do not affect customer or vendor balances.

- *AP*: The entry type that is used for creating cash management transactions for which the system creates prepayments (for transactions that are disbursements) or vendor refunds (for transactions that are receipts) in accounts payable, which affect vendor balances. *AP* entry types are used only on cash management forms.
- *AR*: The entry type that is used for creating cash management transactions for which the system creates payments (if the transaction is a receipt) or customer refunds (if the transaction is a disbursement) in accounts receivable, which affect customer balances. *AR* entry types are used only on cash management forms.

In general, the configuration of entry types consists of the following steps:

1. You determine which types of cash transactions the company usually generate.
2. You create the required entry types by using the [Entry Types](#) form.
3. On the [Cash Accounts](#) (CA202000) form, you associate each entry type you have created with the cash account that is involved in the cash transactions of the entry type.

## Cash Management: To Create an Entry Type

In this activity, you will learn how to define an entry type, which categorizes cash operations in the system.

### Story

Suppose that as an administrator, you need to define entry types for cash operations of the SweetLife company. For now, an entry type for recording bank service charges is needed.

### System Preparation

Before you start creating the entry type, make sure that the following tasks have been performed in the system:

1. The company has been created, as has its actual ledger, as described in [Company Without Branches: Implementation Checklist](#) and [General Ledger: To Create an Actual Ledger](#).
2. The cash management preference settings have been defined, as described in [Cash Management: To Specify Cash Management Preferences](#).

### Step: Defining an Entry Type

To define an entry type, perform the following instructions:

1. Sign in to the company you have prepared with the *admin* username.
2. Open the [Entry Types](#) (CA203000) form, and click **Add Row**.
3. In the **Entry Type ID** column, type `BANKFEE`.
4. In the **Disb./Receipt** column, select *Disbursement*.
5. In the **Entry Type Description** column, type `Bank Fees`.

6. In the **Module** column, make sure that *CA* (the default setting) is selected.
7. In the **Default Offset Account** column, select *61100*.
8. Save the entry type.

When you create cash accounts, you can assign this entry type to the necessary cash accounts. For details, see [Cash Management: To Create Cash Accounts](#).

## Cash Management: Cash Accounts

Cash accounts are used to keep records of the outgoing and incoming payments and cash. You can create cash accounts that represent bank accounts, amounts of cash on hand, or amounts of cash in transit. Each cash account is linked to a general ledger account.

### Configuration of Cash Accounts

In general, the configuration process of a cash account involves the following steps:

1. You determine which existing GL account the cash transactions will be recorded to, or you create a GL account designated for this purpose.
2. You create the cash account and link it to the GL account that you decided to use for this purpose.
3. In case any transactions were posted to the GL account before you created the cash account and linked it to the GL account, you run validation of the cash account balance.

This configuration is enough for you to start making funds transfers between your cash accounts. To be able to record transactions other than funds transfers (cash entry transactions and incoming and outgoing payments), you also need to perform the following steps:

1. You configure the following entities:
  - *Entry types*: You use entry types to classify cash transactions for correct processing. For details on entry types, see [Cash Management: Entry Types](#).
  - *Payment methods*: You use payment methods to define the way the money is transferred into and out of the organization. For details on payment methods, see [Cash Management: Payment Methods](#).
2. You associate entry types and payment methods with the appropriate cash accounts.

## Cash Management: To Create Cash Accounts

In this activity, you will learn how to create cash accounts in the system.

### Story

Suppose that as an administrator, you need to add cash accounts to the system, as requested by the accountant of the SweetLife company. You will create cash accounts that correspond to the following GL accounts: *10100 - SweetStore Cash Register* and *10200 - Company Checking Account*.

## System Preparation

Before you start creating the cash accounts, make sure that the following tasks have been performed in the system:

1. The company and its actual ledger have been created, as described in [Company Without Branches: To Configure a Company Without Branches](#) and [General Ledger: To Create an Actual Ledger](#).
2. The cash management preference settings have been defined, as described in [Cash Management: To Specify Cash Management Preferences](#).
3. The entry types of cash operations has been defined in the system, as described in [Cash Management: To Create an Entry Type](#).

### Step 1: Creating the Cash Register Account

You perform the following instructions to configure Sweet Life's cash register account:

1. Sign in to the company you have prepared with the *admin* username.
2. Open the [Cash Accounts](#) (CA202000) form, and click **Add New Record** on the form toolbar.
3. In the Summary area, specify the following settings:
  - **Cash Account:** 10100
  - **Account:** 10100 - Petty Cash
 

This box holds the GL account to which this cash account is linked, so that cash transactions can be traced in the general ledger.
  - **Description:** SweetStore Cash Register
4. On the table toolbar of the **Payment Methods** tab, click **Add Row**.
5. In the **Payment Method** column, select *CASH*.
6. On the form toolbar, click **Save**.

### Step 2: Creating the Company Checking Account

You perform the following instructions to configure a cash account to be used with the company checking account:

1. While you are still on the [Cash Accounts](#) (CA202000) form, click **Add New Record** on the form toolbar.
2. In the Summary area, specify the following settings:
  - **Cash Account:** 10200
  - **Account:** 10200 - Company Checking Account
  - **Description:** Checking Account
3. On the table toolbar of the **Payment Methods** tab, click **Add Row**.
4. In the **Payment Method** column of the added row, select *CHECK*.

5. On the table toolbar of the **Entry Types** tab, click **Add Row**.
6. In the **Entry Type ID** column of the new row, select *BANKFEE*.
7. On the form toolbar, click **Save**.

## Cash Management: Payment Methods

In Acumatica ERP, you can configure the payment methods that your organization uses to pay its vendors, as well as the payment methods that are used by customers to pay your organization. The settings of the payment methods describe how the particular payment is done and provide the default cash account to be used to record payments.

Acumatica ERP has predefined payment methods that can be adjusted to the business needs of an organization.

### Payment Method Setup

You use the [Payment Methods](#) (CA204000) form to review the predefined payment methods and update them. (You can also define new payment methods on this form.)

On this form, you perform the following general steps to set up a payment method:

1. In the Summary area, you specify the identifier, the means of payment (*Credit Card, Cash/Check, or Direct Deposit*), and the description.
2. You use the appropriate check boxes to specify how you want the payment method to be used. If the payment method is used for customer payments, select the **Use in AR** check box. If the payment method is used for payments to vendors, select the **Use in AP** check box.
3. On the **Allowed Cash Accounts** tab, you add rows for each of the cash accounts to be linked to this payment method, and you specify the appropriate settings for each listed account. The linked cash accounts can include regular cash accounts and clearing accounts.
4. If necessary, you modify the settings on the **Settings for Use in AR** and **Settings for Use in AP** tabs.
5. In the Summary area, you make sure the **Active** check box is selected so that the payment method can be used.

### Payment Method Deactivation

On the [Payment Methods](#) (CA204000) form, you can deactivate a payment method if you do not want to use it for new payments.

If a payment method has been deactivated, the unreleased payments that use this payment method cannot be processed on the [Process Payments / Print Checks](#) (AP505000) form, but they can be released. You can select inactive payment methods in the **Payment Method** box on the [Release Payments](#) (AP505200) form to release them.

## Cash Management: To Modify a Payment Method

In this activity, you will learn how to set up a payment method for use in accounts receivable and accounts payable.

## Story

Suppose that customers of the SweetLife company use checks to pay for vendor's bills and receive check payments for customer invoices. Acting as an administrator, you will modify the *CHECK* payment method (which is predefined in the system) so that it can be used in accounts receivable and accounts payable.

## System Preparation

Before you start modifying any existing payment method, make sure that the following tasks have been performed in the system:

1. The company and its actual ledger have been created, as described in [Company Without Branches: To Configure a Company Without Branches](#) and [General Ledger: To Create an Actual Ledger](#).
2. The cash management preference settings have been defined, as described in [Cash Management: To Specify Cash Management Preferences](#).
3. The cash accounts related to the payment method have been linked (in the cash account settings) to the payment method, as described in [Cash Management: To Create Cash Accounts](#).

## Step: Setup of the *CHECK* Payment Method for Use in AP and AR

To make the needed changes to the *CHECK* payment method, which will be used in accounts payable and accounts receivable, do the following:

1. Sign in to the company you have prepared with the *admin* username.
2. Open the [Payment Methods](#) (CA204000) form, and select the *CHECK* payment method.
3. In the Summary area, select the **Use in AR** check box.
4. Make sure that the **Use in AP** check box is selected.
5. On the **Allowed Cash Accounts** tab, for the 10200 cash account, select the **AP Default**, **Use in AR**, and **AR Default** check boxes.

Payment methods are linked to cash accounts, and you have selected the 10200 cash account as the default one for the payment method used in accounts payable and in the accounts receivable.

6. On the form toolbar, click **Save**.

# Lesson 1.4: Configuration of Credit Terms

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## Credit Terms: General Information

In Acumatica ERP, the credit terms that a company offers to customers and the terms the company uses to pay vendors need to be defined. When users select credit terms in a document, the credit terms provide automatic calculation of the due date and the end date of the cash discount period, as well as the cash discount amount in the document. You can define credit terms for payments as having a single installment or multiple installments.

## Learning Objectives

In this chapter, you will learn how to define credit terms in the system.

## Applicable Scenarios

You define credit terms before you start operations in the system, and when new credit terms need to be defined for customers and vendors.

## Creation of Credit Terms

These are the general steps you need to perform to create a set of credit terms on the [Credit Terms](#) (CS206500) form:

1. You enter a descriptive identifier for the credit terms you want to configure.
2. You define the scope of the credit terms: whether they can be applied to only customer documents, only vendor documents, or both types of documents.
3. You specify how a due date is calculated for a document.
4. Optional: You configure the cash discount conditions for single-installment credit terms.
5. Optional: If needed, you change the default installment type of credit terms, which is *Single*, to *Multiple*; you then define the number of installments and their payment schedule.

If the company has been operating for some time, it already has established its credit terms. We recommend that you compare the credit terms the company offers to customers and the credit terms offered to the company by vendors, looking for overlap, because in Acumatica ERP, you can use the same credit terms for both customer payments and payments to vendors.

## Credit Terms: To Define Credit Terms

In this activity, you will learn how to define credit terms, which can be used by vendors in their relations with the company and by the company in its relations with customers.

### Story

Suppose that SweetLife has agreements with its customers and vendors stipulating that the full amount of each document will be paid within 30 days; no cash discounts are provided. Acting as an administrator, you have to define one set of credit terms, which indicate that the full amount of each document must be paid within 30 days.

### System Preparation

Before you start defining the credit terms, make sure that the company and its actual ledger has been created, as described in [Company Without Branches: To Configure a Company Without Branches](#) and [General Ledger: To Create an Actual Ledger](#).

### Step: Defining Credit Terms

Perform the following instructions to define the needed set of credit terms:

1. Sign in to the company you have prepared with the *admin* username.
2. Open the [Credit Terms](#) (CS206500) form.

3. On the form toolbar, click **Add New Record**.
4. In the **General Settings** section, specify the following settings:
  - **Terms ID:** 30D
  - **Description:** 30 Days
5. In the **Due Day Settings** section, specify the following settings:
  - **Due Day Type:** *Fixed Number of Days*
  - **Due Day 1:** 30
6. In the **Installment Type** box of the **Installment Settings** section, make sure *Single* is selected.
7. On the form toolbar, click **Save**.

When the applicable credit terms have been defined in the system, vendor and customer classes (and vendors and customers) can be created.

## Lesson 1.5: Configuration of Accounts Payable

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### Accounts Payable: Vendor Classes

A vendor class groups vendors that have similar characteristics. Vendor classes can be based on the types of goods or services you purchase from vendors of the class or on other properties, such as the vendors' currency and payment methods. For instance, you might find it useful to create one vendor class for tax agencies and another for 1099 vendors.

#### Creation of a Vendor Class

You define vendor classes and their settings on the [Vendor Classes](#) (AP201000) form. You can then select the appropriate vendor class when you are creating a vendor account on the [Vendors](#) (AP303000) form, which causes the system to fill in the values of the class for the vendor. Any of these default values can be overridden.

During basic system configuration, you need to create only the vendor class to be used by default; you then specify it as the default vendor class on the [Accounts Payable Preferences](#) (AP101000) form. After you specify the default vendor class, when you create another vendor class, the system automatically inserts the values of the default vendor class, any of which can be overridden. When you create a new vendor account, the default vendor class is initially specified as the vendor class, but you can change it to any other class.

### Accounts Payable: To Create a Vendor Class

You will now define the default vendor class in the system, which will provide many of the settings for newly created vendors and for other vendor classes you create, thus easing the creation of these entities during the next phase of implementation. Among other settings for the vendor class, you will specify the credit terms you have created.

## Story

Suppose that most of the vendors of the SweetLife company use the same settings, such as credit terms, payment method, cash account, AP account, and cash discount account. Acting as an administrator, you will create a default vendor class with these settings so that it can supply default settings when vendors and other vendor classes are created in the system.

## System Preparation

Before you start creating the vendor class, make sure that the following tasks have been performed in the system:

1. The company has been created and an actual ledger has been assigned to it; see [Company Without Branches: To Configure a Company Without Branches](#) and [General Ledger: To Create an Actual Ledger](#).
2. The credit terms that are used by vendors have been created, as described in [Credit Terms: To Define Credit Terms](#).

## Step: Creating the Default Vendor Class

To create the default vendor class, you perform the following instructions:

1. Sign in to the company you have prepared with the *admin* username.
2. Open the [Vendor Classes](#) (AP201000) form.
3. On the form toolbar, click **Add New Record**.
4. In the Summary area, specify the following settings:
  - **Class ID:** DEFAULT
  - **Description:** Default Vendor Class
5. In the **Default General Settings** section of the **General Settings** tab, select *US - United States of America* in the **Country** box.
6. In the **Default Financial Settings** section of the **General Settings** tab, specify the following settings:
  - **Terms:** 30D - 30 Days
  - **Payment Method:** CHECK - Check Payment
  - **Cash Account:** 10200 - Checking Account
7. On the **GL Accounts** tab, specify the following accounts:
  - **AP Account:** 20000 - Accounts Payable
  - **Cash Discount Account:** 52600 - Cash Discount
8. On the form toolbar, click **Save**.

## Accounts Payable: To Specify Accounts Payable Preferences

In this activity, you will learn how to specify the basic settings to be used in accounts payable.

### Story

Suppose that as an administrator, you need to define preference settings for the accounts payable functionality. You need to specify the default vendor class and other settings that will make it easier for users to create AP documents.

### System Preparation

Before you start specifying the accounts payable preference settings, make sure that the following tasks have been performed in the system:

1. The company has been created and its actual ledger has been specified; [Company Without Branches: To Configure a Company Without Branches](#) and [General Ledger: To Create an Actual Ledger](#).
2. The credit terms that are used by vendors have been created, as described in [Credit Terms: To Define Credit Terms](#).
3. The default vendor class has been created, as described in [Accounts Payable: To Create a Vendor Class](#).

### Step: Specifying the Accounts Payable Preferences

You specify the required and recommended settings that apply to accounts payable as follows:

1. Sign in to the company you have prepared with the *admin* username.
2. Open the [Accounts Payable Preferences](#) (AP101000) form.

Note that all the required settings (that is, those marked with an asterisk) have already been specified by default.

3. In the **Posting Settings** section of the **General Settings** tab, make sure the **Automatically Post on Release** check box is selected. With this setting, transactions related to AP documents will be automatically posted to the general ledger once they are released.
4. In the **Data Entry Settings** section of the **General Settings** tab, specify the following settings, which simplify the processing of AP documents:
  - **Default Vendor Class ID:** *DEFAULT*
  - **Hold Documents on Entry:** Cleared
  - **Require Approval of Bills Prior to Payment:** Cleared
  - **Validate Document Totals on Entry:** Cleared
  - **Require Vendor Reference:** Cleared
5. On the form toolbar, click **Save**.

## Lesson 1.6: Configuration of Accounts Receivable

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### Accounts Receivable: Statement Cycles

In Acumatica ERP, you can define any number of statement cycles to be used for collecting payments from customers. At the end of each statement cycle, the company prepares statements and sends them to its customers. Statements provide customers with records of their financial activity for a specific period, including the ending balance.

#### Statement Cycle Setup

You use the [Statement Cycles](#) (AR202800) form to create new statement cycles and modify existing ones. For each statement cycle, you define the following:

- The schedule according to which statements will be generated.
- The aging periods to be used. You can define five aging periods for each statement cycle, to group the sums of the balances of open invoices, overdue charges, and debit memos by the number of days they are past due. The system uses the aging period settings in accounts receivable aging reports, which users can analyze to identify potential cash flow problems.
- The statement processing options.
- The overdue charges.

You can assign a statement cycle to a customer class by using the [Customer Classes](#) (AR201000) form and directly to a customer on the [Customers](#) (AR303000) form.

### Accounts Receivable: To Create a Statement Cycle

In this activity, you will learn how to define a statement cycle in the system.

#### Story

Suppose that the SweetLife company informs its customers about their current balances and outstanding documents by sending customers statements at the end of every month. In the statements, the outstanding customer documents should be broken down by the following aging periods: 0 to 10 days, 11 to 20 days, 21 to 45 days, and more than 30 days. The outstanding documents are aged based on their due dates. Acting as an administrator, you need to define the statement cycle in the system.

#### System Preparation

Before you start defining statement cycles, make sure that the company has been created and its actual ledger has been specified; see [Company Without Branches: To Configure a Company Without Branches](#) and [General Ledger: To Create an Actual Ledger](#).

#### Step: Defining a Statement Cycle

You define the statement cycle as follows:

1. Sign in to the company you have prepared with the *admin* username.

2. Open the [Statement Cycles](#) (AR202800) form.
3. On the form toolbar, click **Add New Record**.
4. In the **General Settings** section, specify the following settings:
  - **Cycle ID:** `EOM`
  - **Description:** `End of Month`
  - **Schedule Type:** `End of Month`
5. In the **Aging Settings** section, specify the following settings:
  - **Use Financial Periods for Aging:** `Cleared`
  - **Aging Period (Days), 1 –:** `10`

Once you specify the first aging period, the system automatically specifies the other aging periods, based on the assumption that all the aging periods will have the same length. The system also automatically specifies the descriptions for aging periods. If needed, you can change the automatically specified settings of aging periods to custom ones.

- **Age Based On:** `Due Date`

This setting means that the system will use the due dates of the outstanding documents to determine the appropriate aging period in customer statements and accounts receivable aging reports for outstanding invoices, debit memos, and overdue charges.

6. On the form toolbar, click **Save**.

## Accounts Receivable: Customer Classes

A customer class groups customers that have similar characteristics. Customer classes can be based on the types of goods or services the customers buy or on other properties, such as each customer's currency and payment method.

### Defining a Customer Class

You define customer classes and their settings on the [Customer Classes](#) (AR201000) form. You specify a customer class when you create a customer account on the [Customers](#) (AR303000) form, which causes the system to fill in the values of the class for the customer. Any of these default values can be overridden.

During basic system configuration, you need to create only the customer class to be used by default; you then specify it as the default customer class on the [Accounts Receivable Preferences](#) (AR101000) form. When you create a customer class, the system automatically inserts the values of the default customer class, any of which can be overridden. When you create a new customer account, the default customer class is initially specified as the customer class, but you can change it to any other class.

## Accounts Receivable: To Create a Customer Class

In this activity, you will create a default customer class in the system. This class will provide many of the settings for newly created customers and for other customer classes you create, thus easing

the creation of these entities during the next phase of implementation. Among other settings for the customer class, you will specify the credit terms you have created.

## Story

Suppose that most of the customers of the SweetLife company use the same settings, such as credit terms, statement cycle, payment method, sales account, AR account, and cash discount account. Acting as an administrator, you will create a default customer class with these settings so that it can supply default settings when customers and other customer classes are created in the system.

## System Preparation

Before you start creating the default customer class, make sure that the following tasks have been performed in the system:

1. The company has been created and an actual ledger has been specified for it; see [Company Without Branches: To Configure a Company Without Branches](#) and [General Ledger: To Create an Actual Ledger](#).
2. The credit terms that are used by customers have been created, as described in [Credit Terms: To Define Credit Terms](#).
3. At least one statement cycle has been defined in the system, as described in [Accounts Receivable: To Create a Customer Class](#).

## Step: Creating the Default Customer Class

To create the default customer class, perform the following instructions:

1. Sign in to the company you have prepared with the *admin* username.
2. Open the [Customer Classes](#) (AR201000) form.
3. On the form toolbar, click **Add New Record**.
4. In the Summary area, specify the following settings:
  - **Class ID:** `DEFAULT`
  - **Description:** `Default Customer Class`
5. In the **Default General Settings** section of the **General Settings** tab, select *US - United States of America* in the **Country** box.
6. In the **Default Financial Settings** section of the **General Settings** tab, specify the following settings:
  - **Terms:** *30D - 30 Days*
  - **Statement Cycle ID:** *EOM*
  - **Payment Method:** *CHECK - Check Payment*
7. On the **GL Accounts** tab, specify the following accounts:
  - **AR Account:** *11000 - Accounts Receivable*
  - **Sales Account:** *40000 - Sales Revenue*

- **Cash Discount Account:** *52600 - Cash Discount*

8. On the form toolbar, click **Save**.

## Accounts Receivable: To Specify Accounts Receivable Preferences

In this activity, you will learn how to define the basic settings to be used for the accounts receivable functionality.

### Story

Suppose that as an administrator, you need to define the preference settings for the accounts receivable functionality. You need to specify the default customer class and other settings that will make it easier for users to create AR documents.

### System Preparation

Before you start specifying accounts receivable preference settings, make sure that the following tasks have been performed in the system:

1. The company has been created and its actual ledger has been specified; see [Company Without Branches: To Configure a Company Without Branches](#) and [General Ledger: To Create an Actual Ledger](#).
2. The credit terms that are used by customers have been created, as described in [Credit Terms: To Define Credit Terms](#).
3. The default customer class has been created, as described in [Accounts Receivable: To Create a Customer Class](#).

### Step: Specifying the Accounts Receivable Preferences

You specify the basic settings that will apply to accounts receivable as follows:

1. Sign in to the company you have prepared with the *admin* username.
2. Open the [Accounts Receivable Preferences](#) (AR101000) form.

Note that all the required settings (that is, those marked with an asterisk) have already been specified by default.

3. In the **Posting Settings** section of the **General Settings** tab, make sure the **Automatically Post on Release** check box is selected. With this setting, AR transactions will be automatically posted to the general ledger once they are released.
4. In the **Data Entry Settings** section of the **General Settings** tab, specify the following settings, which simplify the processing of AR documents:
  - **Default Customer Class ID:** *DEFAULT*
  - **Hold Documents on Entry:** Cleared
  - **Validate Document Totals on Entry:** Cleared
  - **Require Payment Reference on Entry:** Cleared

5. On the form toolbar, click **Save**.

## Part 2: General Ledger—Working with Batches

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This part of the training illustrates the basic operations in the general ledger and guides you through the process of creating and posting GL batches.

For completing the lessons of this part of the course, you will use a company with the *U100* dataset preloaded, which provides a fully configured company with sample data specially designed for this course. The lessons of this part are independent: You can complete the lesson activities in any order.

You need to complete the activities in this part by using user accounts with specific access rights. Each activity provides the credentials to use for sign-in to the prepared *U100* tenant in the *System Preparation* section.

### Lesson 2.1: Managing Control Accounts

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#### Control Accounts: General Information

A control account is a general ledger account that aggregates the balances of entities in a subledger; it can be used for analytical purposes as well as for the reconciliation of balances between subledgers and the general ledger.

#### Learning Objectives

In this chapter, you will learn how control accounts are defined in Acumatica ERP and how the system restricts the use of control accounts.

#### Applicable Scenarios

The functionality of control accounts is available in Acumatica ERP by default. We recommend that control accounts be configured for the general ledger and all applicable subledgers.

It is possible, although not recommended, to not configure any GL accounts as control accounts. In this case, when a non-control account is selected in a box where the system expects that a control account for the applicable subledger be selected, a warning is displayed.

#### Control Account Configuration

You indicate that an account is used as a control account for a particular subledger by selecting the subledger in the **Control Account Module** column for this account on the [Chart of Accounts](#) (GL202500) form.

The options that are displayed in the drop-down box depend on the features enabled on the [Enable/Disable Features](#) (CS100000) form, as shown in the following table.

**Table: Availability of Values in the Control Account Module Column**

Value	Subledger	Availability
AP	Accounts payable	Always displayed
AR	Accounts receivable	Always displayed
TX	Taxes	Always displayed

Value	Subledger	Availability
FA	Fixed assets	Displayed if the <i>Fixed Asset Management</i> feature is enabled on the <a href="#">Enable/Disable Features</a> (CS100000) form
DR	Deferred revenue	Displayed if the <i>Deferred Revenue Management</i> feature is enabled on the <a href="#">Enable/Disable Features</a> form
IN	Inventory	Displayed if the <i>Inventory and Order Management</i> feature is enabled on the <a href="#">Enable/Disable Features</a> form
PO	Purchase orders	
SO	Sales orders	

## Restricted Use of Control Accounts

The following limitations apply to the definition of an account as a control account on the [Chart of Accounts](#) (GL202500) form and to the selection of a control account in a box or column in which an account is selected on various data entry and maintenance forms:

- If a particular subledger has been selected in the settings of a control account on the [Chart of Accounts](#) form, you can select the account in a box or column (for selecting an account) only if it is related to the same subledger. If you try to select the control account in a box or column related to any other subledger, an error occurs. For example, suppose a control account has the accounts payable subledger selected. The system generates an error if you try to select this account in the **AR Account** box of the **GL Accounts** tab of the [Customers](#) (AR303000) form, which is related to the accounts receivable subledger.
- By default, users cannot post transactions directly to a control account. If you try to select a control account in a box or column where the system expects a non-control account to be selected (for example, a sales account or an expense account), an error occurs. You can allow direct posting to the control account by selecting the **Allow Manual Entry** check box in the settings of the account on the [Chart of Accounts](#) form. With this check box selected for the control account, if you select the control account in a box where a non-control account should be selected, the system displays a warning instead of an error.
- A control account cannot be selected as a cash account. That is, on the [Chart of Accounts](#) form, the **Cash Account** check box is unavailable for accounts for which a subledger is selected in the **Control Account Module** column.

Similarly, you cannot select a cash account as a control account. That is, if the **Cash Account** check box is selected for an account, the **Control Account Module** column is unavailable. Accordingly, control accounts are not displayed for selection in the **Account** box on the [Cash Accounts](#) (CA202000) form.

A non-control account can be selected in a lookup box in which the system expects a control account to be selected. In this case, the system displays a warning that this account is not configured as a control account.

For documents that the system generates automatically, except for transactions generated on the [Journal Vouchers](#) (GL304000) form, the system does not verify that accounts of the expected types (that is, control accounts or non-control accounts) are selected in lookup boxes and columns.

On the [Journal Vouchers](#) (GL304000) form, when a new AR or AP document is added to a batch, the system expects a control account configured for the AR or AP subledger in the **Debit Account** or **Credit Account** column, depending on the transaction code selected in the **Tran. Code** column, as follows:

- **Debit Account:**
  - If a code that you have selected in the **Tran. Code** column is configured for the AR subledger and the *Invoice* or *Debit Memo* transaction type, the account selected in the **Debit Account** column is expected to be a control account for the AR subledger.
  - If a code that you have selected in the **Tran. Code** column is configured for the AP subledger and the *Debit Adjustment*, *Check*, or *Prepayment* transaction type, the account selected in the **Debit Account** column is expected to be a control account for the AP subledger.
- **Credit Account:**
  - If a code that you have selected in the **Tran. Code** column is configured for the AR subledger and the *Credit Memo*, *Payment*, or *Prepayment* transaction type, the account selected in the **Credit Account** column is expected to be a control account for the AR subledger.
  - If a code that you have selected in the **Tran. Code** column is configured for the AP subledger and the *Bill* or *Credit Adjustment* transaction type, the account selected in the **Credit Account** column is expected to be a control account for the AP subledger.

## Control Accounts: Process Activity

In this activity, you will explore how the use of control accounts is restricted in Acumatica ERP.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

The SweetLife Fruits & Jams company has migrated to Acumatica ERP 2020 R2. In this version, it has become possible to configure some of the GL accounts as control accounts and restrict direct posting to the control accounts.

The implementation consultant responsible for the update has configured some of the accounts as control accounts in the system and has asked you, as the SweetLife accountant, to review the control accounts in the system and become familiar with the system's restrictions on the use of control accounts.

### Process Overview

First, on the [Chart of Accounts](#) (GL202500) form, you will review the two GL accounts configured as control accounts for accounts receivable and accounts payable. On this form, you will also allow direct posting to the GL account configured as a control account for the AR subledger.

On the [Invoices and Memos](#) (AR301000) form, you will create an invoice for a customer, and in an invoice line, you will select the control account for the AR subledger in the **Account** column. You will explore how the system behaves when direct posting to the control account is prohibited.

On the [Bills and Adjustments](#) (AP301000) form, you will create a bill for a vendor, and in a bill line, you will select the control account for the AP subledger in the **Account** box. You will explore how the system behaves when direct posting to the control account is allowed.

On the **GL Accounts** tab of the *Customers* (AR303000) form, in the **AR Account** box, in which the system expects that a control account for accounts receivable will be selected, you will select first a non-control account and then a control account for a subledger other than AR; you will then explore what happens.

For a list of the specific UI elements in which the system expects a control account for a particular subledger, see [Control Accounts: UI Elements for Which Control Accounts Are Expected](#).

## System Preparation

Before you perform the steps of this lesson, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/31/2020*. If a different date is displayed, click the Business Date menu button and select *1/31/2020*. For simplicity, in this process activity, you will create all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Reviewing the GL Accounts Configured in the System

To review the GL accounts configured in the system as control accounts for the accounts receivable and accounts payable subledgers, do the following:

1. Open the [Chart of Accounts](#) (GL202500) form.

Notice that for the *11000 - Accounts Receivable* account, *AR* is selected in the **Control Account Module** column, and for the *20000 - Accounts Payable*, *AP* is selected in the **Control Account Module** column. This means that the *11000* account is a control account for accounts receivable and the *20000* account is a control account for accounts payable.

Further notice that the **Allow Manual Entry** check box is cleared for both accounts. This indicates that direct posting to these accounts is prohibited.

2. Select the **Allow Manual Entry** check box for the *20000* account and click **Save** to save your changes.

When the **Allow Manual Entry** check box is selected for a control account, users can select this account in documents on data entry forms. In the next steps of this lesson, you will begin creating documents to explore how the system restricts posting to these accounts based on this setting.

## Step 2: Creating an Invoice

You will begin to create an invoice for GoodFood One Restaurant to test the control accounts. Do the following:

1. On the [Invoices and Memos](#) (AR301000) form, click **Add New Record**, and specify the following settings in the Summary area:
  - **Type:** *Invoice*
  - **Customer:** *GOODFOOD*
  - **Date:** *1/31/2020* (selected by default)
2. On the **Document Details** tab, add a new row, and in the added row, specify the following settings:
  - **Branch:** *HEADOFFICE* (selected by default)
  - **Inventory ID:** *ONLCOURSE*
  - **Quantity:** 5
  - **UOM:** *DAY* (selected by default)
  - **Unit Price:** 14.5 (selected by default)

In the **Account** column, notice that the system has automatically inserted the *40000 - Sales Revenue* account.

3. Enter *11000* in the **Account** column and press Ctrl + Enter to submit the changes.

Notice that the system displays an error indicating that this account is configured as a control account for accounts receivable and that posting to it is prohibited. This happens because *11000* is selected as a control account for accounts receivable but the settings do not allow posting to it (that is, you left the **Allow Manual Entry** check box cleared for it on the [Chart of Accounts](#) (GL202500) form).

You do not have to save the invoice or process it any further. You started creating it solely to see how the system restricts posting to the account configured as a control account.

### Step 3: Creating a Bill

To start to create a bill for Blueline Advertisement, do the following:

1. On the [Bills and Adjustments](#) (AP301000) form, click **Add New Record**, and specify the following settings in the Summary area:
  - **Type:** *Bill*
  - **Vendor:** *BLUELINE*
  - **Date:** *1/31/2020* (selected by default)
2. On the **Document Details** tab, add a new row, and in the added row, specify the following settings:
  - **Branch:** *HEADOFFICE* (selected by default)
  - **Inventory ID:** *ADVERT*
  - **Quantity:** 2

- **UOM:** *DAY* (selected by default)
- **Unit Cost:** 300

In the **Account** column, notice that the system has automatically inserted the *61000 - Advertising Expense* account.

3. Enter *20000* in the **Account** column and press Ctrl + Enter to submit the changes.

Notice that unlike in Step 2, the system does not display any errors. This happens because the **Allow Manual Posting** check box has been selected for the *20000* account on the [Chart of Accounts](#) form.

You do not have to save the bill or process it any further. You started creating it solely to see how the system restricts posting to the account configured as a control account.

### Step 4: Reviewing the GL Accounts Specified for a Customer

To review the GL accounts specified for the GoodFood One Restaurant customer, do the following:

1. On the [Customers](#) (AR303000) form, select the *GOODFOOD* customer.
2. On the **GL Accounts** tab of the form, review the GL accounts selected for the customer.

Notice that in the **AR Account** box, the *11000* account is selected. This account has been configured as a control account for accounts receivable; that is, on the [Chart of Accounts](#) (GL202500) form, *AR* has been selected for this account in the **Control Account Module** box.

3. In the **AR Account** box, select *11010*, which is not configured as a control account for any subledger.

The system displays a warning that this account has not been configured as a control account for accounts receivable. Despite the warning, it is still possible to select the non-control account in this box.

4. In the **AR Account** box, select *20000*.

Notice that the system displays an error. The *20000* account is configured as a control account for AP and cannot be selected in the **AR Account** box because the system expects that a control account for accounts receivable should be selected in this box.

5. In the **AR Account** box, select *11000* again, and save your changes.

## Lesson 2.2: Processing Transactions

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### GL Transactions: General Information

In Acumatica ERP, all financial information is collected for analyzing, summarizing, and reporting. Transactions, which can be viewed on the [Journal Transactions](#) (GL301000) form, are generated on the release of various types of documents that affect the general ledger.

Transactions are organized into batches, which are posted to general ledger accounts. A batch is a group of journal entries that together represent one transaction or multiple transactions that can be

posted to the general ledger. The batch must include at least two journal entries. For each journal entry, the account and the debit or credit amount must be specified.

## **Learning Objectives**

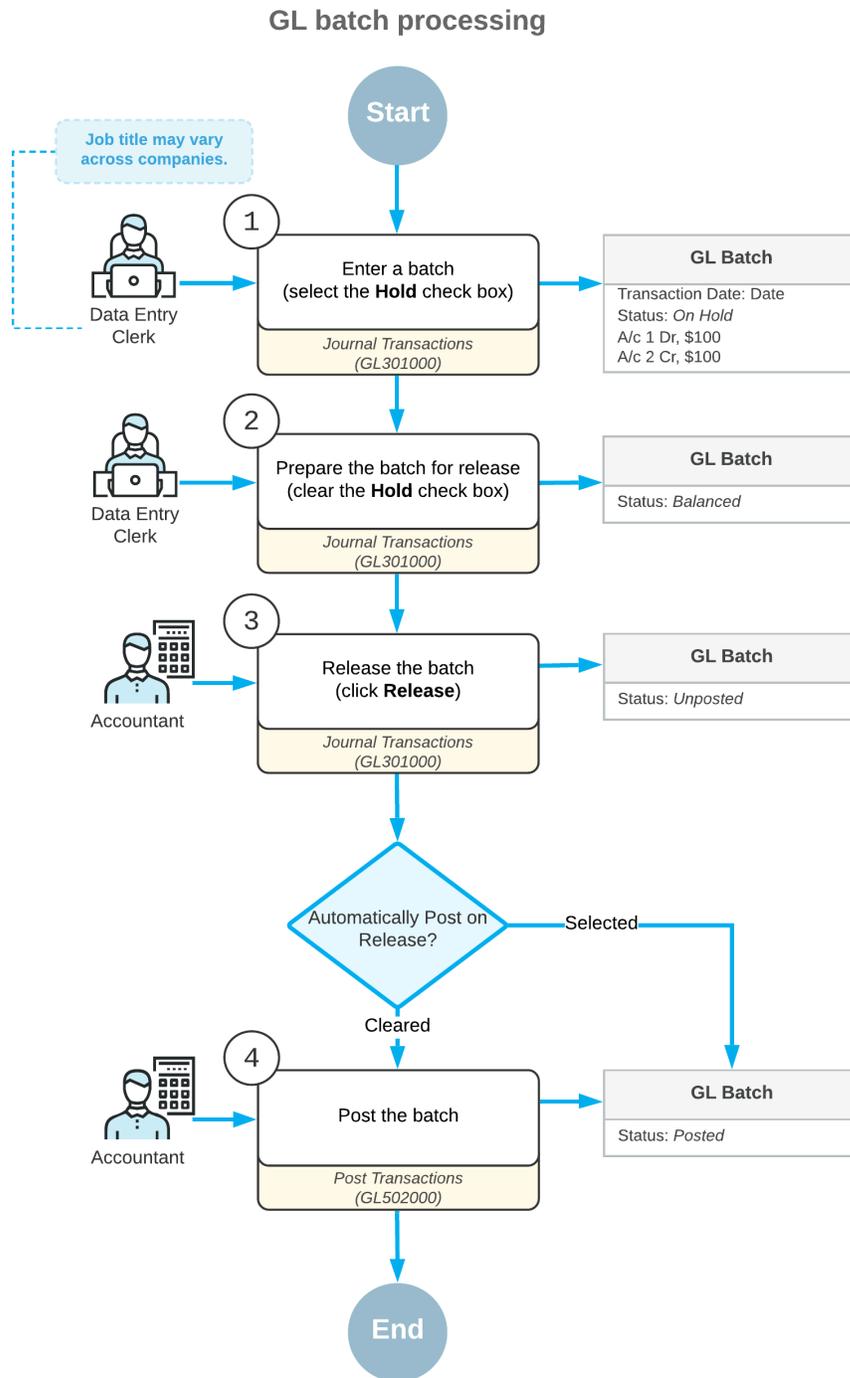
You will learn how to create a GL batch, release and post the batch, and review the statuses of the batch.

## **Applicable Scenarios**

Batches are manually entered very rarely. Usually, you work with documents (such as invoices), and Acumatica ERP automatically generates the appropriate GL batches. However, you can enter transactions manually in the general ledger.

## **Batch Processing Overview**

The following diagram illustrates the process of creating, releasing, and posting batches in Acumatica ERP.



**Figure: GL batch processing**

### GL Batch Statuses

The status of a batch reflects the current processing state of the transactions in the system. A batch can have one of the following statuses.

Status	Description
<i>On Hold</i>	<p>The batch is being edited and can be saved without being balanced. A batch with the <i>On Hold</i> status cannot be released or posted. You can give a batch this status by selecting the <b>Hold</b> check box on the <a href="#">Journal Transactions</a> (GL301000) form.</p> <p>If a batch that is on hold has total debits equal to total credits, you can change its status to <i>Balanced</i> by clearing the <b>Hold</b> check box.</p>
<i>Balanced</i>	<p>The batch is being edited and can be saved only if it is balanced (that is, its debit total equals its credit total). The batch can be released or posted. You can modify or delete a balanced batch, but you can save your changes only if the batch's credit and debit totals remain equal.</p>
<i>Unposted</i>	<p>The batch has been released but has not yet been posted. The unposted batch is read-only.</p> <p>You cannot edit or delete the batch with the <i>Unposted</i> status; you can reverse it, reclassify it, or split it. For details, see <a href="#">Reversing Transactions: General Information</a>, <a href="#">Reclassifying Transactions: General Information</a>, and <a href="#">Splitting of Transactions: General Information</a>.</p> <p>If the batch is correct, you can post it to update GL account balances on the <a href="#">Post Transactions</a> (GL502000) form.</p>
<i>Posted</i>	<p>The batch has been posted, and the account balances have been updated with transaction amounts. The posted batch is read-only.</p> <p>You cannot edit or delete the posted batch; you can reverse it, reclassify it, or split it. For details, see <a href="#">Reversing Transactions: General Information</a>, <a href="#">Reclassifying Transactions: General Information</a>, and <a href="#">Splitting of Transactions: General Information</a>.</p>
<i>Scheduled</i>	<p>The batch is a template for generating recurring batches according to the defined schedule. Based on the template, the system generates new batches, which can be edited, released, and then posted. The scheduled batch itself isn't released and posted and can be edited. For details, see <a href="#">Recurring Transactions: General Information</a>.</p> <p>The status of a scheduled batch changes to <i>Void</i> if the batch is deleted from the schedule. A scheduled batch can be fully deleted only if the schedule was never executed and no ordinary GL batches were generated in accordance with it.</p>
<i>Void</i>	<p>The scheduled batch has been canceled (that is, removed from the schedule). The voided batch is read-only.</p>

## GL Transactions: Mass-Processing

This topic explains how to release and post multiple batches.

### Mass-Releasing Batches

You can release multiple batches on the [Release Transactions](#) (GL501000) form. On this form, you click **Release All** on the form toolbar and you select the unlabeled check box next to the lines to be processed, and click **Release** to release batches.

The system releases the batches. Depending on the posting settings specified on the [General Ledger Preferences](#) (GL102000) form, one of the following events occurs:

- If the **Automatically Post on Release** check box is cleared, the batch is released. The batch is given the *Unposted* status.
- If the **Automatically Post on Release** check box is selected, the batch is posted to the general ledger and is assigned the *Posted* status.

## Mass-Posting Batches

On the [Post Transactions](#) (GL502000) form, you can also post released batches by selecting them and clicking **Post**, or you can post all released batches by clicking **Post All**. The system posts the batches and assigns the *Posted* status to them.

## GL Transactions: Process Activity

In this activity, you will learn how to create a GL batch, release and post the batch, and review the statuses of the batch.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that in January 2020, the SweetLife Fruits & Jams company paid its employees \$15,600.

Acting as a SweetLife accountant, you need to enter a batch for a payment in the amount of \$15,600 for the *01-2020* financial period for the salaries and wages of the employees of the SweetLife Head Office and Wholesale Center (*HEADOFFICE*) branch.

### Process Overview

You enter a batch directly on the [Journal Transactions](#) (GL301000) form, release and post the batch, and note the status of the batch at each step. Then you review the batch details in the [GL Register Detailed](#) (GL621000) report.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/31/2020*. If a different date is displayed, click the Business Date menu button and select *1/31/2020*. For simplicity, in this lesson, you will create and process all documents in the system on this business date.

3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step 1: Creating a Batch of Transactions

To create a batch of GL transactions, do the following:

1. Open the *Journal Transactions* (GL301000) form, and on the form toolbar, click **Add New Record** to create a document.
2. In the Summary area, specify the following settings:
  - **Transaction Date:** *1/31/2020* (inserted by default)
  - **Post Period:** *01-2020* (inserted by default)
  - **Description:** *Salary payment Jan 2020*
3. On the table toolbar, click **Add Row** and specify the following settings in the row that appears:
  - **Branch:** *HEADOFFICE*
  - **Account:** *10200 - Company Checking Account*
  - **Credit Amount:** *15600*
4. Click **Add Row** again, and specify the following settings in the second row:
  - **Branch:** *HEADOFFICE*
  - **Account:** *69500 - Salaries and Wages*
  - **Debit Amount:** *15600*
5. Click **Save** on the form toolbar, and note that the status of the batch is *On Hold*.
6. Clear the **Hold** check box in the Summary area, and save the batch. The batch's status has changed to *Balanced*.

### Step 2: Releasing and Posting the Batch

To release and post the GL batch, do the following:

1. On the form toolbar, click **Release**.
2. Note that the batch's status has changed to *Posted* as shown in the following screenshot.

Journal Transactions

NOTES ACTIVITIES FILES BUSINESS EVENTS CUSTOMIZATION TOOLS

SAVE & CLOSE RELEASE ACTIONS REPORTS 00:00:01

Module: GL Branch: HEADOFFICE - SweetLife Head Office ar Type: Normal  
 Batch Number: GL000021 Ledger: ACTUAL - Actual Ledger Orig. Batch Number:  
 Status: **Posted**  Auto Reversing  Reversing Entry Debit Total: 15,600.00  
 Hold Credit Total: 15,600.00  
 Transaction D...: 1/31/2020  
 Post Period: 01-2020  
 Description: Salary payment Jan 2020

VIEW SOURCE DOCUMENT RECLASSIFICATION HISTORY

*Branch	*Account	Description	Project/Contract	Project Task	Ref. Number	Quantity	UOM	Debit Amount	Credit Amount	Transaction Description	Non Billable
HEADOFFICE	10200	Company Checking Account	X			0.00		0.00	15,600.00	Salary payment Jan 2020	<input type="checkbox"/>
HEADOFFICE	69500	Salaries and Wages	X			0.00		15,600.00	0.00	Salary payment Jan 2020	<input type="checkbox"/>

**Figure: Posted GL batch**

### Step 3: Reviewing the Batch Details

To review the batch details, do the following:

1. On the form toolbar, click **Reports > Batch Register Details**.
2. On the [GL Register Detailed](#) (GL621000) report, which is opened, review the details of the posted batch.

## GL Transactions: Related Reports and Inquiries

This topic describes reports, inquiries and forms you may review to gather information about batches.



If you do not see a report or inquiry, this could mean that you have signed in to the system with a user account that does not have access rights to a form.

### Finding a Batch on the Journal Transactions Form

To find and view a batch, you can use the [Journal Transactions](#) (GL301000) form. On this form, you can click the lookup icon in the **Batch Number** box and locate the batch by doing one of the following:

- Clicking any column header to arrange the items in ascending or descending order based on the values in the column. You can navigate between pages to locate the specific batch.
- Clicking the column header for any column you may want to search, and then typing a string in the search box at the bottom of the dialog box that pops up. As you type, the system filters the listed batches to display only those containing the entered text in the selected column.
- Creating a filter to find the batch by its details. To do this, you click **Filter Settings** on the table toolbar of the lookup window, and specify a condition based on the batch details.

### Viewing an Unreleased Batch

On the [GL Edit Summary](#) (GL611500) form, you can run a report for a particular ledger and financial period; you then review the list of unreleased batches, find the necessary batch, and review it. From the report, you can navigate to the [Journal Transactions](#) (GL301000) form to view more details of the batch.

Similarly, you can find and view an unreleased transaction by using the [GL Edit Detailed](#) (GL610500) and [GL Edit Account Distribution](#) (GL611000) reports.

### Viewing a Released Batch

On the [GL Register](#) (GL620500) form, you can run a report for a particular ledger and financial period, and then review the list of released batches and find the necessary batch. You can navigate to the [Journal Transactions](#) (GL301000) form from the report to view more details of the batch.

Similarly, you can find and view a released transaction by using the [GL Register Detailed](#) (GL621000) report.

### Printing Transactions for a Particular Account

You can print transactions for a particular account by using the [Transactions for Account](#) (GL633500) report. To run a report, you specify the ledger, the financial period, and the account for which you want the system to generate the report.

### Printing Transactions for a Particular Period

You can print transactions for a particular period by using the [Transactions for Period](#) (GL633000) report. To run a report, you specify the ledger and the financial period for which you want the system to generate the report.

## Lesson 2.3: Reversing Transactions

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### Reversing Transactions: General Information

An incorrect batch with the *On Hold* or *Balanced* status can be corrected or deleted in the system. After a batch has been released, it cannot be corrected or deleted. If a batch with the *Unposted* or *Posted* status is incorrect, you can reverse the batch and enter a correct one.



If the batch was posted to the wrong GL account, subaccount, or branch, to correct it, you can reclassify the batch on the [Reclassify Transactions](#) (GL506000) form. For details, see [Reclassifying Transactions: General Information](#). If a part of the batch amount was posted to the wrong GL account, subaccount, or branch, you can split the batch. For details, see [Splitting of Transactions: General Information](#).

### Learning Objectives

You will learn how to reverse a GL batch in the system.

### Applicable Scenarios

You reverse a batch if some of the details other than GL account, subaccount, or branch were entered incorrectly and the batch has been released.

### Generation of a Reversing Batch

To generate a reversing batch, on the [Journal Transactions](#) (GL301000) form, you select the batch you want to reverse and click **Actions > Reverse Batch**. The system creates a batch with the transactions

reversed—that is, a debit entry is reversed as a credit entry and a credit entry is reversed as a debit entry.



For the reversing batches, the **Reversing Entry** check box is selected in the Summary area of the [Journal Transactions](#) form.

Depending on the setting of the **Hold Batches on Entry** check box on the [General Ledger Preferences](#) (GL102000) form, the reversing batch gets one of the following statuses:

- *Balanced*: If the **Hold Batches on Entry** check box is cleared.
- *On Hold*: If the **Hold Batches on Entry** check box is selected.

