Enterprise
by HansaWorld

Integrated Accounting,
CRM and ERP System for
Mac OS X, Windows,
Linux, iOS, Android and AIX

Purchase Invoice Register

Preface

The Enterprise by HansaWorld range of products contains a number of powerful accounting, CRM and ERP systems for the Windows, Mac OS X, Linux, iOS, Android and AIX environments.

The programs are designed to make administration and accounting as easy and fast as possible. They are similar in operation regardless of platform. In the specific areas where there are significant differences, these are described and illustrated in full. In all other cases illustrations are taken from the Windows 7 version.

Text in square brackets - [Save], [Cancel] - refers to buttons on screen.

Information in this document is subject to change without notice and does not represent a commitment on the part of HansaWorld. The Software described in this document is a sophisticated information management system. Features are liable to alteration without notice. This documentation is not intended as a *de facto* representation of the system, but as an overview of its facilities. It cannot be exhaustive in all respects. Whilst effort is made to ensure the accuracy of the information published concerning the features and use of HansaWorld software, it is still possible that certain functions mentioned may not be fully implemented, may not be available under certain circumstances, or may possibly relate to a future release of the software. Errors and omissions excepted. HansaWorld accepts no contingent liabilities. All HansaWorld software related transactions are subject to HansaWorld's Conditions of Sale and Software Licence Agreement. All rights reserved.

Contents

The Purchase Invoice Register

The Purchase Invoice register is a record of your company's purchases. Each time you make a purchase, you will receive a Purchase Invoice from the Supplier, which you should enter to the Purchase Invoice register. You will therefore use this register for a number of tasks—

- The Purchase Invoice is a record of the payment demanded from your company by the Supplier;

- Unpaid Purchase Invoices in the register provide the basis for your creditor management reports; and

- Each Purchase Invoice can cause a Nominal Ledger Transaction to be created, thus generating the overall purchase and creditor figures in your monthly and yearly management reports. This creation process is automatic, requiring no intervention or work from you.

You can record four types of purchase transaction in the Purchase Invoice register—

1. You will receive a standard Purchase Invoice when goods have been delivered to you or work has been carried out for you before you have issued payment. You should record Payments against such Purchase Invoices in the Payment register, described here.

2. The Cash Note represents your issuing of a payment at the same time as the work is carried out. When you enter a Cash Note in the Purchase Invoice register, it will be treated as having being paid immediately, so there will be no need to enter a separate payment record in the Payment register. The implications in Nominal Ledger will be that the Cash Account will be credited instead of the Creditor Account.

3. A Deposit is the issuing of money before you have received a Purchase Invoice. You should record a deposit in the Payment register as a Prepayment Payment. You can allocate the Prepayment to the Invoice when you receive it at a later date. Alternatively, you can enter deposits as Cash Notes as described in point (2) above.

4. You should use Credit Notes to correct mistakes in Purchase Invoices, or to cancel Invoices that have been raised in error. They are, in effect, negative Invoices that reduce your overall purchase and creditor figures..
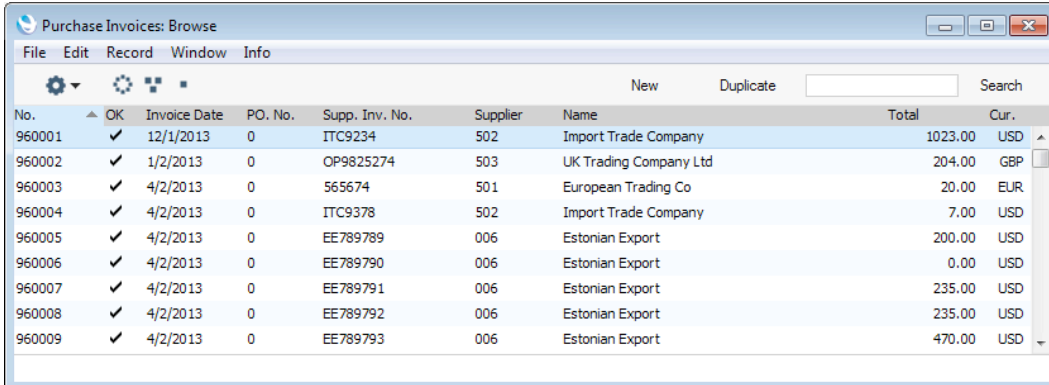
If you would like the Nominal Ledger implications of all these types of Purchase Invoice to be looked after as described, select the Purchase Invoice option in the Sub Systems setting in the Nominal Ledger.