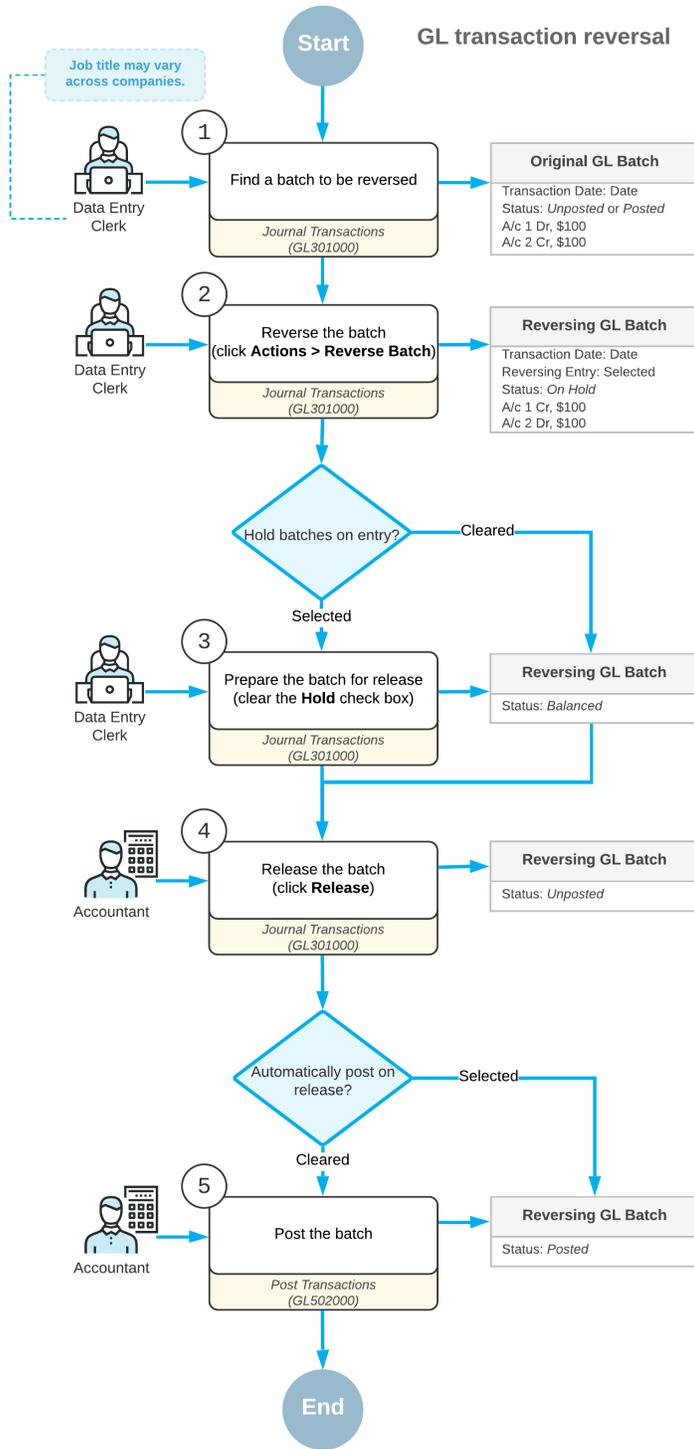
You can then release and post this batch. For details on processing batches, see [GL Transactions: General Information](#).

While you are viewing the reversing batch on the [Journal Transactions](#) form, you can quickly view the original batch by clicking the number in the **Origin. Batch Number** box in the Summary area.

You can reverse a batch multiple times. To view the list of the related reversing batches, you click the link in the **Reversing Batches** box of the [Journal Transactions](#) form. The system opens the [GL Reversing Batches](#) (GL690010) report with the list of batches and their details.

## Overview of the Reversing Process

The typical processing workflow of reversing batches involves the actions and generated batches shown in the following diagram.



**Figure: Processing workflow of reversing a transaction**

## Reversing Transactions: Generated Transactions

On the [Journal Transactions](#) (GL301000) form, you can view the details of the reversing GL batch and its original GL batch. For the following original GL batch recorded to the general ledger, the reversing GL batch below will be recorded to the general ledger.

**Table: The original GL batch**

Account	Debit	Credit
62900 - Rent or Lease Expense	Amount	00.00
23015 - Accrued Expense	00.00	Amount

**Table: The reversing GL batch**

Account	Debit	Credit
62900 - Rent or Lease Expense	00.00	Amount
23015 - Accrued Expense	Amount	00.00

## Reversing Transactions: Process Activity

In this activity, you will learn how to reverse a GL batch.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that in February 2020, a transaction was posted by mistake for the monthly office rent expense that the SweetLife Fruits & Jams company pays to its landlord.

Acting as a SweetLife accountant, you need to reverse this transaction posted for the SweetLife Head Office and Wholesale Center (*HEADOFFICE*) branch.

### Process Overview

To reverse a batch, you search for the needed batch on the [Journal Transactions](#) (GL301000) form, reverse it, and then check the ending balance on the [Account Summary](#) (GL401000) form and drill down to the [Account Details](#) (GL404000) form to make sure that the account balance is now correct.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*

2. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step 1: Finding the Batch to be Reversed

To find the batch to be reversed, do the following:

1. Open the *Journal Transactions* (GL3010PL) form.
2. In the table, click the **Transaction Date** column, and in the dialog box that opens, specify the following settings:
  - **Equals:** Selected
  - **Value:** 2/25/2020
3. Click **OK**. The system displays the batches dated February 25, 2020.

### Step 2: Reversing the Batch

To reverse the batch, do the following:

1. While you are still on the *Journal Transactions* (GL3010PL) form with the needed batch listed, click the link in the **Batch Number** column to open the batch on the *Journal Transactions* (GL301000) form.
2. On the form toolbar, click **Actions > Reverse Batch**.

The system generates and opens a reversing batch. In the Summary area, notice that the number of the original batch is shown in the **Orig. Batch Number** box, the **Reversing Entry** check box is selected, and the batch's status is *On Hold*, as shown in the following screenshot.

Journal Transactions

← SAVE & CLOSE [Print] [Refresh] + [Delete] [Copy] [Paste] [Undo] [Redo] [Home] [Back] [Forward] [End] RELEASE ACTIONS ▾ REPORTS ▾

Module: GL \* Branch: HEADOFFICE - SweetLife Head Office Type: Normal  
 Batch Number: <NEW> \* Ledger: ACTUAL - Actual Ledger Orig. Batch Number: GL000018  
 Status: On Hold  Auto Reversing  Reversing Entry Debit Total: 1,300.00  
 Hold Credit Total: 1,300.00  
 \* Transaction D...: 2/25/2020  
 \* Post Period: 02-2020  
 Description: Rent February 2020

VIEW SOURCE DOCUMENT RECLASSIFICATION HISTORY [Print] [Refresh] [Home] [Back] [Forward] [End]

	Branch	Account	Description	Project/Contract	Project Task	Ref. Number	Quantity	UOM	Debit Amount	Credit Amount	Transaction Description	Non Billable
>	HEADOFFICE	62900	Rent or Lease Expense	X			0.00		0.00	1,300.00	Rent February 2020	<input type="checkbox"/>
	HEADOFFICE	63300	Utilities	X			0.00		1,300.00	0.00	Rent February 2020	<input type="checkbox"/>

**Figure: The reversing batch created by the system**

3. Clear the **Hold** check box.
4. On the form toolbar, click **Release**.

### Step 3: Reviewing the Posted Transaction

To review the account balance and the posted transactions, do the following:

1. Open the [Account Summary](#) (GL401000) form.
2. In the **Period** box of the Summary area, select 2-2020.
3. In the table, locate the 62900 - *Rent or Lease Expense* account and review its ending balance in the **Ending Balance** column.
4. Click the link in the **Account** column for the 62900 account, and on the [Account Details](#) (GL404000) form, which opens, review the list of entries posted to this account.

## Reversing Transactions: Reports and Inquiries

In this topic, you can find the list of reports and inquiries related to reversing batches.

### Finding Reversing Batches for an Original Batch

To view the list of reversing batches related to an original batch, you can use the [GL Reversing Batches](#) (GL690010) report. On the report form, you run the report for the original batch, and you then can view the list of reversing batches and their details.

You can also open this report by clicking the link in the **Reversing Batches** box of the [Journal Transactions](#) (GL301000) form for the original batch. The system opens the [GL Reversing Batches](#) (GL690010) report with the list of reversing batches and their details.

## Lesson 2.4: Reclassifying Transactions

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### Reclassifying Transactions: General Information

If a batch was posted to the wrong GL account, subaccount, or branch to correct it, you can reclassify the batch on the [Reclassify Transactions](#) (GL506000) form.

#### Learning Objectives

You will learn how to perform the reclassification process.

#### Applicable Scenarios

You reclassify a batch in the following cases:

- A batch has been posted to the wrong account.
- A batch has been posted to the wrong subaccount.
- A batch has been posted to the wrong branch.

## Reclassification Process Overview

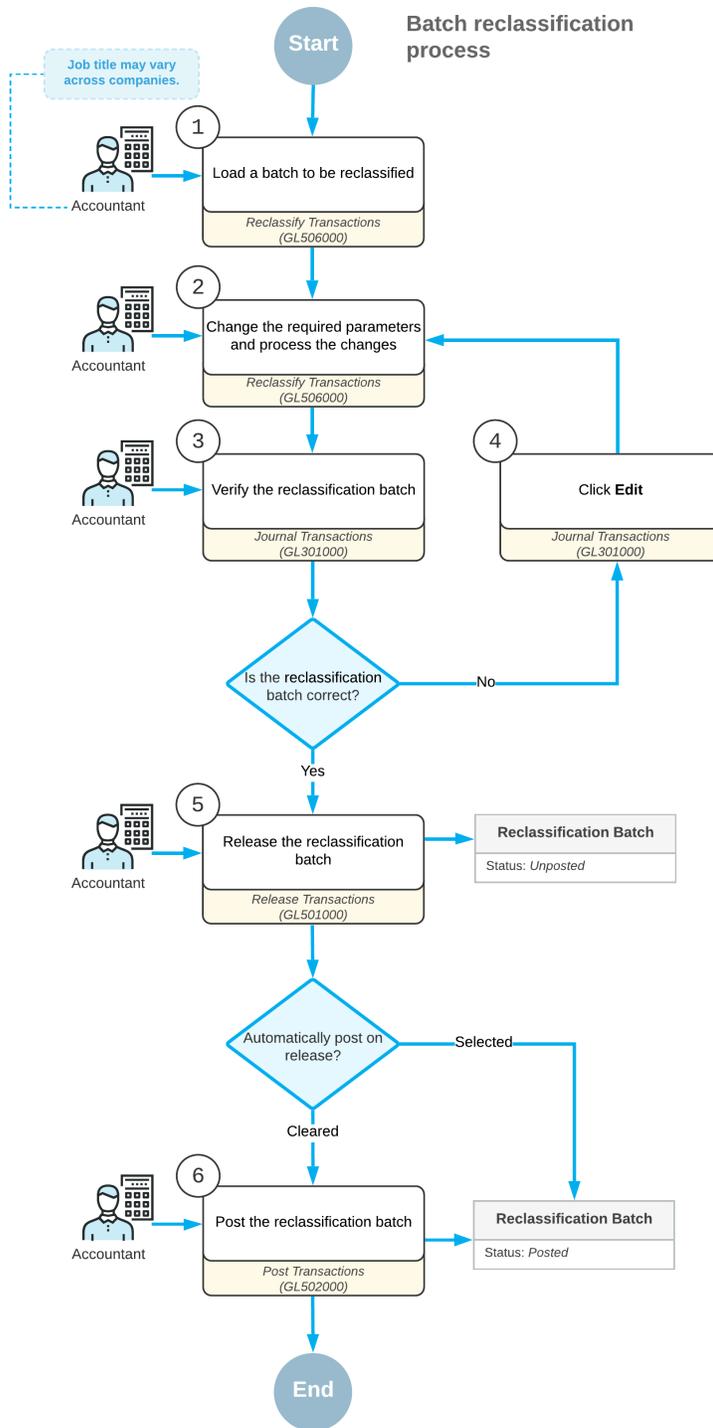
On the *Reclassify Transactions* (GL506000) form, before you perform the reclassification process, you need to specify new details for each journal entry that you need to reclassify. You can change an account, subaccount, and branch.



While reclassifying a transaction, you can also edit the transaction date and the description of the reclassification transaction. If you edit the date, the new date has to be in the range of the financial period of the original transaction.

You can change required parameters in each needed row manually, or perform mass changing of parameters in multiple rows.

The following diagram shows the general process of reclassifying transactions.



**Figure: Batch reclassification process**

### Modification of Selected Transactions Manually

To change the required parameters manually, in each needed row, you modify any of the following boxes:

- **To Account:** The transaction amount will be moved from the originally specified GL account (**Account**) to the account specified in this box.
- **To Subaccount:** The transaction amount will be moved from the originally specified subaccount (**Subaccount**) to the subaccount specified in this box.



This box is available only if the *Subaccounts* feature is enabled on the [Enable/Disable Features](#) (CS100000) form.

- **To Branch:** The transaction will be moved to the GL account or subaccount of the branch specified in this box.



This box is available only if the *Multi-Branch Support* feature is enabled on the [Enable/Disable Features](#) form.

By default, these boxes contain the values of the original journal entry. Once you have changed any of the default values, the entry becomes available for reclassification.

To edit the date and description of a transaction, you need to enter new parameters in the **New Tran. Date** and **New Transaction Description** boxes, respectively.

## Modification of a Group of Transactions

To perform mass-changing of parameters in multiple rows, on the form toolbar of the [Reclassify Transactions](#) (GL506000) form, click **Replace**. In the **Find and Replace** dialog box that opens, specify the original and replacement transaction parameters. Then click **Replace** to close the dialog box and replace the parameters in the needed rows.

To run the reclassification process, click **Process** on the form toolbar.

## Transactions that Cannot Be Reclassified

The following transactions cannot be reclassified:

- Journal entries of transactions in which a control account is specified, such as entries posted by accounts receivable and accounts payable documents to AR and AP accounts, respectively, and to Tax Payable and Tax Claimable accounts. (A control account is a general ledger account that accumulates the summary information of a subledger, for example, AR or AP. The details of the control account balance are contained in a subledger, so the balance of the control account should match the total of the related subledger.)



You can reclassify GL entries posted by AR and AP documents to income and expense accounts.

- GL transactions generated in the general ledger when consolidation data has been imported on the [Import Consolidation Data](#) (GL509000) form. For details, see [General Ledger Consolidation Process](#).
- GL transactions generated by a user invoking the run allocations process on the [Run Allocations](#) (GL504500) form. For details, see [Defining Allocation Rules](#) and [Running Allocations](#).
- All currency-related GL transactions, such as transactions generated by the currency translation and revaluation processes.

- If the *Project Accounting* feature is enabled on the [Enable/Disable Features](#) (CS100000) form, the GL transactions related to any project.



You can reclassify GL transactions in which the non-project code is specified.

- Entries that have already been reclassified.

## Reclassifying Transactions: Generated Transactions

Suppose that by mistake you have specified the wrong account in the AP bill. Now you need to reclassify the wrong journal entry by creating a correcting transaction, so that the amount will be moved to the correct account.

The following table shows the journal entries of the original GL transaction of the *Normal* type.

Account	Debit	Credit
Accounts Payable	00.00	Amount
Expense account 1	Amount	00.00

The following table shows the journal entries of the correcting GL transaction of the *Reclassification* type.

Account	Debit	Credit
Expense account 1	00.00	Amount
Expense account 2	Amount	00.00

## Reclassifying Transactions: Process Activity

In this activity, you will learn how to reclassify GL transactions.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that while reviewing the [Transactions for Account](#) (GL633500) report, CFO of the SweetLife Fruits & Jams company found out that an office desk repair transaction was mistakenly posted to the *62400 - Office Expense* account.

Acting as a SweetLife accountant, you have to find this transaction, which was posted in *03-2019*, and reclassify it to the *62950 - Repairs* account.

### Process Overview

To reclassify a GL transaction, you run the [Transactions for Account](#) (GL633500) report, load a list of transactions, reclassify the needed transaction on the [Reclassify Transactions](#) (GL506000) form, and

release the batch. Then you run the [Account Details](#) (GL404000) inquiry and review the transactions after the reclassification.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2019*. If a different date is displayed, click the Business Date menu button and select *1/30/2019*. For simplicity, in this lesson, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Finding the Transaction to be Reclassified

To find the transaction to be reclassified, do the following:

1. Open the [Transactions for Account](#) (GL633500) form.
2. On the **Report Parameters** tab, specify the following parameters:
  - **Company/Branch:** *HEADOFFICE (SweetLife Head Office and Wholesale Center)*
  - **Ledger:** *ACTUAL*
  - **From Period:** *03-2019*
  - **To Period:** *03-2019*
  - **Account:** *62400*
3. Click **Run Report**.

The report displays the transaction that falls within the specified criteria.

## Step 2: Reclassifying the Transaction

To reclassify the transaction, do the following:

1. On the [Transactions for Account](#) report, click the link in the **Batch Number** column.  
The batch is opened on the [Journal Transactions](#) (GL301000) form.
2. On the form toolbar, click **Actions > Reclassify**.  
The batch is opened on the [Reclassify Transactions](#) (GL506000) form.

3. In the **To Account** column for the row with the *62400* account, change the value to *62950* (*Repairs*). Press Ctrl + Enter to submit your changes.

Notice that the unlabeled check box for this row is selected automatically. This is because you have changed the value in the **To Account** box, as shown in the following screenshot.

The screenshot shows the 'Reclassify Transactions' form with a table of transactions. The table has columns for To Branch, To Account, Description, New Tran. Date, New Transaction Description, Debit Amount, Credit Amount, Currency, Branch, Account, Description, Transaction Date, and Transaction Description. Two rows are visible: one for account 10200 and one for account 62400. The 62400 row is highlighted in red, and its 'To Account' field is changed to 62950 and its 'Description' is 'Repairs'. A check box in the first column of this row is checked.

To Branch	To Account	Description	New Tran. Date	New Transaction Description	Debit Amount	Credit Amount	Currency	Branch	Account	Description	Transaction Date	Transaction Description
HEADOFFICE	10200	Company Checking Account	3/2/2019	Desk repairs (5 desks in Accounting Dept.)	0.00	567.00	USD	HEADOFFICE	10200	Company Checking Account	3/2/2019	Desk repairs (5 desks in Accounting Dept.)
HEADOFFICE	62950	Repairs	3/2/2019	Desk repairs (5 desks in Accounting Dept.)	567.00	0.00	USD	HEADOFFICE	62400	Office Expense	3/2/2019	Desk repairs (5 desks in Accounting Dept.)

**Figure: The reclassified transaction before being processed**

4. On the form toolbar, click **Process**.

### Step 3: Releasing the Batch

To release the reclassification batch, do the following:

1. While you are still on the [Reclassify Transactions](#) (GL506000) form, in the **Processing** dialog box, which is displayed, click the **Processed** tab.

Notice the batch number in the **Reclass. Batch Number** column (which the system inserted when processing completed successfully).

2. Click the link in the **Reclass. Batch Number** column and review the reclassification batch on the [Journal Transactions](#) (GL301000) form, which opens. Notice that the reclassification batch has not yet been released.
3. Clear the **Hold** check box.
4. On the form toolbar, click **Release** to release the batch.

### Step 4: Reviewing the Account Details

To review the details of the *62400* account, do the following:

1. Open the [Account Details](#) (GL404000) form.
2. In the Summary area, specify the following settings:
  - **From Period:** *03-2019*
  - **To Period:** *03-2019*
  - **Account:** *62400*
  - **Include Reclassified:** Cleared

The table displays no transactions.

3. Select the **Include Reclassified** check box in the Summary area, and review the two batches listed in the table. Note that a message is displayed next to the original batch, stating that the transaction has been reclassified. In the **Reclass. Batch Number** column, you can view the number of the reclassification batch.

## Reclassifying Transactions: Reports and Inquiries

In this topic, you can find the list of reports and inquiries related to reclassification batches.

### Finding Reclassification Transactions for a Particular Account

On the [Account Details](#) (GL404000) form, to include in the list of entries the journal entries that have been reclassified for a selected GL account within the specified period, select the **Include Reclassified** check box in the Summary area. In the **Reclass. Batch Number** column, each of the reclassified entries has a link to the appropriate *Reclassification* transaction.

You can also view a list of transactions that includes the reclassified journal entries by preparing the [Transactions for Account](#) (GL633500) or [Transactions for Period](#) (GL633000) report with the **Include Reclassified Transactions** check box selected.

### Viewing a Reclassification History of a Transaction

You can view the reclassification history for a transaction on the [Reclassification History](#) (GL405000) form. You can open this form by clicking the **Reclassification History** button in either of the following situations:

- On the form toolbar of the [Account Details](#) (GL404000) form for the transaction you have selected (if it has been reclassified)
- On the table toolbar of the [Journal Transactions](#) (GL301000) form for the transaction you have selected in the GL batch, which has the *Reclassification* type

You can reclassify only the last transaction in the list of transactions on the [Reclassification History](#) form by clicking **Reclassify** on the form toolbar.

## Lesson 2.5: Adjusting Transactions

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### Adjusting Transactions: General Information

At the end of the period, you may need to post some adjusting transactions to adjust income and expense accounts. In Acumatica ERP, for this purpose, you create auto-reversing batches that are reversed at the beginning of the next period.

#### Learning Objectives

You will learn how to create an auto-reversing batch in the system.

#### Applicable Scenarios

You create an auto-reversing batch if you need to post a batch at the current period and reverse these entries at the beginning of the next period. For example, you create auto-reversing batches in the following cases:

- When you record accrual-type adjusting entries
- When you revalue in the base currency the accounts maintained in foreign currencies at the end of the period, and the adjusting entries are posted to the unrealized gain and loss accounts

## Creation of Auto-Reversing Batches

You create an auto-reversing batch on the *Journal Transactions* (GL301000) form. At the beginning of the next period, the system automatically creates the reversing batch as follows:

- All transactions are reversed—that is, each debit entry is reversed as a credit entry and each credit entry is reversed as a debit entry.

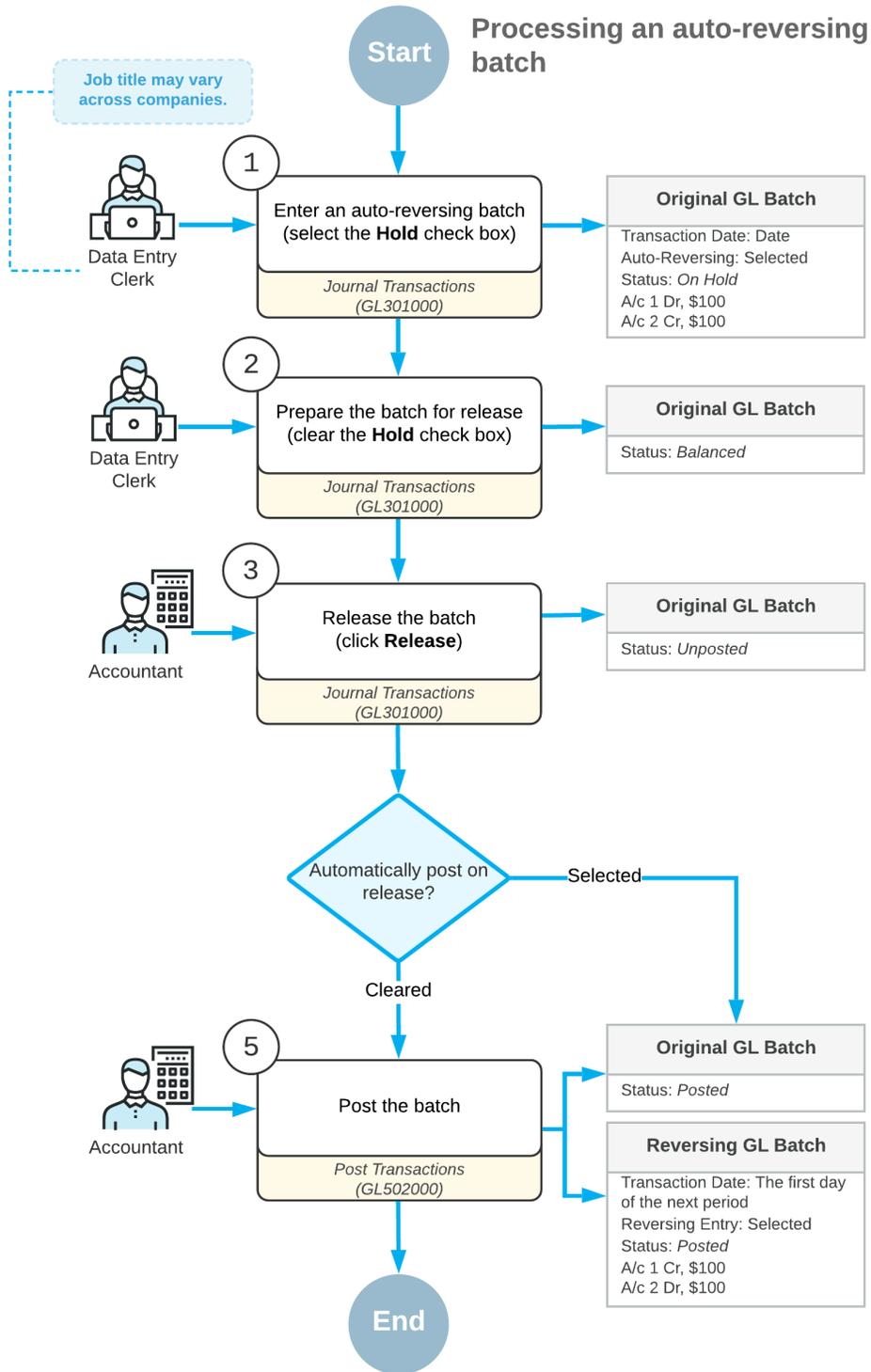


On the *Journal Transactions* form, the **Reversing Entry** check box is selected for the reversing batches.

- The first day of the next financial period is set as the date of the reversing transactions.
- Each reversing transaction has the *Posted* status.

## Adjusting Batch Processing Overview

The typical processing workflow of auto-reversing batches involves the actions and generated batches shown in the following diagram.



**Figure: Processing an auto-reversing batch**

## Adjusting Transactions: Generated Transactions

On the [Journal Transactions](#) (GL301000) form, you can view the details of the original GL batch and its automatically created reversing batch. For the following GL batch recorded to the general ledger, the system will create the auto-reversing GL batch below in the general ledger at the end of the period next to the post period of the original transaction.

**Table: The original GL batch**

Account	Debit	Credit
62900 - Rent or Lease Expense	Amount	00.00
23020 - Other Accrued Expenses	00.00	Amount

**Table: The auto-reversing GL batch**

Account	Debit	Credit
62900 - Rent or Lease Expense	00.00	Amount
23020 - Other Accrued Expenses	Amount	00.00

## Adjusting Transactions: Process Activity

In this activity, you will learn how to process an auto-reversing batch.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that by the end of January 2020, the electricity used by the SweetLife Head Office and Wholesale Center in January has not yet been billed by the supplier. Acting as a SweetLife accountant, you need to create an auto-reversing batch for the amount of \$200, which will be posted on January 31 and reversed at the beginning of the next financial period.

### Process Overview

To process an auto-reversing batch, you create and release an auto-reversing batch on the [Journal Transactions](#) (GL301000) form, and then check the ending balance the [Account Details](#) (GL404000) form.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/31/2020*. If a different date is displayed, click the Business Date menu button and select *1/31/2020*. For simplicity, in this lesson, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Creating and Releasing an Auto-Reversing Batch

To process an auto-reversing batch, do the following:

1. Open the *Journal Transactions* (GL301000) form, and create a new record.
2. In the Summary area, specify the following settings:
  - **Transaction Date:** *1/31/2020* (inserted by default)
  - **Post Period:** *01-2020* (inserted by default)
  - **Description:** *Electricity expenses of \$200*
  - **Auto-Reversing:** Selected
3. Click **Add Row** on the table toolbar, and add two rows with the following settings:
  - **Branch:** *HEADOFFICE*
  - **Account:** *23020 - Other Accrued Expenses*
  - **Credit Amount:** *200*
  - **Branch:** *HEADOFFICE*
  - **Account:** *63300 - Utilities*
  - **Debit Amount:** *200*
4. Click **Save** on the form toolbar, and note that the status of the batch is *On Hold*.
5. Clear the **Hold** check box in the Summary area, and save the batch. The batch's status has changed to *Balanced*.
6. On the form toolbar, click **Release**.

This causes the original batch to be posted. The system has also generated a new batch with the next sequential number and posted the batch to the first day of the next financial period. The released batch is shown in the following screenshot.

Journal Transactions

NOTES ACTIVITIES FILES BUSINESS EVENTS CUSTOMIZATION TOOLS

SAVE & CLOSE RELEASE ACTIONS REPORTS 00:00:00

Module: GL Branch: HEADOFFICE - SweetLife Head Office ar Type: Normal  
 Batch Number: GL000024 Ledger: ACTUAL - Actual Ledger Orig. Batch Number:  
 Status: Posted  Auto Reversing  Reversing Entry Reversing Batches: 1  
 Hold Debit Total: 200.00  
 Transaction D... 1/31/2020 Credit Total: 200.00  
 Post Period: 01-2020  
 Description: Electricity expenses of \$200

VIEW SOURCE DOCUMENT RECLASSIFICATION HISTORY

Branch	Account	Description	Project/Contract	Project Task	Ref. Number	Quantity	UOM	Debit Amount	Credit Amount	Transaction Description	Non Billable
HEADOFFICE	23020	Other Accrued Expenses	X			0.00		0.00	200.00	Electricity expenses of \$200	<input type="checkbox"/>
HEADOFFICE	63300	Utilities	X			0.00		200.00	0.00	Electricity expenses of \$200	<input type="checkbox"/>

**Figure: The released auto-reversing batch**

7. In the **Reversing Batches** box of the Summary area, click *1* (the number of the reversing batches).

The system opens the [GL Reversing Batches](#) (GL690010) report with the created reversing batch and its details.

## Step 2: Reviewing the Posted Transaction

To review the account balance and the posted transactions, do the following:

1. Open the [Account Details](#) (GL404000) form.
2. In the **From Period** box of the Summary area, select *01-2020*.
3. In the **To Period** box, select *02-2020*.
4. In the **Account** box, select *23020 - Other Accrued Expenses*.
5. In the table, review the account's ending balance in the **Ending Balance** column for both periods.
6. Perform instructions 2 through 5 for the *63300 - Utilities* account.

## Adjusting Transactions: Reports and Inquiries

In this topic, you can find the list of reports and inquiries related to reversing batches.

### Finding Reversing Batches for an Original Batch

To view the list of reversing batches related to an original batch, you can use the [GL Reversing Batches](#) (GL690010) report. On the report form, you run the report for the original batch, and you then can view the list of reversing batches and their details.

You can also open this report by clicking the link in the **Reversing Batches** box of the [Journal Transactions](#) (GL301000) form for the original batch. The system opens the [GL Reversing Batches](#) (GL690010) report with the list of reversing batches and their details.

## Lesson 2.6: Splitting Transactions

## Splitting of Transactions: General Information

In Acumatica ERP, the split of a GL transaction means the creation of a correcting transaction to move a part of the amount (of the original transaction) from one GL account to another GL account, from one subaccount to another subaccount (if subaccounts are used in your organization), or from one company branch to another branch. You can split the transaction in any of these regards.

### Learning Objectives

You will learn how to perform the process of splitting a transaction that has been posted to the wrong account into multiple correcting transactions.

### Applicable Scenarios

You split a transaction in the following cases:

- The batch has been posted to the wrong account, and a part of the amount should be posted to another account. (This case is described in the process activity.)
- The batch has been posted to the wrong branch, and a part of the amount should be posted to another branch.

### Overview of the Process of Splitting Transactions

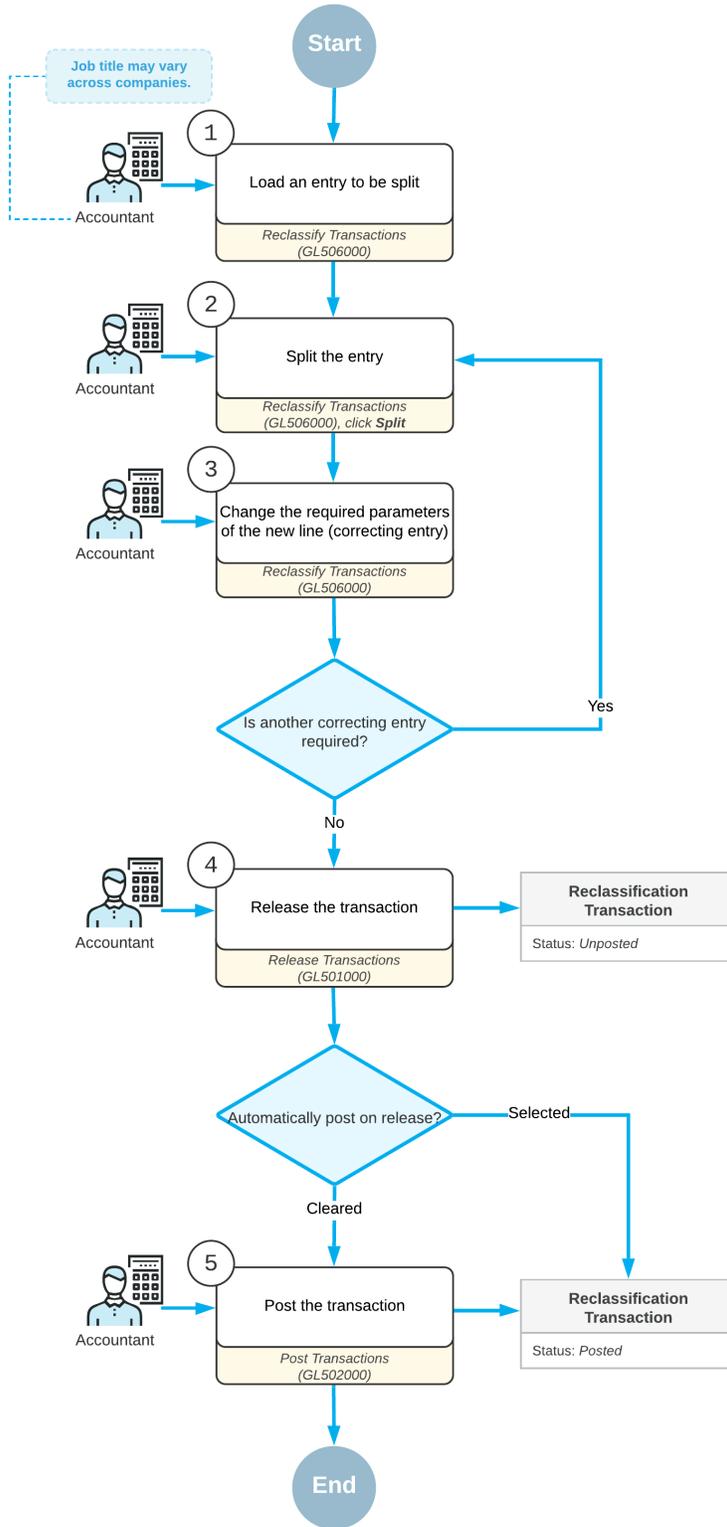
On the [Reclassify Transactions](#) (GL506000) form, to process the splitting of a transaction, you need to add new lines that represent the journal entries to which a part of the original journal entry amount will be split. A part of the amount can be transferred to another account, subaccount, or branch (or more than one of these).

As a result of the splitting process, the system generates a new transaction of the *Reclassification* type based on the original GL transaction. The *Reclassification* transaction moves the amount or a part of the amount from the wrong GL account, subaccount, or branch (or more than one of these) to the required one (or ones).

If the amount of the original transaction has not been fully split, after the reclassification batch is released, you can view the remaining amount of the original transaction in the **Remaining Reclass. Amount** column on the [Journal Transactions](#) (GL301000) form. You can split or reclassify a transaction with the remaining reclassification amount again.

The following diagram shows the general process of splitting transactions.

### GL transaction splitting



**Figure: GL transaction splitting**

## Modifying the Transaction

To split the necessary transaction, you open it on the [Reclassify Transactions](#) (GL506000) form. For details, see [Reclassifying Transactions: Initiation of Reclassification Process](#).

On the [Reclassify Transactions](#) form, you first click the journal entry to be split and then click **Split** on the form toolbar. The system adds a new entry under the original one. The original entry has the  icon, and each new line added during the split process has the  icon. The original entry and each new entry are highlighted in bold during the process of splitting the transaction.

Multiple new entries can be added to split the original entry. In each new row and in the original one, you can modify the values in any of the following columns:

- **To Account:** The transaction amount will be moved from the originally specified general ledger account (**Account**) to the account you specify in this column.
- **To Subaccount:** The transaction amount will be moved from the originally specified subaccount (**Subaccount**) to the subaccount you specify in this column.



This column is available only if the *Subaccounts* feature is enabled on the [Enable/Disable Features](#) (CS100000) form.

- **To Branch:** The transaction amount will be moved from the originally specified branch to the GL account or subaccount of the branch you specify in this column.



This column is available only if the *Multi-Branch Support* feature is enabled on the [Enable/Disable Features](#) form.

By default, these columns contain the values of the original journal entry. For new lines of the splitting group, these columns contain values of the original journal entry even if you have changed any of these values of the original entry.

For each new entry, in the **New Amount** column, you specify the amount to be transferred from the original entry to a new one. For the original entry, in this column, the system calculates the remaining amount based on the new amounts of new entries. The total amount of new entries cannot be more than the amount of the original entry.

Negative values can be specified in the **New Amount** column for the new entries. The negative amounts are highlighted in red and increase the amount of the original entry.

To edit the date and description of a transaction, you need to enter new values in the **New Tran. Date** and **New Transaction Description** boxes, respectively. If you edit the date, the new date has to be within the financial period of the original transaction.

The transaction is ready for splitting if the check box is selected in the Included column for the original entry and all the related new entries. The system selects this check box for each new entry when you have changed a value in the **To Account**, **To Subaccount**, or **To Branch** column and you have specified the amount to be moved to the new entry in the **New Amount** columns.

The system selects this check box for the original entry when you have changed a value in the **To Account**, **To Subaccount**, or **To Branch** column or the amount has been adjusted according to the changes made for the amounts of the new lines.

In the same reclassification batch, the system includes journal entries that have the same transaction period specified. A separate reclassification batch is generated for each journal entry that has a different transaction period.

## Splitting of Transactions: To Split a GL Transaction

In this activity, you will learn how to split a GL transaction into two new transactions.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that on February 13, 2020, a GL batch for \$212 was wrongly posted to the *81000 - Other Expenses* account. This account should contain a \$32 expense, and the rest of the expenses should be split between two other accounts. The expenses accounted for in this transaction should be the following:

- Travel expenses: \$80
- Advertising expenses: \$100
- Other expenses: \$32

Acting as a SweetLife accountant, you have to split the original transaction, adding two correcting transactions to properly reflect the expenses.

### Process Overview

In this activity, you will find and review the entry to be split on the [Account Details](#) (GL404000) form. On the [Reclassify Transactions](#) (GL506000) form, you will split the amounts of the original transaction. You will then release the transaction on the [Release Transactions](#) (GL501000) form.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *2/13/2020*. If a different date is displayed, click the Business Date menu button and select *2/13/2020*. For simplicity, in this lesson, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step 1: Finding the Transaction to be Split

To prepare to split the transaction, do the following:

1. Open the [Account Details](#) (GL404000) form.
2. In the Selection area, specify the following settings:
  - **Company/Branch:** *HEADOFFICE (SweetLife Head Office and Wholesale Center)*
  - **Ledger:** *ACTUAL* (inserted by default)
  - **From Period:** *02-2020*
  - **To Period:** *02-2020*
  - **Account:** *81000 - Other Expenses*
3. In the table, select the unlabeled check box for the transaction dated *2/13/2020* and the amount of \$212, and on the form toolbar, click **Reclassify** to open the entry related to the account on the [Reclassify Transactions](#) (GL506000) form.

### Step 2: Splitting the Transaction

To split the transaction, do the following:

1. While remaining on the [Reclassify Transactions](#) (GL506000) form while viewing the entry to be split, click **Split** on the form toolbar.

The system has added a new line under the line with the original entry.

2. In the columns of the new line, specify the following values:
  - **To Account:** *54400 - Project Travel Expense*
  - **New Amount:** 80

Notice that the **New Amount** column for the original line has decreased by the specified amount for the new line and now shows *132.00*, as shown in the screenshot below.

3. To enter the other new entry, click **Split** on the form toolbar.
4. In the columns of the new line, specify the following values:
  - **To Account:** *61000 - Advertising Expenses*
  - **New Amount:** 100

Notice that the **New Amount** column for the original line has decreased by the sum of the new amounts of the two new lines and now shows *32.00*, as shown in the following screenshot.

Reclassify Transactions ☆ CUSTOMIZATION

LOAD REPLACE SPLIT PROCESS

To Branch	To Account	Description	New Tran. Date	New Transaction Description	New Amount	Debit Amount	Credit Amount	Currency	Branch	Account	Description	Transaction Date	Transaction Description
HEADOFFICE	81000	Other Expense	2/13/2020	Advertising campaign	32.00	212.00	0.00	USD	HEADOFFICE	81000	Other Expense	2/13/2020	Advertising campaign
HEADOFFICE	54400	Project Travel Expense	2/13/2020	Advertising campaign	80.00	0.00	0.00	USD	HEADOFFICE	81000	Other Expense	2/13/2020	Advertising campaign
HEADOFFICE	61000	Advertising Expense	2/13/2020	Advertising campaign	100.00	0.00	0.00	USD	HEADOFFICE	81000	Other Expense	2/13/2020	Advertising campaign

**Figure: The split transaction before being processed**

5. On the form toolbar, click **Process**.
6. In the **Processing** pop-up window, which opens, click the **Processed** tab to view the list of batches.

### Step 3: Releasing the Transaction

To release the transaction, do the following:

1. In the table on the **Processed** tab in the **Processing** pop-up window, click the link in the **Reclass. Batch Number** column to open the reclassification transaction that the system has created.
2. On the *Journal Transactions* (GL301000) form, which opens, review the transaction, and clear the **Hold** check box in the Summary area.
3. On the form toolbar, click **Release** to release the transaction.
4. In the table, click the link in the **Orig. Batch Nbr.** column to review the original transaction.

The system has opened the entry and marked the line with the *81000* account as reclassified. The **Remaining Reclass. Amount** column for this line shows the remaining amount of the original entry (*32.00*).

## Splitting of Transactions: Reports and Inquiries

In this topic, you can find the list of reports and inquiries related to splitting transactions.

### Finding Reclassification Transactions for a Particular Account

On the *Account Details* (GL404000) form, to include in the list of entries the journal entries that have been reclassified for a selected GL account within the specified period, select the **Include Reclassified** check box in the Summary area. In the **Reclass. Batch Number** column, each of the reclassified entries has a link to the appropriate *Reclassification* transaction.

You can also view a list of transactions that includes the reclassified journal entries by preparing the *Transactions for Account* (GL633500) or *Transactions for Period* (GL633000) report with the **Include Reclassified Transactions** check box selected. In the reports, the original transaction that was split is marked as a reclassified transaction.

### Finding Split Transactions for a Particular Account

You can find and view split transactions on the *Journal Transactions* (GL301000) form or on the *Account Details* (GL404000) form. These transactions have the *Reclassification* type. On this form, in the **Orig. Batch Nbr.** column of the table, the reclassified journal entries contain the links to the original GL transactions (that is, to the batches generated for the transactions).

### Viewing a Reclassification History of a Transaction

You can view the reclassification history for a transaction on the *Reclassification History* (GL405000) form. You can open this form by clicking the **Reclassification History** button in either of the following situations:

- On the form toolbar of the *Account Details* (GL404000) form for the transaction you have selected (if it has been reclassified)

- On the table toolbar of the *Journal Transactions* (GL301000) form for the transaction you have selected in the GL batch, which has the *Reclassification* type

You can reclassify only the last transaction in the list of transactions on the *Reclassification History* form by clicking **Reclassify** on the form toolbar.

## Lesson 2.7: Processing Recurring Transactions

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### Recurring Transactions: General Information

To automate the entry of recurring transactions, you create schedules for these transactions in the system.

#### Learning Objectives

You will learn how to do the following:

- Create schedules for recurring transactions
- Generate the recurring transactions

#### Applicable Scenarios

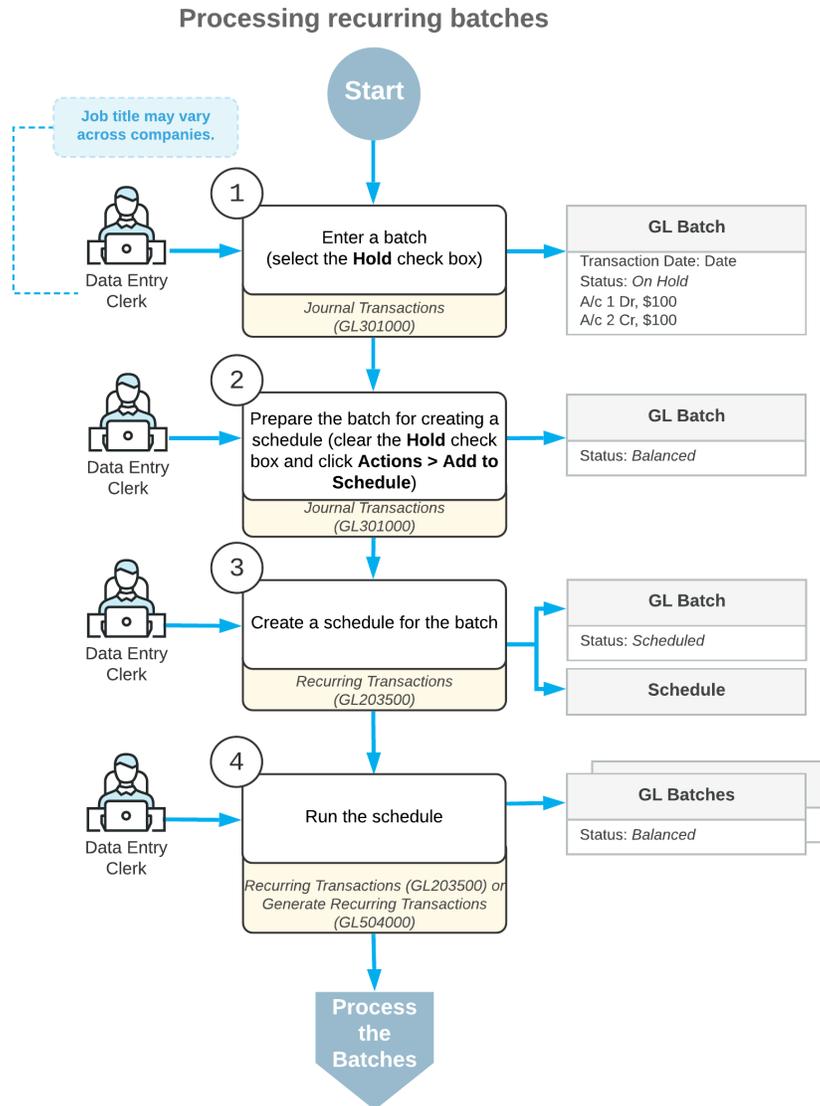
You need to create schedules for transactions that repeat regularly, such as loan payments and depreciation-related transactions.

#### Entry of Recurring Transactions

Generally, the process of entering of recurring transactions to the system consists of the following steps:

1. Creating a recurring batch on the *Journal Transactions* (GL301000) form.
2. Preparing the batch to be scheduled—that is, saving the batch in the *Balanced* status on the *Journal Transactions* form.
3. Creating a schedule on the *Recurring Transactions* (GL203500) form for the batch.
4. Running the schedule to generate recurring batches.
5. Processing the generated batches.

The typical processing workflow of processing recurring batches is shown in the following diagram.



**Figure: Processing recurring batches**

### Schedule Creation

You create a schedule on the *Recurring Transactions* (GL203500) form. For the schedule, you specify the date when it starts, and you can either specify a maximum number of times the schedule should be repeated or set up unlimited schedule executions by selecting the **No Limit** check box.

You then select the appropriate option button to indicate how frequently the schedule applies:

- **Daily:** The batches should be generated daily or every x days.
- **Weekly:** The batches should be generated on specific days of the week each week or every x weeks.

- **Monthly:** The batches should be generated once per month or every  $x$  months on a specific day of the month.
- **By Financial Period:** The batches should be generated only once per financial period or every  $x$  financial periods at the start, end of the financial period, or on a specific day of the financial period.