You can enter records to the Purchase Invoice register using the following methods—

1. You can enter them directly to the Purchase Invoice register. This method is suitable for all the types of purchase transaction mentioned above.

2. You can create them remotely from other registers, such as Purchase Orders and Goods Receipts.

The use of the Purchase Invoice register, including each of these types of purchase transaction, is now described in detail. Before you start entering Purchase Invoices, you must ensure you have defined the current financial (accounting) year, using the Fiscal Years setting in the Nominal Ledger. You should also have defined a journal number series for Purchase Invoices using the Number Series - Purchase Invoices setting, described here You can adjust other settings as you go along.

To open the Purchase Invoice register, first ensure you are in the Purchase Ledger module, then click the [Purchase Invoices] button in the Master Control panel. The 'Purchase Invoices: Browse' window will be opened, listing the Purchase Invoices that have already been entered.

Each Purchase Invoice will be given a unique internal identifying code, using a consecutive numbering system. This is in addition to any number allocated to the Invoice by the issuer (the Supplier). The internal identifying number (Purchase Invoice Number) will be shown in the left-hand column, followed by a tick (if a Purchase Invoice has been marked as OK), the issue date, the Number of the Purchase Order from which the Purchase Invoice was created (if any), the Supplier's Invoice Number, the Supplier Number and Name, the Invoice total and the Currency. Credit Notes are marked by the letter "C" appearing between the total and the Currency.

The buttons in the top left-hand corner of the 'Purchase Invoices: Browse' window are part of the Limited Access feature. You can use them as follows (Windows/Linux versions of the buttons illustrated on the left, Mac OS X on the right)—

Lists all Purchase Invoices.

Lists Purchase Invoices belonging to members of the same Sales Group as the current user (i.e. Purchase Invoices with the same Sales Group on their 'Comment' cards as that of the current user).

Lists Purchase Invoices belonging to the current user (i.e. Purchase Invoices where the Salesman field contains the Signature of the current user).

You can also prevent a user from seeing all Purchase Invoices in the list by restricting their view to their own Purchase Invoices or to those of their Sales Group.

Please refer to the section describing the Person register in the 'System Module' manual for full details about the Limited Access feature.

Entering a Purchase Invoice

To enter a new Purchase Invoice, open the 'Purchase Invoices: Browse' window as described above and click [New] in the Button Bar or use the Ctrl-N (Windows and Linux) or ⌘-N (Mac OS X) keyboard shortcut. Alternatively, highlight a Purchase Invoice similar to the one you want to enter and click [Duplicate] in the Button Bar.

The 'Purchase Invoice: New' window will be opened, empty if you clicked [New] or containing a duplicate of the highlighted Purchase Invoice. In the case of the duplicate, the Invoice and Transaction Dates of the new Purchase Invoice will be the same as those in the original Purchase Invoice, and the Supplier Invoice Number will not be copied.

Complete the Purchase Invoice record as described below, then save it using the [Save] button and close the window by clicking the close box. Then, close the browse window using the close box again.

Since the amount of information stored about each Purchase Invoice will not fit on a single screen, the Purchase Invoice window has been divided into six cards. At the top of each is the header. This contains the Purchase Invoice Number, the Supplier's Number and Name, and other information. There are six named buttons ('tabs') in the header.
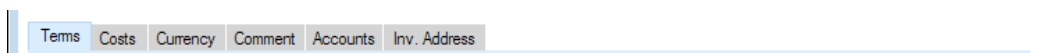
By clicking the tabs you can navigate between the cards, and always go directly to a certain card. The header is always visible, so you can always see which Supplier's Purchase Invoice you are working with.