## Scheduled Batches

You can add GL batches to a schedule immediately (if all the required batches already exist) or later. Only batches with the *Normal* type and the *Balanced* status can be scheduled. After you have assigned a batch to a schedule, the system changes the batch's status to *Scheduled*.

On the [Journal Transactions](#) (GL301000) form, you can create a batch and then immediately add it to a new schedule by clicking **Actions > Add to Schedule** on the form toolbar.

A batch can be included in only one schedule. If a batch has been added to a schedule and you add it to a new schedule, the system removes it from the previous schedule.

## Generation of Recurring Transactions

You use the [Generate Recurring Transactions](#) (GL504000) form to run a single schedule or multiple schedules. You can also run a particular schedule on the [Recurring Transactions](#) (GL203500) form by selecting the schedule in the **Schedule ID** box and clicking **Run Now** on the form toolbar.

When you run a schedule, the system uses the included batches as template batches to generate similar batches. The batches generated by a schedule can differ from the template as follows:

- **Date:** The date of each batch is different, determined by the schedule you have configured.
- **Reference number:** A new reference number is generated for each batch based on the numbering sequence specified on the [General Ledger Preferences](#) (GL102000) form.
- **Currency rate:** If the currency of a batch differs from the base currency set in the system, the system uses for conversion the currency exchange rate effective on the date of the batch creation.

No matter how many times you run the schedule, batches will be generated only as required by the schedule. The system determines whether it should generate the batches depending on the current date, the schedule's start and expiration dates, the schedule type, and the date when the batches were last generated. After the required batches have been generated, the system updates the **Last Executed On** value. One batch is generated for one run of the schedule.

For example, suppose that you have scheduled a particular batch to be performed weekly on each Tuesday, with no execution limit. If you run the schedule every week on Wednesday, one batch will be generated each time. If you run this schedule every day, the batches will be generated only on Tuesdays. If you want to run this schedule once in a month, on the last Wednesday, you should run it four times to generate four batches.

Batches generated as a result of a user running a schedule appear in the system with the *Balanced* status. They can be released or posted as any other batches can. You can change the transaction amounts, if needed.

## Recurring Transactions: Mass-Processing

This topic explains how to release and post multiple batches.

## Mass-Running Schedules

You can run multiple schedules on the [Generate Recurring Transactions](#) (GL504000) form. In the **Execution Date** box, you select the date that the system will use to select the schedules to be loaded to the table. Those schedules whose **Next Execution** date is earlier than or the same as the date specified in this box will be loaded.

You then specify the condition that the system will use to stop schedule executions by selecting one of the following option buttons, and run the process:

- **Stop on Execution Date:** The system stops running schedules on the date that you specify in the **Execution Date** box.
- **Stop After Number of Executions:** The system stops running schedules when the specified number of schedule executions have been performed. If you select this option button, specify the number of executions in the adjacent box.

## Recurring Transactions: Process Activity

In this activity, you will create a recurring batch to be used as a template, create a schedule for the batch, and run the schedule to generate the batch.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that the SweetLife Fruits & Jams company pays rent every month and receives the rent bill for each month at the beginning of the next month. The company records the accrual of rent expenses every month.

Acting as a SweetLife accountant, you have to create a recurring batch to schedule the accrual of rent expenses for every month of 2020. You also need to generate the batch for the *01-2020* financial period.

### Process Overview

To use a recurring batch, you create a recurring batch to be used as a template on the [Journal Transactions](#) (GL301000) form. You then create a schedule for the batch based on this template on the [Recurring Transactions](#) (GL203500) form. To generate a batch, you run the schedule on the [Generate Recurring Transactions](#) (GL504000) form; the batch can then be released and posted on the [Release Transactions](#) (GL501000) form.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:
  - Username: *johnson*

- Password: 123
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/31/2020*. If a different date is displayed, click the Business Date menu button and select *1/31/2020*. For simplicity, in this lesson, you will create and process all documents in the system on this business date.
  3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Creating a Batch to Be Used as a Template

To create a recurring batch with the *Balanced* status to be used as a template, do the following:

1. Open the [Journal Transactions](#) (GL301000) form.
2. On the form toolbar, click **Add New Record** and specify the following settings in the Summary area:
  - **Transaction Date:** *1/31/2020* (inserted by default)
  - **Hold:** Cleared (causes the batch to have the *Balanced* status)
  - **Description:** *Rent Accrual*
3. Click **Add Row** on the table toolbar, and add a row with the following settings:
  - **Account:** *23015 (Accrued Expenses)*
  - **Credit Amount:** *1000*
4. Click **Add Row** again and add another row with the following settings:
  - **Account:** *62900 (Rent or Lease Expense)*
  - **Debit Amount:** *1000*
5. On the form toolbar, click **Save** to save the batch you have created.

## Step 2: Creating a Schedule for the Batch

To create a schedule for the batch, do the following:

1. While you are viewing the batch you have just created and saved on the [Journal Transactions](#) (GL301000) form, on the form toolbar, click **Actions > Add to Schedule**.

The [Recurring Transactions](#) (GL203500) form is opened.

2. Configure a schedule to repeat the batch 12 times, on the last day of each month, by specifying the following settings:
  - **Start Date:** *1/31/2020* (or any date that is not after the first date when you need to execute the schedule)
  - **Execution Limit (Times):** *12*

- **Description:** Rent Accrual
- **Schedule Type:** *Monthly*
- **Every** 1 Month(s)
- **On Day:** 31

3. On the form toolbar, click **Save** to save the schedule.

### Step 3: Running the Schedule and Generating a Batch

To run the schedule and generate a batch, do the following:

1. Open the [Generate Recurring Transactions](#) (GL504000) form, and in the Summary area, specify the following settings:
  - **Execution Date:** 1/31/2020
  - **Stop After Number of Executions:** Selected, 1
2. In the table that displays recurring transaction schedules, select the unlabeled check box in the row of the only schedule, and click **Run** on the table toolbar to generate the batch according to the schedule.
3. In the **Processing** pop-up window, which opens, click the **Processed** tab and click the link in the **Schedule ID** column to open the schedule in a separate window on the [Recurring Transactions](#) (GL203500) form.
4. On the **Generated Documents** tab of this form, verify that a batch has been generated by the template, as shown in the following screenshot.

Recurring Transactions NOTES ACTIVITIES FILES CUSTOMIZATION TOOLS

SCHEDULE TYPE: MONTHLY

Daily  
 Weekly  
 Monthly  
 By Financial Period

On the 1st Sunday  
 On Day 31

Schedule ID: 000001  Active  
 Description: Rent Accrual  
 \* Start Date: 1/31/2020  
 Last Executed: 1/31/2020  
 Expiration Date:  Never Expires  
 Next Execution: 2/29/2020  
 Execution Limit (Times): 12  No Limit  
 Executed (Times): 1

BATCH LIST GENERATED DOCUMENTS

Batch Number	* Ledger	* Transaction Date	* Post Period	Status	Control Total	Currency
<a href="#">GL000028</a>	ACTUAL	1/31/2020	01-2020	Balanced	1,000.00	USD

**Figure:** The recurring schedule and the generated batch

### Step 4: Releasing the Generated Batch

To release the generated batch, do the following:

1. Open the [Release Transactions](#) (GL501000) form.
2. Select the unlabeled check box for the only transaction in the table, and click **Release** on the form toolbar. In the **Processing** pop-up window, which opens, click **Close**.

## Recurring Transactions: Reports and Inquiries

In this topic, you can find the list of reports and inquiries related to recurring batches.

### Finding Schedule Summary

By using the [GL Recurring Transactions](#) (GL641500) report, you can find schedules that have been created in the system and review their brief details, including the details of the batch that is used to generate recurring transactions. You can also run this report for a particular schedule.

### Finding Schedule Details

By using the [GL Recurring Transactions Detailed](#) (GL640500) report, you can find schedules that have been created in the system and review their details, including the details of the batch that is used to generate recurring transactions and batch entries. You can also run this report for a particular schedule.

### Viewing Generated Batches for a Particular Schedule

On the [Recurring Transactions](#) (GL203500) form, you can find the list of batches generated for a particular schedule. On this form, in the **Schedule ID** box, you select the schedule for which you want to view generated batches. On the **Generated Documents** tab, you can review the list of the generated batches and find the batch number, the ledger to which it will be posted, the transaction date, its status, the total amount, and the currency. You can also click the number of the batch whose details you want to view in the **Batch Number** column. The system will open the [Journal Transactions](#) (GL301000) form with the details of the batch.

### Viewing and Editing a Schedule for a Particular Batch

You can view the schedule to which the batch is added by opening the batch and clicking **Actions > Add to Schedule** (which also gives you the ability to view and edit an already-added schedule) on the [Journal Transactions](#) (GL301000) form. The [Recurring Transactions](#) (GL203500) form opens with the schedule related to the batch.

# Part 3: Accounts Payable Process

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This part of the course deals with the accounts payable process and guides you through creating AP bills, payments, prepayment, and checks.

For completing the lessons of this part of the course, you will use a company with the *U100* dataset preloaded, which provides a fully configured company with sample data specially designed for this course. The lessons of this part are independent: You can complete the lesson activities in any order.

You need to complete the activities in this part by using user accounts with specific access rights. Each activity provides the credentials to use for sign-in to the prepared *U100* tenant in the *System Preparation* section.

## Lesson 3.1: Configuring Vendors

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### Vendors: General Information

In Acumatica ERP, each vendor account holds all vendor-related information you need to conduct business with this vendor. This information includes addresses, locations, contacts, and payment settings, as well as financial, purchase, and mailing settings. Acumatica ERP provides you with different tools that ease the process of entering vendor data and help you to organize this data on reports.

### Learning Objectives

From reading the topics in this chapter and completing the process activity, you will learn how to do the following:

- Create a new vendor based on the default vendor class
- Review the default settings that the system has inserted from the vendor class

### Applicable Scenarios

You add vendor accounts in any of the following cases:

- When you initially configure Acumatica ERP and enter the vendor base into the system
- When you need to create an account for a new vendor of the company

### Entities Needed for Vendor Account Setup

Before you start setting up vendor accounts in Acumatica ERP, you need to configure the entities that will ease the processes of vendor account creation and maintenance.

The needed entities in Acumatica ERP may include the following:

- Vendor classes (required): You should ensure that at least one vendor class has been set up on the [Vendor Classes](#) (AP201000) form. Vendor classes provide default values for individual vendor accounts, so users can create vendor accounts more easily. Besides the class ID and description, which are the required settings of a vendor class, it can contain additional elements such as the credit terms, currency, rate type, country, tax zone, and specific general ledger accounts. You can also enter a default cash account and payment method for the class. For details, see [Accounts Payable: To Create a Vendor Class](#).

- Vendor identifiers (optional): You should make sure that the segmented key used as a template for identifiers of vendor accounts suits your needs, and adjust the *BIZACCT* segmented key (or the *VENDOR* segmented key) on the [Segmented Keys](#) (CS202000) form if needed. For details, see [Managing Segmented Keys](#).
- General Ledger accounts (required): On the [Chart of Accounts](#) (GL202500) form, you need to create the general ledger accounts to be used to record purchases and cash discounts, unless you plan to use the accounts that already exist. You will need to select these accounts when you create vendor accounts. For details, see [To Add an Account to the Chart of Accounts](#).
- Payment methods (required): You need to ensure that at least one payment method to be used for payments to vendors has been defined on the [Payment Methods](#) (CA204000) form. For details, see [Managing Payment Methods](#).
- Credit terms (optional): You should ensure that each needed set of credit terms that will define the due dates of documents has been set up on the [Credit Terms](#) (CS206500) form. When you set up vendor classes, you can assign the appropriate credit terms to classes, which in turn will cause the credit terms to be assigned by default to all new vendors of this class. For details, see [Setup of Credit Terms](#).
- Mailings (optional): You can set up multiple mailings to notify vendors about their balances, bills, purchase orders, and other information you want to send to vendors on a regular basis. For details, see [Configuring Predefined Mailings for Customers and Vendors](#).
- Vendor price lists (optional): You can set up vendor price lists on the [Vendor Prices](#) (AP202000) form to maintain item prices that are specific for vendors, so that you can later use promotional prices and volume-based offers when planning your purchases. For details, see [Maintaining Vendor Price Lists](#).
- Vendor discounts (optional): On the [Vendor Discounts](#) (AP205000) form, you can set up and maintain vendor discounts based on information received from each vendor. For details, see [Managing Vendor Discounts](#).
- Tax zones (optional): On the [Tax Zones](#) (TX206000) form, you can set up various tax zones that combine a group of taxes for a particular location, which you assign to vendors and which are used by the system for calculation of taxes when you enter vendor documents. For details, see [Managing Tax Zones and Categories](#).

## Vendors: Implementation Activity

The following activity will walk you through the process of creating a new vendor.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that SweetLife Fruits & Jams company has found a vendor, the CleanUp company that provides cleaning services and that agreed to sell its services on credit, with payments due in 30 days and a 3% discount if the services are paid within 10 days.

Acting as a SweetLife accountant, you need to create the new vendor in the system.

## Process Overview

You create a new vendor on the [Vendors](#) (AP303000) form by clicking **Add New Record** on the form toolbar. On the tabs of this form, you specify the vendor's address and contact information. You then review the default settings, which the system inserted to the vendor account when creating the vendor, and then change the credit terms for the vendor.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Creating a Vendor Account

To create a vendor account, do the following:

1. Open the [Vendors](#) (AP303000) form.
2. On the form toolbar, click **Add New Record**.
3. In the Summary area, specify the following settings:
  - **Vendor ID:** `CLEANUP`
  - **Status:** *Active*
  - **Vendor Class:** *DEFAULT* (inserted automatically)
4. On the **General** tab, in the **Account Name** box, specify `CleanUp Co.`
5. On the form toolbar, click **Save** to save your changes.

## Step 2: Specifying Contact Information and Address

To specify the vendor's contact information and address, do the following:

1. On the **General** tab, specify the following settings in the **Primary Contact** section:
  - **Name:** `Loretta W Glenn`
  - **Job Title:** `General manager`
  - **Email:** `lglen@aol.com`
  - **Business 1:** `315-719-5308`

2. In the **Account Address** section of the **General** tab, specify the following main address for the vendor:
  - **Address Line 1:** 893 Confederate Drive
  - **City:** Geneva
  - **State:** NY
  - **Postal Code:** 14456

### Step 3: Specifying Financial and Payment Settings

To specify the financial and payment settings for the vendor, do the following:

1. On the **Financial** tab, in the **Terms** box, select *310N30*.  
  
By selecting this setting, you indicate that you will pay the net amount within 30 days or will take a 3% discount if you choose to pay within 10 days.
2. On the **Payment** tab, in the **Default Payment Settings** section, make sure that *CHECK* is selected in the **Payment Method** box and *10200WH* cash account is selected in the **Cash Account** box.
3. In the **Default Payment Settings** section, specify the following settings:
  - **Payment By:** *Discount Date*
  - **Payment Lead Time (Days):** 3
  - **Pay Separately:** Cleared
4. On the form toolbar, click **Save** to save your changes.

### Step 4: Reviewing the Default GL Accounts

To review the default GL accounts of the vendor, do the following:

1. Open the **GL Accounts** tab.
2. In the boxes on this tab, review the GL accounts to be used for settlements with this vendor.

## Vendors: Related Reports and Inquiries

This topic describes reports, inquiries, and forms you may review to gather information about vendors.



If you do not see a report or inquiry, this could mean that you have signed in to the system with a user account that does not have access rights to a form. Sign in as the *admin* user, or contact your system administrator.

### Reviewing Vendor Documents

You can review the vendor's documents at any time on the [Vendor Details](#) (AP402000) form. The form shows the selected vendor's documents and the balance calculated based on the documents. By default, the form shows all the vendor's open documents. You can also run this inquiry by clicking **Inquiries > Vendor Details** on the toolbar of the [Vendors](#) (AP303000) form.

The **Current Balance** box shows the total balance of the vendor's open documents, excluding prepayments. The total balance of open prepayments is shown separately in the **Prepayments Balance** box. The outstanding balance of documents is displayed in the **Balance** column of the table.

**Balance by Documents** is the total in the **Balance** column over all documents shown in the table. If you select the **Include Unreleased Documents** check box, the documents that have the *On Hold* or *Balanced* status will also appear, and the balance by documents may differ from the current balance. By viewing the balance by documents, you can see the total amount you will owe to the vendor after all documents are released.

## Reviewing Vendor Documents and Balance

You can review the open documents, applications, and vendor balances at the end of a period, grouped by vendor and AP account by running the [AP Balance by Vendor](#) (AP632500) report. The **Vendor Documents Total** column of the report shows the total amount over all open documents of the vendor. Document applications are listed under each document in the report. The **Applied** column shows the period to which the application was posted.

## Reviewing Vendor Balance

You can review the vendor balance, which you can further reconcile with the balance of the accounts payable GL account, by running the [AP Balance by GL Account](#) (AP632000) report. To reconcile the GL balance of the AP account with the vendor balance, you compare the balance obtained in this report with the trial balance for the same period.

## Reviewing Vendor Balance History

You can review the history of the vendor's balance over a specified date range by running the [Vendor History](#) (AP652000) report.

## Reviewing Vendor Documents in AP Register

To review the vendor documents that have been released (documents with the *Open*, *Closed*, and *Reserved* statuses), you run the [AP Register](#) (AP621500) report.

## Reviewing Vendor Profile

To review the database information for a particular vendor, you run the [Vendor Profiles](#) (AR655500) report. You can also run this report by clicking **Reports > Vendor Profile** on the toolbar of the [Vendors](#) (AP303000) form.

## Reviewing Vendor Balances

To review a particular vendor with the balances, default currency, credit terms, tax zone, and other basic information, you run the [Vendor Summary](#) (AP655000) report. To review the vendor's outstanding balances, you use the [Vendor Summary](#) (AP401000) inquiry.

# Lesson 3.2: Configuring Non-Stock Items

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## Non-Stock Item: General Information

Non-stock items may be products that consist of no physical entity and thus cannot be stocked in warehouses (as with labor, services, or charges) or physical entities for which you do not need to track quantities in a warehouse because very small quantities are required. Many stores sell items that cannot be found on their shelves (for instance, product warranties) or services (such as product assembly, installation, and customization).

Non-stock items are used for goods that you purchase from vendors or sell to customers but do not want to reflect in your company's inventory. Since non-stock items do not require tracking of quantities, you can maintain only standard costs and base price information for them. For each non-stock item, you can specify and periodically update purchase prices and sales prices. Also, you can specify the standard cost of a non-stock item, which can be used in purchase orders and accounts payable bills if the vendor price is not specified. You can use the same non-stock items in accounts payable, accounts receivable, inventory, purchase orders, service orders, and sales orders.

### Learning Objectives

From reading the topics in this chapter and completing the process activity, you will learn how to create a new non-stock item of the *Charge* type, with standard cost.

### Applicable Scenarios

You may need to create a non-stock item in any of the following cases:

- When you initially configure Acumatica ERP with the *Inventory* feature disabled on the [Enable/Disable Features](#) (CS100000) form
- When you are going to sell or purchase new goods

### Types of Non-Stock Items

Acumatica ERP supports the following types of non-stock items:

- **Non-Stock Item:** A general type of non-stock item generally bought for internal needs or for using in sales but not for selling separately
- **Labor:** A non-stock item mostly used as a source of general ledger accounts for recording sales of labor
- **Service:** A non-stock item to designate service fees
- **Charge:** A non-stock item that represents specific type of charges
- **Expense:** A non-stock item that represents specific type of expense

### Settings for Non-Stock Items

You can maintain information about non-stock items and their properties by using the [Non-Stock Items](#) (IN202000) form available in accounts receivable and accounts payable. The list below describes some of the settings that you can provide for a non-stock item by using this form:

- **Inventory ID:** Every non-stock item is assigned a unique identifier based on the *INVENTORY* segmented key.

You can configure inventory IDs by specifying settings for the *INVENTORY* segmented key on the [Segmented Keys](#) (CS202000) form. For the key, you can define how many segments it is to have, what values may be used, whether these values should be validated, and whether auto-numbering should be used in one of the segments.

If required, you can change the ID for any non-stock item manually by using the [Non-Stock Items](#) (IN202000) form.

- **Units of measure:** For each non-stock item, you can select the unit of measure (UOM) used as base unit for the item and specify conversion rules for them and for other UOMs used for the item. You can select UOMs from the list of those available for the item class or type new UOMs manually. Note that every conversion rule is specified with respect to the UOM chosen as the item's base unit.
- **General ledger accounts:** The general ledger accounts used for non-stock items are limited to sales accounts and expense accounts.
- **Valuation method:** Only the standard cost method applies to non-stock items.
- **Price information:** For non-stock items of all types, you can specify price classes and assign prices that become effective on specific dates.
- **Attributes:** You can track additional information for non-stock items by using the attributes functionality.

## Non-Stock Item Costs

To make it possible to enter the non-stock item cost and use it in the non-stock item price calculation, Acumatica ERP enables you to maintain standard costs for non-stock items.

The standard costs are determined outside of the system by cost experts, and the values should include some of the indirect and direct costs allocated. You can specify the standard cost for a non-stock item as a pending cost by using the **Price/Cost Information** tab of the [Non-Stock Items](#) (IN202000) form. Along with the pending cost, you can specify a date when the cost will become effective. Standard costs are defined with respect to the base unit of the stock item.

If you want to update standard costs for non-stock items, use the **Price/Cost Information** tab of the [Non-Stock Items](#) form: Enter a pending cost and the date for the new cost and select the *Update Cost* action. The system displays only the last cost and current cost. The historical costs that were effective before the last cost are not stored in the database.

## Prices for Non-Stock Items

The current price of an item is automatically inserted into the lines of sales orders and invoices for which you select the item, which results in quicker and more accurate data entry. If the item price has changed, you can automatically recalculate the document amounts based on the updated price.

You can maintain default prices for non-stock items and specify them for the base units in the base currency. You can enter default prices individually for each non-stock item by using the [Non-Stock Items](#) (IN202000) form and update them at any time on a per-item basis. Default prices have no expiration dates and cannot be specified as based on item quantity. For more information, see [Sales Prices: General Information](#).

## Non-Stock Item: Implementation Activity

The following activity will walk you through the process of creating a new non-stock item.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that SweetLife Fruits & Jams company pays rent for its office facilities, which is a fixed amount paid every month. The amount the company pays is \$1,200 a month starting from 1/30/2020. To make creation of documents easier for accountants, a new non-stock item for rent should be available in the system.

Acting as a SweetLife accountant, you need to create the new non-stock item and specify the needed settings.

### Process Overview

You create the non-stock item on the [Non-Stock Items](#) (IN202000) form by clicking **Add New Record** on the form toolbar. On the tabs of this form, you specify the vendor's address and contact information. You then review the default settings, which the system inserted to the vendor account when creating the vendor, and then change the credit terms for the vendor.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step 1: Creating a Non-Stock Item

To create a non-stock item, do the following:

1. Open the [Non-Stock Items](#) (IN202000) form.
2. On the form toolbar, click **Add New Record** and specify the following settings in the Summary area:
  - **Inventory ID:** RENT
  - **Item Status:** *Active* (inserted by default)

- **Description:** *Rent*
3. On the **General Settings** tab, specify the following settings for the item:
    - **Type:** *Charge*
    - **Posting Class:** *NONSTOCK - Non-Stock Items*
    - **Tax Category:** *EXEMPT*
    - **Require Receipt:** *Cleared*
    - **Require Shipment:** *Cleared*
  4. In the **Unit of Measure** section of the **General Settings** tab, specify the following settings:
    - **Base Unit:** *ITEM*
    - **Sales Unit:** *ITEM*
    - **Purchase Unit:** *ITEM*
  5. On the **GL Accounts** tab, in the **Expense Account** box, select *62900 - Rent or Lease Expense*.
  6. On the form toolbar, click **Save**.

## Step 2: Specifying the Unit Cost for the Item

To specify the unit cost for the non-stock item, do the following:

1. While you are still on the *Non-Stock Items* (IN202000) form, click the **Price/Cost Information** tab and specify the following settings in the **Standard Cost** section:
  - **Pending Cost:** *1200*
  - **Pending Cost Date:** *1/30/2020*
2. On the form toolbar, click **Save**.
3. On the form toolbar, click **Actions > Update Cost**.

The cost you have specified is now effective and is displayed in the **Current Cost** box and its effective date has been set to *1/30/2020*.

## Non-Stock Item: Related Forms

This topic describes forms you may review to gather information about non-stock items.



If you do not see a particular report or form that is described, you may have signed in to the system with a user account that does not have access rights to the report or form. Contact your system administrator to obtain access to any needed reports or forms.

## Reviewing Sales Prices

You can review the sales prices of a non-stock item by clicking **Inquiries > Sales Prices** on the toolbar of the *Non-Stock Items* (IN202000) form. The system navigates to the *Sales Prices* (AR202000) form where you can review the sales prices, if any, for the selected non-stock item.

You can also create a new sales price for the non-stock item on this form. For details of managing sales prices, see *Sales Prices: General Information*.

## Reviewing Vendor Prices

You can review the vendor prices of a non-stock item by clicking **Inquiries > Vendor Prices** on the toolbar of the *Non-Stock Items* (IN202000) form. The system navigates to the *Vendor Prices* (AP202000) form where you can review the vendor prices, if any, for the selected non-stock items.

You can also create a new vendor price for the non-stock item on this form. For details on managing vendor prices, see *Vendor Prices: General Information*.

# Lesson 3.3: Processing AP Bills

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## AP Bills: General Info

In Acumatica ERP, you create an accounts payable bill for each incoming invoice from a vendor.

### Learning Objectives

From reading the topics in this chapter and completing the process activity, you will learn how to do the following:

- Create an AP bill
- Release the AP bill
- Review the GL batch that the system generates as a result

### Applicable Scenarios

You create an AP bill manually when you receive an invoice from a vendor.

### Entry of Bills

You enter a bill by using the *Bills and Adjustments* (AP301000) form. The summary of a bill includes information about the vendor, the vendor location, payment terms, amount, the currency used for the transaction, and other information.

A bill should contain at least one detail line. The bill can have any number of detail lines or it can have a single line that summarizes all purchases.



We recommend that when you enter a document, you include all the details available in the original vendor document.

If the *Inventory* feature is not enabled in your system, you can enter a bill in the accounts payable subledger with only non-stock items. If the *Inventory* feature is enabled on the [Enable/Disable Features](#) (CS100000) form, a bill may include lines with stock items and non-stock items. Each line with a stock item must be linked to the appropriate line of a purchase order or purchase receipt. When creating a bill, you can use the **Add PO Receipt**, **Add PO Receipt Line**, and **Add PO** buttons on the table toolbar (the **Document Details** tab of the [Bills and Adjustments](#) form) to add lines from purchase receipts and purchase orders directly to a bill. If you have added a bill line with a stock item manually, you must link it to the corresponding line of a purchase document by using the **Link Line** button on the table toolbar of the **Document Details** tab.

When it is first saved, a bill is automatically assigned a unique identifier that lets you track the bill through the system. The system generates this identifier according to the numbering sequence assigned to bills on the [Accounts Payable Preferences](#) (AP101000) form.

Due dates and cash discount dates for each bill are calculated by the system automatically, based on the vendor credit terms specified for the vendor on the [Vendors](#) (AP303000) form.

If automatic calculation of taxes is configured in your system, the system calculates the applicable taxes for each bill and records the tax amounts to the document. For details, see [Tax Calculation](#). If your system is integrated with the AvaTax service of Avalara or other specialized third-party software, the applicable taxes are calculated by this service or software and recorded to the document when you save it. For an overview of such integration, see [Online Integration with Avalara AvaTax](#) or [Online Integration with Vertex Tax Calculation](#).

To facilitate auditing and user reference, you can attach to each bill an electronic version or a scanned image of the original vendor document. Also, you can attach a related document to each line of the document.

If bills contain a reference to the vendor's original document number, users can more easily match any AP document against the vendor document and avoid document duplications. You can require this reference by selecting the **Require Vendor Reference** check box on the [Accounts Payable Preferences](#) form. To prevent users from entering duplicate documents (that is, entering the same document twice), you select the **Raise an Error On Duplicate Vendor Reference Number** check box on this form, and the system will display an error message each time a user attempts to enter a vendor reference number that is already available in the system.

## Processing of Bills

During processing, the bill can have the following statuses:

- *On Hold*: The bill is being edited and cannot be released. The system assigns this status to each created bill by default because the **Hold Documents on Entry** check box is selected on the [Accounts Payable Preferences](#) (AP101000) form by default.
- *Pending Approval*: The bill needs to be approved for release by the responsible person or persons. The system assigns this status when the bill for which the approval is needed is removed from hold. This status could be assigned to the bill only if the *Approval Workflow* feature is enabled on the [Enable/Disable Features](#) (CS100000) form.
- *Rejected*: The bill was rejected by the responsible person. This status could be assigned to the bill only if the *Approval Workflow* feature is enabled on the [Enable/Disable Features](#) form.

- *Balanced*: The bill is ready and can be released or scheduled.
- *Open*: The bill has been released. A bill with this status has a non-zero outstanding balance to be paid. If a bill is partially paid, it retains the *Open* status until the full amount is paid.
- *Closed*: The bill has been paid in the full amount; the document balance is zero.
- *Scheduled*: The bill is a template for generating recurring bills according to a schedule. Based on the template, the system generates recurring bills that can be edited and then released. (The scheduled bill itself cannot be released and can be edited as a template.)
- *Pre-Released*: The bill has been released and requires expense reclassification. This status can be assigned to the bill only if the *Expense Reclassification* feature is enabled on the [Enable/Disable Features](#) form.
- *Voided*: The previously scheduled bill was voided and is no longer used as a template for generating recurring bills.

## Bill Processing Workflow

When you enter a bill on the [Bills and Adjustments](#) (AP301000) form (1 in the diagram below), by default, the new bill has the *On Hold* status if the **Hold Documents on Entry** check box is selected on the [Accounts Payable Preferences](#) (AP101000) form. If this is the case, you need to clear the **Hold** check box (2) to be able to release the bill. If the *Approval Workflow* feature is enabled on the [Enable/Disable Features](#) (CS100000) form and the approval process for AP documents has been set up, the bill must be approved for release by the responsible person (3). After that, the bill gets the *Balanced* status.

When you release the bill (4), the system assigns the bill the *Open* status and generates the batch to credit the AP account and debit the expense accounts in the general ledger. The system also updates the vendor balance in the amount of the bill. You cannot edit the amount of the bill once it is open. If the balance of the bill needs to be corrected, you can make a debit or credit adjustment (5). Once it has been released, the bill needs to be paid. A payment document should be entered into the system, processed, and applied to the bill (6). After the bill is paid in full, it is assigned the *Closed* status.

The following diagram illustrates the bill processing workflow.

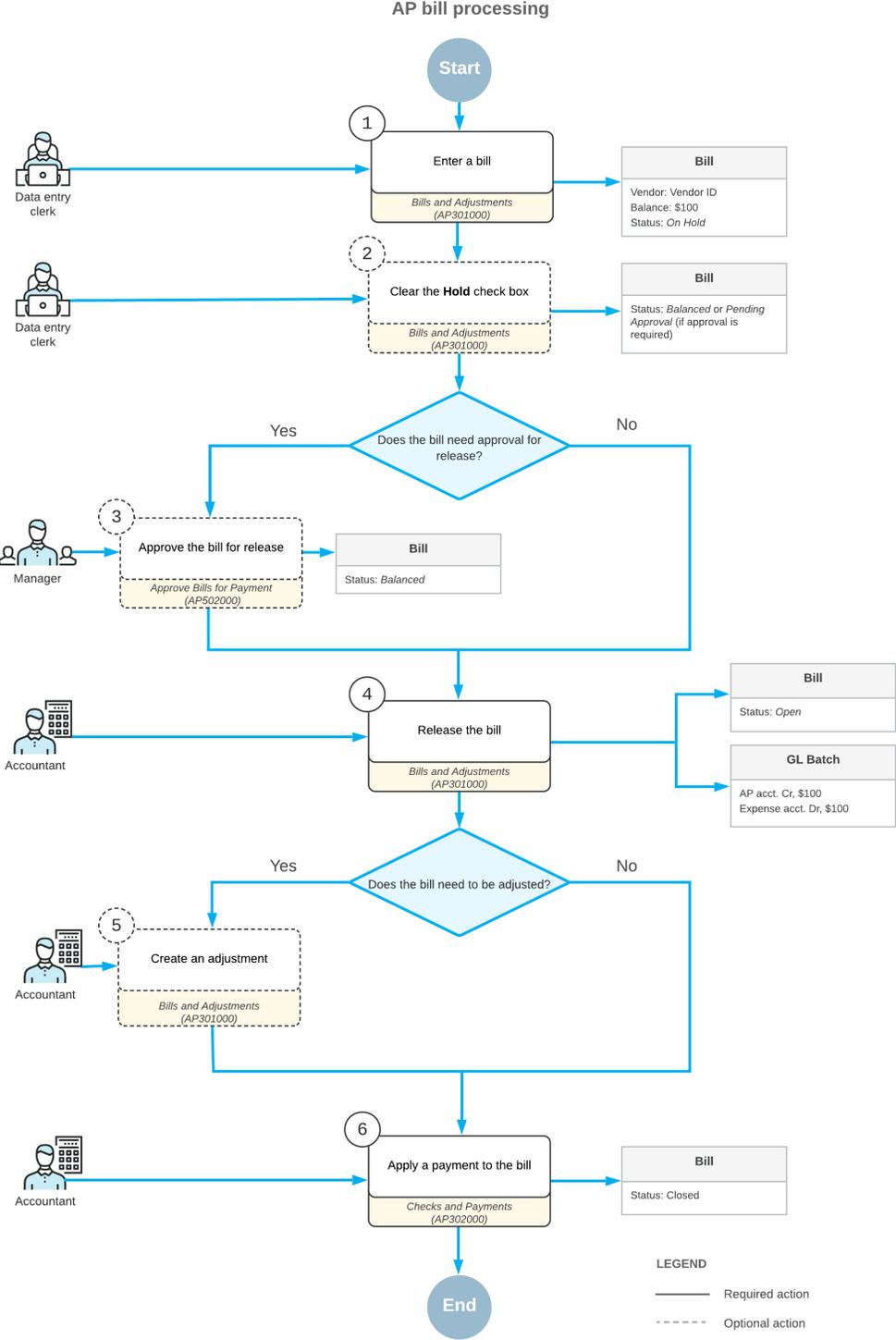


Figure: AP bill processing

## AP Bills: Generated Transactions

When you release an AP bill, the system generates a batch of transactions to record the liability to the general ledger. The AP bill includes all the information the system needs to generate the batch.

The following two accounts are usually involved:

- The liability account specified in the **AP Account** box on the **Financial Details** tab
- The expense account specified for each line in the **Account** column on the **Document Details** tab

You can view the details of the batch associated with the bill by clicking the link in the **Batch Nbr.** box on the **Financial Details** tab of the [Bills and Adjustments](#) (AP301000) form.

For a one-line bill, the following transactions will be recorded to the general ledger when the bill is released.

Account	Debit	Credit
Accounts Payable	0.00	Amount
Expense account	Amount	0.00

## AP Bills: Mass Processing and Document Consolidation

This chapter explains how to release multiple AP bills and the rules that the system uses to group the prepared documents.

### Mass Release of AP Bills

Multiple bills can be released at the same time on the [Release AP Documents](#) (AP501000) form. On this form, you select the unlabeled check boxes next to the documents to be processed and click **Release** on the form toolbar to release the selected bills or click **Release All** to release all the bills shown in the table.



The system creates a consolidated GL batch for all the released bills if the **Generate Consolidated Batches** check box is selected on the [General Ledger Preferences](#) (GL102000) form.

## AP Bills: Process Activity

The following activity will walk you through the process of creating and releasing an AP bill.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that on February 2, 2020, SweetLife Fruits & Jams company purchased office supplies on credit from the Spectra Stationery Office vendor for \$79.

Acting as a SweetLife accountant, you need to create the AP bill for the vendor, release it, and then review the GL batch generated by the system.

## Configuration Overview

For the purposes of this lesson, the following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:

- *Standard Financials*, which provides the standard financial functionality
- *Multi-Branch Support*, which supports multiple branches in your instance of Acumatica ERP

On the [Accounts Payable Preferences](#) (AP101000) form, the **Hold Documents on Entry** check box has been selected in the **Data Entry Settings** section.

On the [Vendors](#) (AP303000) form, the *STATOFFICE (Spectra Stationery Office)* vendor has been configured.

## Process Overview

You create an AP bill on the [Bills and Adjustments](#) (AP301000) form. In the bill, you specify the vendor in the **Vendor** box of the Summary area and the document details on the **Document Details** tab. When the bill is ready, you release the document by clicking **Release** on the form toolbar.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, click the Business Date menu button and select *2/7/2020*. For simplicity, in this activity, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Creating an AP Bill

To create an AP bill, do the following:

1. Open the [Bills and Adjustments](#) (AP301000) form.
2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:
  - **Type:** *Bill*
  - **Vendor:** *STATOFFICE*

- **Date:** 2/7/2020 (the current business date, which is inserted by default)
  - **Post Period:** 02-2020 (inserted by default based on the selected date)
  - **Description:** Office supplies
3. On the **Document Details** tab, click **Add Row** and specify the following settings for the added row:
- **Branch:** HEADOFFICE
  - **Transaction Descr.:** Office supplies
  - **Ext. Cost:** 79
4. In the Summary area of the form, click **Save**.

## Step 2: Releasing the AP Bill

To release the AP bill, do the following:

1. While you are still on the [Bills and Adjustments](#) (AP301000) form, clear the **Hold** check box in the Summary area.

This gives the bill the *Balanced* status. You can release only bills that have this status.

2. On the form toolbar, click **Release**.

This gives the bill the *Open* status. The released AP bill is shown in the following screenshot.

Inventory ID	Transaction Descr.	Quantity	UOM	Unit Cost	Ext. Cost	Discount Amount	Amount	Account	Description	Project	Project Task	Non Billable	Tax Category	Expense Date	PO Number	PO Receipt Nbr.
HEADOFFICE	Office supplies	0.00		0.0000	79.00	0.00	79.00	62400	Office Expense	X						

**Figure: The released AP bill**

## Step 3: Reviewing the GL Batch Generated on Bill Release

To review the generated GL batch, do the following:

1. Open the **Financial Details** tab, and click the number in the **Batch Nbr.** box.

When you released the bill, the system generated and released this batch in the general ledger. The batch gets the first number in the sequence specified in the **GL Batch Numbering Sequence** box on the [Accounts Payable Preferences](#) (AP101000) form, which determines the numbers assigned to batches generated from the accounts payable subledger.

2. On the [Journal Transactions](#) (GL301000) form, which is opened, review the transaction that has been generated on the release of the bill.

The 20000 (*Accounts Payable*) AP account has been credited with \$79, while the 62400 (*Office Expense*) expense account has been debited for the same amount.

## AP Bills: Related Reports and Inquiries

This topic describes reports, inquiries, and forms you may review to gather information about AP bills.



If you do not see a report or inquiry, this could mean that you have signed in to the system with a user account that does not have access rights to a form. Sign in as the *admin* user, or contact your system administrator.

### Reviewing Details of an Unreleased Bill

While a bill has not yet been released, you can review the details of the bill by running a report on the [AP Edit Detailed](#) (AP610500) form. When you run this report from the [Bills and Adjustments](#) (AP301000) form by clicking **Reports > AP Edit Detailed**, the report shows the details of the bill opened on this form. You can review what GL batch the system will create when you release the bill, which accounts will be updated by the transaction, and how the vendor's balance will be affected.

### Reviewing Details of a Released Bill

Once you have released a bill, you can review the details of the bill by running a report on the [AP Register Detailed](#) (AP622000) form. When you run this report from the [Bills and Adjustments](#) (AP301000) form by clicking **Reports > AP Register Detailed**, the report shows the details of the bill opened on this form. You can review the GL batch the system created when releasing the bill and which accounts have been updated by the transaction.

### Reviewing Vendor Information

You can review the balances of a specific vendor on the [Vendor Details](#) (AP402000) form. When you open this inquiry from the [Bills and Adjustments](#) (AP301000) form by clicking **Inquiries > Vendor Details**, the [Vendor Details](#) form, which is opened, shows the outstanding balances of the selected vendor and a list of documents of this vendor, which have the *Open* status. You can select the **Show All Documents** and **Include Unreleased Documents** check boxes in the Selection area of the form to include all documents and unreleased documents to the inquiry.

### Reviewing the Vendor's Balance

After the bill was released, you can review the vendor's balance on the [AP Balance by Vendor](#) (AP632500) form. On this form, you select *Open Documents* in the **Report Format** box and specify the needed financial period.

In the report, you can review open documents and vendor balances at the end of the period, grouped by vendor and by AP account. When you release a bill or an adjustment, the system updates the vendor balance. **Vendor Documents Total** is the total amount over all open documents of the vendor.

## Lesson 3.4: Paying AP Bills

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## AP Bill Payments: General Information

To pay an AP bill in Acumatica ERP, you have to create a payment: a document that represents the payment in the system. You can create the payment manually by using the [Checks and Payments](#) (AP302000) form.

In the payment, you specify the vendor, the payment method, the cash account, and the amount to be paid. For each bill, you can pay the full balance or a partial one. One of the types of payments you can create on this form is accounts payable checks—internal payment documents you create to pay vendors.

### Learning Objectives

From reading the topics in this chapter and completing the process activity, you will learn how to do the following:

- Manually create a payment document (a printed check)
- Process the payment by printing the check and releasing the payment

### Applicable Scenarios

You create a payment in the system in each of the following cases:

- To pay an AP bill of a particular vendor
- To generate a payment from one bill or multiple bills of the same vendor

### Use of Payment Methods Based on Checks

Accounts payable checks for different vendors are paid by using different payment methods depending on how the vendor wants to be paid. Although usage of checks (which allow the specified payee to order a payment of money from your company bank account) has recently declined significantly, you can configure payment methods that require the printing of checks. If accounts payable checks are paid by a payment method that requires check printing, the accounts payable checks may be taken off hold and released only after the checks for them have been printed.

You can configure the system to track check numbers for each of the payment methods based on checks, by selecting the **AP-Suggest Next Number** check box and specifying in the **AP Last Ref. Number** column the number of the first check in the check book minus 1. Then, when a user wants to print a check for a particular AP check by using the [Process Payments / Print Checks](#) (AP505000) form, the system generates the check number based on how many checks had been generated for this payment method. If a check has been damaged during printing, the user can manually enter the next check number in the **Next Check Number** box and print another check for the same AP payment.

For details on printing checks, including MICR (Magnetic Ink Character Recognition)-encoded checks, see [To Print Checks](#).

### Processing an AP Payment

During processing, the payment can have the following statuses:

- **On Hold:** The payment is being edited and cannot be released. The system assigns this status to each created payment by default because the **Hold Documents on Entry** check box is selected on the [Accounts Payable Preferences](#) (AP101000) form by default.

- *Pending Approval*: The payment needs to be approved before it is processed by the responsible person or persons. The system assigns this status to a payment to be approved once it is removed from hold. This status can be assigned to the payment only if the *Approval Workflow* feature is enabled on the [Enable/Disable Features](#) (CS100000) form.
- *Rejected*: The payment has been rejected by at least one assigned approver.
- *Pending Print*: The payment must be printed or processed before it can be released.
- *Printed*: The payment is ready and can be released. The system assigns this status to payments that have been processed (if the payment method requires that payments undergo additional processing).
- *Balanced*: The payment is ready to be released. The system assigns this status to payments whose payment method does not require the payments to undergo additional processing. (An approved payment is assigned this status if its payment method does not require the payment to undergo additional processing).
- *Open*: The payment has been released and still has an unapplied balance (meaning that the application amount is less than the payment amount).
- *Reserved*: The payment has been released and then put on hold to be excluded from the autoapplication process.
- *Closed*: The payment has been released and fully applied to the appropriate bill or bills.
- *Voided*: The payment has been voided.

## Manual Creation of Accounts Payable Checks

You can create an accounts payable check by using the [Checks and Payments](#) (AP302000) form. On this form, you specify the date, the vendor, and the vendor location, and you select a payment method available for this vendor. On the **Documents to Apply** tab, you can add bills and adjustments from this vendor to be paid by this check. Alternatively, you can automatically load open bills and adjustments of the vendor, including open debit adjustments, and select which of the documents will be paid by this accounts payable check.

The **Unapplied Balance** box in the Summary area displays the current unapplied balance as you add bills or adjustments to the **Documents to Apply** list for the check. You can take the check off hold only if it has an unapplied balance of zero (that is, if the **Payment Amount** is equal to the **Application Amount**). If the **Set Zero Payment Amount to Application Amount** check box is selected on the [Accounts Payable Preferences](#) (AP101000) form, the system automatically specifies a **Payment Amount** that is equal to the **Application Amount** when a user saves a check in which the payment amount has not been specified.

If the payments of the selected payment method will be processed by a bank, the bank may apply finance charges. On the **Finance Charges** tab, you can add these charges and specify their particular amounts for the payment. For overview of this functionality, see [Registration of Finance Charges](#).

## Accounts Payable Check Statuses

Each accounts payable check has one of the following statuses to indicate its stage in processing:

- *On Hold*: Generally, this status is used for a check that is a draft. This is the default status for new checks if the **Hold Documents on Entry** check box is selected on the [Accounts Payable Preferences](#) (AP101000) form or if approvals have been configured for checks. You cannot apply a check with

the *On Hold* status to bills or adjustments. Also, you cannot take a check off hold if the payment method requires the printing of the check and it has not yet been printed.

- *Pending Approval*: If approvals have been configured for checks, the check is assigned this status after you take it off hold; it needs to be approved by responsible approvers assigned according to the approval map specified on the **Approval** tab of the [Accounts Payable Preferences](#) form.
- *Rejected*: If approvals have been configured for checks, this status indicates that the check has been rejected by at least one assigned approver. You can delete a document with this status or select the **On Hold** check box, edit the document, and again submit it for approval.
- *Pending Print*: If printing is required, the system assigns an accounts payable check this status after it has been taken off hold or approved (if required); the status indicates that the check has not been printed yet. You can print it on the [Process Payments / Print Checks](#) (AP505000) form, which you open by clicking **Actions > Print Check**.
- *Printed*: If printing is required, after the check is taken off hold and the check has been printed, the system changes the status of the accounts payable check to *Printed*. A check with this status can be released.
- *Balanced*: If no additional processing is required (approval or printing), the system assigns the check this status when it is taken off hold. If approval is required and printing is not required, the system assigns the check this status when it is approved by responsible approvers. A check with this status can be released.
- *Closed*: This status indicates that the check has been released.
- *Voided*: This status indicates that the check has been voided.

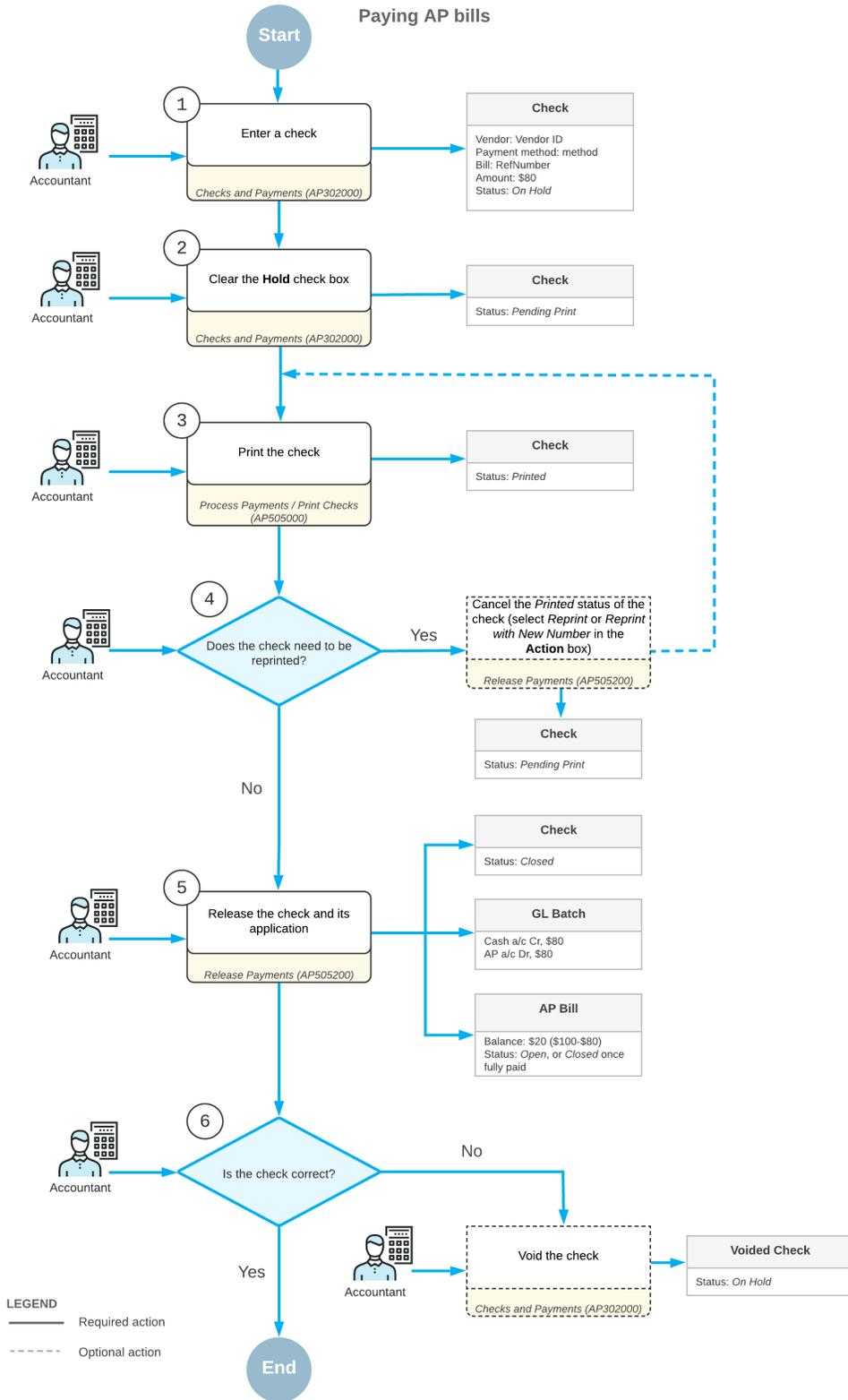
## Printing of AP Checks

You print the physical checks for accounts payable checks by using the [Process Payments / Print Checks](#) (AP505000) form.