If you have the Purchase Orders and/or Stock modules, it is likely that you will create many Purchase Invoices remotely from Purchase Orders and Goods

Receipts. If so, you will find that most of the fields described below will contain information carried over from the originating Purchase Orders or Goods Receipts.

Header

No.	Paste Special	Select from another Number Series

The Purchase Invoice Number i.e. the number of the Invoice in your Purchase Ledger. The default will be chosen as follows—

1. It will be taken from the number sequence allocated to the current user on the 'Number Series' card of their Person record.

2. It will be taken from the number sequence specified in the Number Series Defaults setting in the System module. You can specify in this setting that Credit Notes should use a different Number Series to standard Invoices. If you are using this feature, the Invoice Number will change when you specify Payment Terms of the "Credit Note" type (providing you have not yet saved the Invoice).

3. It will be taken from the first valid row in the Number Series - Purchase Invoices setting.

4. It will be the next number following on from the last Purchase Invoice entered.

You may change the default, but not to a number that has already been used. If you have defined at least one number sequence in the Number Series - Purchase Invoices setting, the number you change to must be inside a valid number sequence.

You will not be able to save a Purchase Invoice if the No. does not belong to a valid number sequence. A valid number sequence is one for the period in which the Transaction Date of the Purchase Invoice falls and with unused numbers, so this problem will most usually occur at the beginning of a new calendar or financial year. If you change number sequences each year, remember to update your Person records and Number Series Defaults setting if you are using them (steps 1 and 2 above) so that they refer to the new number sequences.

If you are working in a multi-user environment, the Invoice Number will be assigned when you first save the Invoice.

If you are using the Common Number Series option in the Cash Book Settings setting in the Cash Book module, the

Invoice Number may change if you enter a Payment Mode to the Payment Terms field, or if you use a Supplier with a Payment Mode in their Payment Terms field. Please refer to the description of the Payment Terms field below on page 10 for full details.

Supplier	**Paste Special**	Suppliers in Contact register

Enter the Supplier Number or use the 'Paste Special' function. When you press Return, the Supplier's name, address and other information will be entered into the appropriate fields.

If there is a Prepayment in the Supplier's name that has not yet been allocated to an Invoice, the message "Open prepayment exists" will appear when you enter the Supplier Number. Prepayments are described in the 'On Account Payments and Prepayments' section here.

In Finland, each Purchase Invoice has a barcode that you can enter or scan into the Barcode field on the 'Accounts' card. If you do so, the Supplier and all related information (e.g. Name, Address, Bank Account details and Payment Term) will be brought in automatically. The barcode will contain the IBAN Code of the Supplier's Bank Account, allowing the Supplier to be found by searching the Contact register for the record with the IBAN Code contained in the barcode.

TOTAL
The total amount to pay for this Invoice, including any taxes and in Currency. Before you can save the Purchase Invoice, this figure must equal one of the following, depending on the Zone of the Invoice—

Domestic, Inside EU (Post VAT) and Outside EU (Post VAT)

The sum of the Amounts of the rows plus VAT.

Inside EU
The sum of the Amounts of the rows.

Outside EU
The sum of the Amounts of the rows. No VAT is calculated in this case.

The Zone is taken from the 'Company' card of the Contact record for the Supplier and can be seen on the 'Inv. Address' card of the Purchase Invoice.

In Finland, each Purchase Invoice has a barcode that you can enter or scan into the Barcode field on the 'Accounts' card. If you do so, the TOTAL will be brought in automatically, as it is contained in the barcode.

Name
The Supplier's Name will be brought in after you enter the Supplier Number.

Hold Amount
If part of the Purchase Invoice is not to be paid (perhaps because of a dispute), enter the amount here. When the time comes for you to pay the Invoice, only the undisputed amount will be treated as open (i.e. the undisputed amount will be offered as a default when you enter the Invoice Number in a Payment record and when you use the 'Create Payments Suggestion' function, and will be shown in the Payments Forecast report). You will not be able to pay more than the undisputed amount. You can change

the value in this field after the Invoice has been marked as OK and saved, but not after it has been paid in full.