Check printing is required for accounts payable checks if their payment methods have the **Print Checks** check box selected on the [Payment Methods](#) (CA204000) form.

## Process Diagram

The following diagram illustrates the workflow of processing AP checks that need to be printed.



**Figure: Paying AP bills**

## AP Bill Payments: Generated Transactions

When a check is released, a batch is created with transactions reducing the balances of the cash account and the vendor's accounts payable account.

Releasing an accounts payable check creates a batch of the following accounting transactions.

Account	Debit	Credit
Cash account	0.00	Amount
Accounts Payable	Amount	0.00

AP checks that do not require printing of checks (for example, those to be paid by a wire transfer) can be released regardless of the moment when they are actually paid.

When a check is released, a batch is created with transactions reducing the balances of the cash account and the vendor's AP account. If the payment is released at the proper time, before the cash discount date, a cash discount can be earned (and deducted from the check amount).

Releasing a check creates a batch of the following accounting transactions.

Account	Debit	Credit
Cash account	0.00	Amount – cash discount
Accounts Payable	Amount	0.00
Cash discount account	0.00	Cash discount

If a check is paid in a foreign currency, the following additional accounts may be involved:

- *Realized Gain Account* or *Realized Loss Account*: The balance of one of these accounts is updated by the amount resulting from different currency exchange rates on the date of the bill and the date when the bill has been paid.
- *Rounding Gain Account* or *Rounding Loss Account*: The balance of one of these accounts is updated by the amount resulting from rounding the sum of the document details to the document total.

## AP Bill Payments: Mass Processing of Documents

This chapter explains how to release and print multiple checks and the rules that the system uses to group the prepared documents.

### Mass Printing of Checks

To print checks in bulk, you use the [Process Payments / Print Checks](#) (AP505000) form. To print multiple checks, you select check boxes next to the needed checks in the table and click **Process** on the form toolbar or click **Process All** to print all the checks listed in the table.

### Mass Processing of Checks

To pay multiple vendor bills, you use the [Prepare Payments](#) (AP503000) form where you specify the *CHECK* payment method and select documents for payment by vendor, pay date, due date, and cash discount date.

When you click **Process** or **Process All** on the form toolbar, the system prints the selected checks, grouping the documents into a single check for each vendor unless the **Pay Separately** option is selected for the vendor; for such vendors, a separate check will be generated for each document.

## Mass Release of Checks

You release multiple checks that have already been printed on the [Release Payments](#) (AP505200) form. To release multiple checks, you select check boxes next to the needed checks in the table and click **Process** on the form toolbar or click **Process All** to release all the checks listed in the table.

## AP Bill Payments: Process Activity

The following activity will walk you through the process of creating a check payment of an AP bill.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that on 1/30/2020, the SweetLife Fruits & Jams company has to pay an AP bill in the amount of \$177 for the purchase of office supplies from Spectra Stationery Office. The company usually pays such bills by check and sends the check to the vendor.

Acting as a SweetLife accountant, you need to create a check payment in the system, release it, and print the check to be sent to the vendor.

### Configuration Overview

For the purposes of this lesson, the following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:

- *Standard Financials*, which provides the standard financial functionality
- *Multi-Branch Support*, which supports multiple branches in your instance of Acumatica ERP

On the [Accounts Payable Preferences](#) (AP101000) form, the **Hold Documents on Entry** check box has been selected in the **Data Entry Settings** section.

On the [Vendors](#) (AP303000) form, the *STATOFFICE* (*Spectra Stationery Office*) vendor has been configured. This vendor has the *CHECK* payment method specified as the default one.

### Process Overview

You create a check on the [Checks and Payments](#) (AP302000) form. You then print the check on the [Process Payments / Print Checks](#) (AP505000) form and release the check on the [Release Payments](#) (AP505200) form.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:

- Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2020*. If a different date is displayed, click the Business Date menu button and select *1/30/2020*. For simplicity, in this process activity, you will create and process all documents in the system on this business date.
  3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step 1: Creating a Check

To create a check, do the following:

1. Open the [Checks and Payments](#) (AP302000) form.
2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:
  - **Type:** *Check* (inserted by default)
  - **Vendor:** *STATOFFICE*
  - **Payment Method:** *CHECK* (inserted automatically based on the selected vendor)
  - **Payment Amount:** *177*
  - **Application Date:** *1/30/2020* (inserted by default)
  - **Description:** *Office supplies*
3. On the **Documents to Apply** tab, click **Add Row** on the table toolbar and in the **Reference Nbr.** column for the added row, select the bill in the amount of \$177.
4. In the Summary area, clear the **Hold** check box.

The status of the check has changed to *Pending Print*, as shown in the following screenshot.

The screenshot shows the 'Checks and Payments' form in Acumatica ERP. The 'Status' field is highlighted in red and contains the text 'Pending Print'. Below the form, the 'DOCUMENTS TO APPLY' tab is active, showing a table with the following data:

Branch	Document Type	Reference Nbr.	Amount Paid	Cash Discount Taken	With. Tax	Date	Due Date	Cash Discount Date	Cross Rate	Balance	Cash Discount Balance	With. Tax Balance	Description	Currency	Post Period	Vendor Ref.
HEADOFFICE	Bill	000039	177.00	0.00	0.00	1/10/2020	2/9/2020	2/9/2020	1.00000000	0.00	0.00	0.00	Office supplies	USD	01-2020	

**Figure: The check payment ready for printing**

## Step 2: Printing the Check

To print the check, do the following:

1. While you are still on the [Checks and Payments](#) (AP302000) form, on the form toolbar, click **Actions > Print Check**.

The system navigates to the [Process Payments / Print Checks](#) (AP505000) form.

2. Review the details of the check selected in the row with the unlabeled check box selected for it.
3. On the form toolbar, click **Process**.

A separate browser tab is opened showing the printable version of the check.

4. Review the printable version of the check and close the browser tab. (For the purposes of this activity, you do not need to actually print the check.)



In a production setting, you would click **Print** on the form toolbar to print the check before closing the browser tab.

## Step 3: Releasing the Check

To release the check, do the following:

1. On the [Release Payments](#) (AP505200) form, which the system has opened, review the details of the check you are going to release.
2. On the form toolbar, click **Process**.
3. Open the [Checks and Payments](#) (AP3020PL) form.
4. Open the check you have just released. (It should be the top record in the table and have the *Closed* status.)
5. On the **Application History** tab, click the link in the **Batch Number** column to review the batch generated by the system.
6. On the [Journal Transactions](#) (GL301000) form that the system opens, review the batch details.

## AP Bill Payments: Related Reports and Inquiries

This topic describes reports, inquiries, and forms you may review to gather information about AP checks.



If you do not see a report or inquiry, this could mean that you have signed in to the system with a user account that does not have access rights to a form. Sign in as the *admin* user, or contact your system administrator.

## Reviewing Checks Pending Printing

You can use the [Checks Pending Printing](#) (AP404000) form to review which checks on the specified pay date have not been printed yet. You can initiate check printing from this form by clicking **Print Checks**

on the form toolbar. The system navigates to the [Process Payments / Print Checks](#) (AP505000) form, where you can print checks.

## Running a Report of Checks Pending Printing

You can use the [Checks Pending Printing](#) (AP612500) form to review a report on checks that have not yet been printed.

## Reviewing Vendor Documents

You use the [Vendor Details](#) (AP402000) form to review the accounts payable documents (bills, debit and credit adjustments, and checks) for a particular vendor.

By default, the form displays the list of open vendor documents (that is, those with the *Open* status), but you can add to the list closed documents and unreleased documents by selecting the **Show All Documents** and **Include Unreleased Documents** check boxes, respectively.

## Running the Check Register Inquiry

You use the [Check Register](#) (AP404500) form to review the details of the checks that have been generated in the system. By using this inquiry form, you can find out whether a particular check number has been used and, if it has, for which AP check.

If you have reprinted a check with a new number or voided a check, the system does not allow this number to be reused. The inquiry displays the check numbers of all checks, including those have been reprinted or voided.

# Lesson 3.5: Correcting AP Bills

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## Debit and Credit Adjustments: General Information

Once it has been released, an accounts payable document cannot be edited or deleted; to correct it, you can issue an adjustment. Debit adjustments decrease the accounts payable balance, and credit adjustments increase the accounts payable balance (that is, they increase your company's liabilities).

An open accounts payable bill can be reversed. When you reverse a bill, the system automatically creates a debit adjustment with the same details. Before you save the adjustment, you should type another **Vendor Reference** value if the **Raise an Error On Duplicate Vendor Reference Number** check box is selected on the [Accounts Payable Preferences](#) (AP101000) form.

## Learning Objectives

From reading the topics in this chapter and completing the process activity, you will learn how to do the following:

- Create and release a debit adjustment
- Apply the debit adjustment to an open AP bill
- Create and release a credit adjustment for a released AP bill

## Applicable Scenarios

You create a debit adjustment to decrease the amount you owe to a vendor. You create a credit adjustment to increase the amount you owe to a vendor.

## Debit Adjustment Processing

You can create a debit adjustment to account for a vendor's credit memo, or you can use it as a clearing document to correct errors on an existing bill or credit adjustment. A debit adjustment may be created as a request for a vendor refund (for example, for damaged items or an overpaid bill) or it can be directly applied against bills or credit adjustments.

You can enter a debit adjustment by using the [Bills and Adjustments](#) (AP301000) form. The summary of a debit adjustment includes information about the vendor, the vendor location, and the currency used for the transaction.

A debit adjustment should contain at least one line. The adjustment can have a summary line or any number of detail lines.



We recommend that when you enter a document, you include all the details available in the original vendor document.

When it is first saved, a debit adjustment is automatically assigned a unique identifier that makes it possible to track the debit adjustment through the system. The system generates this identifier according to the numbering sequence assigned to debit adjustments on the [Accounts Payable Preferences](#) (AP101000) form.

To facilitate auditing and user reference, you can attach to each debit adjustment an electronic version or a scanned image of the original vendor document or internal document. Also, you can attach a related document to each line of the document.

Generally, a debit adjustment is not linked to a bill or other document that it is related to. You may include a reference to the original document (bill or prepayment) in the description of the adjustment and a reference to the related vendor document in the **Vendor Reference** box. If the **Raise an Error on Duplicate Vendor Reference Number** check box is cleared on the [Accounts Payable Preferences](#) (AP101000) form, then you can use the same reference number (of the original vendor document) on both the bill and the related debit adjustment; this will make it easier to find both the bill and the adjustment.

Each adjustment has one of the following statuses, which tells you its stage in processing:

- **On Hold:** Generally, this status is used for an adjustment that is a draft. This is the default status for new documents if the **Hold Documents on Entry** check box is selected on the [Accounts Payable Preferences](#) (AP101000) form. A credit adjustment with the *On Hold* status can be edited.
- **Balanced:** After editing is completed, a *Balanced* adjustment may be saved only if it remains balanced. If the **Validate Document Totals on Entry** check box is selected on the [Accounts Payable Preferences](#) form, you can take an adjustment off hold only if you correctly type the document control total.
- **Pending Approval:** If approvals are enabled in your system, after an adjustment (that is subject to approval) is created, saved, and taken off hold, the system assigns this status to the adjustment. The adjustment needs to be approved by responsible approvers assigned according to the approval map specified on the **Approval** tab of the [Accounts Payable Preferences](#) form.

- *Rejected*: If approvals are enabled in your system and at least one approver rejects an adjustment, the system assigns this status to the adjustment. You can delete a document with this status or select the **On Hold** check box, edit the document, and submit it for the approval.
- *Open*: This status reflects that the document has been released and may be applied against bills and credit adjustments. The status remains *Open* until the unapplied balance becomes zero.
- *Closed*: This status means that the unapplied balance of the document is zero.

Released debit adjustments may be matched against any bills and credit adjustments of the same vendor or may be used to offset vendor refunds. Released debit adjustments appear on the [Checks and Payments](#) (AP302000) form and can be applied against credit adjustments and bills.



When you create an accounts payable check and load the documents to be paid, the debit adjustments appear at the top of the list so that you don't forget to apply them.

## Credit Adjustment Processing

An accounts payable credit adjustment may be used to correct errors in an existing bill or to account for a vendor's debit memo. Posting a credit adjustment increases the balance of accounts payable.

You can enter a credit adjustment by using the [Bills and Adjustments](#) (AP301000) form. The summary of a credit adjustment includes information about the vendor, the vendor location, and the currency used for the transaction.

A credit adjustment should contain at least one line. The adjustment can have a summary line or any number of detail lines.



We recommend that when you enter a document, you include all the details available in the original vendor document.

To facilitate auditing and user reference, you can attach to each adjustment an electronic version or a scanned image of the original vendor document. Also, you can attach a related document to each line of the document.

When it is first saved, a credit adjustment is automatically assigned a unique identifier that lets you track the credit adjustment through the system. The system generates this identifier according to the numbering sequence assigned to credit adjustments on the [Accounts Payable Preferences](#) (AP101000) form.

If automatic calculation of taxes is configured in your system, the system calculates the applicable taxes for each credit adjustment and records the tax amounts to the document. For details, see [Tax Calculation](#). If your system is integrated with the AvaTax service of Avalara or other specialized third-party software, the applicable taxes are calculated by this service or software and recorded to the document when you save it. For an overview of this integration, see [Online Integration with Avalara AvaTax](#).

A credit adjustment has no reference to a bill that it is related to. You may include a reference to the original document (bill or prepayment) in the description of the adjustment and a reference to the related vendor document in the **Vendor Reference** box. If the **Raise Error On Invoice Number Duplicates** option is not selected on the [Accounts Payable Preferences](#) (AP101000) form, then you can use the reference number of the original vendor document on both the bill and the related credit adjustment; this will make it easier to find both the bill and the adjustment.

Each adjustment has one of the following statuses, which tells you its stage in processing:

- *On Hold*: Generally, this status is used for an adjustment that is a draft. This is the default status for new documents if the **Hold Documents on Entry** check box is selected on the [Accounts Payable Preferences](#) (AP101000) form. A credit adjustment with the *On Hold* status can be edited.
- *Balanced*: After editing is completed, a *Balanced* adjustment may be saved only if it remains balanced. If the **Validate Document Totals on Entry** option is selected on the [Accounts Payable Preferences](#) form, you can take an adjustment off hold only if you correctly type the document control total.
- *Open*: The document has been released (and approved, if required).
- *Closed*: The document has been paid.

Once it has been released, a credit adjustment cannot be edited or deleted; you only can reverse it. If you reverse the adjustment, the system generates a debit adjustment with the same details. Before you save the debit adjustment, you should type another **Vendor Reference** value if the **Raise an Error on Duplicate Vendor Reference Number** option is selected on the [Accounts Payable Preferences](#) (AP101000) form.

You can pay adjustments individually by using the [Bills and Adjustments](#) (AP302000) form. Also, adjustments can be paid in bulk along with the bills on the [Prepare Payments](#) (AP503000) form. For details on payments, see [Paying Multiple AP Bills](#).

## Debit and Credit Adjustments: Mass Processing

This chapter explains how to release multiple AP debit and credit adjustments and the rules that the system uses to group the prepared documents.

You can release debit and credit adjustments in bulk by using the [Release AP Documents](#) (AP501000) form.

## Debit and Credit Adjustments: To Process a Debit Adjustment

The following activity will walk you through the process of creating and releasing a debit adjustment and applying it to a bill.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that on February 11, 2020, SweetLife Fruits & Jams received a credit memo from Spectra Stationery Office, which gave them a \$5 discount for the bill of \$100.

Acting as a SweetLife accountant, you will need to process the vendor's credit memo as a debit adjustment that reduces the outstanding balance of the bill.

## Process Overview

You create a debit adjustment on the *Bills and Adjustments* (AP301000) form. You then release the debit adjustment and apply it to the needed bill on the *Checks and Payments* (AP302000) form.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, click the Business Date menu button and select *2/11/2020*. For simplicity, in this exercise, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Creating a Debit Adjustment

To create a debit adjustment, do the following:

1. Open the *Bills and Adjustments* (AP301000) form.
2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:
  - **Type:** *Debit Adj.*
  - **Vendor:** *STATOFFICE*
  - **Date:** *2/11/2020*
  - **Description:** *Discount from vendor*
3. On the **Document Details** tab, click **Add Row** and specify the following settings for the added row:
  - **Branch:** *HEADOFFICE*
  - **Transaction Descr.:** *Discount from vendor*
  - **Ext. Cost:** *5.00*
4. In the Summary area of the form, click **Save**.

## Step 2: Releasing the Debit Adjustment

To release the debit adjustment, do the following:

1. While you are still on the *Bills and Adjustments* (AP301000) form, clear the **Hold** check box in the Summary area.

This gives the debit adjustment the *Balanced* status. You can release only documents that have this status.

2. On the form toolbar, click **Release**.

This gives the debit adjustment the *Open* status.

3. On the **Financial Details** tab, click the batch number to review the batch that the system has generated. Notice that the debit journal entry reduces the balance of the 20000 (*Accounts Payable*) account by \$5.

### Step 3: Applying the Debit Adjustment to the Bill

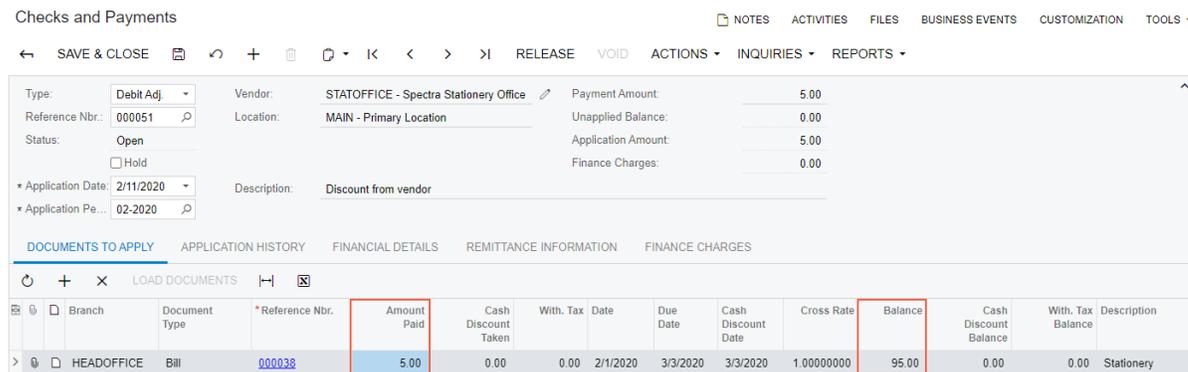
To apply the debit adjustment to the bill, do the following:

1. While you are still on the *Bills and Adjustments* (AP301000) form, on the form toolbar click **Actions > Pay Bill/Apply Adjustment**.

The system navigates to the *Checks and Payments* (AP302000) form.

2. On the *Checks and Payments* form, in the **Application Date** box, select 2/11/2020.
3. On the table toolbar of the **Documents to Apply** tab, click **Add Row** and in the **Reference Nbr.** column, select the \$100 bill.

By default, the system applies the full amount of the debit adjustment (\$5) to the bill. After you apply the debit adjustment, \$95 (\$100 – \$5) remains on the balance of the bill, which is displayed in the **Balance** column. The debit adjustment applied to the bill is shown in the following screenshot.



**Figure: The application of the debit adjustment before release**

4. On the form toolbar, click **Release** to release the application.

The debit adjustment gets the *Closed* status because the full balance of the debit adjustment has been applied.

## Debit and Credit Adjustments: To Process a Credit Adjustment

The following activity will walk you through the process of creating and releasing a credit adjustment.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that on February 11, 2020, SweetLife Fruits & Jams received a debit memo from Wingman Printing Company. The document charges SweetLife an additional \$20 for the delayed payment of a bill.

Acting as a SweetLife accountant, you need to process the vendor's debit memo by creating a credit adjustment in the system.

### Process Overview

You create and release a credit adjustment on the [Bills and Adjustments](#) (AP301000) form.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *2/11/2020*. If a different date is displayed, click the Business Date menu button and select *2/11/2020*. For simplicity, in this exercise, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step 1: Creating a Credit Adjustment

To create a credit adjustment, do the following:

1. Open the [Bills and Adjustments](#) (AP301000) form.
2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:
  - **Type:** *Credit Adj.*

- **Vendor:** *PRINTICO*
  - **Date:** *2/11/2020* (the current business date, which is inserted by default)
  - **Description:** *Charge for delayed payment*
3. On the **Document Details** tab, click **Add Row** and specify the following settings for the added row:
- **Branch:** *HEADOFFICE*
  - **Transaction Descr.:** *Charge for delayed payment*
  - **Ext. Cost:** *20.00*
4. On the form toolbar, click **Save**.

## Step 2: Releasing the Credit Adjustment

To release the credit adjustment, do the following:

1. While you are still on the *Bills and Adjustments* (AP301000) form, clear the **Hold** check box in the Summary area.

This gives the credit adjustment the *Balanced* status. You can release only documents that have this status.

2. On the form toolbar, click **Release**.

This gives the credit adjustment the *Open* status. The released credit adjustment is shown in the following screenshot.

Bills and Adjustments

SAVE & CLOSE | RELEASE | ACTIONS | INQUIRIES | REPORTS | 00:00:01

Type: Credit Adj | Vendor: PRINTICO - Wingman Printing Company | Detail Total: 20.00  
 Reference Nbr: 000052 | Location: MAIN - Primary Location | Discount Total: 0.00  
 Status: Open | Terms: 30D - 30 Days | VAT Taxable Total: 0.00  
 Hold | Due Date: 3/12/2020 | VAT Exempt Total: 0.00  
 Date: 2/11/2020 | Cash Discount: 3/12/2020 | Tax Total: 0.00  
 Post Period: 02-2020 | With Tax: 0.00  
 Vendor Ref.: | Balance: 20.00  
 Amount: 20.00  
 Description: Charge for delayed payment | Cash Discount: 0.00

DOCUMENT DETAILS | FINANCIAL DETAILS | TAX DETAILS | APPLICATIONS

Branch	Inventory ID	Transaction Descr.	Quantity	UOM	Unit Cost	Ext. Cost	Discount Amount	Amount	Account	Description	Project	Project Task
HEADOFFICE		Charge for delayed payment	0.00		0.0000	20.00	0.00	20.00	81000	Other Expenses	X	

**Figure: The released credit adjustment**

3. On the **Financial Details** tab, click the number of the batch that was generated on release of the credit adjustment and review the batch on the *Journal Transactions* (GL301000) form, which is opened.

## Debit and Credit Adjustments: Related Reports and Inquiries

This topic describes reports, inquiries, and forms you may review to gather information about debit and credit adjustments and how they affect vendor balances.



If you do not see a report or inquiry, this could mean that you have signed in to the system with a user account that does not have access rights to a form. Sign in as the *admin* user, or contact your system administrator.

### Reviewing the Vendor's Outstanding Balance

You use the [Vendor Details](#) (AP402000) form to review the outstanding balance of a particular vendor. The debit adjustments you create in the system decrease the outstanding balance of the vendor, and the credit adjustments increase the outstanding balance.

### Reviewing the Vendor's Balance and Documents

You run the [AP Balance by Vendor](#) (AP632500) report to review the balance and documents of a particular vendor for a particular period.

## Lesson 3.6: Paying Multiple Bills

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### Multiple Bill Payments: General Information

You can initiate the process of paying multiple bills automatically on the [Prepare Payments](#) (AP503000) form. You can select bills for payment by payment date, cash account, payment method, vendor, and discount availability. Accounts payable checks will be created for the selected bills and grouped by vendor. For a specific bill, you may require a separate check if the **Pay Separately** option was selected for this bill. Also, if the **Pay Separately** option is selected for the vendor on the [Vendors](#) (AP303000) form, each bill or credit adjustment of the vendor will be paid by a separate accounts payable check.

### Learning Objectives

From reading the topics in this chapter and completing the process activity, you will learn how to do the following:

- Select the bills to be paid
- Prepare and release payments for multiple bills

### Applicable Scenarios

You prepare a payment to pay multiple bills when you have multiple bills from the same vendor, which are due within the same date.

## Payment Processing

To pay multiple bills, you have to create a payment: a document that represents the payment in the system. You use the [Prepare Payments](#) (AP503000) form to generate a payment for multiple bills of the same vendor.

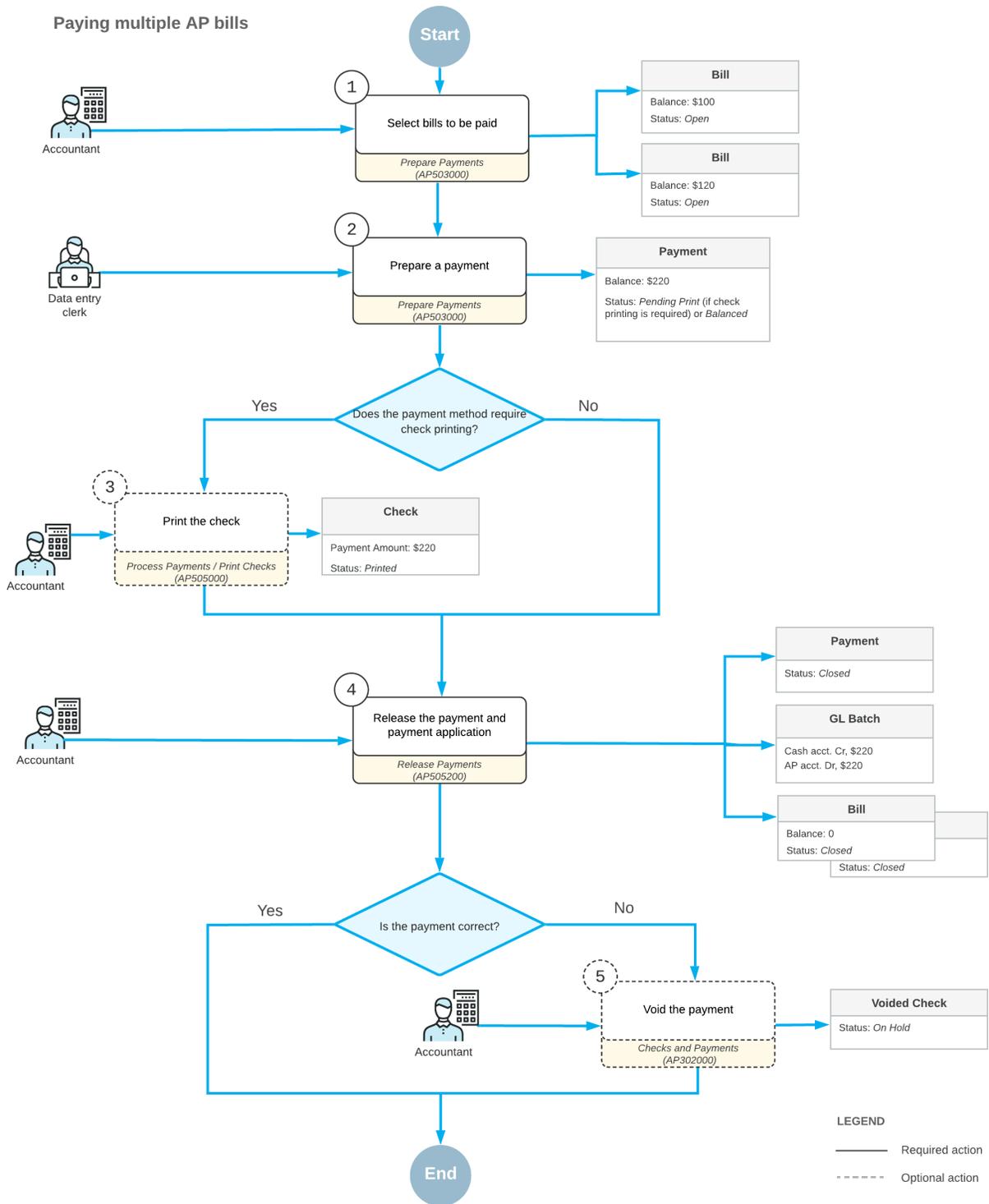
During processing, a payment can have the following statuses.

**Table: AP payment statuses**

Status	Description
<i>On Hold</i>	The payment is being edited and cannot be released. The system assigns this status to each created payment by default if the <b>Hold Documents on Entry</b> check box is selected on the <a href="#">Accounts Payable Preferences</a> (AP101000) form.
<i>Pending Approval</i>	The payment needs to be approved before it is processed by the responsible person or persons. The system can assign this status to a payment to be approved once it is removed from hold or when the payment is created if the <b>Hold Documents on Entry</b> check box is cleared on the <a href="#">Accounts Payable Preferences</a> form. This status can be assigned to the payment only if the <i>Approval Workflow</i> feature is enabled on the <a href="#">Enable/Disable Features</a> (CS100000) form.
<i>Rejected</i>	The payment has been rejected by at least one assigned approver. The system can assign this status to the bill only if the <i>Approval Workflow</i> feature is enabled on the <a href="#">Enable/Disable Features</a> form.
<i>Pending Print</i>	The payment must be printed or processed before it can be released.
<i>Printed</i>	The payment is ready and can be released. The system assigns this status to payments that have been processed (if the payment method requires that payments undergo additional processing).
<i>Balanced</i>	The payment is ready to be released. The system assigns this status to payments whose payment method does not require the payments to undergo additional processing. (An approved payment is assigned this status if its payment method does not require the payment to undergo additional processing.)
<i>Open</i>	The payment has been released and still has an unapplied balance (meaning that the application amount is less than the payment amount).
<i>Reserved</i>	The payment has been released and then put on hold to be excluded from the auto-application process.
<i>Closed</i>	The payment has been released and fully applied to the appropriate bill or bills.
<i>Voided</i>	The payment has been voided.

## Process Diagram

The following diagram illustrates the payment processing workflow.



**Figure: Paying multiple AP bills**

## Multiple Bill Payments: Generated Transactions

When a payment is released, a batch is created with transactions reducing the balances of the cash account and the vendor's accounts payable account.



If the payment is released at the proper time, before the cash discount date, a cash discount can be earned (and deducted from the check amount). This business process does not cover cash discounts.

Releasing an accounts payable check creates a batch of the following transaction.

Account	Debit	Credit
Cash account	0.00	Amount
Accounts Payable	Amount	0.00

## Multiple Bill Payments: Process Activity

The following activity will walk you through the process of creating and releasing a payment of multiple bills.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that the SweetLife Fruits & Jams company occasionally buys glass jars and packaging for its products from the Jar Co. company (JARCO). Several bills for Jar Co. were entered in the system and the company wants to pay all of them by one payment. Also, another vendor, Frontsource Ltd. (FRONTSRC) asked SweetLife to pay their bills in separate payments and there are two bills in the amount of \$153 and \$62 that should be paid together with the Jar Co. bills.

Acting as a SweetLife accountant, you need to prepare a payment to pay bills in the amount of \$45.50, \$207, and \$173.50 for the JARCO vendor and the two \$153 and \$62 bills for the FRONTSRC vendor.

### Configuration Overview

For the purposes of this lesson, the following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:

- *Standard Financials*, which provides the standard financial functionality
- *Multi-Branch Support*, which supports multiple branches in your instance of Acumatica ERP

On the [Accounts Payable Preferences](#) (AP101000) form, the **Hold Documents on Entry** check box has been selected in the **Data Entry Settings** section.

On the [Vendors](#) (AP303000) form, the *JARCO (Jar Co.)* and *FRONTSRC (Frontsource Ltd.)* vendors have been configured. These vendors have the *CHECK* payment method specified as the default one.

### Process Overview

You use the [Prepare Payments](#) (AP503000) form to prepare one payment for multiple bills for each vendor and review the available balance of the bank account. You then print the checks on the [Process Payments / Print Checks](#) (AP505000) form and release the payments on the [Release Payments](#) (AP505200) form.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, click the Business Date menu button and select *2/1/2020*. For simplicity, in this process activity, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step 1: Selecting the Bills to be Paid

To select the bills to be paid, do the following:

1. Open the [Prepare Payments](#) (AP503000) form.
2. In the Summary area of the form, specify the following selection criteria to filter the data shown in the table:
  - **Branch:** *HEADOFFICE* (inserted by default based on the selected branch)
  - **Payment Method:** *CHECK*
  - **Cash Account:** *10200WH - Wholesale Checking*
  - **Payment Date:** *2/1/2020* (the current business date, which is inserted by default)
  - **Vendor:** Empty
  - **Pay Date Within:** Cleared
3. In the table, review the three AP bills of the JARCO vendor for the amount of \$45.50, \$207, and \$173.50 and the two bills for the FRONTSRC vendor in the amount of \$153 and \$62. Notice that these two bills have the check box selected in the **Pay Separately** column.
4. Click the unlabeled check box in the row of each of the bills, and review the informational **Selection Total**, **Number of Rows Selected**, and **Available Balance** boxes in the Summary area. This information shows that there are 5 rows selected to be paid in the total amount of \$641, as shown in the following screenshot.

Prepare Payments ☆ CUSTOMIZATION TOOLS ▾

PROCESS PROCESS ALL ▾

Branch: HEADOFFICE - SweetLife Head Office

Payment Meth: CHECK

Cash Account: 10200WH - Wholesale Checking

Payment Date: 2/1/2020

Post Period: 02-2020

Vendor: [ ]

Pay Date Within: 7 Days

Due Date Within: 7 Days

Cash Discount Expires Within: 7 Days

Always Take Cash Discount:

GL Balance: 183,267.67

Available Bala...: 183,077.67

Selection Total: 641.00

Number of Ro...: 5

DOCUMENTS TO PAY EXCEPTIONS

Document Type	Reference Nbr.	Vendor ID	Vendor Name	Location	Pay Separately	Pay Date	Due Date	Cash Discount Date	Date	Amount Paid	Cash Discount Taken	Balance	Cash Discount Balance	Currency	Vendor Ref.
<input type="checkbox"/>	Bill 000006	JARCO	Jar Co.	MAIN	<input type="checkbox"/>	2/10/2020	2/10/2020	2/10/2020	1/11/2020	135.00	0.00	0.00	0.00	USD	
<input type="checkbox"/>	Bill 000007	JARCO	Jar Co.	MAIN	<input type="checkbox"/>	2/16/2020	2/16/2020	2/16/2020	1/17/2020	72.00	0.00	0.00	0.00	USD	
<input type="checkbox"/>	Bill 000011	PRINTICO	Wingman Printing Company	MAIN	<input type="checkbox"/>	2/17/2020	2/17/2020	2/17/2020	1/18/2020	799.00	0.00	0.00	0.00	USD	
<input type="checkbox"/>	Bill 000015	STATOFFICE	Spectra Stationery Office	MAIN	<input type="checkbox"/>	2/28/2020	2/28/2020	2/28/2020	1/29/2020	342.00	0.00	0.00	0.00	USD	
<input type="checkbox"/>	Bill 000038	STATOFFICE	Spectra Stationery Office	MAIN	<input type="checkbox"/>	3/3/2020	3/3/2020	3/3/2020	2/1/2020	95.00	0.00	0.00	0.00	USD	
<input type="checkbox"/>	Bill 000040	PRINTICO	Wingman Printing Company	MAIN	<input type="checkbox"/>	2/22/2020	2/22/2020	2/22/2020	1/23/2020	425.00	0.00	0.00	0.00	USD	
<input checked="" type="checkbox"/>	Bill 000042	FRONTSRC	Frontsource Ltd.	MAIN	<input checked="" type="checkbox"/>	2/1/2020	2/1/2020	2/1/2020	1/2/2020	153.00	0.00	0.00	0.00	USD	
<input checked="" type="checkbox"/>	Bill 000043	FRONTSRC	Frontsource Ltd.	MAIN	<input checked="" type="checkbox"/>	2/2/2020	2/2/2020	2/2/2020	1/3/2020	62.00	0.00	0.00	0.00	USD	
<input checked="" type="checkbox"/>	Bill 000044	JARCO	Jar Co.	MAIN	<input type="checkbox"/>	2/2/2020	2/2/2020	2/2/2020	1/3/2020	45.50	0.00	0.00	0.00	USD	
<input checked="" type="checkbox"/>	Bill 000045	JARCO	Jar Co.	MAIN	<input type="checkbox"/>	2/3/2020	2/3/2020	2/3/2020	1/4/2020	207.00	0.00	0.00	0.00	USD	
<input checked="" type="checkbox"/>	Bill 000046	JARCO	Jar Co.	MAIN	<input type="checkbox"/>	2/9/2020	2/9/2020	2/9/2020	1/10/2020	173.50	0.00	0.00	0.00	USD	

**Figure: The payment for multiple bills**

## Step 2: Preparing the Payments

To prepare the payments, do the following:

1. While you are still on the [Prepare Payments](#) (AP503000) form, click **Process** on the form toolbar.
2. On the [Process Payments / Print Checks](#) (AP505000) form, which is opened with the checks listed in the table and selected, click **Process**.

A separate browser tab is opened showing the printable version of the checks. Notice that the JARCO bills are paid with one check and the bills for FRONTSRC are paid by two separate checks.

3. Review the printable version of the checks, and close the browser tab. (For the purposes of this process activity, you do not need to actually print the checks.)



In a production setting, you would click **Print** on the form toolbar to print the checks before closing the browser tab.

## Step 3: Releasing the Payments and Reviewing the GL Batches

To release the payments and review the GL batches, do the following:

1. On the [Release Payments](#) (AP505200) form, which the system has opened, notice that the system has added a row with the payments and selected the unlabeled check boxes for them. On the form toolbar, click **Process**.
2. In the **Processing** pop-up window, which is opened, click the **Processed** tab and click the link in the **Reference Nbr.** column for the JARCO check to open the check on the [Checks and Payments](#) (AP302000) form.
3. On the **Application History** tab of the [Checks and Payments](#) form, make sure the three bills to which the payment has been applied are listed in the table.
4. On the **Financial Details** tab, click the link in the **Batch Nbr.** box to review the consolidated batch generated by the system, which is opened on the [Journal Transactions](#) (GL301000) form.

5. In the **Processing** pop-up window, click the link in the **Reference Nbr.** column for one of the FRONTSRC checks.
6. On the **Application History** tab of the [Checks and Payments](#) form, notice that the payment has been applied to one bill.

## Multiple Bill Payments: Related Reports and Inquiries

This topic describes reports, inquiries, and forms you may review to gather information about vendor documents.



If you do not see a report or inquiry, this could mean that you have signed in to the system with a user account that does not have access rights to a form. Sign in as the *admin* user, or contact your system administrator.

### Reviewing Checks Pending Printing

You can use the [Checks Pending Printing](#) (AP404000) form to review which checks on the specified pay date have not been printed yet. You can initiate check printing from this form by clicking **Print Checks** on the form toolbar. The system navigates to the [Process Payments / Print Checks](#) (AP505000) form, where you can print checks.

### Reviewing Vendor Documents

You use the [Vendor Details](#) (AP402000) form to review the accounts payable documents (bills, debit and credit adjustments, and checks) for a particular vendor.

By default, the form displays the list of open vendor documents (that is, those with the *Open* status), but you can add to the list closed documents and unreleased documents by selecting the **Show All Documents** and **Include Unreleased Documents** check boxes, respectively.

### Reviewing Vendor Balances

You use the [Vendor Summary](#) (AP401000) form to review the balances of all vendors for a specified financial period and the total balance due to vendors.

## Lesson 3.7: Processing Prepayments

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### Bill Prepayments: General Information

A prepayment is a type of accounts payable document that you create to record advance payments or down payments to vendors. You can create a prepayment in one of the following ways:

- *Standard way:* First, you enter the vendor's prepayment request on the [Bills and Adjustments](#) (AP301000) form as an internal accounts payable document of the *Prepayment* type. You then create a check to pay for this prepayment request on the [Checks and Payments](#) (AP302000) form. After you release the check, you can apply the prepayment against bills.
- *Simplified way:* You create and release a prepayment directly by using the [Checks and Payments](#) (AP302000) form. This method has some restrictions.

To process a prepayment in the system, you have to first create and release the prepayment request, which denotes the vendor's request for prepayment in the system. A prepayment request is not a financial document; it is an internal document that can be approved (if required in your system) before the prepayment is actually paid to the vendor. The prepayment created through the request can be then applied to outstanding bills and credit adjustments.

## Learning Objectives

From reading the topics in this chapter and completing the process activity, you will learn how to do the following:

- Process a prepayment in the standard way
- Apply the prepayment to a bill
- Enter a vendor refund for a prepayment

## Applicable Scenarios

You create a prepayment in the system when you need to pay a vendor for goods and services before they are provided. You apply a prepayment to a bill or multiple bills of this vendor and if an amount of the prepayment was not used by the vendor, you create a refund for the prepayment.

## Creating Prepayments in the Standard Way

The standard way of creating prepayments involves the following stages:

1. On the *Bills and Adjustments* (AP301000) form, you enter a vendor prepayment request as a document of the *Prepayment* type. You can specify line details (non-stock items or services). If the prepayment is intended for stock items, specify this in the description. When you save the prepayment, the system assigns it a reference number based on the numbering sequence assigned to bills on the *Accounts Payable Preferences* (AP101000) form.

A prepayment may have one summary line or any number of detail lines. You cannot apply or withhold taxes on prepayments, but you can add tax amounts to the prepayment amount for easier calculations.



To facilitate auditing and user reference, you can attach to each prepayment an electronic version or a scanned image of the original vendor document. Also, you can attach a related document to each line of the document.

2. You can release the prepayment requests one by one by using the *Bills and Adjustments* form, or along with other accounts payable documents by using the *Release AP Documents* (AP501000) form.

A prepayment request, when released, does not change the vendor balance and tax obligations because it generates no transactions.

3. If approval is required in your system, the prepayment request must be approved on the *Approve Bills for Payment* (AP502000) form before it can be actually paid.
4. You pay the prepayment by creating an accounts payable check, as you would to pay any other bill, by using the *Checks and Payments* (AP302000) form. The check should be in the same currency and amount as the prepayment request.



Cash discounts do not apply to prepayments.

5. You release the accounts payable check. When you do, the system changes the status of this check to *Closed* and changes the status of the original prepayment to *Open*, so that you can apply this prepayment to bills and credit adjustments. For details, see [Bill Prepayments: To Process a Prepayment](#).

Prepayments created in this way can be paid by any payment method allowed for the particular vendor.

## Creating Prepayments in the Simplified Way

Alternatively, you can create a prepayment more simply, by using the [Checks and Payments](#) (AP302000) form. Such prepayments also may have line details or just one summary line, and you can attach all the related files.



Even if approval of documents is required in your system, prepayments created in this way are not subject to approval.

Also, prepayments created in this way cannot be paid by a payment method that requires the printing of checks, so when you are deciding how to create a prepayment, make sure at least one payment method can be used for this prepayment.

For details, see [To Enter a Prepayment in the Simplified Way](#).

## Applying the Prepayments

You can apply the *Open* prepayment to bills and adjustments. A prepayment may have a balance after it is applied to bills and credit adjustments, and it can be released with balance. When the prepayment application is released, appropriate journal entries to the general ledger are made automatically, and the links to appropriate batches are displayed on the **Application History** tab of the [Checks and Payments](#) (AP302000) form.

If a prepayment was incorrectly applied to bills and adjustments and released, you can reverse the application if needed. To do this, click the **Reverse Application** action on the **Application History** tab of the [Checks and Payments](#) form. You can then apply the prepayment to other bills and adjustments.

## Correcting Errors

The way you can correct errors in prepayments depends on the way you entered it.

If you need to correct errors in a prepayment that you created in the standard way, you have the following options:

- If the prepayment has not been paid, you can void it at any time by clicking **Void** on the form toolbar of the [Bills and Adjustments](#) (AP301000) form for the selected prepayment.
- If there were errors detected for a paid prepayment, you should create an adjustment instead of voiding the prepayment.
- If the prepayment has been paid, you void the associated accounts payable check.

If you need to void a prepayment that you created in the simplified way, you select the prepayment on the [Checks and Payments](#) (AP302000) form and click **Void** on the form toolbar.

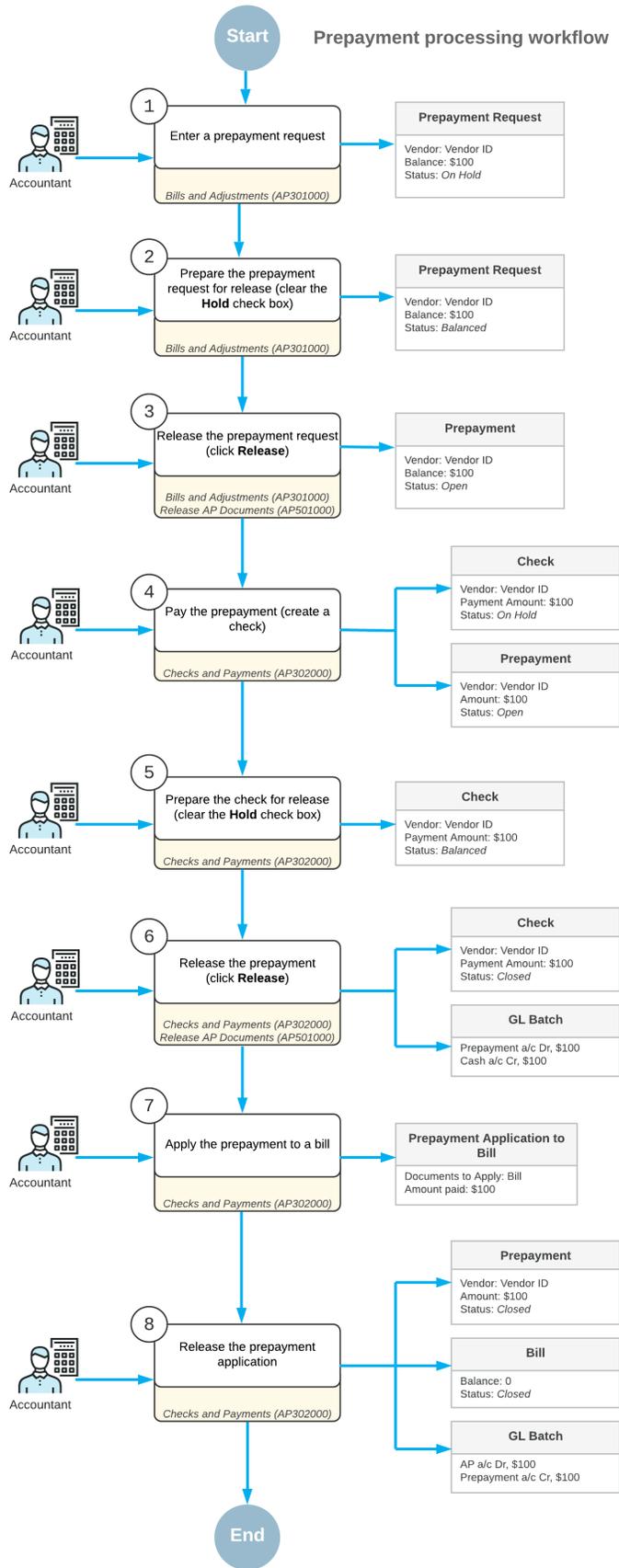


If the prepayment to be voided has been applied, first unapply the prepayment, and then void it.

If a vendor did not use the prepayment or used it only partially, you can enter a refund and apply it against the prepayment. For details, see [Bill Prepayments: To Refund a Prepayment](#).

## Process Diagram

The following diagram illustrates the workflow of prepayment processing.



**Figure: Prepayment processing workflow**

## Bill Prepayments: Generated Transactions

When the prepayment is released, the system generates a batch of the following transactions.

Account	Debit	Credit
Cash account	0.00	Amount
Vendor AP account or Prepayment account	Amount	0.00

If you do not specify a separate account for prepayments, the vendor prepayments will be debited to the vendor AP account.

When a prepayment application is released, the system creates a batch of the following transaction.

Account	Debit	Credit
Prepayment account	0.00	Amount
Accounts Payable	Amount	0.00

## Bill Prepayments: Mass Processing of Documents

This chapter explains how to release multiple prepayments and the rules that the system uses to group the prepared documents.

### Mass Printing of Checks

To print checks in bulk, you use the [Process Payments / Print Checks](#) (AP505000) form. To print multiple checks, you select check boxes next to the needed checks in the table and click **Process** on the form toolbar or click **Process All** to print all the checks listed in the table.

### Mass Release of Prepayments

You release multiple prepayments on the [Release AP Documents](#) (AP501000) form. To release multiple prepayments (checks), you select check boxes next to the needed checks in the table and click **Process** on the form toolbar or click **Process All** to release all the checks listed in the table.

## Bill Prepayments: To Process a Prepayment

The following activity will walk you through the process of creating a prepayment request, making a payment based on the prepayment request, and applying the prepayment to a bill.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that the SweetLife Fruits & Jams company has ordered a new design for the company's printed labels and paper bags from Wingman Printing Company. They requested an advance payment

of \$425 for these services. Further suppose that the prepayment that SweetLife made on January 18, 2020 has to be applied to an AP bill from Wingman Printing Company.

Acting as a SweetLife accountant, you have to record a request for an advance payment of \$425 to the *PRINTICO* vendor. You then need to make a payment by check for the request, and then apply this prepayment to the bill.

## Configuration Overview

For the purposes of this lesson, the following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:

- *Standard Financials*, which provides the standard financial functionality
- *Multi-Branch Support*, which supports multiple branches in your instance of Acumatica ERP

On the [Accounts Payable Preferences](#) (AP101000) form, the **Hold Documents on Entry** check box has been selected in the **Data Entry Settings** section.

On the [Vendors](#) (AP303000) form, the *PRINTICO* (*Wingman Printing Company*) vendor has been configured. This vendor has the *CHECK* payment method specified as the default one.

## Process Overview

To create a prepayment request and a payment, you enter the vendor's prepayment request on the [Bills and Adjustments](#) (AP301000) form. Then you create a payment for this prepayment request on the [Checks and Payments](#) (AP302000) form, and release the check on the [Release Payments](#) (AP505200) form. You apply the prepayment to an AP bill on the [Checks and Payments](#) form and release the application.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, click the Business Date menu button and select *1/18/2020*. For simplicity, in Step 1 and Step 2 of this process activity, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Creating and Releasing a Prepayment Request

To create and release a prepayment request, do the following:

1. Open the [Bills and Adjustments](#) (AP301000) form.
2. On the form toolbar, click **Add New Record** and specify the following settings in the Summary area:

- **Type:** *Prepayment*
  - **Vendor:** *PRINTICO*
  - **Due Date:** *1/18/2020* (the current business date, which is inserted by default)
  - **Post Period:** *01-2020* (inserted by default based on the selected date)
  - **Description:** *Prepayment for label design*
3. On the **Document Details** tab, click **Add Row** on the table toolbar and specify the following settings for the added row:
- **Branch:** *HEADOFFICE* (inserted by default based on the selected branch)
  - **Transaction Desc.:** *Label design*
  - **Ext. Cost:** *425*
  - **Account:** *81000 - Other Expenses* (inserted by default)
4. Clear the **Hold** check box.
5. On the form toolbar, click **Release** to release the prepayment request.

You have created a prepayment request to make the prepayment to the vendor.

## Step 2: Creating a Check to Pay for the Prepayment Request

To create a check to pay for the prepayment request, do the following:

1. While you are still viewing the prepayment request on the [Bills and Adjustments](#) (AP301000) form, on the form toolbar, click **Actions > Pay Bill/Apply Adjustment**.
2. On the [Checks and Payments](#) (AP302000) form, which is opened, review the check and verify that it has the following settings in the Summary area:
  - **Type:** *Check*
  - **Vendor:** *PRINTICO*
  - **Payment Method:** *CHECK*
  - **Payment Amount:** *425*
  - **Application Date:** *1/18/2020*
  - **Description:** *Prepayment for label design*
3. On the **Documents to Apply** tab, verify that there is only one row with the following settings:
  - **Document Type:** *Prepayment*
  - **Reference Nbr.:** the reference number of the document you created in Step 1.
  - **Amount Paid:** *425*

4. Clear the **Hold** check box in the Summary area, and click **Save** on the form toolbar. The following screenshot illustrates the check prepared to pay the prepayment request.

Branch	Document Type	Reference Nbr.	Amount Paid	Cash Discount Taken	With. Tax	Date	Due Date	Cash Discount Date	Cross Rate	Balance	Cash Discount Balance	With. Tax Balance	Description	Currency	Post Period	Vendor Ref.
HEADOFFICE	Prepayment	000053	425.00	0.00	0.00	1/18/2020	1/18/2020		1.00000000	0.00	0.00	0.00	Prepayment for label design	USD	01-2020	

**Figure: The check prepared to pay the prepayment request**

5. On the form toolbar, click **Actions > Print Check**.
6. On the [Process Payments / Print Checks](#) (AP505000) form, which is opened, notice that the system has added a row with the check and selected the unlabeled check box for it. On the form toolbar, click **Process**.

A separate browser tab has opened showing a printable version of the selected check.

7. Review the printable version of the printed check. In a production setting, you would click **Print** on the form toolbar to print the check. Close the browser tab.
8. On the [Release Payments](#) (AP505200) form, which is opened, click **Process**. In the **Processing** pop-up window, which is opened, click **Close**.

You have created a check to pay the prepayment request you created earlier, and printed and released this check. In the next step, you can apply the prepayment to a vendor's bill.

### Step 3: Applying the Prepayment to a Bill

To apply the prepayment to a bill, do the following:

1. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, click the Business Date menu button and change the business date in your system to *1/30/2020*.
2. Open the [Checks and Payments](#) (AP3020PL) form.
3. Select the prepayment with an amount of \$425 and a date of 1/18/2020 as follows:
  - a. Click the **Filter Settings** button on the form toolbar.
  - b. In the **Filter Settings** dialog box which opens, click **Add Row** and specify the following settings:
    - **Property:** *Type*
    - **Condition:** *Equals*
    - **Value:** *Prepayment*
  - c. Click **Apply** and close the dialog box.

4. Click the link in the **Reference Nbr.** column for the \$425 prepayment to open it on the [Checks and Payments](#) (AP302000) form.
5. On the **Documents to Apply** tab, click **Add Row** and specify the following settings in the table:
  - **Document Type:** *Bill*
  - **Reference Nbr.:** Click the magnifier button and in the dialog box that displays, select the bill with an amount of \$425 and dated 1/23/2020.
  - **Amount Paid:** 425 (filled in automatically)

The following screenshot shows the prepayment that has been applied to a bill, but not yet released.

Branch	Document Type	Reference Nbr.	Amount Paid	Cash Discount Taken	With. Tax	Date	Due Date	Cash Discount Date	Cross Rate	Balance	Cash Discount Balance	With. Tax Balance	Description	Currency	Post Period	Vendor Ref.
HEADOFFICE	BILL	000040	425.00	0.00	0.00	1/23/2020	2/22/2020	2/22/2020	1.00000000	0.00	0.00	0.00	Label design	USD	01-2020	

**Figure: The prepayment applied to the AP bill**

6. On the form toolbar, click **Save**, and then click **Release** to save and release the prepayment application to the bill.

You have applied the prepayment you made to the vendor to one of the vendor's bills and released the application.

## Bill Prepayments: To Refund a Prepayment

The following activity will walk you through the process of creating a refund for a prepayment.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that on January 30, 2020, the SweetLife Fruits & Jams company received a refund of \$25 from Compulink and Co. for the unused amount of the \$190 prepayment. Acting as a SweetLife accountant, you need to process this refund in the system.

### Configuration Overview

For the purposes of this lesson, the following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:

- *Standard Financials*, which provides the standard financial functionality
- *Multi-Branch Support*, which supports multiple branches in your instance of Acumatica ERP

On the [Accounts Payable Preferences](#) (AP101000) form, the **Hold Documents on Entry** check box has been selected in the **Data Entry Settings** section.

On the [Vendors](#) (AP303000) form, the *COMPULINK (Compulink and Co.)* vendor has been configured. This vendor has the *CHECK* payment method specified as the default one.

## Process Overview

You create and release a vendor refund on the [Checks and Payments](#) (AP302000) form.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2020*. If a different date is displayed, click the Business Date menu button and select *1/30/2020*. For simplicity, in this process activity, you will create and process the document in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Creating the Refund for the Prepayment

To create the refund for the prepayment, do the following:

1. Open the [Checks and Payments](#) (AP302000) form.
2. On the form toolbar, click **Add New Record** and specify the following settings in the Summary area:
  - **Type:** *Vendor Refund*
  - **Vendor:** *COMPULINK*
  - **Date:** *1/30/2020* (the current business date, which is inserted by default)
  - **Payment Ref.:** *1152020PrepRef*
  - **Description:** *\$25 refund for unused prepayment*
  - **Payment Amount:** *25*

3. On the **Documents to Apply** tab, click **Add Row** on the table toolbar and specify the following settings for the added row:
  - **Document Type:** *Prepayment*
  - **Reference Nbr.:** Click the magnifier button and in the dialog box that displays, select the prepayment with an amount of \$190 and dated 1/15/2020.
  - **Amount Paid:** *25.00*
4. On the form toolbar, click **Save**.

You have created the \$25 vendor refund for the unused amount of the \$190 prepayment, reducing the balance of the prepayment to \$165.

## Step 2: Releasing the Vendor Refund

To release the vendor refund, do the following:

1. While you are still on the *Checks and Payments* (AP302000) form, clear the **Hold** check box in the Summary area to give the vendor refund the *Balanced* status.
2. On the form toolbar, click **Release** to release the vendor refund.

The following screenshot shows the released vendor refund applied to the prepayment, the **Amount Paid** column showing the amount of the vendor refund and the **Balance** column showing the balance of the prepayment.

The screenshot shows the 'Checks and Payments' form with the 'Application History' tab selected. The form displays details for a prepayment with a reference number of 000025. The 'Amount Paid' column shows 25.00, and the 'Balance' column shows 165.00. The table below the form lists the application history with columns for Branch, Batch Number, Doc. Type, Reference Nbr., Amount Paid, Cash Discount Taken, With. Tax, Application Period, Date, Due Date, Cash Discount Date, Balance, Cash Discount Balance, Description, Currency, Post Period, and Vendor Ref.

Branch	Batch Number	Doc. Type	Reference Nbr.	Amount Paid	Cash Discount Taken	With. Tax	Application Period	Date	Due Date	Cash Discount Date	Balance	Cash Discount Balance	Description	Currency	Post Period	Vendor Ref.
HEADOFFICE	AP000078	Prepayment	000025	25.00	0.00	0.00	01-2020	1/15/2020			165.00	0.00	Prepayment for accessories	USD	01-2020	

**Figure: The Application History tab of the Checks and Payments form**

You have released the \$25 vendor refund and applied it to the original \$190 prepayment.

## Bill Prepayments: Related Reports and Inquiries

This topic describes reports, inquiries, and forms you may review to gather information about prepayments and their balances.



If you do not see a report or inquiry, this could mean that you have signed in to the system with a user account that does not have access rights to the particular form. Sign in as the *admin* user, or contact your system administrator.

## Reviewing Prepayment Balances

You use the [Vendor Summary](#) (AP401000) form to review the total prepayment balance of all vendors. The table of this form shows the prepayment balances of the listed vendors.

## Reviewing a Vendor's Prepayments

You use the [Vendor Details](#) (AP402000) form to review the prepayments and the prepayment balance of a particular vendor.

## Reviewing All Prepayments

You run the [AP Balance by GL Account](#) (AP632000) report to view all prepayments collected on the prepayment account. To review the balance of the prepayment account, you select *Account Summary* in the **Report Format** box on the **Report Parameters** tab of the report form.

# Part 4: Accounts Receivable Process

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This part of the course deals with the accounts receivable process and guides you through creating AR invoices, credit memos, illustrates how to prepare customer statements and reconcile AR and GL balances.

For completing the lessons of this part of the course, you will use a company with the *U100* dataset preloaded, which provides a fully configured company with sample data specially designed for this course. The lessons of this part are independent: You can complete the lesson activities in any order.

You need to complete the activities in this part by using user accounts with specific access rights. Each activity provides the credentials to use for sign-in to the prepared *U100* tenant in the *System Preparation* section.

## Lesson 4.1: Configuring Customers

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### Customers: General Information

In Acumatica ERP, each customer account stores all customer-related information you need to conduct business with your company's customers. This information includes addresses, locations, contacts, and payment methods, as well as financial, billing, delivery, and mailing settings. Acumatica ERP provides you with different tools that ease the process of entering customer data and help you to organize this data on reports.

### Learning Objectives

From reading the topics in this chapter and completing the process activity, you will learn how to do the following:

- Create a new customer based on the default customer class
- Review the default settings that the system has inserted from the customer class

### Applicable Scenarios

You add customer accounts in any of the following cases:

- When you initially configure Acumatica ERP and enter the customer base into the system
- When you need to create an account for a new customer of the company

### Entities Needed for Customer Account Setup

Before you start setting up customer accounts in Acumatica ERP, you need to configure the entities that will ease the processes of customer account creation and maintenance.

The needed entities in Acumatica ERP may include the following:

- Customer classes (required): You should ensure that at least one customer class has been set up on the [Customer Classes](#) (AR201000) form. Customer classes provide default values for individual customer accounts, so users can create customer accounts more easily. Besides the class ID and description, which are the required settings of a customer class, it can contain additional elements, such as general settings, delivery elements, credit verification settings, financial settings, print and

email details, general ledger accounts, and mailings. For details, see [Accounts Receivable: Customer Classes](#).

- Customer identifiers (optional): You should make sure that the segmented key used as a template for identifiers of customer accounts suits your needs, and adjust the *BIZACCT* segmented key (or the *CUSTOMER* key) on the [Segmented Keys](#) (CS202000) form if needed.
- General Ledger accounts (required): On the [Chart of Accounts](#) (GL202500) form, you need to create the general ledger accounts to be used to record sales and cash discounts, unless you plan to use the accounts that already exist. You will need to select these already-defined accounts when you create customer accounts. For details, see [To Add an Account to the Chart of Accounts](#).
- Statement cycle (required): You need to ensure that at least one statement cycle has been set up on the [Statement Cycles](#) (AR202800) form, which will be assigned to a customer class (and therefore to all customers that are assigned to this class). For details, see [Customers: Implementation Activity](#).
- Payment methods (required): You need to ensure that at least one payment method to be used for customer payments has been defined on the [Payment Methods](#) (CA204000) form. For details, see [Managing Payment Methods](#).
- Credit terms (optional): You should ensure that each needed set of credit terms that will define the due dates of documents has been set up on the [Credit Terms](#) (CS206500) form. When you set up customer classes, you can assign the appropriate credit terms to classes, which in turn will cause the credit terms to be assigned by default to all new customers of this class. For details, see [Setup of Credit Terms](#).
- Overdue charges (optional): You can set up overdue charges on the [Overdue Charges](#) (AR204500) form, which define additional charges that customers will incur for open documents that are past due and assign the charges to a customer class (which causes them to be assigned by default to all new customers of this class). For details, see [Overdue Charges](#).
- Mailings (optional): You can set up multiple mailings to notify customers about their balances, invoices, sales orders, and other information you want to send to customers on a regular basis. For details, see [Mailings for Customers](#).

## Customers: Implementation Activity

The following activity will walk you through the process of creating a new customer.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that SweetLife Fruits & Jams company wants to create a customer account for one of the local cafes, Prime Cafe, to enable them to buy the SweetLife products on credit, with payments due in 30 days.

Acting as a SweetLife accountant, you need to create the needed customer account in the system.

## Process Overview

You create a new customer on the [Customers](#) (AR303000) form by clicking **Add New Record** on the form toolbar. On the tabs of this form, you specify the customer's address and contact information. You then review the default settings, which the system inserted to the customer account when creating the customer, and then review the credit terms for the customer.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Creating a Customer Account

To create a customer account, do the following:

1. Open the [Customers](#) (AR303000) form.
2. On the form toolbar, click **Add New Record**.
3. In the Summary area, specify the following settings:
  - **Customer ID:** `PRIME`
  - **Status:** *Active*
  - **Customer Class:** *DEFAULT* (inserted automatically)
4. In the **Account Info** section on the **General** tab, specify `Prime Cafe` in the **Account Name** box.
5. On the form toolbar, click **Save**.

## Step 2: Specifying Contact Information and Address

To specify contact information and address for the customer, do the following:

1. On the **General** tab, specify the following settings in the **Primary Contact** section:
  - **Name:** `Scott L Kennedy`
  - **Job Title:** `General Manager`
  - **Business 1:** `973-345-7083`
2. In the **Account Address** section of the **General** tab, specify the following main address for the customer:

- **Address Line 1:** 2720 Jadewood Farms
- **City:** Paterson
- **State:** NJ
- **Postal Code:** 07501

3. On the form toolbar, click **Save**.

### Step 3: Reviewing the Statement Cycle Settings

To review the customer's statement cycle settings, do the following:

1. In the **Financial Settings** section on the **Financial** tab, in the **Terms** box, make sure that *30D* is selected.
2. In the **Statement Cycle ID** box, make sure that *EOM* (End of Month) is selected.
3. Click the Edit button next to the **Statement Cycle ID** box to open the [Statement Cycles](#) (AR202800) form and review the statement cycle settings for the customer.
4. In the **Credit Verification Rules** section, in the **Credit Verification** box, select *Disabled*.
5. On the form toolbar, click **Save**.

### Step 4: Reviewing the Default Customer Information

To review the default customer information, do the following:

1. On the **Billing** tab, review the customer's bill-to address.

Because the **Override** check box is cleared for the bill-to address, the system has inserted the information from the **Account Address** section on the **General** tab.

2. On the **Shipping** tab, review the customer's shipping information.

Because the **Override** check box is cleared for the ship-to address, the system has inserted the information from the **Account Address** section on the **General** tab.

3. On the **Payment Methods** tab, review the customer's payment methods and notice that the *CHECK* payment method is the default one for the customer (the check box in the **Is Default** column is selected).
4. On the **GL Accounts** tab, review the GL accounts to be used for settlements with this customer.

## Customers: Related Reports and Inquiries

This topic describes reports, inquiries, and forms you may review to gather information about customers.



If you do not see a report or inquiry, this could mean that you have signed in to the system with a user account that does not have access rights to a form. Sign in as the *admin* user, or contact your system administrator.

## Reviewing Customer Documents

You can review the customer's documents at any time on the [Customer Details](#) (AR402000) form. The form shows the detailed balance and the list of documents for the particular customer. By default, the form shows all the customer's open documents.

You can also run this inquiry by clicking **Inquiries > Customer Details** on the toolbar of the [Customers](#) (AR303000) form.

To review the customer documents that have been released (documents with the *Open*, *Closed*, and *Reserved* statuses), you run the [AR Register](#) (AR621500) report.

## Reviewing Customer Profile

To review the database information for a particular customer, you run the [Customer Profiles](#) (AR651000) report. You can also run this report by clicking **Reports > Customer Profile** on the toolbar of the [Customers](#) (AR303000) form.

## Reviewing Customer Documents and Balance

You can review the open documents, applications, and customer balances at the end of a period, grouped by customer and AR account by running the [AR Balance by Customer](#) (AR632500) report.

## Reviewing Customer Balance

You can review the customer balance, which you can further reconcile with the balance of the accounts receivable GL account, by running the [AR Balance by GL Account](#) (AR632000) report. To reconcile the GL balance of the AR account with the customer balance, you compare the balance obtained in this report with the trial balance for the same period.

## Reviewing Customer Balance History

You can review the history of the customer's balance over a specified date range by running the [Customer History](#) (AR652000) report.

# Lesson 4.2: Working with AR Invoices

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## AR Invoices: General Information

An invoice is a request for payment for goods sold or services rendered. In Acumatica ERP, an accounts receivable invoice contains the quantities and costs of the products or services that have been provided by your company, as well as the due date by which the customer should send payment for the goods or services that have been purchased.

In this chapter, you will read about the processes that result in invoice creation, the groups of settings that make up an AR invoice, and the way the system uses the settings of the related entities to automatically fill in settings for the invoice, thus saving you time. You will also learn how to release invoices and how to review the GL transaction that the system generates on invoice release.

## Learning Objectives

From reading the topics in this chapter and completing the process activity, you will learn how to do the following:

- Create an AR invoice
- Release the AR invoice
- Review the GL transaction that the system generates as a result of the invoice being released

## Applicable Scenarios

You create an invoice manually when you need to enter an AR invoice for a particular customer into the system; the system can create invoices automatically as a result of other processes as well. You then release the invoice that you have created and complete its processing in the system.

## Ways an Invoice Can Be Created

In Acumatica ERP, a user can manually enter an accounts receivable invoice by using the [Invoices and Memos](#) (AR301000) form. For step-by-step instructions on recording an invoice manually, see [AR Invoices: Process Activity](#).

An invoice can also be generated by the system (and is available for editing and processing on the same form) as a result of the following processes:

- Billing of a contract, as described in [Contract Billing](#)
- Billing of a project, as described in [Project Billing: General Information](#)
- Processing of an SO invoice, as described in [Processing Sales of Stock Items](#).
- Scheduling of a recurring invoice, as described in [Configuring Schedules for Recurring Documents](#)
- Uploading the details of invoices from an Excel file, as described in [To Import Data from a Local File to a Table](#).

## Settings of an AR Invoice

On the [Invoices and Memos](#) (AR301000) form, most primary settings of an AR invoice fit into the following categories:

- *Summary settings*: The settings that are located in the Summary area of the form define the general information used when the invoice is processed. When you create a new document, the system inserts the current business date and the corresponding post period automatically.
- *Processing settings*: This group of settings, which are found on all tabs of the form except **Document Details**, define how the invoice is to be processed further and how the taxes and sales commissions are to be calculated. The system fills in the values for these settings automatically when you select a customer account, but most default settings can be overridden before the invoice is released.
- *Document details*: Each product or service that you sell to the customer is specified in a separate line of the **Document Details** tab. An invoice may have one line or multiple lines. Each line includes settings that define the item to be sold, the sales account used for the transaction, the tax category, and the line discount.

When you add a line, the system uses the values from the customer account to automatically fill in the default sales account, tax category, and salesperson. For each line, you can specify a non-stock item or stock item and the quantity to be sold. If you select an item, the system automatically fills in the unit price of the item and then calculates the total price and the applicable taxes and discounts.

## Statuses of AR Invoices During Processing

During processing, an invoice can have the following statuses:

- *On Hold*: The invoice is being edited and cannot be released.
- *Balanced*: The invoice is ready to be released or scheduled.
- *Pending Print*: The invoice is ready and must be printed before it can be released. You can schedule an invoice that has the *Pending Print* status, if needed. You should print invoices to send them to the customer before release if the **Require Invoice/Memo Printing Before Release** check box is selected on the [Accounts Receivable Preferences](#) (AR101000) form and the settings of the customer require the printing of these documents—that is, the **Print Invoices** check box is selected on the [Customers](#) (AR303000) form. For customers with this check box selected, each invoice that is created and is not on hold is assigned the *Pending Print* status. After you have printed the document, its status is changed to *Balanced*, and you can release it.
- *Pending Email*: The invoice is ready and must be sent by email before it can be released. You can schedule an invoice that has the *Pending Email* status, if needed. You should email invoices to the customer before release if the **Require Invoice/Memo Emailing Before Release** check box is selected on the [Accounts Receivable Preferences](#) form and the settings of the customer require emailing of these documents—that is, the **Send Invoices by Email** check box is selected on the [Customers](#) (AR303000) form. For customers with this check box selected, each invoice that is created and is not on hold is assigned the *Pending Email* status. After you have emailed the document, its status is changed to *Balanced*, and you can release it.
- *Open*: The invoice has been released. This status indicates that the document has an outstanding balance to be paid by the customer. The invoice retains the *Open* status until the customer has paid the full balance of the invoice.
- *Closed*: The full balance of the invoice has been paid, and the document balance is zero.
- *Scheduled*: The invoice is a template for generating recurring invoices according to a schedule. Based on the template, the system generates recurring invoices that can be edited and then released. The scheduled invoice itself cannot be released; it can be edited as a template.
- *Voided*: The previously scheduled invoice is no longer being used as a template for generating recurring invoices.

## Release of an Invoice

In Acumatica ERP, when you release an invoice, the system does the following:

- Changes the status of the invoice to *Open*, so it appears in the list of the customer's outstanding documents. In the open invoice, you can edit the cash discount date and the due date until the document is settled.
- Increases the outstanding balance to be paid by the customer.
- Generates a GL batch of transactions to update the asset and income accounts.



An invoice with the *Credit Memo* type can be also released manually on the [Invoices and Memos](#) (AR301000) form, but the release of a credit memo affects the balances of GL accounts and customers differently. For details, see [AR Invoice Correction: General Information](#).

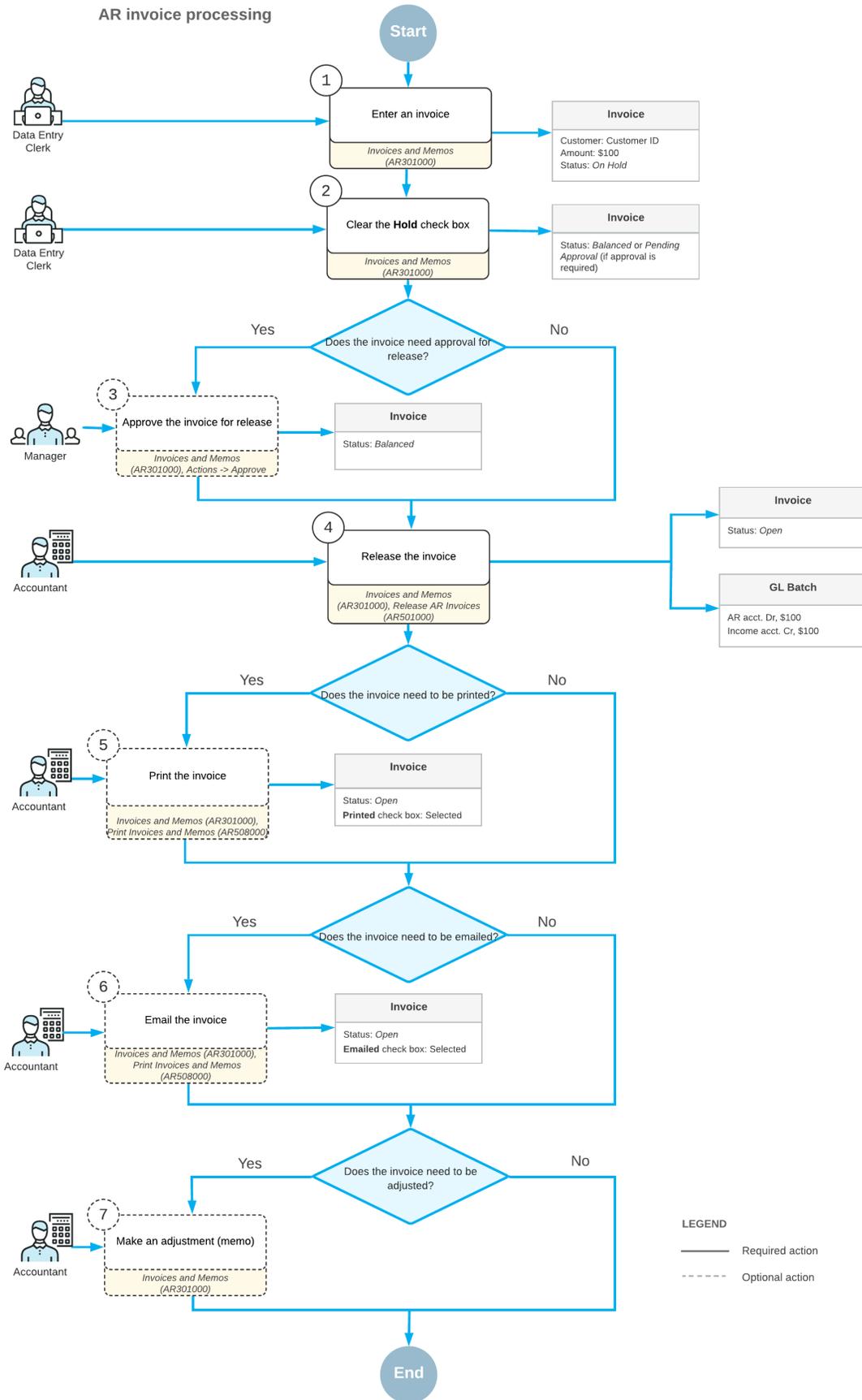
You can release an invoice only if it has the *Balanced* status.

## Invoice Processing Overview

This section provides an overview of the processing of an AR invoice in Acumatica ERP. The diagram below shows the processing actions, the employees who generally perform them, and the involved forms and documents.

When a data entry clerk creates a new invoice (see 1 on the diagram below), the invoice has the *On Hold* status if the **Hold Documents on Entry** check box is selected on the [Accounts Receivable Preferences](#) (AR101000) form. When the invoice is ready, the clerk has to clear the **Hold** check box to give the invoice the *Balanced* status (2 on the diagram) so that it can be released. If the invoice requires approval, an assigned employee approves the invoice (3) and the invoice is ready to be released. When the accountant releases the invoice (4), the system assigns it the *Open* status (pending customer payment) and generates a batch to debit the accounts receivable account and credit the income account in the amount of the invoice. The system also updates the customer balance by this amount. The accountant can print the open document (5) and can send it to the customer by email (6) if the settings in the system require this. The amount of the invoice cannot be edited once the invoice is open. If the accountant needs to correct the balance of the open invoice, this employee can make an adjustment (7) or reverse the invoice.

The following diagram illustrates the invoice processing workflow.



**Figure: AR invoice processing**

## AR Invoices: Generated Transactions

When you release an invoice, the system generates a batch of transactions to reflect the sale in the general ledger. The invoice includes all the information the system needs to generate the batch.

You can view the details of the batch associated with the release of an invoice by clicking the link in the **Batch Nbr.** box on the **Financial Details** tab of the [Invoices and Memos](#) (AR301000) form.

The following accounts are usually involved:

- The asset account, which is specified in the **AR Account** box on the **Financial Details** tab
- The income account specified for each line in the **Account** column on the **Document Details** tab

For a one-line invoice, the following transactions will be recorded to the general ledger when the invoice is released.

Account	Debit	Credit
Accounts Receivable account	Amount	0.00
Sales account	0.00	Amount

## AR Invoices: Process Activity

The following activity will walk you through the process of creating and releasing an AR invoice.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that today the GoodFood One Restaurant purchased four hours of on-site training from the SweetLife Fruits & Jams company for the amount of \$248. Acting as a SweetLife accountant, you need to create an AR invoice for the customer, release the invoice, and then review the GL transaction generated by the system.

### Configuration Overview

For the purposes of this lesson, the following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:

- *Standard Financials*, which provides the standard financial functionality
- *Multi-Branch Support*, which supports multiple branches in your instance of Acumatica ERP

On the [Accounts Receivable Preferences](#) (AR101000) form, the **Hold Documents on Entry** check box has been selected in the **Data Entry Settings** section.

On the [Customers](#) (AR303000) form, the *GOODFOOD (GoodFood One Restaurant)* customer has been configured.

## Process Overview

When a customer purchases services or goods, you create an invoice for the purchase on the [Invoices and Memos](#) (AR301000) form. In the invoice, you specify all relevant settings including the customer and the credit terms in the **Terms** box of the Summary area (if you want to use different terms than those specified for the customer and inserted by default based on the customer settings), and the document details on the **Document Details** tab. When the invoice is ready, you release the document by clicking **Release** on the form toolbar.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Login: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2020*. If a different date is displayed, click the Business Date menu button and select *1/30/2020*. For simplicity, in this process activity, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Creating an AR Invoice

To create an AR invoice, do the following:

1. Open the [Invoices and Memos](#) (AR301000) form.
2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:
  - **Type:** *Invoice*
  - **Customer:** *GOODFOOD*
  - **Terms:** *30D* (inserted by default based on the selected customer)
  - **Date:** *1/30/2020* (the current business date, which is inserted by default)
  - **Post Period:** *01-2020* (inserted by default based on the selected date)
  - **Description:** *On-site training 4 hours*
3. On the **Document Details** tab, click **Add Row**, and specify the following settings for the added row:
  - **Branch:** *HEADOFFICE*
  - **Transaction Descr.:** *On-site training 4 hours*

- **Ext. Price:** 248

4. In the Summary area of the form, click **Save**.

## Step 2: Releasing the AR Invoice

To release the AR invoice, do the following:

1. While you are still on the [Invoices and Memos](#) (AR301000) form, clear the **Hold** check box in the Summary area.

The system changes the status of the invoice to *Balanced*. You can release the invoice only if it has this status.

2. On the form toolbar, click **Release**.

The system changes the status of the invoice to *Open*. The released invoice is shown in the following screenshot.

The screenshot shows the 'Invoices and Memos' form for a customer named 'GOODFOOD - GoodFood One Restaurar'. The invoice is for 'On-site training 4 hours' with a total amount of 248.00. The status is 'Open' and it has been released. The form includes various tabs like 'DOCUMENT DETAILS', 'FINANCIAL DETAILS', 'ADDRESS DETAILS', 'TAX DETAILS', 'APPROVAL DETAILS', and 'APPLICATIONS'. A table at the bottom shows the invoice details:

Branch	Inventory ID	Transaction Descr.	Quantity	UOM	Unit Price	Ext. Price	Discount Percent	Discount Amount	Amount	*Account	Description	Project Task	Salesperson
HEADOFFICE		On-site training 4 hours	0.00		0.0000	248.00	0.000000	0.00	248.00	40000	Sales Revenue		

**Figure: The released AR invoice**

## Step 3: Reviewing the GL Transaction Generated when the Invoice Is Released

To review the GL transaction generated on invoice release, do the following:

1. On the [Invoices and Memos](#) (AR301000) form with the invoice opened, open the **Financial Details** tab, and click the link in the **Batch Nbr.** box.

When you released the invoice, the system generated and released this batch in the general ledger. The system assigned the batch the next number in the sequence specified in the **GL Batch Numbering Sequence** box on the [Accounts Receivable Preferences](#) (AR101000) form, which determines the numbers assigned to batches generated from the accounts receivable subledger.

2. On the [Journal Transactions](#) (GL301000) form, which is opened, review the transaction that has been generated on the release of the invoice.

The 11000 (*Accounts Receivable*) AR account specified in the invoice has been debited with \$248, while the 40000 (*Sales Revenue*) income account has been credited in the same amount.

## AR Invoices: Related Reports and Inquiry Forms

This topic describes reports, inquiries, and forms you may want to review to gather information about AR invoices.



If you do not see a report or inquiry, this could mean that you have signed in to the system with a user account that does not have access rights to a form. Sign in as the *admin* user, or contact your system administrator.

### Reviewing the Details of an Unreleased Invoice

When an invoice has not yet been released, you can review the details of the invoice by running the [AR Edit Detailed](#) (AR610500) report. When you run this report from the [Invoices and Memos](#) (AR301000) form by clicking **Reports > AR Edit Detailed** on the form toolbar, the report shows the details of the invoice you had been viewing. You can review what GL batch the system will create when you release the invoice, which accounts will be updated by the transaction, and how the customer's balance will be affected.

When you run this report directly from the report form, you specify the needed report parameters and can view a list of unreleased invoices based on these parameters.

### Reviewing the Details of a Released Invoice

Once an invoice has been released, you can review the details of the invoice by running the [AR Register Detailed](#) (AR622000) report. When you run this report from the [Invoices and Memos](#) (AR301000) form by clicking **Reports > AR Register Detailed** on the form toolbar, the report shows the details of the invoice you had been viewing. You can review the GL batch the system created when releasing the invoice and the accounts that have been updated by the transaction.

When you run this report directly from the report form, you specify the needed report parameters and can view a list of released invoices based on these parameters.

### Reviewing the Customer's Balance

After an invoice has been released, you can review the customer's balance on the [AR Balance by Customer](#) (AR632500) report. On this report form, you select *Open Documents* in the **Report Format** box and specify the needed financial period.

In the report, you can review the open documents and customer balances at the end of the period, grouped by customer and by AR account. When you release an invoice or credit memo, the system updates the customer balance. **Customer Documents Total** is the total amount over all open documents for the customer.

### Reviewing the Customer Information

You can review the balances of a specific customer on the [Customer Details](#) (AR402000) form. When you open this inquiry from the [Invoices and Memos](#) (AR301000) form by clicking **Inquiries > Customer Details** on the form toolbar, the [Customer Details](#) form shows the outstanding balances of the selected customer and a list of this customer's documents that have the *Open* status. You can select the **Show All Documents** and **Include Unreleased Documents** check boxes in the Selection area of the form to expand the range of the listed documents.

## Printing an Invoice

You can use the [Invoice/Memo](#) (AR641000) report to generate a ready-to-print version of a particular invoice; you then click **Print** on the report toolbar to print the invoice.

To quickly run this report when you are processing a particular invoice on the [Invoices and Memos](#) (AR301000) form, click **Reports > Print Invoice/Memo** on the form toolbar.

## Lesson 4.3: Paying AR Invoices

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### Invoice Payments: General Information

In Acumatica ERP, when you receive a customer payment for the invoice, you enter the payment document by using the [Payments and Applications](#) (AR302000) form. In the payment, you specify the customer from which you have received the payment, the cash account to which the payment amount should be recorded, the payment method, and the payment amount. The payment method denotes the actual means of payment: cash, printed check, or wire transfer.

When you are entering the payment, you can specify the documents to which the payment applies and then release the payment and the application at once.

### Learning Objectives

From reading the topics in this chapter and completing the process activity, you will learn how to do the following:

- Enter a payment
- Apply the payment to an AR invoice
- Release the payment and the payment application to the AR invoice

### Applicable Scenarios

Payments can be created in the following cases:

- Manually by the user on the [Payments and Applications](#) (AR302000) form. For step-by-step instructions, see [To Enter a Payment Document](#).
- By the system when the user clicks **Actions > Enter Payment/Apply Memo**. In this case, the system creates a document with the *Payment* type automatically. (This scenario is described in the process activity later.)
- On the [Generate Payments](#) (AR511000) form when the user initiates creation of payment documents for customers with the *Credit Card* default payment method.

### Payment Processing Stages

The main stages of payment processing are the following:

1. *Recording*: In this stage, you create a payment—that is, provide all the necessary information to the system. By default, the system assigns to the payment the *Balanced* status when you save it for the first time. This status indicates that the user has finished editing the payment and it is

ready to be released, although you still can edit a payment with this status. Alternatively, if you select the **Hold** check box to indicate to the system that this payment is not ready to be released, the system changes the payment status to *On Hold*.

2. *Application*: In this stage, you specify the list of the outstanding documents to which the system should apply the payment. You can do this while you record the payment or after you have released the payment. You can fully or partially apply the payment amount to an outstanding document, or distribute the payment amount among multiple outstanding documents. The system creates application records, which include the paid amount, for each included outstanding document. The system does not change the payment status during this stage; it remains *Balanced*, *On Hold* (if **Hold** is selected), or *Open* (if the payment has been released). For details, see [Invoice Payments: Manual Payment Application](#).
3. *Releasing a payment*: You can release a payment only if it has the *Balanced* status. When you release the payment, the system checks the available payment balance and processes the payment accordingly. If the available payment balance is zero (that is, if the payment has been fully applied to an outstanding document), the system changes the statuses of both the payment and the paid document to *Closed*. If the available payment balance is nonzero, the system changes the payment status to *Open*. This status indicates to users and to the system that the payment is ready to be applied to the outstanding documents of a customer. For details, see [Invoice Payments: Release of Payments](#).
4. *Releasing application records*: If you specify a list of outstanding documents for a payment with the *Open* status, you should release the application records after you have finished distributing the payment amount between the outstanding documents. You can fully or partially apply the payment amount to outstanding documents. When you release the application, the system checks the available payment balance. Based on this data, the system processes the payment differently, in one of the following ways:
  - If the payment amount is fully applied to an outstanding document, the system does the following: releases application records; changes the statuses of the payment and the paid document to *Closed*; and decreases the balances of the paid document and the payment. The system may change the balance of the customer, if documents with different currencies are involved.
  - If the payment amount is partially applied, the system leaves the payment status as *Open*; it also decreases the balances of the paid document, the payment, and the customer. If some outstanding documents were fully paid with the applied amount, the system changes the status of the paid document to *Closed*.

## Document Structure

Regardless of how a payment document is created, it has the same groups of settings, which are described in this section:

- *Summary*: Settings that are located in the Summary area of the form define the general information required for issuing the payment. When you create a new document, the system inserts the current business date as the date of application and the corresponding post period. When you select the identifier of the customer account, the system uses the customer as a source to automatically fill in most settings needed for processing the payment. All settings filled in by the system can be manually overridden.
- *Financial details*: This group of settings, located on the **Financial Details** tab, defines the General Ledger accounts where the payment transactions are recorded after a user releases the payment. The system fills in the values for these settings automatically when you select a customer account,

but they can be manually overridden. When you create a new document, the system also inserts the current business date as the payment date and the corresponding post period.

- *Application details:* Each outstanding document that you want to pay with the payment is specified in a separate line of the table on the **Documents to Apply** tab. The payment document can be applied to multiple outstanding documents. For each line, you specify the amount to be paid in the **Amount Paid** column. For details, see [Invoice Payments: Manual Payment Application](#).
- *Balance details:* Read-only elements in the Summary area of the form display how the amount of the payment document has been distributed and currently available balance (the amount that is not applied). The system updates the values of these elements when you modify application details.

When you save the document for the first time, the system generates a unique reference number for the payment document in accordance with the numbering sequence assigned to corresponding payment document on the **General Settings** tab of the [Accounts Receivable Preferences](#) (AR101000) form.

## Payment Recording

In Acumatica ERP, you can create the following types of payment documents: *Payment*, *Prepayment*, and *Customer Refund*. The information in this topic applies to documents of all these types.

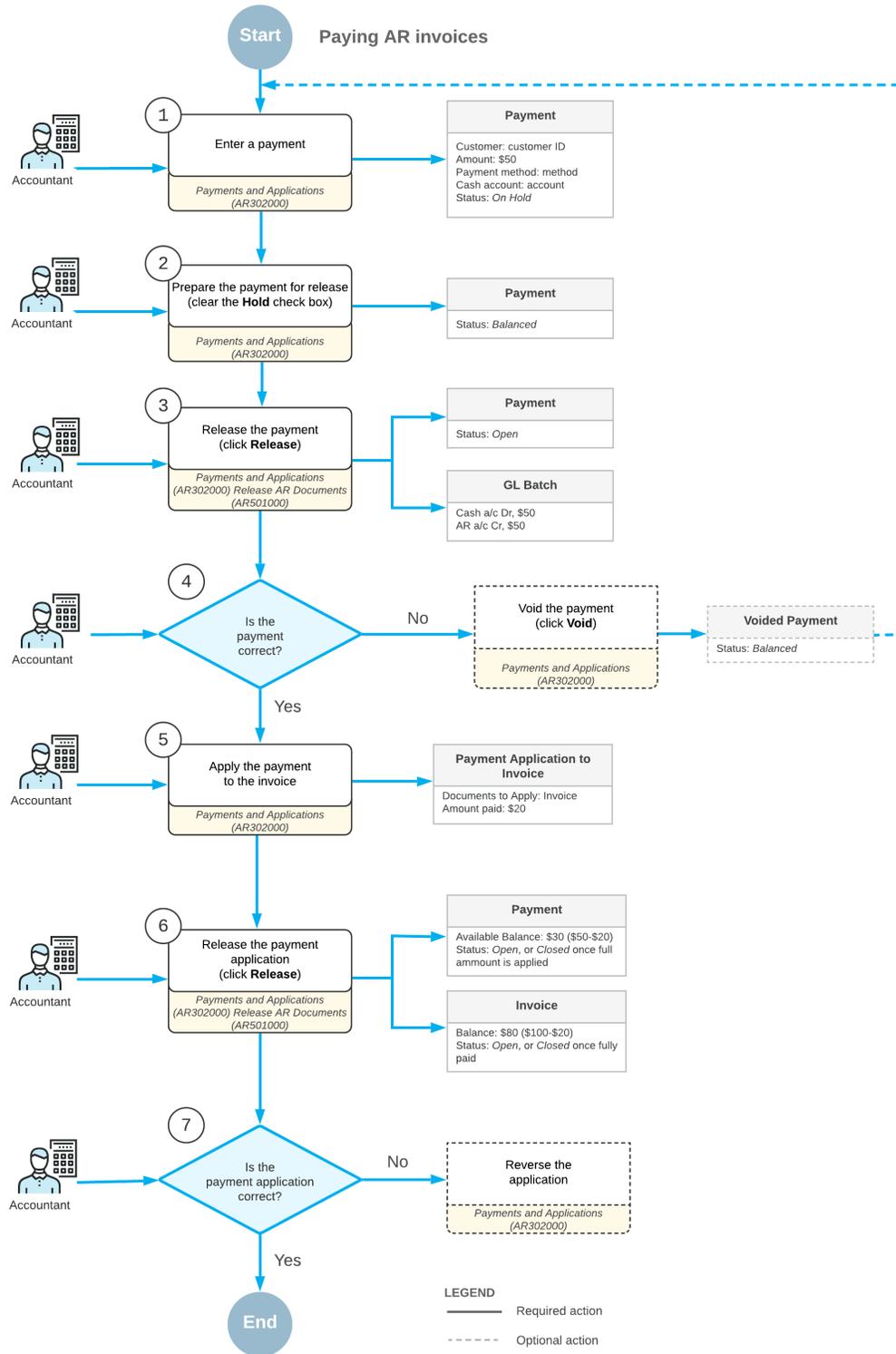
In Acumatica ERP, a user can manually enter an AR payment from the following forms:

- The [Invoices and Memos](#) form (AR301000) form, by using the **Enter Payment/Apply Memo** action. The system opens the [Payments and Applications](#) (AR302000) form where a payment document with the *Payment* type is created automatically: The elements of the form are filled in with the customer information, the invoice amount is specified as the document amount, and the application record of the invoice is added. You simply release the payment the system has created, and the system releases the application record as well and closes both documents.
- The [Payments and Applications](#) form. You create a payment document here from scratch.

## Invoice Payment Workflow

An open payment can be applied to customer documents, for example an invoice. To apply the payment to an invoice (see 6 on the diagram below), you specify the invoice and the amount to apply by using the [Payments and Applications](#) (AR302000) form. After that, you release the payment application (6), and the system decreases the balances of the invoice and the payment by the application amount. The invoice appears in the application history of the payment. Once the invoice is settled, it has a balance of zero and becomes closed. The payment becomes closed once the full payment amount is applied to documents. If you have applied the payment to an invoice incorrectly, you can reverse the application (7) and reapply the payment to the appropriate invoice.

The following diagram illustrates the invoice payment workflow.



**Figure: Paying AR invoices**

## Invoice Payments: Generated Transactions

When you release a payment and its application, the system generates a general ledger batch to update the involved asset accounts with the payment transactions. The payment includes all the information the system needs to generate the batch. The following two accounts are usually involved:

- The asset account specified in the **AR Account** box on the **Financial Details** tab
- The cash account specified in the **Cash Account** box in the Summary area

The following payment transactions will be recorded to the general ledger when the payment is released.

Account	Debit	Credit
Cash account	Payment amount	0.00
Accounts Receivable ac- count	0.00	Payment amount

You can view the batch details by clicking the link in the **Batch Nbr.** box on the **Financial Details** tab of the [Payments and Applications](#) (AR302000) form.

## Invoice Payments: Mass Processing

This topic explains the way you can release multiple payment applications, the application of a payment to multiple AR documents, and the application of multiple payments to a single AR document.

### Mass Release of Payments and Payment Applications

Multiple payments can be released at the same time on the [Release AR Documents](#) (AR501000) form. On this form, you select the unlabeled check boxes next to the payments to be processed and click **Release** on the form toolbar to release the selected payments and their applications to documents or click **Release All** to release all the payments and applications shown in the table.



The system creates a consolidated GL batch for all the released invoices and credit memos if the **Generate Consolidated Batches** check box is selected on the [General Ledger Preferences](#) (GL102000) form.