If the whole Invoice is disputed, it is recommended that you enter the total here and that you check the On Hold box on the 'Terms' card (below) as well.

VAT   As you add rows to a Purchase Invoice, the Calculated VAT field in the footer will be updated with the total VAT value, calculated using the Amounts and VAT Codes in each row.

If the total VAT amount on the Supplier's Invoice is different to the figure in the Calculated VAT field, enter the Supplier's figure here.

This serves two purposes. First, as mentioned in the description of the TOTAL field immediately above, if the Purchase Invoice is in the Domestic, Inside EU (Post VAT) or Outside EU (Post VAT) Zones, you will only be able to save it if the TOTAL is the same as the sum of the Amounts of the rows plus VAT. The VAT figure in this equation will be the figure in this field or, if this field is empty, in the Calculated VAT field. Second, the total figure posted to the Input VAT Account(s) will be the figure in this field or, if this field is empty, in the Calculated VAT field.

If you have entered VAT figures in the VAT fields on flip C of each row, the total of those figures will be placed in this field. Therefore, in a multi-row Invoice, you should not just use the VAT field on flip C in a single row, you should use it in every row (or none), so that this total figure is correct and the Invoice balances. The field on flip C therefore gives you greater control over the VAT amounts posted to the Input VAT Account from each row. You can only enter a figure in the VAT field on flip C if you are using the Set VAT Value on Purchase Invoice option in the Account Usage P/L setting.

If you are using the Calculate VAT option in the Purchase Invoice Settings setting and the Invoice is from the Domestic, the Inside EU (Post VAT) or the Outside EU (Post VAT) Zones, the VAT amount will be calculated automatically (from the TOTAL figure above) using the percentage entered in the setting. You can change the resulting figure if it does not match that on the Invoice. This feature will be useful in countries with a single standard VAT rate.

If the Invoice is from the Inside EU or Outside EU Zones, this field is not filled automatically and you should leave it blank. In the case of the Inside EU Zone, VAT is calculated using the VAT Code of each row and is shown in the Calc VAT field in the footer.

OK   When you check this box and save the record by clicking [Save], the Purchase Invoice will be posted to the Purchase Ledger. If you have so determined in the Sub Systems setting in the Nominal Ledger and in the Number Series - Purchase Invoices setting, a corresponding Transaction will also be created in the Nominal Ledger. Because of these consequences, you will no longer be able to make changes to the Purchase Invoice except to

the Hold Amount, Due Date, Language and Comment fields and the On Hold check box.

You can use Access Groups to control who can mark Purchase Invoices and Purchase Credit Notes as OK. To do this, deny access to the 'OK Purchase Invoices' and 'OK Purchase Credit Notes' Actions respectively. Access Groups are described in the 'System Module' manual.

If you would like a warning to appear every time you save a Purchase Invoice that you have not marked as OK, please refer to the Global Warnings on UnOKed Records setting in the System module. This setting is described in the 'System Module' manual.

If you need Purchase Invoices to pass through an approval process before you can mark them as OK, you can configure such a process using the Approval Rules register in the Business Alerts module. Please refer to the description of the Approval Status options on the 'Inv. Address' card below on page 31 for brief details about the approval process and to the 'Business Alerts' manual for full details.

Terms Card

Invoice Date	Paste Special	Choose date

The date when the Supplier issued the Invoice. This date, together with the Payment Terms, will determine when the Invoice will become due for payment. The date of the previous Purchase Invoice entered will be used as a default.

Payment Terms	Paste Special	Payment Terms setting, Sales/Purchase Ledger
	Default taken from	Contact record for the Supplier (Purch. Pay. Terms)

The Payment Term that you specify here will determine the Due Date (below). You can also use Payment Terms to configure a system of early settlement discounts.

Payment Terms are also the means by which Cash Notes and Credit Notes are distinguished from ordinary Invoices. To change an ordinary Purchase Invoice into a Cash Note or Credit Note, use 'Paste Special' to select a Payment Term whose Type is "Cash" or "Credit Note" respectively. When you then mark the record as OK and save it, the appropriate Nominal Ledger Transaction will be created. From a Cash Note, the Transaction will credit the Cash Account (as specified in the Payment Term record) rather than the Creditor Account. From a Credit Note, the Transaction will be a reversal of the original Invoice Transaction.

Cash Notes will immediately be treated as paid and so will not appear in your creditor reports. There is no need to enter a Payment against them. If you need to reverse a Cash Note, use a negative Cash Note, not a Credit Note.

In a Credit Note, you can enter the number of the Invoice to be credited in the Credit of Invoice field (on the 'Terms' card), using 'Paste Special' if necessary to bring up a list of open (unpaid) Invoices.

In the Baltic States, there are circumstances where Purchase Invoices should follow the same number sequence as that used by Payments, Cash Out records and Personnel Payments. For this to happen, define the number sequences using the right-hand From and To fields on flip C of the Payment Modes setting and check the Common Number Series box in the Cash Book Settings setting in the Cash Book module. Then, enter a Payment Mode to this field: the Purchase Invoice Number will change to one in the correct sequence. When you mark the Invoice as OK and save it, it will be treated as paid and no posting to a Creditor Account will be made. Instead, a credit posting will be made to the Account of the Payment Mode (i.e. a Bank or Cash Account). In some installations, Payment Modes may be included in the 'Paste Special' list.

Transaction Date   **Paste Special**   Choose date

This date will be used as the Transaction Date in the Nominal Ledger Transaction that will result from the Purchase Invoice. You may thus separate Invoice and Transaction Dates in your ledgers.

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If you enter different Invoice and Transaction Dates, there will be a timing difference between the Purchase and Nominal Ledgers so long as the Invoice remains unpaid. This will be apparent when comparing the Aged Creditors report with the Creditor Control Account.

If you are using the Disallow Invoice Date after Transaction Date option in the Purchase Invoice Settings setting, you will not be able to save a Purchase Invoice if the Transaction Date is earlier than the Invoice Date.

Due Date   The date when the Purchase Invoice is to be paid, calculated from the Invoice Date and the Payment Term. You can change the Due Date, even after you have marked the Invoice as OK. This will be useful if you receive an extended credit time for an Invoice and you need to re-schedule it in your Purchase Ledger and in cash flow forecast reports such as the Liquidity Forecast.

If the Payment Term is one with instalments, the Due Date of the final instalment will be shown here.

In Finland, each Purchase Invoice has a barcode that you can enter or scan into the Barcode field on the 'Accounts' card. If you do so, the Due Date will be brought in automatically, as it is contained in the barcode.

Supp. Inv. No. The number assigned to the Purchase Invoice by the Supplier.

You can have the Supp. Inv. No. printed in several documents including the remittance advice by including the "Supplier Invoice Number" field in your Form designs.

When you save a Purchase Invoice, a check will be made that you have not already used the Supp. Inv. No. with the same Supplier in a previous Purchase Invoice or Expense record (in the Document No. field on flip C). If you have, you will be warned "Invoice with this Supplier Invoice No. already exists", but the record will still be saved. If you want to prevent the saving of such a Purchase Invoice altogether, use the Disallow Invoices with Same Supp. Invoice No. option in the Account Usage P/L setting. This will help reduce the risk of entering the same document more than once, as a Purchase Invoice and/or as part of an Expense claim.

Usually you can change the Supp. Inv. No. in a Purchase Invoice even after you have marked it as OK and saved it. If you do not want this to be possible, you can prevent it using Access Groups, by denying access to the 'Change Supplier's Inv. No. on OKed Purchase Invoice' Action. Access Groups are described in the 'System Module' manual.

Signers **Paste Special** Person register, System module

The Person marking the Purchase Invoice as OK should enter their Signature here. You can enter the Signatures of more than one Person, separated by commas. You can make entering a Signature in this field compulsory by selecting the Signer Required option in the Purchase Invoice Settings setting.