### Application of a Payment to Multiple AR Documents

You can apply a single payment to multiple documents at once on the [Payments and Applications](#) (AR302000) form by performing the following general steps:

1. On the **Documents to Apply** tab, you add the AR documents to be paid.

When you create a new payment of the *Payment* or *Prepayment* type on the [Payments and Applications](#) (AR302000) form, as soon as you select the customer in the Summary area, the system automatically loads to the **Documents to Apply** tab the AR documents to which this payment can be applied—that is, the customer's open AR documents of the *Invoice*, *Debit Memo*, *Credit Memo*, and *Overdue Charge* type that do not have unreleased applications.

If more than 100 eligible documents exist for the selected customer, the system does not load any documents; it suggests that the user should load documents by clicking **Load Documents** on the table toolbar.

You can add documents to the **Documents to Apply** tab manually in one of the following ways:

- On the table toolbar, you click **Add Row** to add a new row to the table, and in the row, you select the document.
- On the table toolbar, you click **Load Documents**. In the **Load Options** dialog box, which opens, you specify the criteria of the documents to be loaded (and if needed, the maximum number of documents you want to load), and you click the **Load** or **Reload** button. The **Load** button adds the documents that match the selected criteria to any documents that have already been added to the table, whereas the **Reload** button first removes any documents from the table and then loads only the documents that match the selected criteria.

The criteria that you can select in the **Load Options** dialog box include the company and branch, the range of the document dates, and the range of the document numbers. You can also select the order in which the documents loaded to the table should be displayed by using the following option buttons in the **Sort Order** section:

- **Due Date, Reference Nbr.:** To display the documents in ascending order, sorted first by due date and then by reference number
- **Doc. Date, Reference Nbr.:** To display the documents in ascending order, sorted first by document date and then by reference number
- **Reference Nbr.:** To display the documents in ascending order, sorted by reference number

You can also select or clear the **Automatically Apply Amount Paid** check box to indicate whether the payment should be immediately applied to the documents on loading. (If it is selected, when loading the documents, the system fills the **Amount Paid** column with the appropriate values. You can override these values, if needed.) This check box is selected by default.

2. You specify the payment amounts to be applied to particular listed AR documents.

Now that the documents to which you want to apply the payment have been added to the table on the **Documents to Apply** tab, you specify the amounts to be applied to each of the documents in one of the following ways:

- In the row for each document, you specify the payment amount to be applied in the **Amount Paid** column.
- On the table toolbar, you click **Auto Apply**, and the system applies the payment amount to the added documents, starting from the first document displayed in the list (even if the list has been sorted or filtered) until the payment is applied to all documents or until the payment's available balance (**Available Balance** in the Summary area for the payment) becomes zero.

3. You save or release the payment.

Once you have specified the amount to be applied to each document that you want to pay, you can release or save the payment. When the payment is released or saved with the *On Hold* or *Balanced* status, the system removes from the table the documents that were added to the **Documents to**

**Apply** tab but to which the payment has not been applied; only documents to which the payment has been applied are kept.

## Application of Multiple Payments to a Single AR Document

When you are working with a particular AR document on the *Invoices and Memos* (AR301000) form, you can apply multiple payments to it on the **Applications** tab by performing the following general steps:

1. You add the payments to be applied to the **Applications** tab.

For an unreleased invoice that you have created or opened on the *Invoices and Memos* form, you can form the list of payments that can be applied to the invoice by clicking **Load Documents** on the toolbar of the **Applications** tab. The system loads all open payments for the customer selected in the invoice except for the payments that have unreleased applications. If more than 100 payments can be applied to the document, the list of payment documents is split into pages, with 100 payment documents per page.

2. You apply payment amounts to the AR document.

On the **Applications** tab, you can specify the amount of each payment to be applied to the AR document in one of the following ways:

- You specify the amount to be applied in the **Amount Paid** column for each listed payment that you want to apply.
- You click **Auto Apply** on the table toolbar. The system then applies the loaded payments to the document starting with the first payment displayed in the table (even if the rows have been sorted or filtered) until the document balance is paid in full or until there is no more payment balance available.

3. You save or release the invoice.

Once you have applied payments to the invoice, you can save or release it. When the invoice is released or saved, the system removes from the table the payments that were loaded to the **Applications** tab but have not been applied to the invoice; only payments that were applied are kept.

## Invoice Payments: To Enter a Payment for a Specific Invoice

The following activity will walk you through the process of creating a payment and applying it to an invoice.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that on January 30, 2020, the SweetLife Fruits & Jams company received a check for \$300 from one of its customers that had purchased an offline training course on January 9, 2020.

Acting as a SweetLife accountant, you need to create the payment in the system and apply it to the \$300 invoice dated 1/9/2020.

## Process Overview

When a customer pays an invoice, you find the needed invoice on the [Invoices and Memos](#) (AR301000) form and use the **Enter Payment/Apply Memo** action to create a payment on the [Payments and Applications](#) (AR302000) form and apply this payment to the invoice. You then release the payment along with its application to the invoice.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2020*. If a different date is displayed, click the Business Date menu button and select *1/30/2020*. For simplicity, in this exercise, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Creating a Payment for a Specific Invoice

To create a payment for a specific invoice, do the following:

1. Open [Invoices and Memos](#) (AR301000) form.
2. Find the \$300 invoice for the *COFFEESHOP* customer, which is dated *1/9/2020*, and open it.
3. On the form toolbar, click **Actions > Enter Payment/Apply Memo**.

When you click **Actions > Enter Payment/Apply Memo**, the payment amount becomes the **Applied to Documents** amount, indicating that it has been applied to the invoice.

The system navigates to the [Payments and Applications](#) (AR302000) form and inserts the information from the invoice into the payment. You can change this default payment information in the payment before release.

4. In the Summary area, make sure the following information is displayed:
  - **Application Date:** *1/30/2020*
  - **Application Period:** *01-2020*
  - **Description:** *Offline training*
  - **Payment Amount:** *300* (the amount you have received from the customer)
5. On the **Documents to Apply** tab, in the **Amount Paid** column for the invoice, leave the full amount to be applied, \$300, as shown in the following screenshot.

Payments and Applications

NOTES ACTIVITIES FILES BUSINESS EVENTS CUSTOMIZATION TOOLS

SAVE & CLOSE RELEASE VOID ACTIONS INQUIRIES REPORTS

Type: Payment Customer: COFFEESHOP - FourStar Coffee&Sweet Payment Amo... 300.00

Reference Nbr.: <NEW> Location: MAIN - Primary Location Applied to Doc... 300.00

Status: On Hold Payment Meth.: CHECK - Check Payment Applied to Ord... 0.00

Hold Card/Account ... Available Bala... 0.00

Application Date: 1/30/2020 Cash Account: 10200WH - Wholesale Checking Write-Off Amo... 0.00

Application Pe.: 01-2020 Finance Charg... 0.00

Payment Ref.: 0027 Deducted Cha... 0.00

Description: Offline training

DOCUMENTS TO APPLY APPLICATION HISTORY ORDERS TO APPLY FINANCIAL DETAILS FINANCE CHARGES

Branch	Doc. Type	Reference Nbr.	Amount Paid	Cash Discount Taken	Write-Off Amount	Write-Off Reason Code	Date	Due Date	Cash Discount Date	Cross Rate	Balance	Cash Discount Balance	Description	Currency
HEADOFFICE	Invoice	000878	300.00	0.00	0.00	BALWOFF	1/9/2020	2/8/2020	2/8/2020	1.00000000	0.00	0.00	Offline training	USD

**Figure: The payment applied to the invoice before release**

6. In the Summary area, clear the **Hold** check box and save the document.

## Step 2: Releasing the Payment and Its Application to the Invoice

To release the payment and its application to the invoice, do the following:

1. While you are still on the *Payments and Applications* (AR302000) form, click **Release** on the form toolbar.
2. On the **Application History** tab, review the row that the system has added and click the link in the **Batch Number** column.
3. The system opens the *Journal Transactions* (GL301000) form with the GL batch generated after the release of the payment application.

## Invoice Payments: Related Reports and Inquiries

This topic describes reports, inquiries, and forms you may review to gather information about credit memos.



If you do not see a report or inquiry, this could mean that you have signed in to the system with a user account that does not have access rights to a form. Sign in as the *admin* user, or contact your system administrator.

### Reviewing the Customer Balance

You can review the balance of a specific customer by running the *AR Balance by Customer* (AR632500) report. To review payment applications along with documents, select the *Open + Current Period* report format and select the **Include Applications** check box on the **Report Parameters** tab. Document applications are listed under each document in the report. The **Applied** column shows the period to which the application was posted. The **Closed** column displays the period in which the document was closed. For open documents, the **Closed** column is empty.

For the *COFFEESHOP* customer, the report would show the payment applied to the invoice in the *01-2020* period.

If all the documents have been paid within a financial period, the customer's balance will be zero at the end of this period.

## Reviewing Payment Details

Once you have released a payment and its application to an invoice, you can review the details of the payment by running the *AR Register Detailed* (AR622000) report. When you run this report from the *Payments and Applications* (AR302000) form by clicking **Reports > AR Register Detailed**, the report shows the details of the payment opened on this form. You can review the GL batch the system created when releasing the payment and which accounts have been updated by the transaction.

## Lesson 4.4: Correcting AR Invoices

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### AR Invoice Correction: General Information

In Acumatica ERP, the amount of a released invoice, which increases a customer's debt, cannot be changed directly in the released document. In the open (released) invoice, you can edit only the cash discount date and the due date until the document is settled. The closed invoice cannot be edited at all.

You may need to decrease the outstanding amount of an invoice when the invoice overcharged the customer or the customer reported receiving damaged goods. On the other hand, you may need to increase the amount of an invoice due to additional expenses being incurred during delivery of the goods or services listed in the original invoice. Also, you may need to reverse an invoice.

Thus, the correction of an invoice can be performed only by issuing an additional document (credit or debit memo) that affects the customer's balance (credit or debit).

### Learning Objectives

From reading the topics in this chapter and completing the process activity, you will learn how to do the following:

- Create and release a credit memo
- Apply the credit memo to an open invoice
- Create and release a debit memo
- Apply the debit memo to a payment

### Applicable Scenarios

You create a credit or debit memo in the following cases:

- You need to adjust the balance of a particular invoice
- You need to decrease the amount owed to you by a particular customer (credit memo) or to increase the amount owed to you by a particular customer (debit memo)

### Decreasing the Amount of an Invoice

You issue a credit memo, which will be used to decrease a customer's debt, by using *Invoices and Memos* (AR301000) form—the same form you use to create an invoice. The credit memo is independent from the original invoice, with no direct reference to it. Processing a credit memo includes applying this credit memo to the applicable invoice, which establishes a link between these two documents. A credit

memo may have multiple lines or one summary line. Credit memos do not have due dates and may be numbered differently from invoices, depending on the standards in place in your organization.

The release of a credit memo decreases the customer's balance. The application of a released credit memo against invoices, debit memos, and overdue charges decreases the outstanding amount of these documents by the amount of the credit memo. For details, see [AR Invoice Correction: To Create a Credit Memo](#).

## Increasing the Amount of an Invoice

It is not possible to increase the outstanding amount of an open invoice (which has been released) or the paid amount of a closed one. You instead issue a debit memo by using the [Invoices and Memos](#) (AR301000) form. When you release this document, it increases the debt of the customer; the debit memo does not change the balance of any invoice and should be paid as a separate document. The debit memo doesn't contain a direct reference to any original invoice. Processing a debit memo includes applying this debit memo to an invoice, which establishes a link between these two documents or applying this debit memo to a payment. For details, see [AR Invoice Correction: To Create a Debit Memo](#).

Debit memos may be numbered differently from invoices. For details on the recording and release of a debit memo, see [AR Invoices: Invoice and Memo Processing Flow](#).

## Reversing an Invoice

When you reverse a released invoice, its status and outstanding amount do not change. You can reverse an invoice on the [Invoices and Memos](#) (AR301000) form in one of the following ways:

- By clicking the **Reverse** action for the invoice. The system automatically generates a credit memo with details similar to those of the invoice; you then need to release and apply the credit memo to the original invoice. You can change the document amount, if needed, before releasing the credit memo.
- By clicking the **Reverse and Apply to Memo** action for the invoice. The system automatically generates a credit memo with details similar to those of the invoice and creates a respective application; you then need to release the credit memo. You can change the document amount and application amount, if needed, before releasing the credit memo.



If you do not release the credit memo immediately and instead only save it, you cannot apply any other document to the reversed invoice (for example, in case of partial reversal) until you release the credit memo and its application.

- By manually creating a credit memo for the full balance of the invoice and then applying the credit memo to the invoice.



If you are reversing a closed invoice, before applying a credit memo, you need to reverse the application of the document used to close this invoice, thus causing the invoice to again be assigned the *Open* status.

If you use an action on the [Invoices and Memos](#) form to automatically reverse an invoice, the system will display the invoice number for the created credit memo in the **Original Document** box on the **Financial Details** tab of the form.

## Process Diagram

The following diagram illustrates the invoice correction workflow, which is a part of the invoice processing workflow.

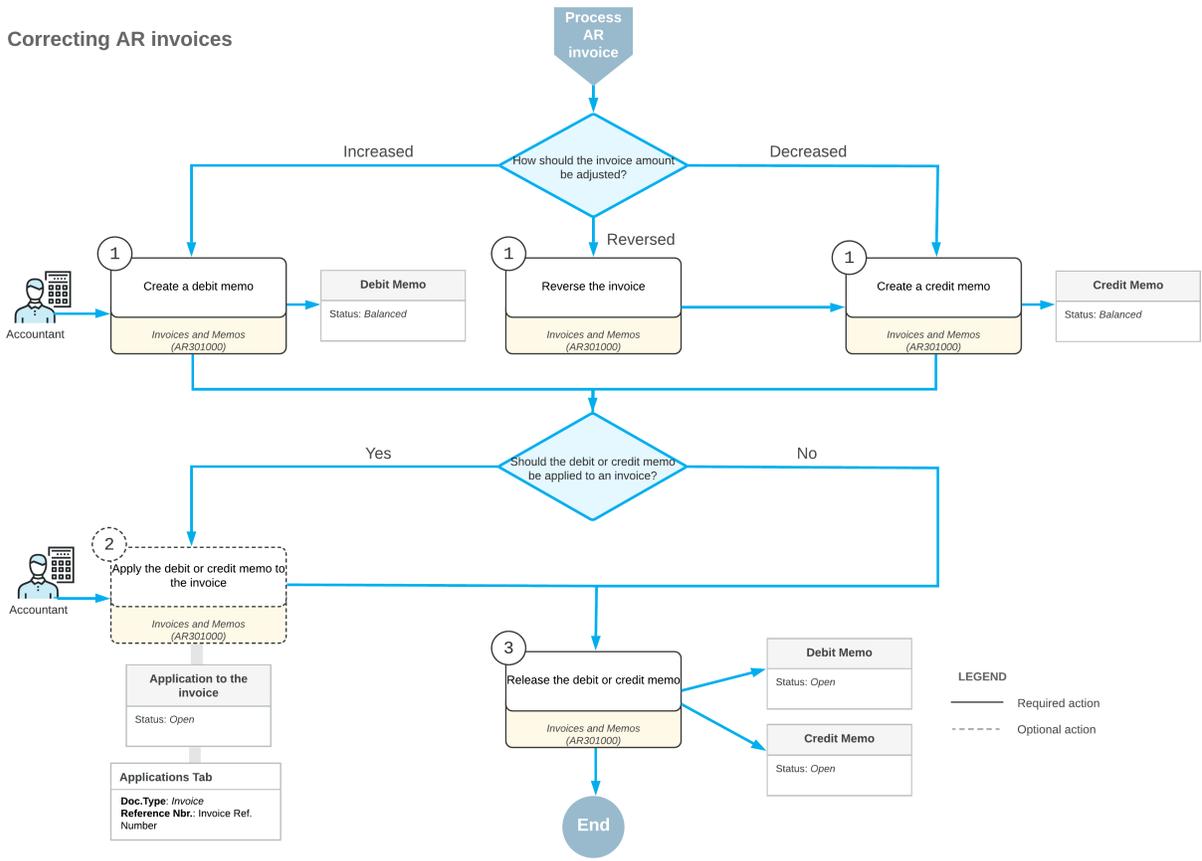


Figure: Correcting AR invoices

## AR Invoice Correction: Generated Transactions

When you release a credit memo, the system generates a batch of GL transactions that update the asset and income accounts. For details on the general ledger accounts involved, see [AR Invoices: Invoice Releasing](#).

The following transactions will be posted to the general ledger when a one-line credit memo with a tax is released.

Account	Debit	Credit
Accounts Receivable account	0.00	Amount + Tax amount
Sales account	Amount	0.00
Tax Payable account	Tax amount	0.00

The following transaction will be posted to the general ledger when a one-line credit memo without a tax is released.

Account	Debit	Credit
Accounts Receivable	0.00	Amount

Account	Debit	Credit
Sales	Amount	0.00

The following transaction will be posted to the general ledger when a one-line debit memo with a tax is released.

Account	Debit	Credit
Accounts Receivable account	Amount + Tax amount	0.00
Sales account	0.00	Amount
Tax Payable account	0.00	Tax amount

The following transactions will be posted to the general ledger when a one-line debit memo without a tax is released.

Account	Debit	Credit
Accounts Receivable account	Amount	0.00
Sales account	0.00	Amount



Tax accounting is outside the scope of the current business process, so the transactions generated later will involve only the Accounts Receivable and Sales accounts.

When you release an application of a credit memo to an invoice, the system does not generate a batch. A batch is generated in only the following cases:

- You have written off some balance along with the application. In this case, the system generates a batch to update the asset account specified for the outstanding document in the **AR Account** box on the **Financial Details** tab of *Invoices and Memos* and the expense account specified in the **Account** box on the *Reason Codes* (CS211000) form for the reason code you have used to write off the balance. For more details, see *Types of AR Documents*.
- The credit memo or the outstanding document to which you want to apply the credit memo is in a foreign currency. The system generates a batch to update the balance of the realized gain or loss (RGOL) account by the amount resulting from the difference in the exchange rate on the outstanding document date and the credit memo date. The RGOL account is specified for each currency on the *Currencies* (CM202000) form.



Currency management is outside the scope of the current business process.

## AR Invoice Correction: To Create a Credit Memo

The following activity will walk you through the process of creating a credit memo and applying it to an invoice.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

## Story

Suppose that on January 16, 2020, the SweetLife Fruits & Jams company sold five days of online training to one of its customers, GoodFood One Restaurant in the amount of \$225. An AR clerk created an invoice for five days of training for GoodFood One Restaurant. The actual number of training days turned out to be four, and now SweetLife needs to reduce the customer balance of GoodFood One Restaurant by \$45.

Acting as a SweetLife accountant, you have to create a credit memo and apply it to the open invoice to reduce the customer balance by \$45.

## Configuration Overview

For the purposes of this lesson, the following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:

- *Standard Financials*, which provides the standard financial functionality
- *Multi-Branch Support*, which supports multiple branches in your instance of Acumatica ERP

On the [Accounts Receivable Preferences](#) (AR101000) form, the **Hold Documents on Entry** check box has been selected in the **Data Entry Settings** section.

On the [Customers](#) (AR303000) form, the *GOODFOOD (GoodFood One Restaurant)* customer has been configured.

## Process Overview

You create and release a credit memo on the [Invoices and Memos](#) (AR301000) form and apply it to an open invoice on the [Payments and Applications](#) (AR302000) form.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2020*. If a different date is displayed, click the Business Date menu button and select *1/30/2020*. For simplicity, in this exercise, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Creating and Releasing a Credit Memo

To create and release a credit memo, do the following:

1. Open the [Invoices and Memos](#) (AR301000) form.
2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:
  - **Type:** *Credit Memo*
  - **Customer:** *GOODFOOD*
  - **Date:** *1/30/2020* (the current business date, which is inserted by default)
  - **Post Period:** *01-2020*
  - **Description:** *Service undelivered by invoice 000076*
3. On the **Document Details** tab, click **Add Row** and specify the following settings for the added row:
  - **Branch:** *HEADOFFICE*
  - **Transaction Descr.:** *Service undelivered by invoice 000076*
  - **Ext. Price:** *45*
4. Clear the **Hold** check box in the Summary area.
5. On the form toolbar, click **Release** to release the credit memo.

## Step 2: Applying the Credit Memo to the Invoice

To apply the credit memo to the invoice, do the following:

1. While you are still on the [Invoices and Memos](#) (AR301000) form, on the form toolbar click **Actions > Enter Payment/Apply Memo**.  
  
The system navigates to the [Payments and Applications](#) (AR302000) form where you can apply the credit memo to the invoice.
2. In the **Application Date** box, make sure that *1/30/2020* is displayed and make sure *01-2020* is selected as the **Application Period**.
3. On the **Documents to Apply** tab, click **Add Row** and in the **Reference Nbr.** column, select the invoice with the *000076* reference number for the row.
4. In the **Amount Paid** column, leave the value of 45.
5. On the form toolbar, click **Release** to release the credit memo application to the invoice.
6. On the **Application History** tab, make sure that a row containing the invoice has appeared, as shown in the following screenshot.

Payments and Applications

SAVE & CLOSE    RELEASE    VOID    ACTIONS    INQUIRIES    REPORTS    00.00.00

Type: Credit Me...    Customer: GOODFOOD - GoodFood One Restaurat...    Payment Amo... 45.00

Reference Nbr.: 000090    Location: MAIN - Primary Location    Applied to Doc... 0.00

Status: Closed    Card/Account...    Applied to Ord... 0.00

Application Date: 1/30/2020    Available Bala... 0.00

Application Pe... 01-2020    Write-Off Amo... 0.00

Finance Charg... 0.00

Deducted Cha... 0.00

Description: Service undelivered by invoice 000076

DOCUMENTS TO APPLY    APPLICATION HISTORY    ORDERS TO APPLY    FINANCIAL DETAILS    FINANCE CHARGES

REVERSE APPLICATION

Branch	Batch Number	Doc. Type	Reference Nbr.	Customer	Amount Paid	Cash Discount Taken	Write-Off Amount	Application Period	Date	Due Date	Cash Discount Date	Balance	Cash Discount Balance	Description	Currency	Post Period	Customer Order Nbr.
HEADOFFICE		Invoice	000076	GOODFOOD	45.00	0.00	0.00	01-2020	1/15/2020	2/15/2020	2/15/2020	180.00	0.00	Online training	USD	01-2020	

**Figure: The released credit memo applied to the invoice**

## AR Invoice Correction: To Create a Debit Memo

The following activity will walk you through the process of creating a debit memo and applying it to a payment.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that an invoice sent by SweetLife Fruits & Jams company to FourStar Coffee&Sweets Shop for a three-day training in the amount of \$135 undercharged the customer, as the number of trainees was higher than agreed. The amount to be additionally charged from the customer for this training is \$67.50.

Acting as a SweetLife accountant, you need to create a debit memo in the amount of \$67.50 and process the customer's payment of the debit memo.

### Configuration Overview

For the purposes of this lesson, the following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:

- *Standard Financials*, which provides the standard financial functionality
- *Multi-Branch Support*, which supports multiple branches in your instance of Acumatica ERP

On the [Accounts Receivable Preferences](#) (AR101000) form, the **Hold Documents on Entry** check box has been selected in the **Data Entry Settings** section.

On the [Customers](#) (AR303000) form, the *COFFEESHOP* (*FourStar Coffee&Sweets Shop*) customer has been configured.

### Process Overview

You create and release a debit memo on the [Invoices and Memos](#) (AR301000) form and apply it to a payment on the [Payments and Applications](#) (AR302000) form.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2020*. If a different date is displayed, click the Business Date menu button and select *1/30/2020*. For simplicity, in this exercise, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step 1: Creating and Releasing a Debit Memo

To create and release a debit memo, do the following:

1. Open the *Invoices and Memos* (AR301000) form.
2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:
  - **Type:** *Debit Memo*
  - **Customer:** *COFFEESHOP*
  - **Date:** *1/30/2020* (the current business date, which is inserted by default)
  - **Post Period:** *01-2020*
  - **Description:** *Additional charge for offline training*
3. On the **Document Details** tab, click **Add Row** and specify the following settings for the added row:
  - **Branch:** *HEADOFFICE*
  - **Transaction Descr.:** *Additional charge for offline training*
  - **Ext. Price:** *67.50*
4. Clear the **Hold** check box in the Summary area.
5. On the form toolbar, click **Release** to release the debit memo.

### Step 2: Applying a Payment to the Debit Memo

To apply a payment to the debit memo, do the following:

1. While you are still on the [Invoices and Memos](#) (AR301000) form, on the form toolbar click **Actions > Enter Payment/Apply Memo**.

The system navigates to the [Payments and Applications](#) (AR302000) form where you can apply the debit memo to a payment.

2. In the **Application Date** box, make sure that *1/30/2020* is displayed and make sure *01-2020* is selected as the **Application Period**.
3. In the Summary area, review the value in the **Payment Method** box and make sure that the **Payment Amount** is 67.50.
4. On the **Documents to Apply** tab, make sure that the debit memo you have created is shown. The debit memo with the payment applied is shown in the following screenshot.

Payments and Applications

NOTES ACTIVITIES FILES BUSINESS EVENTS CUSTOMIZATION TOOLS

SAVE & CLOSE RELEASE VOID ACTIONS INQUIRIES REPORTS

Type: **Payment** Customer: COFFEESHOP - FourStar Coffee&Sweet Payment Amo... 67.50  
 Reference Nbr.: <NEW> Location: MAIN - Primary Location Applied to Doc... 67.50  
 Status: On Hold Payment Meth... CHECK - Check Payment Applied to Ord... 0.00  
 Hold Card/Account... Available Bala... 0.00  
 Application Date: 1/30/2020 Cash Account: 10200WH - Wholesale Checking Write-Off Amo... 0.00  
 Application Pe... 01-2020 Finance Charg... 0.00  
 Payment Ref.: 0028 Deducted Cha... 0.00  
 Description: Additional charge for offline training

DOCUMENTS TO APPLY APPLICATION HISTORY ORDERS TO APPLY FINANCIAL DETAILS FINANCE CHARGES

Branch	Doc. Type	Reference Nbr.	Amount Paid	Cash Discount Taken	Write-Off Amount	Write-Off Reason Code	Date	Due Date	Cash Discount Date	Cross Rate	Balance	Cash Discount Balance	Description	Currency
HEADOFFICE	Debit Memo	000093	67.50	0.00	0.00	BALWOFF	1/30/2020	2/29/2020	2/29/2020	1.00000000	0.00	0.00	Additional char...	USD

**Figure: The debit memo with the payment applied**

5. Clear the **Hold** check box in the Summary area.
6. On the form toolbar, click **Release** to release the payment.
7. On the **Application History** tab, click the link in the **Batch Number** column to review the batch that the system has created.

## AR Invoice Correction: Related Reports and Inquiries

This topic describes reports, inquiries, and forms you may review to gather information about credit and debit memos.



If you do not see a report or inquiry, this could mean that you have signed in to the system with a user account that does not have access rights to a form. Sign in as the *admin* user, or contact your system administrator.

### Reviewing the Customer Information

You can review the balances of a specific customer on the [Customer Details](#) (AR402000) form. When you open this inquiry from the [Invoices and Memos](#) (AR301000) form by clicking **Inquiries > Customer Details**, the [Customer Details](#) form, which is opened, shows the outstanding balances of the selected customer and a list of documents of this customer, which have the *Open* status. You can select the **Show All Documents** and **Include Unreleased Documents** check boxes in the Selection area of the form to include all documents and unreleased documents to the inquiry.

The released credit memos decrease and debit memos increase the customer's balance.

## Preparing a Printable Credit Memo or Debit Memo Form

You can use the [Print Invoices and Memos](#) (AR508000) form to prepare the printable form of a credit memo or debit memo, review it, and print. To quickly run this report when processing a particular credit or debit memo, use the **Reports > Print Invoice/Memo** action on the [Invoices and Memos](#) (AR301000) form.

# Lesson 4.5: Processing Customer Refunds

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## Customer Refunds: General Information

In Acumatica ERP, payment documents that can be released manually have the following document types on the [Payments and Applications](#) (AR302000) form: *Payment*, *Prepayment*, *Customer Refund*, *Voided Payment*, and *Voided Refund*. The information in this topic applies to documents of the *Customer Refund* and *Voided Refund* type.

### Learning Objectives

From reading the topics in this chapter and completing the process activities, you will learn how to do the following:

- Create a customer refund
- Void a customer refund

### Applicable Scenarios

Customer refunds can be created in the following cases:

- To record a refund to the customer for returned goods (this scenario is described in [Customer Refunds: To Create a Customer Refund](#))
- To record an overpaid amount
- To record an unused amount of a prepayment

Customer refunds can be voided if errors have been made or if the refunds are otherwise invalid. Voiding a refund reverses the original refund transactions. You can use the [Payments and Applications](#) (AR302000) form to void a customer refund that has been applied to customer payments, prepayments, or credit memos.

### Creating a Customer Refund

To create and process a customer refund document, you use the [Payments and Applications](#) (AR302000) form. Alternatively, you can use the [Invoices and Memos](#) (AR301000) form, where you can select a credit memo and then click **Actions > Customer Refund**.

When you are recording a customer refund, you must fully apply its available balance to an open payment, prepayment, or credit memo—or to multiple documents of these types—before you release the refund. For step-by-step instructions, see [Customer Refunds: To Create a Customer Refund](#). To perform

a refund for a closed payment document, first reverse the applications of the payment document, and then create a refund for the payment document.

## Releasing a Customer Refund

When you release a customer refund, the system changes its status to *Closed* because its amount was fully applied. The balances of refunds do not affect the customer's balance.

You distribute the entire available refund balance among the open payment documents you add to the table on the **Documents to Apply** tab of the *Payments and Applications* (AR302000) form. The system creates application records for each document listed on the tab and includes the applied amount. Thus, the available refund balance becomes zero. When you release a customer refund, the system does the following:

- Changes the status of the refund to *Closed*.
- Releases the application records.
- Decreases the balances of the paid documents. If the balance of a paid document becomes zero, the system changes its status to *Closed*.
- Increases the customer's balance by the refund amount if the refund is applied to a document of the *Payment* or *Credit Memo* type.
- Decreases the customer's prepayment balance by the refund amount if the refund is applied to a payment document of the *Prepayment* type.
- Generates a GL batch to update the involved asset accounts.

## Correcting a Customer Refund

You can correct a released refund by voiding it and recording the correct refund. For step-by-step instructions, see [Customer Refunds: To Void a Customer Refund](#).

You void the customer refund on the *Payments and Applications* (AR302000) form by selecting the needed document of the *Customer Refund* type and then clicking **Void** on the form toolbar. The system creates a document of the *Voided Refund* type with the same reference number as the refund has, and reverses the original refund.

Before you release the voided refund, you can change the date of the voided refund in the **Application Date** box in the Summary area of the form. The date you specify in this box should be the date when the voided refund is released and when the related batch was created. You can also enter a description of the voided refund in the **Description** box of the Summary area of the *Payments and Applications* form.

On release of the voided refund, the system changes the status of the refund to *Voided* and the status of the voided refund to *Closed*. On the **Application History** tab, you can see the original document to which the refund has been applied with a negative amount in the **Amount Paid** column.

If the original document for which the refund has been applied has the *Closed* status, when the refund is voided, the system changes the document's status to *Open*. You can again apply documents to the original document.

## Processing Vendor Refunds

If a vendor did not use a prepayment or used it only partially, you can enter a vendor refund and apply it against the prepayment. You create and release vendor refunds on the *Checks and Payments* (AP302000) form. For details, see [Bill Prepayments: To Refund a Prepayment](#).

Vendor refunds can be voided if errors have been made or the refunds are otherwise invalid. Voiding a refund reverses the original refund transactions. You use the [Checks and Payments](#) form to void a vendor refund that has been applied to a prepayment or debit adjustment. For details, see [To Void a Vendor Refund](#).

## Customer Refunds: Generated Transactions

The following refund transactions are recorded to the general ledger when the refund and its applications are released.

Account	Debit	Credit
Cash account	0.00	Amount
Accounts Receivable account	Amount	0.00

You can view the batch details by clicking the link in the **Batch Nbr.** box on the **Financial Details** tab of the [Payments and Applications](#) (AR302000) form.

If you have recorded bank charges to the customer refund, the system generates the respective transactions and includes them in the batch with the refund transactions. For details on bank charge transactions, see [Finance Charge Transactions](#).

When you release a refund, the GL batch may contain, in addition to the refund transactions, some transactions generated by its application records. For details, see [Invoice Payments: Release of Application Records](#).

The following voided refund reverse batch is recorded to the general ledger when a voided refund is released.

Account	Debit	Credit
Cash account	Amount	0.00
Accounts Receivable account	0.00	Amount

## Customer Refunds: To Create a Customer Refund

In this activity, you will learn how to create and release a customer refund.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that in January, HM's Bakery & Cafe (*HMBAKERY*) bought twelve jars of apple jam from the SweetLife Fruits & Jams company for the total amount of \$258 and returned two damaged jars. One of the SweetLife accountants has already created a credit memo in the system for the amount of the damaged goods (\$43).

Acting as the chief accountant of SweetLife, you need to create a customer refund for this credit memo.

## Configuration Overview

For the purposes of this lesson, the following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:

- *Standard Financials*, which provides the standard financial functionality
- *Multi-Branch Support*, which supports multiple branches in your instance of Acumatica ERP

On the [Accounts Receivable Preferences](#) (AR101000) form, the **Hold Documents on Entry** check box has been selected in the **Data Entry Settings** section.

On the [Customers](#) (AR303000) form, the *HMBAKERY (HM's Bakery & Cafe)* customer has been configured.

## Process Overview

In this process activity, you will create a customer refund for which a credit memo has been created. On the [Payments and Applications](#) (AR302000) form, you will select the credit memo for which the refund is being issued and release the refund.

## System Preparation

Before you perform the steps of this lesson, do the following:

1. Launch the Acumatica ERP website, and sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2020*. If a different date is displayed, click the Business Date menu button and select *1/30/2020*. For simplicity, in this lesson, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Creating the Customer Refund

To create the customer refund, do the following:

1. Open the [Payments and Applications](#) (AR302000) form.
2. On the form toolbar, click **Add New Record**, and specify the following settings in the Summary area:
  - **Type:** *Customer Refund*
  - **Customer:** *HMBAKERY*

- **Payment Method:** CHECK
  - **Cash Account:** 10200WH (Wholesale Checking)
  - **Application Date:** 1/30/2020 (inserted by default)
  - **Description:** Refund for damaged goods
3. On the **Documents to Apply** tab, click **Add Row**, and specify the following settings in the added row:
    - **Doc. Type:** Credit Memo
    - **Reference Nbr.:** The number corresponding to the existing credit memo in the amount of \$43
    - **Amount Paid:** 43 (filled in automatically)
  4. In the Summary area, click the Refresh button right of the **Payment Amount** box.

Notice that the **Amount Paid** from the credit memo has been inserted as the payment amount for the customer refund.

5. On the form toolbar, click **Save** to save the customer refund document, which is shown in the following screenshot.

The screenshot displays the 'Payments and Applications' form. The 'Customer' field is set to 'HMBAKERY - HM's Bakery & Cafe'. The 'Payment Method' is 'CHECK - Check Payment' and the 'Cash Account' is '10200WH - Wholesale Checking'. The 'Amount Paid' is 43.00. The 'Description' is 'Refund for damaged goods'. Below the form, a table titled 'DOCUMENTS TO APPLY' shows the following data:

Branch	Doc. Type	Reference Nbr.	Amount Paid	Cash Discount Taken	Write-Off Amount	Write-Off Reason Code	Date	Due Date	Cash Discount Date	Cross Rate	Balance	Cash Discount Balance	Description	Currency
HEADOFFICE	Credit Memo	000071	43.00	0.00	0.00		1/24/2020			1.00000000	0.00	0.00	Returned 2 da...	USD

**Figure: The customer refund created for HMBAKERY**

## Step 2: Releasing the Customer Refund

To release the customer refund, do the following:

1. In the Summary area, clear the **Hold** check box, and on the form toolbar, click **Release**.
2. On the **Application History** tab, click the link in the **Batch Number** column to review the created batch on the [Journal Transactions](#) (GL301000) form.

## Customer Refunds: To Void a Customer Refund

In this activity, you will learn how to void a customer refund.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

## Story

Suppose that a customer refund for HM's Bakery & Cafe (*HMBAKERY*) that you created in the previous activity has to be voided (because the date is incorrect) so that a new refund can be created.

Acting as the chief accountant of SweetLife, you need to void the customer refund.

## Configuration Overview

For the purposes of this lesson, the following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:

- *Standard Financials*, which provides the standard financial functionality
- *Multi-Branch Support*, which supports multiple branches in your instance of Acumatica ERP

On the [Accounts Receivable Preferences](#) (AR101000) form, the **Hold Documents on Entry** check box has been selected in the **Data Entry Settings** section.

On the [Customers](#) (AR303000) form, the *HMBAKERY* (*HM's Bakery & Cafe*) customer has been configured.

## Process Overview

In this activity, you will void a refund on the [Payments and Applications](#) (AR302000) form, and review the document that the system creates.



In a production environment, you would first make sure that the needed customer refund has been created in the system, as described in [Customer Refunds: To Create a Customer Refund](#).

## System Preparation

Before you perform the steps of this lesson, do the following:

1. Launch the Acumatica ERP website, and sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2020*. If a different date is displayed, click the Business Date menu button and select *1/30/2020*. For simplicity, in this lesson, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not

selected, click the selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step 1: Voiding the Customer Refund

To void the customer refund with the incorrect date, do the following:

1. Open the *Payments and Applications* (AR302000) form.
2. In the **Type** box, select *Customer Refund*.
3. In the **Reference Nbr.** box, select the reference number of the customer refund that you need to void.
4. On the form toolbar, click **Void**.

The system does the following:

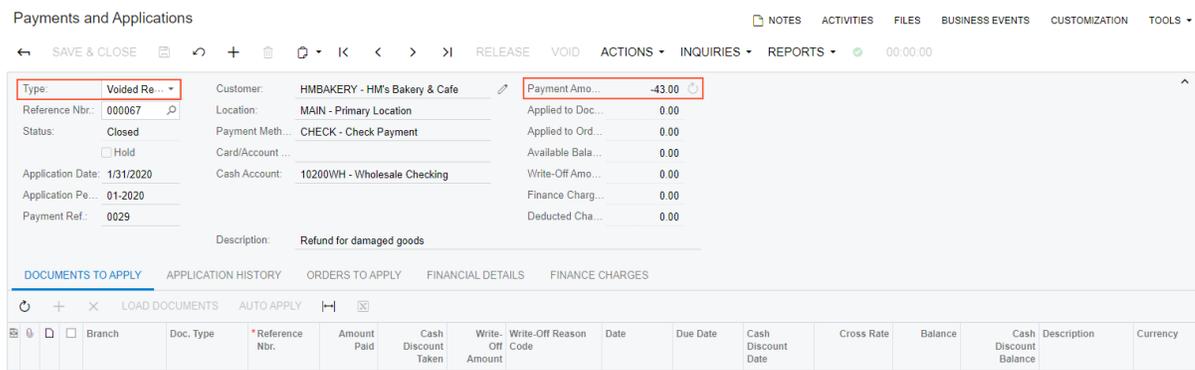
- Reverses the refund in full.
  - Changes the status of the customer refund to *Voided*.
  - Creates a document with the *Voided Refund* type that has the same reference number as the customer refund has. (You will use this document in the remaining instructions of this activity.)
5. In the **Application Date** box of the Summary area, change the date of the voided refund to *1/31/2020*.

The date specified in this box should be the date when the voided refund is released (**Payment Date**) and when the related batch was created (**Transaction Date**).

### Step 2: Releasing the Voided Refund

To release the voided refund, do the following:

1. In the Summary area, clear the **Hold** check box.
2. On the form toolbar, click **Release**. The following screenshot shows the released voided refund.



**Figure: The voided refund for the HMBAKERY customer**

## Customer Refunds: Related Reports and Inquiries

This topic describes reports, inquiries, and forms you may review to gather information about the balance of customers for whom you issue customer refunds.



If you do not see a report or inquiry, this could mean that you have signed in to the system with a user account that does not have access rights to a form. Sign in as the *admin* user, or contact your system administrator.

### Reviewing Customer Balance and Documents

You can review the balance and documents of a particular customer by clicking **Inquiries > Customer Details** on the form toolbar of the [Payments and Applications](#) (AR302000) form with the customer refund selected on it.

On the [Customer Details](#) (AR402000) form, that opens, for the *HMBAKERY* customer, the **Balance by Documents** box in the Summary area displays *-43* before a customer refund is created and *0* after the customer refund is released.

### Reviewing the Customer Refund

You can review the created customer refund on the [AR Register Detailed](#) (AR622000) form. To run the report, you click **Reports > AR Register Detailed** on the form toolbar of the [Payments and Applications](#) (AR302000) form with the customer refund selected on it.

# Part 5: Cash Transactions and Bank Reconciliation

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This part of the course illustrates the processing of cash transactions, such as a cash entry and a funds transfer. It also describes the process of reconciling a cash account with a bank statement, which is a preparation step for period-end procedures.

For completing the lessons of this part of the course, you will use a company with the *U100* dataset preloaded, which provides a fully configured company with sample data specially designed for this course. The lessons of this part are independent: You can complete the lesson activities in any order.

You need to complete the activities in this part by using user accounts with specific access rights. Each activity provides the credentials to use for sign-in to the prepared *U100* tenant in the *System Preparation* section.

## Lesson 5.1: Processing Cash Entries

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### Cash Entries: General Information

In Acumatica ERP, you can record cash entries—that is, transactions that affect cash but do not involve customers or vendors. Transactions of this type affect the balances of only general ledger accounts.

#### Learning Objectives

You will learn how to create a cash entry in Acumatica ERP.

#### Applicable Scenarios

You create a transaction of the *Cash Entry* type when you need to record a cash operation, such as a bank charge, income due to interest, or an unknown payment.

#### Types of Cash Entries

Cash entries are used to record cash transactions, such as charges for transfers, bank service charges, or amounts earned on interest-bearing bank accounts or other investments. On the [Transactions](#) (CA304000) form, you specify the type of the cash entry, which is one of the following:

- *Receipt*: Increases the balance of the selected cash account. Entries of this type can include recording amounts earned on interest-bearing bank accounts or other investments.
- *Disbursement*: Decreases the balance of the selected cash account. This entry type includes transfer charges and bank service charges.

#### Processing of a Cash Entry

Cash entries are tracked in the system and available for viewing, editing, and releasing on the [Transactions](#) (CA304000) form. You can use any of the following forms as a starting point to enter the cash entry:

- The [Transactions](#) form itself: On this form, you select a cash account and an entry type, and you make any needed changes to the transaction date and financial period. Then you add the

transaction details. For each transaction detail, you can change the offset account if any default values are provided by the selected entry type, or select an offset account from the list of accounts if no default values are provided.

When you are ready to release this transaction, you make sure that the cash entry is balanced (remove it from hold, if necessary, by clearing the **Hold** check box), and on the form toolbar, you click **Release**.

- **Cash Account Details** (CA303000): On this form, which lists transactions for the selected cash account, you select a cash account and click **Create Transaction** on the table toolbar. In the **Quick Transaction** dialog box, which opens, you enter the transaction details. When you click **Save**, the system closes the dialog box and creates a transaction with the specified details on the **Transactions** form.

To release balanced cash entries (that is, those that are not on hold) on this form, you select the unlabeled check box for each needed cash entry and then click **Release** on the form toolbar. (Alternatively, you can release the cash entry at a later time on the **Transactions** form.)

If any listed cash entry has the *On Hold* status, you can click the link in the **Orig. Doc. Number** column for this cash entry. The system opens the **Transactions** form in a pop-up window, where you can clear the **Hold** check box to take the cash entry off hold and then click **Actions > Release** on the form toolbar.

- **Reconciliation Statements** (CA302000): While you are using this form to work with a reconciliation statement, you can quickly record a cash transaction. To do this, you click **Create Adjustment** on the table toolbar, which invokes the **Quick Transaction** dialog box, where you specify the transaction details. When you click **Save**, the system closes the dialog box and creates a transaction with the specified details on the **Transactions** form.

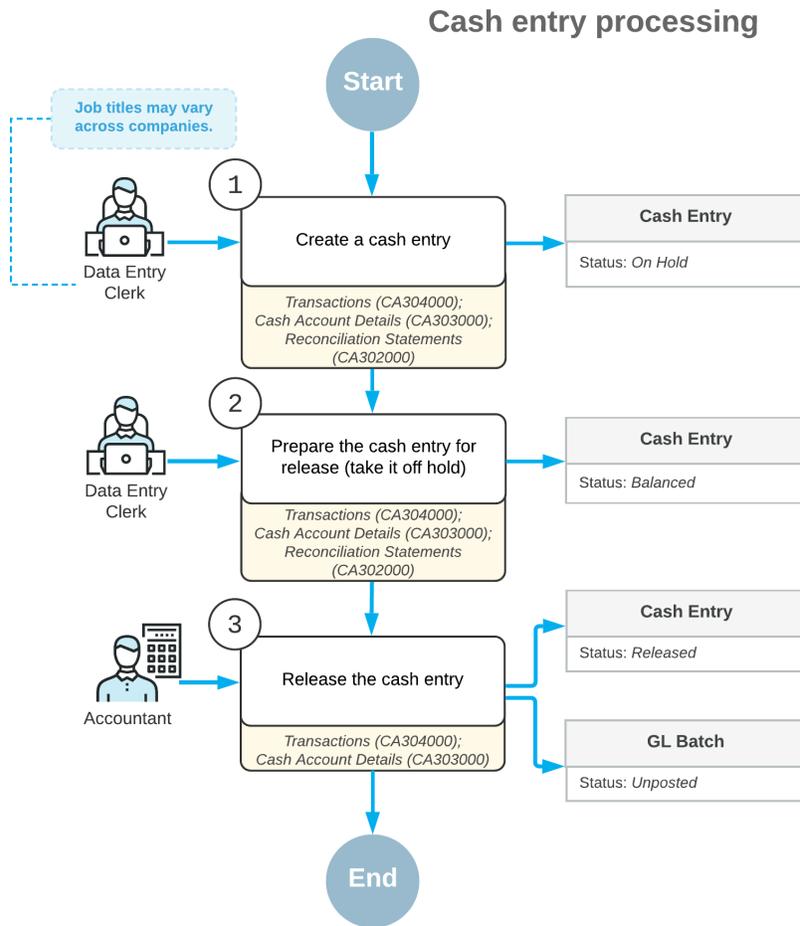
During processing, a cash entry can have the statuses listed in the following table.

**Table: Statuses of Cash Entries**

Status	Description
<i>On Hold</i>	The cash entry is being edited and cannot be released.
<i>Pending Approval</i>	The cash entry requires approval. This status is used only if the <i>Approval Workflow</i> feature is enabled and approvals have been configured for cash transactions.
<i>Balanced</i>	The cash entry is balanced and ready to be released.
<i>Released</i>	The cash entry has been released and the respective general ledger batch has been generated.

## Process Diagram

The following diagram illustrates the workflow of cash entry processing.



**Figure: Cash entry processing**

## Cash Entries: Generated Transactions

When a cash entry is released, its status changes to *Released* and the system generates a batch to be posted to the general ledger.

The system updates the accounts involved with the transactions as shown in the following tables, based on whether the cash transaction is of the *Receipt* or *Disbursement* type.

**Table: Receipt Cash Transaction**

Account	Debit	Credit
Cash Account	Amount	0.00
Offset Account	0.00	Amount

**Table: Disbursement Cash Transaction**

Account	Debit	Credit
Cash Account	0.00	Amount
Offset Account	Amount	0.00

## Cash Entries: To Create a Disbursement Cash Entry

In this activity, you will learn how to create a cash entry of the *Disbursement* type.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

As a SweetLife accountant, you need to register a \$15 service fee charged by your bank for a particular checking account, *Wholesale Checking*, on January 31, 2020.

### Process Overview

In this activity, you will create a disbursement cash entry for the bank service fee on the *Transactions* (CA304000) form. Then you will release the cash entry and review the generated GL transactions on the *Journal Transactions* (GL301000) form.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, click the Business Date menu button and select *1/31/2020*. For simplicity, in this activity, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the Company and Branch Selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.
4. On the *Cash Management Preferences* (CA101000) form, in the **Posting and Release Settings** section, clear the **Automatically Post to GL on Release** check box. On the form toolbar, click **Save** to save your changes.

### Step 1: Creating and Releasing a Disbursement Cash Entry

To create a disbursement cash entry for the \$15 bank service fee charged to the *Wholesale Checking* account on January 31, 2020, do the following:

1. Open the *Transactions* (CA304000) form.
2. On the form toolbar, click **Add New Record**, and in the Summary area, specify the following settings:
  - **Cash Account:** *10200WH (Wholesale Checking)*

- **Tran. Date:** 1/31/2020
- **Fin. Period:** 01-2020
- **Entry Type:** BANKFEE (Bank Fees)

Notice that the value in the **Disbursement/Receipt** box is *Disbursement*. This is because you selected a disbursement entry type.