Objects **Paste Special** Object register, Nominal Ledger/System module

You can assign up to 20 Objects, separated by commas, to a Purchase Invoice, to be transferred to the consequent Nominal Ledger Transaction. You might define separate Objects to represent different departments, cost centres or product types. This provides a flexible method of analysis that can be used in Nominal Ledger reports. Usually the Objects specified here will represent the Supplier.

In the Nominal Ledger Transaction generated from a Purchase Invoice, the Objects specified here will be assigned as follows—

1. By default, they will be assigned to the debit posting(s) to the Cost Account(s).

   This assignment will not occur if you are using the Skip Header A/C Objects on Cost A/C option in the Account Usage P/L setting.

2. If you are using the Objects on Creditors Account option in the same setting, they will be assigned to the credit posting to the Creditor Account.

3. If you are using the Objects on VAT Account option in the same setting ('VAT' card), they will be assigned to the debit posting(s) to the Input VAT Account(s).

The Objects on Creditors Account option will also cause any Purch. Objects specified in the Contact record for the Supplier to be copied here as a default, and, when you pay the Purchase Invoice, for the Objects in this field to be copied to the Objects field on flip F of the Payment row. From there, they will be assigned to the debit posting to the Creditor Account.

Reference	**Default taken from**	Contact record for the Supplier (Reference field)

Record here any additional code by which the Purchase Invoice can be identified. When you pay the Purchase Invoice, this Reference will be copied to the Bank Reference field on flip H of the relevant Payment row It will then be printed on the Payment Form document provided you have included the "Our Reference (ourref)" field in your Form design.

Depending on the Payment File Format you have chosen in the Bank Transfer setting in the Purchase Ledger, this Reference may be included in Banking File exports. For this reason, a Reference is mandatory in Purchase Invoices in some countries e.g. Finland and Norway.

In Finland, each Purchase Invoice has a barcode that you can enter or scan into the Barcode field on the 'Accounts' card. If you do so, the Reference will be brought in automatically, as it is contained in the barcode.

In Norway, you should enter the KID Code of the Purchase Invoice in this field.

Receiving Date	**Paste Special**	Choose date

The Receiving Date of a Purchase Invoice is the date you receive it into your possession. In some countries (e.g. Slovenia), VAT can be reclaimed based on Invoice Receiving Dates rather than on Invoice or Payment Dates.

If you are using the Require Receiving Date option in the Purchase Invoice Settings setting, it will be mandatory to enter a Receiving Date in each Purchase Invoice.

Discount Date   The date by which you should pay the Invoice if you are to receive a settlement discount. This will be calculated using

the Settl. Disc. Days specified in the relevant Payment Term record.

Sett. Discount   The amount of the settlement discount, if any.

The calculation of this figure will depend on the Settl. Discount % in the relevant Payment Term record and on the Exclude VAT on Settl. Discount option in the Account Usage S/L setting. If you are not using this option, the settlement discount will be—

TOTAL x Settlement Discount %

If you are using this option, the settlement discount will be—

(TOTAL - VAT Total) x Settlement Discount %

The VAT total in the second equation will be taken from the VAT field in the header or, if this is empty, from the Calculated VAT field in the footer.

You can overwrite the calculated settlement discount figure if necessary. You should do so after entering all other information to the Purchase Invoice, as adding rows, changing amounts etc will cause the settlement discount figure to be re-calculated.

If you pay the Purchase Invoice before the Discount Date (above), a discount row will be added to the Payment automatically, together with this figure as a suggested discount amount.