- **Document Ref.:** 20200131
- **Description:** \$15 Bank Service Fee Paid for Checking Account in January
- **Hold:** Cleared

3. On the **Transaction Details** tab, click **Add Row** on the table toolbar, and specify the following settings in the added row:

- **Branch:** HEADOFFICE
- **Amount:** 15.00
- **Offset Account:** 61100 (Bank Service Charges)

4. On the form toolbar, click **Save** to save your changes.

5. On the form toolbar, click **Actions > Release** to release the cash entry. The system creates a batch to be posted to the general ledger. The released cash entry is shown in the following screenshot.

Transactions NOTES ACTIVITIES FILES BUSINESS EVENTS CUSTOMIZATION

← SAVE & CLOSE + - K < > | ACTIONS ▾ INQUIRIES ▾ 00:00:01

Tran. Type:	Cash Entry	Tran. Date:	1/31/2020	Amount:	15.00
Reference Nbr.:	000001	Fin. Period:	01-2020	VAT Taxable T...:	0.00
Cash Account:	10200WH - Wholesale Checking	Entry Type:	BANKFEE - Bank Fees	VAT Exempt T...:	0.00
Status:	Released	Disbursement/...:	Disbursement	Tax Total:	0.00
	<input type="checkbox"/> Hold	Document Ref.:	20200131		
		Owner:			
Description:	\$15 Bank Service Fee Paid for Checking Account in January				

TRANSACTION DETAILS TAX DETAILS FINANCIAL DETAILS

Branch	Item ID	Description	Quantity	UOM	Price	Amount	*Offset Account	Account Description	*Project	Project Task	Non Billable	Tax Category
HEADOFFICE		Bank Fees	1.00		15.0000	15.00	61100	Bank Service Charges	X		<input type="checkbox"/>	

**Figure: The released Disbursement cash entry**

## Step 2: Reviewing the Generated GL Batch

To review the GL transaction generated when you released the cash entry created in Step 1, do the following:

1. While you are still on the *Transactions* (CA304000) form, open the **Financial Details** tab, and click the batch number to open the batch for review.
2. On the *Journal Transactions* (GL301000) form, which opens, review the batch that the system has generated.

Notice that the batch contains two journal entries that update GL accounts: a credit entry for the *10200 (Company Checking Account)* GL account and the debit entry for the *61100 (Bank Service Charges)* GL account.

Because the **Automatically Post to GL on Release** check box is cleared in the **Posting and Release Settings** section of the *Cash Management Preferences* (CA101000) form, the GL batch was released but not posted, and now has the *Unposted* status. In this activity, you will not post this batch to the general ledger so as not to update the balances of the accounts that might be used in other activities. However, in a production environment, you will post it by selecting the generated batch on the *Post Transactions* (GL502000) form and clicking **Post** on the form toolbar.

## Cash Entries: To Create a Receipt Cash Entry

In this activity, you will learn how to create a cash entry of the *Receipt* type.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

On January 31, 2020, you earned \$25 in bank interest on the *10300WH (Cathay Bank Savings)* account. As a SweetLife accountant, on January 31, you want to create a cash entry of the *Receipt* type to account for this amount.

### Process Overview

You will first create the *Receipt* cash entry for interest earned on the *Transactions* (CA304000) form. Then you will post the created document to the general ledger and review the generated GL transactions on the *Journal Transactions* (GL301000) form.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/31/2020*. If a different date is displayed, click the Business Date menu button and select *1/31/2020*. For simplicity, in this activity, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the Company and Branch Selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Creating and Releasing a Receipt Cash Entry

To create a receipt cash entry for \$25 interest earned on the *Cathay Bank Savings* account on January 31, 2020, do the following:

1. Open the *Transactions* (CA304000) form.
2. On the form toolbar, click **Add New Record**, and in the Summary area, specify the following settings:
  - **Cash Account:** *10300WH (Cathay Bank Savings)*
  - **Tran. Date:** *1/31/2020*
  - **Fin. Period:** *01-2020*
  - **Entry Type:** *INTEREST*

Notice that the value in the **Disbursement/Receipt** box is *Receipt*. This is because you selected a receipt entry type.

  - **Document Ref.:** *20200131*
  - **Description:** *\$25 Interest Earned on Cathay Savings Account in January 2020*
3. On the **Transaction Details** tab, click **Add Row** on the table toolbar, and specify the following settings for the added row:
  - **Branch:** *HEADOFFICE* (inserted by default)
  - **Amount:** *25.00*
  - **Offset Account:** *40500 (Interest Income)*

The offset account specifies the account to be credited on release of the cash transaction. The default value is automatically inserted from the *INTEREST* cash entry type. You can override the default offset account for the cash account, if needed.
4. In the Summary area, clear the **Hold** check box.
5. On the form toolbar, click **Actions > Release** to release the cash entry. The system creates a batch to be posted to the general ledger. The released cash entry is shown in the following screenshot.

Transactions NOTES ACTIVITIES FILES BUSINESS EVENTS CUSTOMIZATION

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Tran. Type: Cash Entry	Tran. Date: 1/31/2020	Amount: 25.00
Reference Nbr.: 000002	Fin. Period: 01-2020	VAT Taxable T... 0.00
Cash Account: 10300WH - Cathay Bank Savings	Entry Type: INTEREST - Interest	VAT Exempt T... 0.00
Status: Released	Disbursement/... Receipt	Tax Total: 0.00
<input type="checkbox"/> Hold	Document Ref.: 20200131	
Description: \$25 Interest Earned on Cathay Savings Account in January 2020		

TRANSACTION DETAILS TAX DETAILS FINANCIAL DETAILS

Branch	Item ID	Description	Quantity	UOM	Price	Amount	*Offset Account	Account Description	*Project	Project Task	Non Billable	Tax Category
HEADOFFICE		Interest	1.00		25.0000	25.00	40500	Interest Income	X		<input type="checkbox"/>	

**Figure: The released Receipt cash entry**

## Step 2: Reviewing the Generated GL Transaction

To review the GL transaction generated by posting the cash entry you have created in Step 1, do the following:

1. While you are still on the *Transactions* (CA304000) form, open the **Financial Details** tab, and click the batch number to open the GL transaction for review.
2. On the *Journal Transactions* (GL301000) form, which opens, review the batch that the system has generated in the general ledger.

The batch contains two journal entries that update GL accounts, as the following screenshot shows: *Company Savings Account* is debited for \$25, and *Interest Income* is credited for the same amount. The batch was posted immediately on release of the cash entry document and now has the *Posted* status. You can navigate to the cash entry document from which the batch was generated by clicking **View Source Document** on the table toolbar.

Journal Transactions NOTES ACTIVITIES FILES BUSINESS EVENTS CUSTOMIZATION TOOLS

SAVE & CLOSE + - K < > > RELEASE ACTIONS REPORTS

Module: CA	Branch: HEADOFFICE - SweetLife Head Office ar	Type: Normal
Batch Number: GL000030	Ledger: ACTUAL - Actual Ledger	Orig. Batch Number:
Status: Unposted	<input type="checkbox"/> Auto Reversing <input type="checkbox"/> Reversing Entry	Debit Total: 25.00
		Credit Total: 25.00
Transaction D...: 1/31/2020		
Post Period: 01-2020		
Description: \$25 Interest Earned on Cathay Savings Account in January 2020		

VIEW SOURCE DOCUMENT RECLASSIFICATION HISTORY

Branch	*Account	Description	Project/Contract	Project Task	Ref. Number	Transaction Date	Quantity	UOM	Debit Amount	Credit Amount	Transaction Description	Non Billable
HEADOFFICE	10300	Company Savings Account	X		000002	1/31/2020	0.00		25.00	0.00	\$25 Interest Earned on Cathay Savings Account ...	<input type="checkbox"/>
HEADOFFICE	40500	Interest Income	X		000002	1/31/2020	1.00		0.00	25.00	Interest	<input type="checkbox"/>

**Figure: GL transaction generated on release of the cash entry**

# Lesson 5.2: Performing Funds Transfers

## Funds Transfers: General Information

In Acumatica ERP, you can record cash transfers from one bank account to another, or between cash accounts that are linked to the same GL account and that represent the same bank account. When you record a funds transfer, you can also register a charge associated with it. For example, when you move funds between different bank accounts, you can immediately record a service fee associated with the transfer.

### Learning Objectives

You will learn how to record a funds transfer between cash accounts.

### Applicable Scenarios

You record a funds transfer when you need to redistribute funds between different companies or branches of your organization. You can also move funds from one bank account to another—for example, when you want to deposit funds from one of the company's checking accounts to a company savings account.

### Processing of a Funds Transfer

To process a funds transfer, you first create it on the [Funds Transfers](#) (CA301000) form. At any time after creation, you can release the transfer on any of the following forms:

- [Funds Transfers](#): You release the funds transfer you are viewing by clicking **Release** on the form toolbar.
- [Release Cash Transactions](#) (CA502000): You use this form to release a particular funds transfer or multiple funds transfers. On this form, funds transfers have the *Transfer* transaction type, and transactions that correspond to the same transfer have the same transaction number. To release all transactions of a particular funds transfer, you need to select only one transaction of it by selecting the unlabeled check box in the row of the transaction; when you release it by clicking **Release** on the form toolbar, the system releases the other transactions automatically.
- [Cash Account Details](#) (CA303000): You can use this form to release a particular funds transfer or multiple funds transfers. On this form, you start by selecting a cash account, which can be the source account or the destination account for your funds transfer. The system displays a list of transactions that includes the funds transfer transaction of the *Transfer Out* or *Transfer In* type, depending on whether the account you selected is a source or destination account, respectively. To release all transactions of the funds transfer, you need to select only one transaction of the funds transfer by selecting the unlabeled check box in the row of the transaction; when you click **Release** on the form toolbar, the system releases the other transactions automatically.

During processing, a funds transfer can have the following statuses.

**Table: Statuses of Funds Transfers**

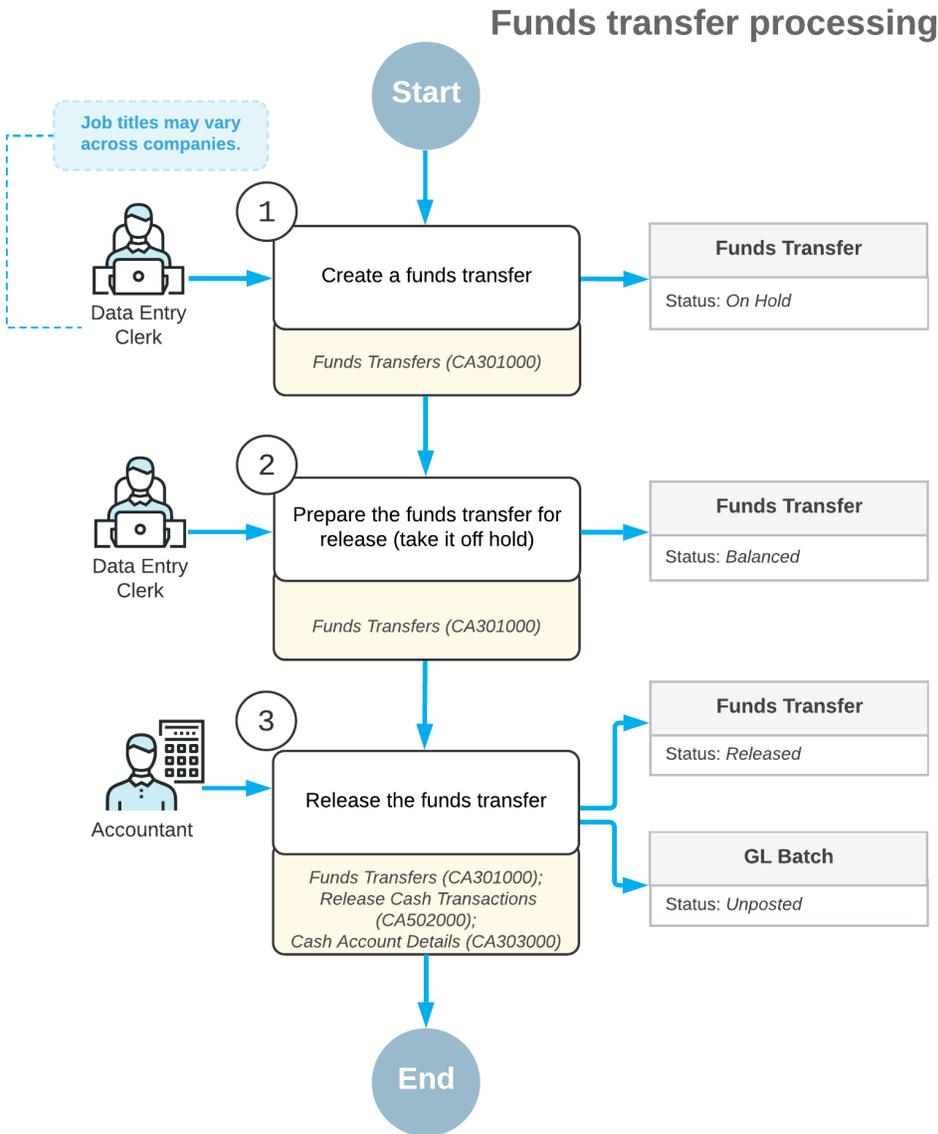
Status	Description
<i>On Hold</i>	The transfer is being edited and cannot be released.
<i>Balanced</i>	The transfer is balanced and can be released.
<i>Released</i>	The transfer has been released.

## Addition of Expenses

You can record transfer expenses and charges in a funds transfer by adding a row in the table on the *Funds Transfers* (CA301000) form and filling in the required information. Before you record charges, you need to configure an entry type that provides the default details for the transaction. For more information, see *Registration of Finance Charges*.

## Process Diagram

The following diagram illustrates the workflow of funds transfer processing.



## Funds Transfers: Generated Transactions

When you release a funds transfer, its status changes to *Released*, and the system generates the following batch of transactions to be posted to the general ledger.

**Table: Transactions for Funds Transfers in Base Currency**

Account	Debit	Credit
Source account	0.00	Transfer amount
Destination account	Transfer amount	0.00

The system can generate separate transfer-in and transfer-out general ledger batches for a funds transfer, for example, if the post periods of the transfer-out and transfer-in are different, the funds are moved first to the cash-in-transit account, and then from this account to the destination account.

**Table: Transfer-Out Batch of Transactions for Transfers with Differing Periods**

Account	Debit	Credit
Source account	0.00	Transfer amount
Cash-in-Transit account	Transfer amount	0.00

**Table: Transfer-In Batch of Transaction for Transfers with Differing Periods**

Account	Debit	Credit
Cash-in-Transit account	0.00	Transfer amount
Destination account	Transfer amount	0.00

If you have added expenses for the funds transfer, the system generates a separate cash transaction when the funds transfer is released, and the following transactions are recorded to the general ledger.

**Table: Transactions for Expenses**

Account	Debit	Credit
Cash account	0.00	Expense amount
Bank charges account	Expense amount	0.00

## Funds Transfers: Process Activity

In this activity, you will learn how to record a funds transfer from one checking account to another.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

In February 2020, one of SweetLife's branches, the Service and Equipment Sales Center, is planning on purchasing additional juicer equipment and parts. As the SweetLife accountant, you have approved the expenditures in the amount of \$70,000 for these items, which is roughly \$25,000 more than the amount available in the *10200EQ - Equipment Checking* cash account. To increase the available balance of the *10200EQ* cash account, you need to transfer \$25,000 from the *10200WH - Wholesale Checking* account.

## Process Overview

In this activity, you will first review the available balances of the *10200WH* and *10200EQ* cash accounts on the [Cash Account Summary](#) (CA633000) report form. Then on the [Funds Transfers](#) (CA301000) form, you will record a funds transfer in the amount of \$25,500 from the *10200WH* cash account to the *10200EQ* cash account. Finally, you will review the balances of both accounts on the [Cash Account Details](#) (CA303000) form to make sure the transfer is recorded correctly.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, click the Business Date menu button and select *2/1/2020*. For simplicity, in this activity, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the Company and Branch Selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.
4. On the [Cash Management Preferences](#) (CA101000) form, in the **Posting and Release Settings** section, select the **Automatically Post to GL on Release** check box. On the form toolbar, click **Save** to save your changes.

## Step 1: Reviewing the Balances of the Source and Destination Cash Accounts

To review the balances of the cash accounts, do the following:

1. Open the [Cash Account Summary](#) (CA633000) report form.
2. On the **Report Parameters** tab, specify the following parameters:
  - **Company/Branch:** *SWEETLIFE*
  - **From Date:** *1/1/2020*
  - **To Date:** *2/1/2020*
  - **Include Non-Cleared Transactions:** Selected
  - **Hide Details:** Selected
3. On the report form toolbar, click **Run Report**.
4. In the report, review the ending balances of the *10200WH* cash account and the *10200EQ* cash account.

## Step 2: Processing a Funds Transfer

To process a funds transfer from the 10200WH cash account to the 10200EQ cash account, do the following:

1. Open the *Funds Transfers* (CA301000) form.
2. On the form toolbar, click **Add New Record**, and in the **Description** box of the Summary area, type Transferring \$25,500 to SWEETEQUIP.
3. In the **Source Account** section, specify the following settings:
  - **Account:** 10200WH - Wholesale Checking
  - **Transfer Date:** 2/1/2020
  - **Amount:** 25,500

These settings indicate that \$25,500 will be transferred from the 10200WH - Wholesale Checking account on February 1, 2020.

Because this is an internal funds transfer that does not affect bank accounts, you have not indicated the reference number of the source document.

4. In the **Destination Account** section, specify the following settings:
  - **Account:** 10200EQ - Equipment Checking
  - **Receipt Date:** 2/1/2020

These settings indicate that the funds will be transferred to the 10200EQ account, which is defined as the checking account for the SweetLife Service and Equipment Sales Center, as shown in the following screenshot.

The screenshot shows the 'Funds Transfers' form with the following details:

- Transfer Num:** <NEW>
- Description:** Transferring \$25,500 to SWEETEQUIP
- Status:** On Hold (checked)
- SOURCE ACCOUNT:**
  - \* Account: 10200WH - Wholesale Checking
  - \* Transfer Date: 2/1/2020
  - Document Ref: (empty)
  - Amount: 25,500.00
  - Batch Number: (empty)
  - Clear Date: (empty)
  - GL Balance: 182,594.17
  - Available Balance: 182,389.17
  - Base Currency Amount: 25,500.00
- DESTINATION ACCOUNT:**
  - \* Account: 10200EQ - Equipment Checking
  - \* Receipt Date: 2/1/2020 (checked)
  - Document Ref: (empty)
  - Amount: 25,500.00
  - Batch Number: (empty)
  - Clear Date: 2/1/2020
  - GL Balance: 44,550.00
  - Available Balance: 44,550.00
  - Base Currency Amount: 0.00

At the bottom, a table header is visible:

* Cash Account	* Entry Type	Description	Amount	Currency	Currency Rate	Document Ref.	* Offset Account	* Doc. Date	* Fin. Period
----------------	--------------	-------------	--------	----------	---------------	---------------	------------------	-------------	---------------

**Figure: The created funds transfer**

5. On the form toolbar, click **Save** to save the funds transfer.
6. Clear the **Hold** check box in the Summary area, and click **Release** on the form toolbar.
7. Click the link in the **Batch Number** box, and review the transaction, which the system has opened on the [Journal Transactions](#) (GL301000) form.

In the **Module** box, *CA* means that the batch was generated from the cash management subledger. Notice that the batch contains a credit entry for the *HEADOFFICE* branch and a debit entry for *SWEETEQUIP*, whereas the GL account for both branches is the same: *10200*.

The system has posted the batch to the general ledger on release of the funds transfer because during the system preparation, you selected the **Automatically Post to GL on Release** check box on the [Cash Management Preferences](#) (CA101000) form.

### Step 3: Reviewing the Balances of the Cash Accounts

To see how the funds transfer is reflected in the cash accounts, do the following:

1. Open the [Cash Account Details](#) (CA303000) form.
2. In the Selection area, specify the following settings:
  - **Cash Account:** *10200EQ*
  - **Start Date:** *2/1/2020*
  - **End Date:** *2/1/2020*
3. In the table, notice the transaction of the *Transfer In* type. This type means that the cash account balance was increased in the amount displayed in the **Receipt** column.
4. In the **Ending Balance** column in the table for the transaction of the *Transfer In* type, notice the ending balance of the selected cash account, which was increased in the amount of the receipt.
5. In the Selection area, change the **Cash Account** to *10200WH*.
6. In the table, notice the transaction of the *Transfer Out* type. This type means that the cash account balance was decreased in the amount displayed in the **Disbursement** column.
7. In the **Ending Balance** column in the table for the transaction of the *Transfer Out* type, notice the ending balance of the selected cash account, which was decreased in the amount of the disbursement.

## Lesson 5.3: Reconciling Cash Accounts

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### Bank Reconciliation: General Information

One way you can maintain internal control over the company's cash is by performing regular reconciliations of accounts. Generally, the goal of reconciliation is to find discrepancies between account balances tracked by different means (by your company in Acumatica ERP and by a third-party financial institution using its software), identify any errors, and make the needed corrections or adjustments.

If you are reconciling your cash accounts, you need quick and accurate tools to ensure that the third-party records match the transactions—cash transactions, payments to vendors, quick checks, incoming payments from customers, and cash sales—recorded in your system. Acumatica ERP offers you capabilities that ease the processes of importing, tracking, and matching the transactions.

## Learning Objectives

You will learn how to reconcile a cash account with a statement from a third-party financial institution.

## Applicable Scenarios

If you are reconciling an account from a financial institution, you compare its statement to the transactions of the cash account, as tracked in your system. Because financial institutions offer a variety of online banking services, you do not need to wait for a monthly statement; you can instead download a list of recent banking transactions in a suitable format as needed. Regular reconciliations can reduce the number of errors on accounts and make it easier to find overlooked transactions, such as missing sales invoices or checks that have been lost in transit.

If you are reconciling a cash account other than a bank account (for instance, a cash register account), you can upload a list of amounts that are confirmed with the cash register receipts or with point-of-sale (or similar) reports.

## Steps of the Reconciliation Process

In general, you perform the following steps when you reconcile each cash account:

1. *Preparing for the reconciliation:* During or after each financial period, on the [Process Bank Transactions](#) (CA306000) form, you clear transactions for the account as you receive information that the financial institution has processed them. For details, see [Bank Reconciliation: Uploading and Processing of Bank Transactions](#).
2. *Verifying the beginning balance of the cash account:* At the end of the financial period, on the [Reconciliation Statements](#) (CA302000) form, you verify that the beginning balance of the cash account in Acumatica ERP matches the beginning balance on the bank statement (or on your record of the petty cash account); if they do not match, you void the earlier statement and fix all errors. Also, you can review unreconciled transactions from previous financial periods and see which of them have been preliminarily cleared.



If a transaction has been matched to an entry on a bank statement on the [Process Bank Transactions](#) form, the **Cleared** check box is selected for the transaction on the [Reconciliation Statements](#) form. Also, a transaction is cleared if a user has selected the **Cleared** check box for it on the form where the transaction was entered.

3. *Creating the reconciliation statement:* You create a new reconciliation statement for the cash account on the [Reconciliation Statements](#) form and enter the statement balance—for instance, the ending balance from the bank statement.
4. *Clearing the transactions:* If you have used the [Process Bank Transactions](#) form to clear bank transactions, on the [Reconciliation Statements](#) form, you click the **Reconcile Processed** button on the table toolbar, and the system selects the **Reconciled** check boxes in the table for all released documents that were processed on the [Process Bank Transactions](#) form.

If you have been manually clearing transactions during the financial period for which you have created the reconciliation statement and are sure that the clearing is valid, you select the **Reconciled** check box for each cleared transaction.

If no transactions have been cleared, by using a bank statement or other paper documents confirming transactions, you compare the transactions to the lines of the bank statement by using transaction identifiers, dates, and amounts. For each confirmed transaction, you select the **Reconciled** check box.

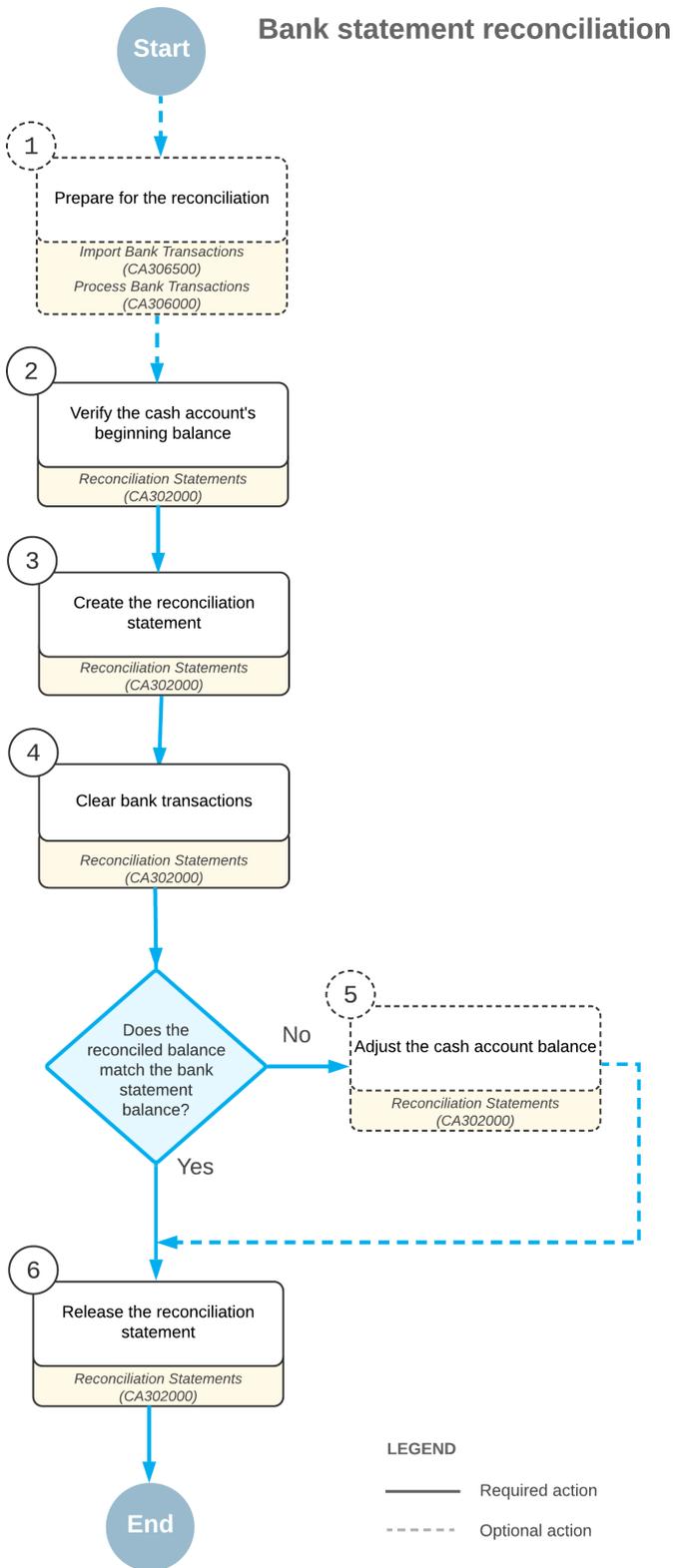


You can perform reconciliation in as many sessions as you need. You can save the reconciliation statement at any time to continue to work with it later.

- 5. *Adjusting the cash account balance:*** As you progress through the list on the [Reconciliation Statements](#) form, you can view the updated value of the difference between the reconciled balance of the cash account and the balance of the statement you have entered. You can create cash adjustments for transactions (such as bank interest or service charges) that have occurred but were not recorded to the account in Acumatica ERP. The reconciliation is finished when the difference between the reconciled balance of the cash account and the balance of the statement is zero. For details, see [Adjustment of a Cash Account Balance](#).
- 6. *Confirming the reconciliation results:*** When you have finished comparing the cash account transactions to a bank statement on the [Reconciliation Statements](#) form and the difference between the reconciled balance of the cash account and the balance of the statement is zero, you save the reconciliation statement. You can now release the reconciliation statement, which confirms that the cash account balance is reconciled for the financial period. For details, see the [Release of a Reconciliation Statement](#) section of this topic.

## Process Diagram

The following diagram illustrates the process of bank statement reconciliation.



**Figure: Bank statement reconciliation workflow**

## Creation of the First Reconciliation Statement

If you have never performed reconciliation for a particular account and then decide to start reconciling the account on a specific date (for example, when you are converting a cash account into a bank account), consider creating a first reconciliation statement that includes all the transactions that had been recorded to this account before this specific date and that were not recorded to another source.

To start the first reconciliation, you need to know the starting balance of your first reconciliation statement. On the [Cash Account Details](#) (CA303000) form, select the cash account and the date range for which the transactions are displayed (from the date of the first transaction to the date that immediately precedes the date of conversion). Make sure that all transactions that you are going to reconcile are posted to the general ledger. Then write down the value of the **Ending Balance** box (in the Summary area)—this will be your first reconciliation statement balance, which you enter in the **Statement Balance** box on the [Reconciliation Statements](#) (CA302000) form.



You can use the [Cash Account Summary](#) (CA633000) report to find out the ending balance of a cash account.

When you know the balance of your first reconciliation statement, you create the reconciliation statement and mark the transactions as reconciled. When the reconciled balance and the statement balance are equal, you save and release the reconciliation statement.

When you are reconciling the account for the second time, if you detect transactions that should belong to the first statement, you void the first statement, add these transactions, and release the statement again.

## Adjustment of a Cash Account Balance

If you are reconciling a bank account, you compare the cash account transactions to the bank account records (which are usually found in a bank statement). Theoretically, the balance of the bank account should reconcile with the balance of the associated cash account as shown in your system. However, a transaction may be recorded on your books sooner or later than the bank actually reflects that change in the corresponding account. Also, the bank may invoke service charges of amounts that are not known in advance.

If you do not use automatic processing of the bank transactions, you may encounter a transaction that is in a bank statement, but is not recorded to the system. In Acumatica ERP, you can create cash adjustments for these transactions that have occurred but were not recorded to the account by clicking **Create Adjustment** on the table toolbar of the [Reconciliation Statements](#) (CA302000) form.

## Release of a Reconciliation Statement

You can release a balanced statement by clicking **Release** on the form toolbar of the [Reconciliation Statement History](#) (CA302010) or [Reconciliation Statements](#) (CA302000) form.

The released statement includes only documents for which the **Reconciled** check box is selected in the table on the [Reconciliation Statements](#) form. When you release the reconciliation statement, the system assigns a date and a reconciliation statement reference number to all transactions marked as reconciled; these transactions will not appear on any future reconciliation statement.

If transactions were not marked as reconciled but were marked as cleared, they will keep the *Cleared* status and will appear on subsequent statements until they are reconciled.



The amounts of unreleased transactions with the *Cleared* status affect the available balance of a cash account only if the **Unreleased Cleared** check box is selected in the **Receipts to Add to Available Balances** and **Disbursements to Deduct From Available Balances** sections of the [Cash Management Preferences](#) (CA101000) form. For details, see [Cash Account Configuration](#).

## Bank Reconciliation: Uploading and Processing of Bank Transactions

If your bank provides bank statements in Open Financial Exchange (OFX), QuickBooks Online (QBO), QFX, or Excel format, you process these statements by completing the steps described in the following sections.

### Uploading of Bank Transactions

In Acumatica ERP, you can use the following forms to upload transactions:

- [Import Bank Transactions](#) (CA306500): You use this form to upload and view transactions for each bank statement. When you use the form to upload a file with transactions for a cash account, the system immediately creates a document that represents the statement and displays the created statement on the form. When you use the form to upload a file with transactions for multiple cash accounts, the system does not display any of the created statements. To view one of the statements, you need to select the needed cash account and the reference number of the statement.

If you are importing a file in OFX, QBO, or QFX format, the system imports the values to be inserted in the **Statement Date**, **Start Balance Date**, **End Balance Date**, and **Ending Balance** boxes from the file. The system validates the value of **Start Balance Date**, making sure it is equal to the end balance date of the previously imported statement.

With the OFX, QBO, and QFX formats, the beginning balance of bank statements is not provided. Instead, the system uses the ending balance of the previous bank statement as the value in the **Beginning Balance** box. Also, the system checks whether the beginning balance plus the total imported receipts minus the total imported disbursements agrees with the imported ending balance of the bank statement.

If you are importing bank transactions in Excel format, you need to manually enter the statement date, end balance date, and ending balance. The system uses the ending balance of the previous bank statement as the beginning balance. Similarly, it uses the end balance date of the previous bank statement as the start balance.

After uploading transactions, you can manually edit the transaction details provided by the bank before continuing to process the transactions in the system (matching and clearing them).

- [Process Bank Transactions](#) (CA306000): You use this form primarily to match and clear transactions from all the created statements for a selected cash account, but you can upload statements on this form as well. When you upload a file, the system does not display the transactions, regardless of the number of cash accounts in the file. To view the uploaded transactions, you need to select a cash account; the system then displays all the transactions uploaded for this cash account that have not been processed (matched and cleared) yet.



When you are importing transactions for the first time, the system creates the first bank statement. If you are importing a file in OFX, QBO, or QFX format, the values to be inserted in **Statement Date**, **Start Balance Date**, **End Balance Date**, and **Ending Balance** boxes on the [Import Bank Transactions](#) form are imported from the file; you have to specify the beginning balance of the first statement manually.

If you are importing transactions from Excel or entering them manually, you have to enter all these values manually.

## Transaction Matching

You match transactions for the account to which the bank statement is uploaded by using the [Process Bank Transactions](#) (CA306000) form. The left pane displays the not-yet-processed transactions imported from bank statements; you need to review these transactions. The tabs on the right pane show the possible matches for bank transactions. By clicking **Auto-Match** on the form toolbar, you run the auto-matching process for the bank transactions: The system searches for possible matching payments and for documents to which the payment could apply.

## Document Creation

On the [Process Bank Transactions](#) (CA306000) form, for the bank transactions that have no matches to any transaction that exists in the system, you can specify the details of documents that need to be created as you process transactions. To do so, on the **Create Payment** tab, you select a transaction that is marked as not matched and create a document.

## Bank Transaction Processing

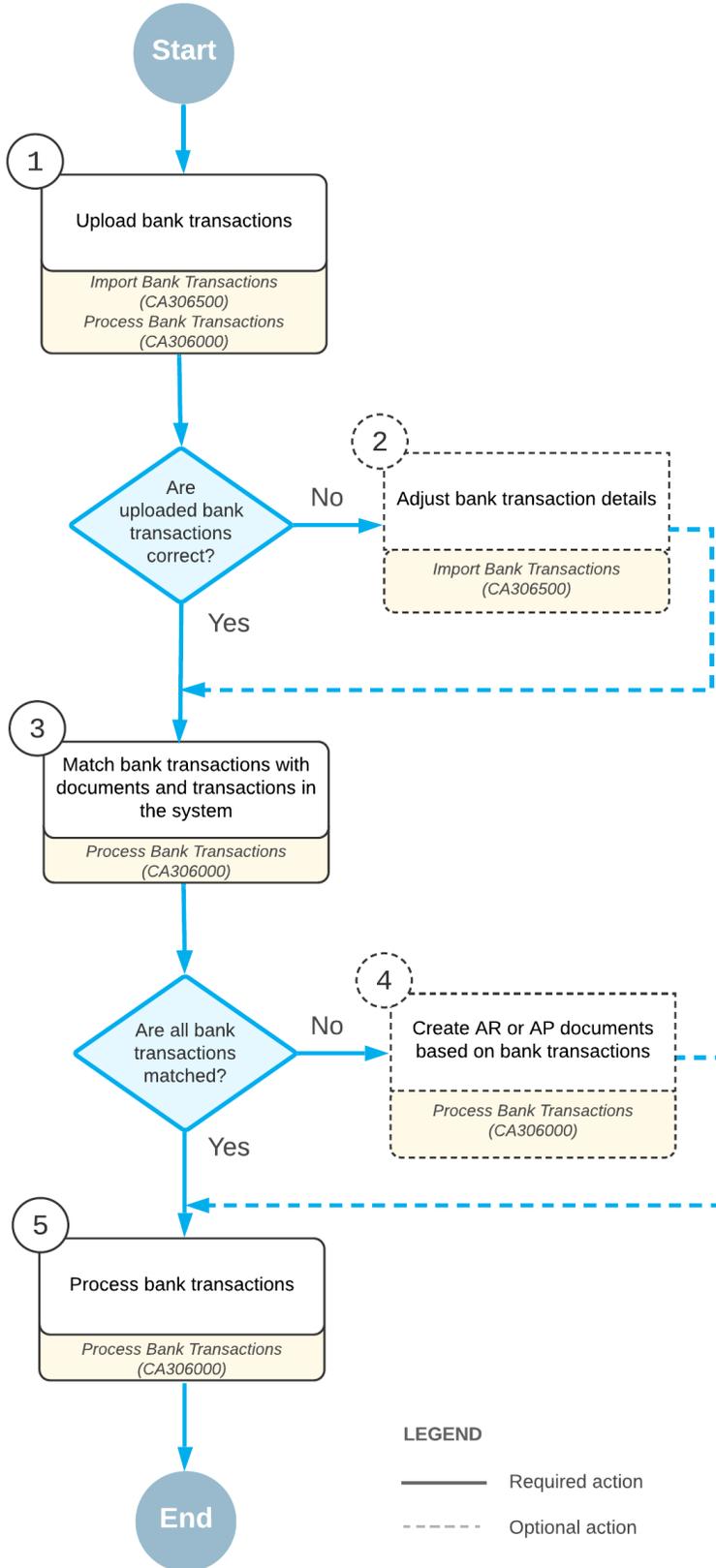
You initiate the processing of the matched transactions on the [Process Bank Transactions](#) (CA306000) form by clicking **Process** on the form toolbar. For the bank transactions that had no match and for which you have specified information, the system creates the documents and transactions based on the specified information, releases the documents and transactions, and selects the read-only **Cleared** check box for every created document and transaction.

On the [Import Bank Transactions](#) (CA306500) form, the **Processed** check box is selected for the transactions that have been processed.

## Process Diagram

The following diagram illustrates the process of uploading and processing bank transactions.

### Preparing for bank reconciliation



**Figure: Preparing for bank reconciliation**

## Bank Reconciliation: To Process a Bank Statement in OFX Format and Reconcile a Cash Account

In this activity, you will learn how to upload a bank statement and match the uploaded transactions to the existing documents or transactions in the system.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that on January 31, 2020, the accounting department of SweetLife Fruits & Jams received a bank statement in Open Financial Exchange (OFX) format from KeyBank in the amount of \$4,525.

Acting as a SweetLife accountant, you need to perform bank statement reconciliation for January 2020 as you prepare to close the *01-2020* financial period in the general ledger. During reconciliation, you will match the records in the system (the book balance) and in the statement for the bank account (the bank balance).

### Configuration Overview

For the purposes of this lesson, the following features have been enabled on the [Enable/Disable Features](#) (CS100000) form:

- *Standard Financials*, which provides the standard financial functionality
- *Multi-Branch Support*, which supports multiple branches in your instance of Acumatica ERP

On the [Cash Accounts](#) (CA202000) form, the *10210WH - KeyBank Checking* account has been configured for the *HEADOFFICE (SweetLife Head Office and Wholesale Center)* branch.

### Process Overview

In this activity, you will review the system settings on the [Cash Management Preferences](#) (CA101000) form and the settings of the cash account whose balance you will reconcile on the [Cash Accounts](#) (CA202000) form. Then you will upload the OFX bank statement on the [Import Bank Transactions](#) (CA306500) form and match the uploaded transactions with the existing transactions in the system on the [Process Bank Transactions](#) (CA306000) form. On this form, you will enter a transaction that reflects an amount included in the bank statement that has not been entered into the system. Finally, you will prepare a reconciliation statement on the [Reconciliation Statements](#) (CA302000) form and review the transactions that have been reconciled.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. To sign in as an accountant, use the following credentials:
  - Username: *johnson*
  - Password: *123*

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *2/1/2020*. If a different date is displayed, click the Business Date menu button and select *2/1/2020*. For simplicity, in this activity, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the Company and Branch Selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Reviewing System Settings and Preparing the Cash Account for Uploading Bank Statements

You need to be sure that the system settings and the needed cash account are configured so that a bank statement for the cash account can be uploaded. Perform the following instructions:

1. Open the [Cash Management Preferences](#) (CA101000) form.
2. On the **Bank Statement Settings** tab, review the following settings in the **Import Settings** section:

- **Import Bank Statement to Single Cash Account:** Selected

This check box indicates whether the system should import a bank statement to a specific cash account as opposed to importing a bank statement for multiple cash accounts. When the check box is selected, you can import the data on the [Import Bank Transactions](#) (CA306500) form only after you select the applicable cash account.

- **Statement Import Service:** *PX.Objects.CA.OFXStatementReader*

The statement import service is the application service that reads the data being imported. The *PX.Objects.CA.OFXStatementReader* service is used for importing bank statements from OFX files.



You can import bank statements from OFX, QBO, QFX, and Excel files..

3. In the Summary area of the [Cash Accounts](#) (CA202000) form, select the *10210WH - KeyBank Checking* cash account, and specify the following settings, which are required for accounts for which bank statements will be imported from OFX:
  - **External Ref. Number:** 001-204-00289-01 (the bank account number that is specified in ACCTID in the OFX file)
  - **Statement Import Service:** *PX.Objects.CA.OFXStatementReader*
4. On the form toolbar, click **Save** to save your changes.

## Step 2: Uploading the Bank Statement for the Cash Account

To upload the 1/31/2020 bank statement for the *10210WH - KeyBank Checking* cash account, do the following:

1. On the [Import Bank Transactions](#) (CA306500) form, click **Add New Record** on the form toolbar.
2. In the **Cash Account** box, select *10210WH - KeyBank Checking*.

- On the form toolbar, click **Upload File**, and select the `BankStatement_KeyBank_01312020.ofx` file. The system uploads the transactions from the file to the current form for the cash account. The OFX file contains the 1/31/2020 bank statement with the transactions in the KeyBank bank account from 1/1/2020 to 1/31/2020, as shown in the screenshot below.



The uploaded OFX file is now attached to the form; if you ever needed to download the file, you could do so by clicking **Files** on the form title bar while viewing the form.

The **Statement Date**, **Start Balance Date**, **End Balance Date**, and **Ending Balance** values have been imported from the file. The OFX format does not provide the beginning balance in bank statements, so for the first imported bank statement for a particular cash account, you have to manually specify the beginning balance of the statement. In the subsequent statements for the cash account, the system uses the **Ending Balance** value of the previous bank statement as the current **Beginning Balance** value.

Import Bank Transactions NOTES FILES (1) CUSTOMIZATION TOOLS ▾

← SAVE & CLOSE ↻ + 🗑️ 📄 K < > ⟳ UPLOAD FILE PROCESS TRANSACTIONS

* Cash Account:	10210WH - KeyBank Checkir	* Statement Date:	1/31/2020	* Start Balance Date:	1/1/2020	Beginning Balance:	0.00
* Reference Nbr.:	000001	* End Balance Date:	1/31/2020			Ending Balance:	4,835.00
						Calculated Balance:	4,835.00

UNHIDE TRANSACTION UNMATCH UNMATCH ALL VIEW MATCHED DOCUMENT

Processed	Hidden	Ext. Tran. ID	Ext. Ref. Nbr.	* Tran. Date	Tran. Desc	Receipt	Disbursement	Card Number	Invoice Nbr.
<input type="checkbox"/>	<input type="checkbox"/>	1234	1234	1/2/2020	Funds transfer from own account	5,000.00	0.00		
<input type="checkbox"/>	<input type="checkbox"/>	000000003	000000003	1/2/2020	Payment for office equipment	0.00	560.00		
<input type="checkbox"/>	<input type="checkbox"/>	000000004	AP0001	1/12/2020	Payment to Wingman Printing Company	0.00	230.00		
<input type="checkbox"/>	<input type="checkbox"/>	000000005	AR0011	1/15/2020	Payment from GoodFood One Restaurant	415.00	0.00		
<input type="checkbox"/>	<input type="checkbox"/>	000000008	AR0002	1/25/2020	Payment from FourStar Coffee&Sweets Shop	225.00	0.00		
<input type="checkbox"/>	<input type="checkbox"/>	000000009	000000009	1/31/2020	KeyBank Service fee January-2020	0.00	15.00		

**Figure: Bank transactions uploaded from the OFX file**

- Leave the **Beginning Balance** box as is (0.00) because you have just started using this bank account.

### Step 3: Processing the Imported Bank Transactions

To process the imported bank transactions, do the following:

- While you are still on the *Import Bank Transactions* (CA306500) form with the bank statement uploaded, click **Process Transactions** on the form toolbar.

The system navigates to the *Process Bank Transactions* (CA306000) form.

On this form, you perform the clearing of documents. The left pane displays unprocessed transactions imported from bank statements; you need to review these transactions.

The right pane contains the following tabs:

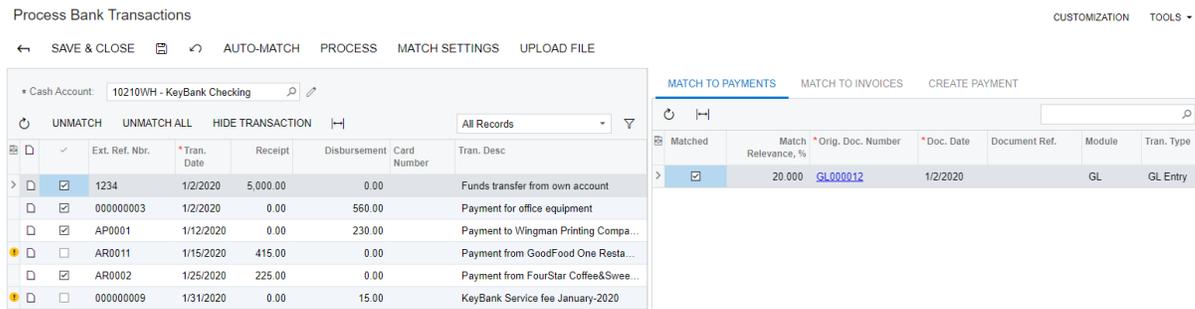
- Match to Payments:** Shows the payments that the system has evaluated as matching the transaction selected in the table on the left pane
- Match to Invoices:** Displays the invoices that the system has evaluated as matching the transaction selected in the table on the left pane
- Create Payment** tab: Can be used to quickly create a new document of the appropriate type for the transaction selected in the table on the left pane if it has no match.

- On the form toolbar, click **Auto-Match** to run the auto-matching process for the bank transactions.

When you run the auto-matching process, the system searches for possible matching payments and for documents to which each payment could be applied. If no possible matching payments or documents for application are found in the system, the system suggests that you create a payment.

 After the auto-matching process is done, the matched transactions become excluded from the next run of the auto-matching process. If you need to rerun the auto-matching process for these transactions, click **Unmatch** for a particular transaction or click **Unmatch All** to clear matches for all transactions at the same time, and then click **Auto-Match** again.

The following screenshot illustrates the transactions after auto-matching.



**Figure: Auto-matched bank transactions**

- In the left pane, click the row with the \$5,000 transaction, and on the right pane, review the **Match to Payments** tab. Notice that for the transaction, the system has found only one matching GL batch.
- In the left pane, click the row with the \$225 transaction. On the right pane, review the **Match to Payments** tab. The system has found one AR payment that matches the receipt transaction. On the **Match to Invoices** tab, notice that the system has also found an outstanding invoice for the same amount, but to a different customer.

Separately from the search for the matching payments, the system searches for outstanding documents. To find a document to which the payment could be applied, the system compares the payment amount with the amount of any outstanding documents with the same transaction sign (indicating whether it is a receipt or disbursement).

Notice that the payment on the **Match to Payments** tab has a higher match relevance (88.712%) than the invoice on the **Match to Invoices** tab (0.313%), so the system has selected the payment as the best match.

- In the left pane, select the \$415 transaction.

The bank transactions that have no matches in the system are marked with a warning icon. For these transactions, the system assumes that you want to create a payment; as a result, if you select the transaction, on the **Create Payment** tab of the right pane, it selects the **Create** check box.

- Process the payment from the customer as follows:

- a. In the left pane, click the \$415 payment transaction.
- b. To create the AR payment in the system, on the **Create Payment** tab of the right pane, specify the following settings:
  - **Create:** Selected (default value)
  - **Module:** *AR*
  - **Payment Date:** *1/15/2020* (inserted by default from the bank transaction information)
  - **Fin. Period:** *01-2020*
  - **Business Account:** *GOODFOOD*
  - **Payment Method:** *CHECK* (inserted by default)
- c. On the form toolbar, click **Save** to save your changes.

The \$415 payment transaction is no longer marked with a warning icon because you have specified the information from which the system will create a payment document when you run the processing of transactions.

7. In the left pane, select the \$15 transaction, and process the bank fee as a disbursement cash transaction as follows:
  - a. On the **Create Payment** tab of the right pane, specify the following settings to create the cash transaction in the system:
    - **Create:** Selected
    - **Module:** *CA*
    - **Payment Date:** *1/31/2020* (inserted by default from the bank transaction information)
    - **Fin. Period:** *01-2020*
    - **Entry Type ID:** *BANKFEE*
  - b. On the form toolbar, click **Save** to save your changes.

The \$15 bank service fee transaction is no longer marked with a warning icon because you have specified the information the system will use to create the document when you run the processing of transactions.

8. On the form toolbar, click **Process** to process the bank transactions in preparation for reconciliation. The system creates a cash transaction and an AR payment based on the specified information.

The system then releases the document and the transactions, and selects the read-only **Cleared** check box for every created document and transaction.



The results of the bank transaction processing cannot be reverted or changed.

9. In the left pane of the [Process Bank Transactions](#) form, notice that the transactions have been marked as processed.

10. On the [Import Bank Transactions](#) (CA306500) form, open the bank statement for the *10210WH - KeyBank Checking* cash account, and review the transactions. Notice that all transactions have been processed; for these transactions, the **Processed** check box is selected.
11. On the [Transactions](#) (CA304000) form, open the cash entry that was created from the \$15 bank fee transaction, and make sure this transaction has been released.
12. On the [Bank Transactions History](#) (CA402000) form, specify the following settings, and review the bank transactions that appear in the table:
  - **Cash Account:** *10210WH*
  - **From Date:** *1/1/2020*
  - **To Date:** *1/31/2020*



In the **Reference Nbr.** column, you can find the reference numbers of the documents to which the bank transactions have been matched.

#### Step 4: Preparing the Reconciliation Statement

To prepare the reconciliation statement for January 2020, do the following:

1. On the [Reconciliation Statements](#) (CA302000) form, select the *10210WH* cash account.
2. Specify the following settings in the Summary area:
  - **Reconciliation Date:** *1/31/2020*
  - **Statement Balance:** *4835.00*
3. On the form toolbar, click **Save** to save the reconciliation statement.
4. Select the **Reconciled** check box for the transactions that have the **Cleared** check box selected.



You can select and clear the **Cleared** check box for transactions until they are involved in bank transaction processing on the [Process Bank Transactions](#) (CA306000) form. After you have processed a bank transaction, the **Cleared** check box is selected and read-only for the corresponding document or transaction in the system. Therefore, once you have processed all transactions from a bank statement, reconciliation with the bank statement becomes easy: You select the **Reconciled** check box for all transactions that have the **Cleared** check box selected in the reconciliation statement, and the bank reconciliation is complete.



The cash account balance in the system is not affected by the result of the processing of bank transactions.

The **Reconciled Balance** is equal to the **Statement Balance**, as shown in the following screenshot; now you can release the reconciliation statement.

Reconciliation Statements ☆

NOTES ACTIVITIES FILES BUSINESS EVENTS CUSTOMIZATION TOOLS ▾

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• Cash Account: 10210VH - KeyBank Checking Beginning Balance: 0.00 Document Count:  
 • Ref. Number: 000001 Reconciled Receipts: 5,640.00 3  
 Status: On Hold  Hold Reconciled Disb: 805.00 3  
 Last Reconciliation Date: Reconciled Balance: 4,835.00  
 Reconciliation Date: 1/31/2020 Statement Balance: 4,835.00  
 Load Documents Up To: Difference: 0.00

TOGGLE RECONCILED  TOGGLE CLEARED RECONCILE PROCESSED CREATE ADJUSTMENT | All Records ▾

Reconciled	Cleared	Clear Date	Receipt	Disbursement	Document Ref.	Module	Tran. Type	* Orig. Doc. Number	Status	* Doc. Date	Business Account	Business Account Name	Description
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	1/2/2020	5,000.00	0.00		GL	GL Entry	GL000012	Posted	1/2/2020			Transfer of cash to checking account
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	1/2/2020	0.00	560.00		GL	GL Entry	GL000014	Posted	1/2/2020			Laptops
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	1/12/2020	0.00	230.00	AP0001	AP	Check	000021	Posted	1/9/2020	PRINTICO	Wingman Printing Company	Consulting
<input type="checkbox"/>	<input type="checkbox"/>		75.00	0.00	AR0001	AR	Payment	000052	Posted	1/15/2020	GOODFOOD	GoodFood One Restaurant	Online training course 5 days
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	1/15/2020	415.00	0.00	AR0011	AR	Payment	000068	Posted	1/15/2020	GOODFOOD	GoodFood One Restaurant	Payment from GoodFood One Restaurant
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	1/25/2020	225.00	0.00	AR0002	AR	Payment	000063	Posted	1/23/2020	COFFEEHOP	FourStar Coffee&Sweets Shop	Training course 5 days
<input type="checkbox"/>	<input type="checkbox"/>		0.00	520.00	AP0002	AP	Check	000022	Posted	1/30/2020	BLUELINE	BlueLine Advertisement	Advertising services
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	1/31/2020	0.00	15.00	00000009	CA	Cash Entry	000003	Released	1/31/2020			KeyBank Service fee January-2020

**Figure: Reconciled bank transactions**

- On the form toolbar, click **Save** to save the reconciliation statement.
- In the Summary area, clear the **Hold** check box, and on the form toolbar, click **Release** to release the reconciliation statement.

As soon as you release the statement, the system updates the last reconciliation date, from which the next reconciliation statement will be calculated. The released reconciliation statement contains only transactions selected for the statement, and these transactions do not appear for reconciliation in future reconciliation statements. The cash account balance in the system is not affected by reconciliation statements.

 You can void a reconciliation statement that is incorrect. However, you can void and correct only the last reconciliation statement in a sequence of reconciliation statements. To correct an old reconciliation statement, you have to void all reconciliation statements that have been released after the needed one. For example, if it is necessary to correct the March reconciliation statement after the April reconciliation statement has been released, you have to void both the March statement and the April statement, correct and release the March reconciliation, and redo the April reconciliation. When you void a reconciliation statement, the transactions still have the **Cleared** check box selected. You can review the history of reconciliations for a certain cash account on the [Reconciliation Statement History](#) (CA302010) form.

# Part 6: General Ledger—Period-End and Year-End Procedures

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This part of the course explains how to close, lock, unlock, and reopen financial periods and illustrates how to generate a financial calendar for a new financial year.

For completing the lessons of this part of the course, you will use a company with the *U100* dataset preloaded, which provides a fully configured company with sample data specially designed for this course. The lessons of this part are independent: You can complete the lesson activities in any order.

You need to complete the activities in this part by using user accounts with specific access rights. Each activity provides the credentials to use for sign-in to the prepared *U100* tenant in the *System Preparation* section.

## Lesson 6.1: Closing Financial Periods

---

### Closing Financial Periods: General Information

After all the needed transactions have been posted to a financial period and all figures have been verified, you can close the financial period in the system. The following capabilities and restrictions apply to the closing of financial periods:

- You can close multiple periods at the same time (for instance, all periods of a financial year).
- Financial periods can be closed starting from the first period of the first financial year. You cannot close a financial period if the previous one has not been closed yet, unless it is being closed at the same time.
- Once closed, a period can later be reopened, if needed.
- You generally close periods to prevent unauthorized users from posting new transactions to the period. However, you can allow users to enter documents and post transactions to the closed period.

### Learning Objectives

From reading the topics in this chapter and completing the process activities, you will learn how to do the following:

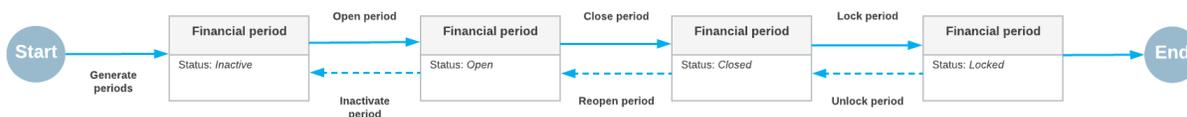
- Close a financial period in a subledger
- Close a financial period in all the subledgers and in the general ledger at the same time

### Statuses of Financial Periods

Every financial period belongs to a range of periods that have a particular status. The system can contain four period ranges, each with a different status. The following table shows the possible statuses of financial periods, describes them, and presents the action or actions you can perform on periods of the listed status. Actions can be performed on periods by using the [Manage Financial Periods](#) (GL503000) form.

Status	Description of a Period with This Status	Actions that Can Be Performed
<i>Inactive</i>	An inactive period has been generated in the system but has not yet been opened. Transactions cannot be posted to the period.	<b>Open</b>
<i>Open</i>	An open period can be selected in documents, and transactions can be posted to it.	<b>Close, Deactivate</b>
<i>Closed</i>	If the <b>Restrict Access to Closed Periods</b> check box is selected on the <a href="#">General Ledger Preferences</a> (GL102000) form, transactions can be posted to a closed period by only users assigned to the <i>Financial Supervisor</i> role.  If this check box is cleared, any user can post to closed periods.	<b>Lock, Reopen</b>
<i>Locked</i>	A locked period cannot be used for data entry, or for posting in any subledgers.  You lock a period to prevent changes to period-specific data that has been verified and disclosed in reports.	<b>Unlock</b>

The following diagram illustrates the statuses of financial periods in the system.



**Figure: Financial period statuses in the system**

### Closing of a Period in Subledgers

Although you can close periods in subledgers and in the general ledger at the same time, you may decide to close periods in subledgers (accounts payable, accounts receivable, cash management, inventory, and fixed assets) separately in your system by using the forms listed below for each subledger. To view information about the status of periods, you can use the [Manage Financial Periods](#) (GL503000) form.

Before you close a period in these subledgers, you should make sure that there are no unreleased documents that are to be posted to this period. (For the fixed assets subledger, the system also checks whether all assets have been depreciated in the period.) To close periods in the subledgers, you use the following forms:

- In the accounts payable subledger, the [Close Financial Periods](#) (AP506000) form
- In the accounts receivable subledger, the [Close Financial Periods](#) (AR509000) form
- In the cash management subledger, the [Close Financial Periods](#) (CA506000) form
- In the inventory subledger, the [Close Financial Periods](#) (IN509000) form
- In the fixed assets subledger, the [Close Financial Periods](#) (FA509000) form

When you close a given financial period in a subledger on any of these forms, all preceding open periods will be closed in the subledger as well.

## Closing of a Period in the General Ledger

A period is assigned the *Closed* status only after it has been closed in the general ledger on the [Manage Financial Periods](#) (GL503000) form. For instructions on how to close periods, see [Closing Financial Periods: To Close a Period in Subledgers and GL](#).

Before you close periods, you need to check whether there are unposted documents for the periods that you want to close. To do that, on the [Manage Financial Periods](#) form, you select the periods you want to close and click **Unposted Documents** on the form toolbar. In the *Unposted Documents* report, which opens, you can review the list of documents that have not been posted to the selected periods.

Closing a period in the general ledger initiates the generation of auto-reversing batches if the **Generate Auto-Reversing Entries on Period Closing** check box is selected on the [General Ledger Preferences](#) (GL102000) form and these batches have been prepared on the [Journal Transactions](#) (GL301000) form. If auto-reversing entries should be generated when the applicable period is closed, you should not close the last financial period that was opened; you should always open at least one financial period before you close the most recent period.

You can view closed periods for a particular year on the [Master Financial Calendar](#) (GL201000) form if the *Centralized Period Management* feature is enabled on the [Enable/Disable Features](#) (CS100000) form or on the [Company Financial Calendar](#) (GL201100) form if the *Centralized Period Management* feature is disabled. For the closed periods, the **Status** column contains *Closed* and the check boxes are selected in the **Closed in AP**, **Closed in AR**, **Closed in IN**, **Closed in CA**, and **Closed in FA** columns.

If a period was closed by mistake, you can reopen it on the [Manage Financial Periods](#) form. For more information, see [Financial Periods: To Reopen a Period](#).

## Posting of Transactions to Closed Periods

In some cases, you may find additional transactions to be processed in a period that was closed. To accommodate such situations, you can allow posting transactions to closed periods by assigning appropriate users to the *Financial Supervisor* role on the [User Roles](#) (SM201005) form. Only users assigned to this role can post to closed periods, regardless of whether the **Restrict Access to Closed Periods** check box is selected on the [General Ledger Preferences](#) (GL102000) form.

If you want to prevent all users from posting to closed periods, you lock periods (that is, you assign the periods the *Locked* status) on the [Manage Financial Periods](#) (GL503000) form. For instructions, see [Financial Periods: To Lock a Period](#).

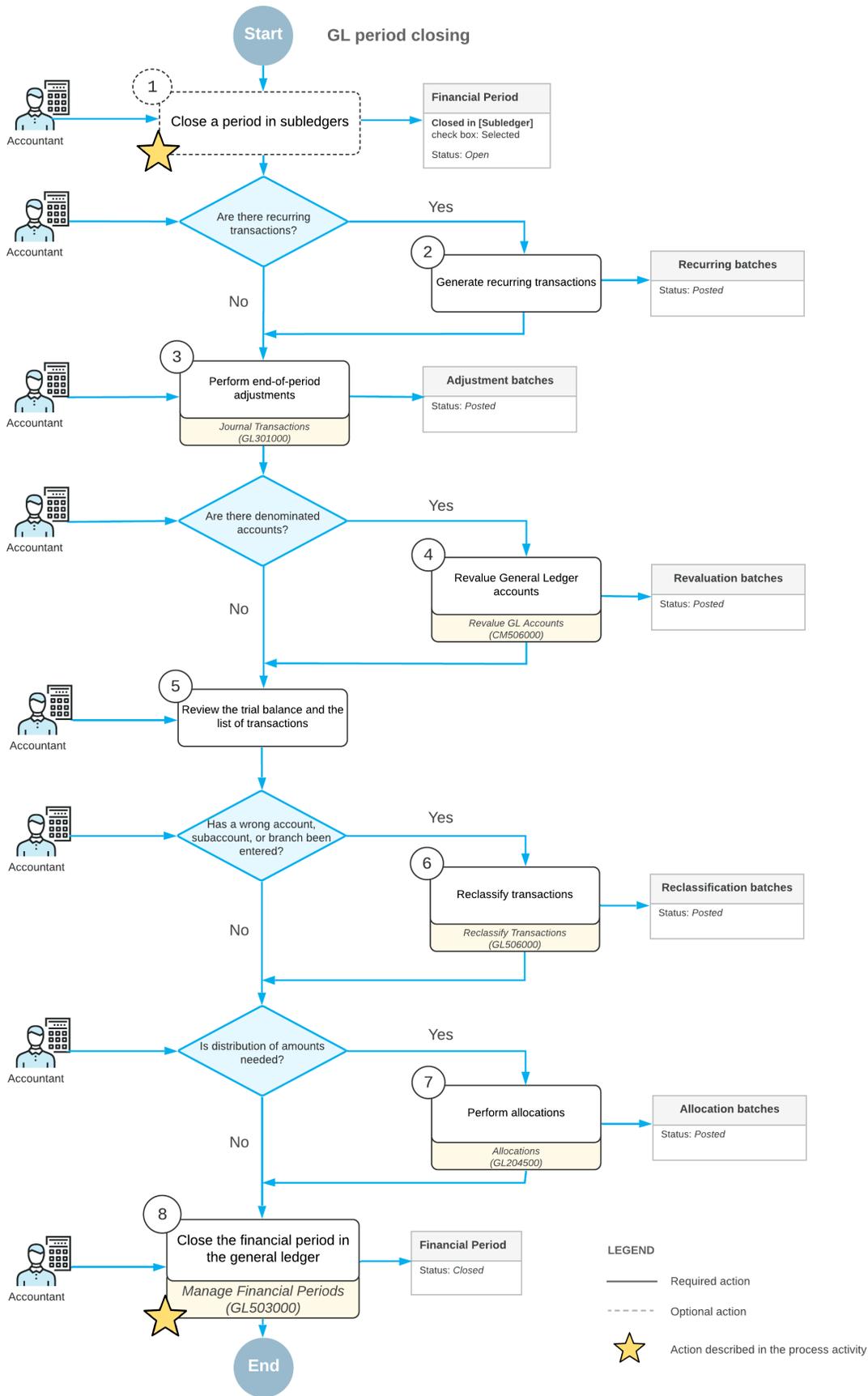
## Period-End Closing Overview

The process of closing a period consists of the following steps:

1. Optional: Closing the period in the subledgers. (You can instead close the period in subledgers along with the general ledger after performing period-end activities.) For details, see [Closing Financial Periods: To Close a Period in a Subledger](#).
2. Generating and posting any recurring transactions. For details, see [Recurring Transactions: Process Activity](#).
3. Performing period-end adjustments—that is, posting adjustment transactions (some of which should be reversed at the beginning of the next period). For details, see [Adjusting Transactions: Process Activity](#).

4. Revaluing general ledger accounts so that the balances of the accounts in foreign currencies are revalued using the end-period exchange rate. For details, see [Revaluation of Bank Accounts: Process Activity](#).
5. Reviewing the trial balance and the list of transactions.
6. Reclassifying transactions if there are errors, as described in [Reclassifying Transactions](#).
7. Running allocations if the distribution of amounts between branches, accounts, and subaccounts is needed. For details, see and [Running Allocations](#)
8. Closing the period in the general ledger. For instructions, see [Closing Financial Periods: To Close a Period in Subledgers and GL](#).

The overall process of closing a period in the system is shown in the following diagram. The steps marked with a star are described in a process activity in this chapter.



**Figure: Closing GL periods**

## Closing Financial Periods: To Close a Period in a Subledger

The following activity will walk you through the process of closing a period in the accounts receivable subledger.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that as an accountant of the SweetLife Fruits & Jams company, you have to close the *03-2019* financial period and the preceding periods in the accounts receivable subledger for the SweetLife Head Office and Wholesale Center company to prevent users from posting to these periods.

### Process Overview

In this activity, you will close financial periods in the accounts receivable subledger on the [Close Financial Periods](#) (AR509000) form.



In a production environment, before you get started, you would make sure the following conditions are met:

- There are no batches with a status of *On Hold*, *Balanced*, or *Unposted* in the period or periods.
- If you use auto-reversing entries, at least one financial period will remain open after you close the needed period or periods.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*
2. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step 1: Preparing to Close the Financial Periods

Perform the following instructions to prepare to close the financial periods:

1. Open the [Close Financial Periods](#) (AR509000) form.
2. In the Selection area, specify the following settings:

- **Company:** *SWEETLIFE* (inserted by default)
  - **Action:** *Close* (selected by default)
  - **To Year:** *2019*
3. Select the unlabeled check box for the *03-2019* period. Notice that the check boxes corresponding to all the preceding periods are selected automatically, as shown in the following screenshot.

Close Financial Periods ☆

↻ ↶ PROCESS PROCESS ALL 🕒 UNRELEASED DOCUMENTS

\* Company:  🔍

Action:  ▾

From Year:

\* To Year:  🔍

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Financial Period ID	Description
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	01-2018	January
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	02-2018	February
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	03-2018	March
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04-2018	April
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	05-2018	May
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	06-2018	June
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	07-2018	July
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	08-2018	August
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	09-2018	September
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	10-2018	October
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	11-2018	November
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12-2018	December
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	13-2018	Adjustment Period
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	01-2019	January
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	02-2019	February
>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	03-2019	March
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	04-2019	April

**Figure: Periods selected for closing in the AR subledger**

4. On the form toolbar, click **Unreleased Documents** to verify that no unreleased documents exist for these periods.
5. In the dialog box with an informational message that is displayed, click **OK**.

## Step 2: Closing the Financial Periods

To close the financial periods, do the following:

1. On the form toolbar of the [Close Financial Periods](#) (AR509000) form, click **Process**.
2. Open the [Manage Financial Periods](#) (GL503000) form to review the statuses of financial periods.
3. In the Selection area, specify the following settings:
  - **Company:** *SWEETLIFE* (inserted by default)
  - **Action:** *Close*
  - **To Year:** *2019*
4. In the table, review the statuses of the financial periods that you closed in Step 1.

The periods have retained the *Open* status (because they are still open in the subledgers and in the general ledger), but the **Closed in AR** check box is selected for all the periods, meaning that these periods have been closed in the accounts receivable subledger.

## Closing Financial Periods: To Close a Period in Subledgers and GL

The following activity will walk you through the process of closing periods in all the subledgers and in the general ledger at the same time.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that as an accountant of the SweetLife Fruits & Jams company, you have to close the *04-2019* financial period (and all previous periods that are not already closed) in all the subledgers and in the general ledger at the same time. The periods should be closed for the SweetLife Head Office and Wholesale Center company to prevent users from posting to these periods.

### Process Overview

In this activity, you will review the statuses of financial periods on the [Company Financial Calendar](#) (GL201100) form and close the financial periods on the [Manage Financial Periods](#) (GL503000) form.



In a production environment, before you get started, you would make sure the following conditions are met:

- There are no batches with a status of *On Hold*, *Balanced*, or *Unposted* in the period or periods.
- If you use auto-reversing entries, at least one financial period will remain open after you close the needed period or periods.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*
2. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step 1: Reviewing the Statuses of Financial Periods

To review the statuses of the financial periods of 2019, do the following:

1. Open the [Company Financial Calendar](#) (GL201100) form.
2. In the Selection area, specify the following settings:
  - **Company:** *SWEETLIFE* (inserted by default)
  - **Financial Year:** *2019*

Notice that the displayed periods have the *Open* status in the subledgers (AP, AR, IN, and CA) and in the general ledger, except for the three periods (January, February, and March) that were closed in the AR subledger in the [Closing Financial Periods: To Close a Period in a Subledger](#) activity.

### Step 2: Closing the Financial Periods

To close the financial periods, do the following:

1. On the form toolbar of the [Company Financial Calendar](#) (GL201100) form, click **Actions > Close Periods**.
2. On the [Manage Financial Periods](#) (GL503000) form, which opens, notice that the system has selected the *Close* action in the Summary area. In the table, select the unlabeled check box for the *04-2019* period. The check boxes for the preceding periods are automatically selected, as shown in the following screenshot.

Manage Financial Periods ☆

* Company:		SWEETLIFE - Sweet	
Action:		Close	
From Year:		2018	
* To Year:		2019	

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Financial Period ID	Description	Status	Closed in AP	Closed in AR	Closed in IN	Closed in CA
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	01-2018	January	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	02-2018	February	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	03-2018	March	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04-2018	April	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	05-2018	May	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	06-2018	June	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	07-2018	July	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	08-2018	August	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	09-2018	September	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	10-2018	October	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	11-2018	November	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12-2018	December	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	13-2018	Adjustment Period	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	01-2019	January	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	02-2019	February	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	03-2019	March	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04-2019	April	Open	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	05-2019	May	Open	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Figure: Periods selected for closing in subledgers and general ledger**

3. On the form toolbar, click **Unposted Documents** to verify that no unposted documents exist for these periods.
4. In the dialog box with an informational message, which is displayed, click **OK**.
5. On the form toolbar, click **Process**.
6. In the dialog box with an informational message that informs you that the selected periods will be closed in the subledgers and in the general ledger, click **OK**.

## Closing Financial Periods: Related Reports and Inquiries

This topic describes reports, inquiries, and forms you may want to review to gather information about possible discrepancies in subledgers, which should be corrected before closing financial periods.

## Reviewing the Trial Balance

Before closing financial periods, you may want to review the company's trial balance to ensure that the total value of all debit entries equals the total value of the credit entries and that the data is accurate. You can use one of the following forms to review the trial balance: the [Account Summary](#) (GL401000) inquiry form, the [Trial Balance Summary](#) (GL632000) report, and the [Trial Balance Detailed](#) (GL632500) report.

## Reviewing Balance Discrepancies

You can use the [Discrepancy by Account](#) (AP409010) and [Discrepancy by Account](#) (AR409010) forms to find discrepancies between the balances of AP accounts and AR accounts in the GL and in a subledger (AP or AR) with the accounts listed for a particular range of financial periods.

If discrepancy is found in either of the forms, you can click the needed links in the **Discrepancy** column to open the [Discrepancy by Vendor](#) (AP409020) or [Discrepancy by Customer](#) (AR409020) form and view the discrepancies listed by vendor or customer. From either of these forms, you can click the needed links in the **Discrepancy** column to open the [Discrepancy by Document](#) (AP409030) or [Discrepancy by Document](#) (AR409030) form to view the specific documents causing the discrepancies.

# Lesson 6.2: Generating Financial Calendar for a New Financial Year

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## Financial Calendar Generation: General Information

In Acumatica ERP, you add a new year and generate financial periods for each new year to which transactions and documents are going to be posted.



In this chapter, financial periods are managed on the tenant level—that is, the *Centralized Period Management* feature is enabled on the [Enable/Disable Features](#) (CS100000) form.

## Learning Objectives

You will learn how to generate financial periods for a new financial year in the system and review the period statuses.

## Applicable Scenarios

You generate financial periods at the end of a year for the upcoming year so that you can open periods and post transactions in the upcoming year.

## Generating the Master Calendar

In Acumatica ERP, you can post transactions to periods that are open or to both open and closed periods (depending on the settings on the [General Ledger Preferences](#) (GL102000) form). You generate financial periods on the [Master Financial Calendar](#) (GL201000) form.



If the *Centralized Period Management* feature is disabled on the [Enable/Disable Features](#) (CS100000) form, you have to generate financial periods separately in each company on the [Company Financial Calendar](#) (GL201100) form.

When periods have been generated, you can modify them before any transactions have been performed. To do so, you select the **User-Defined Periods** check box.

After you have generated the master calendar, you open any number of periods for posting on the [Manage Financial Periods](#) (GL503000) form. (On this form, you can process periods with the selected action to change their statuses.)

## Opening Periods

You have to open the periods to which users will post transactions and documents, otherwise the periods do not appear for selection on the forms. To open periods, on the [Master Financial Calendar](#) (GL201000) form, you first make sure the necessary year is selected in the **Financial Year** box, and then click **Actions > Open Periods** on the form toolbar.



If the *Centralized Period Management* feature is disabled on the [Enable/Disable Features](#) (CS100000) form, you have to open financial periods separately in each company on the [Company Financial Calendar](#) (GL201100) form.

After you have opened periods, they can be used for posting documents and transactions in Acumatica ERP. At any time, you can have multiple open periods. Opening one period does not require you to close the previous one.

## Financial Calendar Generation: Process Activity

In this activity, you will learn how to perform operations required to generate a financial calendar for a new month-based financial year.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that at the end of 2020, acting as the accountant of the SweetLife Fruits & Jams company, you must generate a financial calendar for the 2021 year in the system.

### Process Overview

You generate periods for a new year on the [Master Financial Calendar](#) (GL201000) form. You can then review and change the period statuses for this year on the [Company Financial Calendar](#) (GL201100) form.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:

- Username: *johnson*
  - Password: *123*
2. On the company and branch selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step 1: Generating a Calendar for a New Financial Year

To generate a calendar for a new financial year, do the following:

1. Open the [Master Financial Calendar](#) (GL201000) form.
2. On the form toolbar, click **Generate Calendar**.
3. In the **Generate GL Calendar** dialog box that opens, verify that *2021* is displayed in the **From Year** and **To Year** boxes and click **OK**.
4. In the Summary area, select *2021* in the **Financial Year** box and review the generated periods displayed in the table.

### Step 2: Reviewing the Periods for 2021

To review the financial periods generated for 2021 in the *SWEETLIFE* company, do the following:

1. Open the [Company Financial Calendar](#) (GL201100) form.
2. In the Selection area, specify the following parameters:
  - **Company:** *SWEETLIFE* (inserted by default)
  - **Financial Year:** *2021*
3. In the table, review the periods generated for 2021.

Note that all the periods in the new 2021 financial year have the *Inactive* status, as shown in the following screenshot.

Company Financial Calendar ☆

↶ ↷ ⌂ ⏪ ⏩ ACTIONS ▾

\* Company: SWEETLIFE - Sweet 🔍

\* Financial Year: 2021 🔍

Start Date: 1/1/2021

Number of Periods: 13

↻ ⏪ ⏩

Financial Period ID	Start Date	End Date	Description	Status	Closed in AP	Closed in AR	Closed in IN	Closed in CA
> 01-2021	1/1/2021	1/31/2021	January	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
02-2021	2/1/2021	2/28/2021	February	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
03-2021	3/1/2021	3/31/2021	March	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
04-2021	4/1/2021	4/30/2021	April	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
05-2021	5/1/2021	5/31/2021	May	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
06-2021	6/1/2021	6/30/2021	June	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
07-2021	7/1/2021	7/31/2021	July	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
08-2021	8/1/2021	8/31/2021	August	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
09-2021	9/1/2021	9/30/2021	September	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10-2021	10/1/2021	10/31/2021	October	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11-2021	11/1/2021	11/30/2021	November	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12-2021	12/1/2021	12/31/2021	December	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13-2021	12/31/2021	12/31/2021	Adjustment Period	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Figure: Financial periods generated for the new financial year**

## Lesson 6.3: Opening Financial Periods

### Opening Financial Periods: General Information

You have to open the financial periods to which users will post transactions and documents. If you need to review the statuses of periods before opening periods, you open the [Master Financial Calendar](#) (GL201000) form if the *Centralized Period Management* feature is enabled on the [Enable/Disable Features](#) (CS100000) form, or the [Company Financial Calendar](#) (GL201100) form if this feature is disabled. On either form, you click **Actions > Open Periods** on the form toolbar to navigate to the [Manage Financial Periods](#) (GL503000) form. You can also navigate to this form directly if you do not need to review the statuses of periods.



If the *Centralized Period Management* feature is disabled, you have to open financial periods separately in each company on the [Company Financial Calendar](#) form.

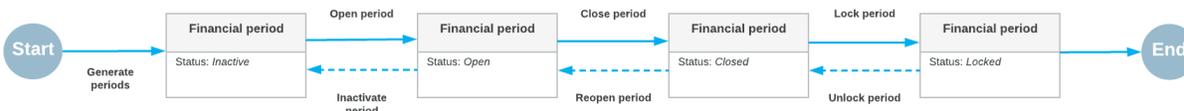
After you have opened periods, they can be used in the general ledger module and subledgers of Acumatica ERP. At any time, you can have multiple open periods; opening one period does not require you to close the previous one.

## Statuses of Financial Periods

Every financial period belongs to a range of periods that have a particular status. The system can contain four period ranges, each with a different status. The following table shows the statuses, describes them, and lists the actions you can perform on the *Manage Financial Periods* (GL503000) form for a particular range of periods.

Status	Description of a Period with This Status	Actions that Can Be Performed
<i>Inactive</i>	An inactive period has been generated in the system, but has not yet been opened. Transactions cannot be posted to the period.	<b>Open</b>
<i>Open</i>	An open period can be selected in documents and transactions can be posted to it.	<b>Close, Deactivate</b>
<i>Closed</i>	If the <b>Restrict Access to Closed Periods</b> check box is selected on the <i>General Ledger Preferences</i> (GL102000) form, transactions can be posted to a closed period by only users assigned to the <i>Financial Supervisor</i> role.  If this check box is cleared, any user can post to closed periods.	<b>Lock, Reopen</b>
<i>Locked</i>	A locked period cannot be used for data entry, or for posting in any subledgers.  You lock a period to prevent changes to period-specific data that has been verified and disclosed in reports.	<b>Unlock</b>

The following diagram illustrates the statuses of financial periods in the system.



**Figure: Financial period statuses in the system**

## Opening Financial Periods: Process Activity

In this activity, you will learn how to open a period in the subledgers and in the general ledger.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that at the end of October 2020, acting as an accountant of the SweetLife Fruits & Jams company, you need to open the next financial period—11-2020—to enable users to post transactions to it.

## Process Overview

In this activity, you will review the statuses of periods on the [Company Financial Calendar](#) (GL201100) form, and open a new financial period on the [Manage Financial Periods](#) (GL503000) form.



In a production environment, before opening a period, you would make sure the following conditions are met:

- The 2020 financial year for which you want to open the financial period has been created.
- Financial periods (that have the *Inactive* status) have been generated for the 2020 year.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*
2. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step 1: Preparing to Open the Financial Period

You prepare to open the financial period as follows:

1. Open the [Company Financial Calendar](#) (GL201100) form.
2. In the Selection area, specify the following settings:
  - **Company:** *SWEETLIFE*
  - **Financial Year:** *2020*

In the table, notice that some of the periods have the *Inactive* status. These periods can be opened in the system.

### Step 2: Opening the Financial Period

To open the financial period, you do the following:

1. On the form toolbar of the [Company Financial Calendar](#) (GL201100) form, click **Actions > Open Periods**.
2. On the [Manage Financial Periods](#) (GL503000) form, which opens, notice that the system has selected the *Open* action in the Summary area. In the table, select the unlabeled check box for the *11-2020* period, and on the form toolbar, click **Process**, as shown in the following screenshot.

Manage Financial Periods ☆

\* Company: SWEETLIFE - Sweet  
 Action: Open  
 From Year: 2020  
 \* To Year: 2020

	Financial Period ID	Description	Status	Closed in AP	Closed in AR	Closed in IN	Closed in CA
<input checked="" type="checkbox"/>	11-2020	November	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	12-2020	December	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	13-2020	Adjustment Period	Inactive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Figure:** The period selected for opening

3. In the **Processing** pop-up window, which is opened, click **Close**.

## Lesson 6.4: Managing Financial Periods

### Financial Periods: General Information

Early in the configuration of Acumatica ERP, financial periods were configured to meet your company's needs and to organize the journal transactions posted to make financial statements and reports meaningful. Over time, you manage these periods to keep your organization's financial processes flowing smoothly. This chapter contains instructions on maintaining financial periods in Acumatica ERP.

### Learning Objectives

From reading the topics in this chapter and completing the process activities, you will learn how to do the following:

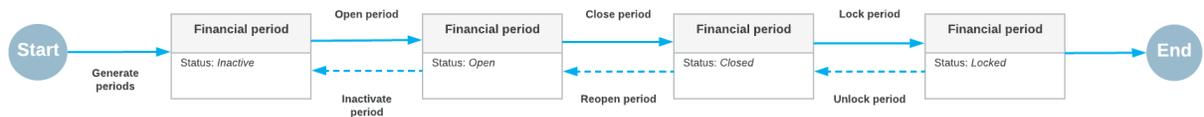
- Lock a financial period in a subledger
- Unlock a locked financial period in a subledger
- Reopen a financial period in the subledgers and the general ledger at the same time
- Deactivate a financial period in the subledgers and the general ledger

### Statuses of Financial Periods

Every financial period belongs to a range of periods that have a particular status. The system can contain four period ranges, each with a different status. The following table shows the possible statuses of financial periods, describes them, and presents the action or actions you can perform on periods of the listed status. Actions can be performed on periods by using the [Manage Financial Periods](#) (GL503000) form.

Status	Description of a Period with This Status	Actions that Can Be Performed
<i>Inactive</i>	An inactive period has been generated in the system but has not yet been opened. Transactions cannot be posted to the period.	<b>Open</b>
<i>Open</i>	An open period can be selected in documents, and transactions can be posted to it.	<b>Close, Deactivate</b>
<i>Closed</i>	If the <b>Restrict Access to Closed Periods</b> check box is selected on the <a href="#">General Ledger Preferences</a> (GL102000) form, transactions can be posted to a closed period by only users assigned to the <i>Financial Supervisor</i> role.  If this check box is cleared, any user can post to closed periods.	<b>Lock, Reopen</b>
<i>Locked</i>	A locked period cannot be used for data entry, or for posting in any subledgers.  You lock a period to prevent changes to period-specific data that has been verified and disclosed in reports.	<b>Unlock</b>

The following diagram illustrates the statuses of financial periods in the system.



**Figure: Financial period statuses in the system**

### Locking of Periods

Once a period has been closed and the data from this period has been verified and disclosed in financial reports, you need to secure this data from further changes. To do this, you need to lock this period—which changes its status from *Closed* to *Locked*—on the [Manage Financial Periods](#) (GL503000) form. For detailed instructions, see [Financial Periods: To Lock a Period](#).

If necessary, you can unlock a locked period. For instructions, see [Financial Periods: To Unlock a Period](#).

### Reopening of Periods

You use the [Manage Financial Periods](#) (GL503000) form to reopen periods that have been closed. You can reopen a period in the general ledger only (with the period staying closed in all the subledgers) or you can select the **Reopen Financial Periods in All Modules** check box to reopen this period in all the subledgers and the general ledger at the same time. If you need to open a period in a particular subledger, you select *Reopen* in the **Action** box on one of the following forms before invoking processing for the selected period or periods:

- For accounts payable: The [Close Financial Periods](#) (AP506000) form
- For accounts receivable: The [Close Financial Periods](#) (AR506000) form
- For cash management: The [Close Financial Periods](#) (CA506000) form
- For inventory: The [Close Financial Periods](#) (IN509000) form

- For fixed assets: The [Close Financial Periods](#) (FA509000) form

For detailed instructions, see [Financial Periods: To Reopen a Period](#).

## Deactivation of Periods

If periods have been opened by mistake, to prevent posting to these periods, you can deactivate these financial periods for the master calendar or a company calendar on the [Manage Financial Periods](#) (GL503000) form.

If you need to review the statuses of periods before deactivating them, you open the [Master Financial Calendar](#) (GL201000) form if the *Centralized Period Management* feature is enabled, or the [Company Financial Calendar](#) (GL201100) form if this feature is disabled. From either form, you then navigate to the [Manage Financial Periods](#) form by clicking **Actions > Deactivate Periods** on the form toolbar.

For detailed instructions, see [Financial Periods: To Deactivate a Period](#).

## Financial Periods: To Lock a Period

In this activity, you will learn how to lock a period in a particular company.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

### Story

Suppose that now that the accounting department of the SweetLife Fruits & Jams company has finished verifying all the figures disclosed in reports, users should be prevented from posting transactions to the appropriate periods.

Acting as SweetLife's chief accountant, you have to lock these periods in the system.

### Process Overview

In this activity, you will review period statuses on the [Company Financial Calendar](#) (GL201100) form, and then lock a particular financial period on the [Manage Financial Periods](#) (GL503000) form.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*
2. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step: Locking a Financial Period

To lock the 02-2019 financial period, do the following:

1. Open the *Company Financial Calendar* (GL201100) form.
2. In the Selection area, specify the following settings:
  - **Company:** *SWEETLIFE* (inserted by default)
  - **Financial Year:** 2019

In the table, notice that some of the periods have the *Closed* status. These periods can be locked.

3. On the form toolbar, click **Actions > Lock Periods**.
4. On the *Manage Financial Periods* (GL503000) form, which opens, notice that the system has selected the *Lock* action in the Summary area. In the table, select the unlabeled check box for the 02-2019 period. The preceding periods are selected automatically.
5. On the form toolbar, click **Process**, as shown in the following screenshot.

Manage Financial Periods ☆

\* Company: SWEETLIFE - Sweet  
 Action: Lock  
 From Year: 2018  
 \* To Year: 2019

Financial Period ID	Description	Status	Closed in AP	Closed in AR	Closed in IN	Closed in CA
<input checked="" type="checkbox"/> 11-2018	November	Closed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> 12-2018	December	Closed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> 13-2018	Adjustment Period	Closed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> 01-2019	January	Closed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> 02-2019	February	Closed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/> 03-2019	March	Closed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/> 04-2019	April	Closed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Figure: The periods selected for locking**

6. In the **Processing** pop-up window, which is opened, click the **Processed** tab, and review the list of periods that have been locked. Click **Close**.

## Financial Periods: To Unlock a Period

In this activity, you will learn how to unlock financial periods and post a GL batch to a closed financial period.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

## Story

Suppose that at the end of January 2019, the *01-2019* financial period was locked for the SweetLife Fruits & Jams company. Acting SweetLife's chief accountant, you have realized that it should not have been locked yet, because a transaction hasn't been entered in the system (a purchase of office supplies on January 31, 2019, in the amount of \$300).

You need to unlock the *01-2019* period and post this transaction to it.

## Process Overview

In this activity, you will review period statuses on the [Company Financial Calendar](#) (GL201100) form, and unlock a particular financial period on the [Manage Financial Periods](#) (GL503000) form. You will then create and post a GL batch for this period on the [Journal Transactions](#) (GL301000) form.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, click the Business Date menu button and select *1/31/2019*. For simplicity, in this process activity, you will create and process all documents in the system on this business date.
3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step 1: Unlocking the Financial Period

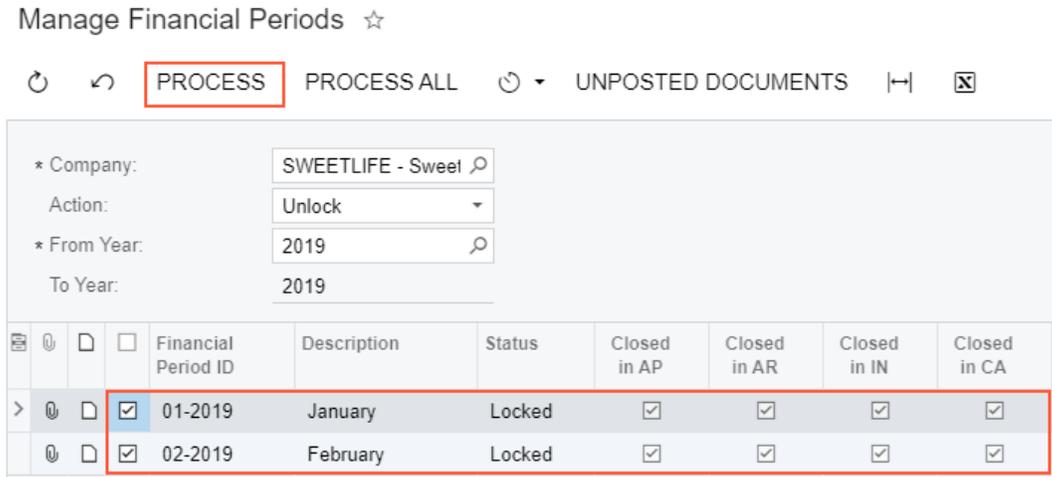
To unlock the *01-2019* financial period, do the following:

1. Open the [Company Financial Calendar](#) (GL201100) form.
2. In the Selection area, specify the following settings:
  - **Company:** *SWEETLIFE*
  - **Financial Year:** *2019*

Notice that several periods have the *Locked* status.

3. On the form toolbar, click **Actions > Unlock Periods**.

4. On the *Manage Financial Periods* (GL503000) form, which opens, notice that the system has selected the *Unlock* action in the Summary area. In the table, select the unlabeled check box for the 01-2019 period. The following 02-2019 period is selected automatically.
5. On the form toolbar, click **Process**, as shown in the following screenshot.



**Figure: The periods selected for unlocking**

6. In the **Processing** pop-up window, which is opened, click **Close**.

The status of the periods has changed from *Locked* to *Closed*.

## Step 2: Posting a GL Batch to the Closed Period

To create a GL batch and post it to the closed 01-2019 period, which you unlocked in the previous step, do the following:

1. Open the *Journal Transactions* (GL301000) form.
2. On the form toolbar, click **Add New Record**, and specify the following settings in the Summary area:
  - **Branch:** HEADOFFICE (inserted by default)
  - **Ledger:** ACTUAL (inserted by default)
  - **Transaction Date:** 01/31/2019
  - **Post Period:** 01-2019
  - **Description:** Office supplies

Notice the warning message that is displayed next to the **Post Period** box. It informs you that the 01-2019 period is closed in the SWEETLIFE company (but you still can post to this closed period).

3. On the table toolbar, click **Add Row**, and specify the following settings for the added row:
  - **Branch:** HEADOFFICE (inserted by default)
  - **Account:** 10200

- **Credit Amount:** 300
4. Click **Add Row**, and specify the following settings for the added row:
    - **Branch:** *HEADOFFICE* (inserted by default)
    - **Account:** *62400*
    - **Debit Amount:** 300
  5. In the Summary area, clear the **Hold** check box, and on the form toolbar, click **Release** to release the transaction.

## Financial Periods: To Reopen a Period

In this activity, you will learn how to reopen a financial period for a particular company in the general ledger and other subledgers at the same time.

### Story

Suppose that acting as the chief accountant of the SweetLife Fruits & Jams company, you need to reopen a previously closed financial period (*02-2019*), so that users can post transactions to it without having to type the period manually (as they need to do when posting to closed periods).

### Process Overview

You will review period statuses on the [Company Financial Calendar](#) (GL201100) form, and then you will reopen a particular financial period on the [Manage Financial Periods](#) (GL503000) form.

### System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*
2. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

### Step: Reopening the Financial Period

To reopen the *02-2019* financial period, do the following:

1. Open the [Company Financial Calendar](#) (GL201100) form.
2. In the Selection area, specify the following settings:
  - **Company:** *SWEETLIFE* (inserted by default)
  - **Financial Year:** *2019*

Notice that several periods in the table have the *Closed* status and the **Closed in AP**, **Closed in AR**, **Closed in IN**, and **Closed in CA** check boxes are selected.

3. On the form toolbar, click **Actions > Reopen Periods**.
4. On the *Manage Financial Periods* (GL503000) form, which opens, notice that the system has selected the *Reopen* action in the Summary area.
5. In the table, select the unlabeled check box for the 02-2019 period. The 03-2019 period and later periods are selected automatically.
6. To reopen the selected periods in all subledgers, select the **Reopen Financial Periods in All Modules** check box in the Selection area.
7. On the form toolbar, click **Process**, as shown in the following screenshot.

Manage Financial Periods ☆

\* Company: SWEETLIFE - Sweet 
 Reopen Financial Periods in All Modules

Action: Reopen

\* From Year: 2019

To Year: 2019

Financial Period ID	Description	Status	Closed in AP	Closed in AR	Closed in IN	Closed in CA
01-2019	January	Closed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> 02-2019	February	Closed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> 03-2019	March	Closed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> 04-2019	April	Closed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Figure: The periods selected for reopening in all subledgers and the general ledger**

8. In the **Processing** pop-up window, which is opened, click **Close**.

 You can reopen a financial period in a particular subledger by performing similar instructions on the *Close Financial Periods* (AP506000), *Close Financial Periods* (AR509000), *Close Financial Periods* (CA506000), *Close Financial Periods* (FA509000), and *Close Financial Periods* (IN509000) forms.

## Financial Periods: To Deactivate a Period

In this activity, you will learn how to deactivate a period for a particular company.



The following activity is based on the *U100* dataset. If you are using another dataset, or if any system settings have been changed in *U100*, these changes can affect the workflow of the activity and the results of the processing. To avoid any issues, restore the *U100* dataset to its initial state.

## Story

Suppose that as an accountant of the SweetLife Fruits & Jams company, you have to deactivate the open *04-2019* financial period to prevent data entry clerks from posting transactions to it.

## Process Overview

You will review the financial period status on the [Company Financial Calendar](#) (GL201100) form and deactivate the period on the [Manage Financial Periods](#) (GL503000) form.

## System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset. Sign in as an accountant by using the following credentials:
  - Username: *johnson*
  - Password: *123*
2. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

## Step: Deactivating the Financial Period

To deactivate the open *04-2019* financial period, do the following:

1. Open the [Company Financial Calendar](#) (GL201100) form.
2. In the Selection area, specify the following settings:
  - **Company:** *SWEETLIFE* (inserted by default)
  - **Financial Year:** *2019*

Notice that several periods have the *Open* status.
3. On the form toolbar, click **Actions > Deactivate Periods**.
4. On the [Manage Financial Periods](#) (GL503000) form, which opens, notice that the system has selected the *Deactivate* action in the Summary area. In the table, select the unlabeled check box for the *04-2019* period. Notice that the later periods have been selected automatically.
5. On the form toolbar, click **Process**, as shown on the following screenshot.

Manage Financial Periods ☆

* Company:		SWEETLIFE - Sweet							
Action:		Deactivate							
* From Year:		2019							
To Year:		2020							
<input type="checkbox"/>	<input type="checkbox"/>	Financial Period ID	Description	Status	Closed in AP	Closed in AR	Closed in IN	Closed in CA	
<input type="checkbox"/>	<input type="checkbox"/>	02-2019	February	Open	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	03-2019	March	Open	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	04-2019	April	Open	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	05-2019	May	Open	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	06-2019	June	Open	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	07-2019	July	Open	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	08-2019	August	Open	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	09-2019	September	Open	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	10-2019	October	Open	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	11-2019	November	Open	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**Figure: The periods selected for deactivation**

- In the **Processing** pop-up window, which is opened, click **Close**.

The statuses of the periods have changed from *Open* to *Inactive*.