If you enter a Purchase Invoice that was created using the equivalent in the Supplier's system of the Exclude VAT on Settl. Discount option, the VAT total in the Supplier's Invoice will not be the same as the figure that appears in the Calculated VAT field in the footer of the 'Costs' card. You will need to copy the VAT total from the Supplier's Invoice to the VAT field in the header. This will ensure the correct figure is posted to the Input VAT Account and that the settlement discount is calculated correctly. If the Purchase Invoice is one with several rows (possibly with different VAT Codes), you may need to enter the correct figure in each row (in the VAT field on flip C) to ensure the correct amounts are posted to the Input VAT Accounts. The sum of these VAT amounts will be placed in the VAT field in the header, and this figure will be used in the settlement discount calculation. You will need to use the Set VAT Value on Purchase Invoice option in the Account Usage P/L setting if you want to use the VAT field on flip C.

Credit of Invoice   **Paste Special**   Open Purchase Invoices

If you are entering a Purchase Credit Note (a "debit note"), enter here the number of the Purchase Invoice being credited. The Purchase Invoice being credited cannot itself be a credit note.

Remember to specify a Payment Term of type "Credit Note" in the Payment Terms field: you must leave the Credit of Invoice field blank when the Payment Term is of any other type.

On Hold Check this box in a Purchase Invoice if you wish to prevent it from being paid by the 'Create Payments Suggestion' Operations menu function. However, the full outstanding amount will still be offered as a default when you type the Invoice Number into a Payment record: if you want to prevent this, use the Hold Amount field in the header.

You can change this check box after the Invoice has been marked as OK and saved.

Marking a Purchase Invoice as On Hold can affect the following reports—

- It will be shown with a zero outstanding balance in the Open Invoice Supplier Statement report, if you print it using the Exclude Hold Amount option.

- You can exclude it from the Payments Forecast report.

- It will be marked with an asterisk (*) in the Purchase Ledger report.

- You can produce a Purchase Invoice Journal report that only lists Purchase Invoices that are On Hold.

Prel. Booking This check box allows for the preliminary (temporary) booking of Purchase Invoices. If you tick this box, a Nominal Ledger Transaction will be generated for the preliminary booking when you next save the Invoice. Normal VAT and Cost Account postings will be made, but, instead of the usual Creditor Account, a preliminary Account (defined on the 'Creditors' card of the Account Usage P/L setting) will be credited. As long as the Purchase Invoice is in this temporary state, you can change the Cost Accounts in any of the Purchase Invoice rows. When you mark the Purchase Invoice as OK and save it again, a new Nominal Ledger Transaction will be created, reversing the posting to the preliminary Account and replacing it with a credit to the normal Creditor Account. Any change in the Cost Accounts used will also be reflected in this Transaction.

You can use Access Groups to control who can tick the Prel. Booking box in Purchase Invoices and Purchase Credit Notes. To do this, deny access to the 'OK Purchase Invoices' and 'OK Purchase Credit Notes' Actions respectively. Access Groups are described in the 'System Module' manual.

If you need Purchase Invoices to pass through an approval process before you can mark them as OK, you can configure such a process using the Approval Rules register in the Business Alerts module. The same approval process will also control access to the Prel. Booking box i.e. after a Purchase Invoice has passed through the same approval process, you will be able to tick both the Prel. Booking and OK check boxes. Please refer to the description of the Approval Status options on the 'Inv. Address' card below on page 31 for brief details about the approval process and to the 'Business Alerts' manual for full details.

The Prel. Booking check box is described in more detail in the 'Preliminary Booking' section below on page 53.

Costs Card

Use the grid on the 'Costs' card to list the items and costs on the Purchase Invoice. This grid is divided into five horizontal flips. When you click on a flip tab (marked A-E), the two or three right-hand columns of the grid are replaced.
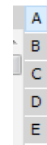
To add rows to a Purchase Invoice, click in any field in the first blank row and enter appropriate text. To remove a row, click on the row number on the left of the row and press the Backspace key. To insert a row, click on the row number where the insertion is to be made and press Return.

Flip A

A/C   **Paste Special**   Account register, Nominal
                                            Ledger/System module

Specify the Cost Account to be debited by the Purchase Invoice. Enter an Account number and press Enter. The Account name will be entered automatically in the Description field.

If the Contact record for the Supplier has a Cost Account specified on the 'Accounts' card, this will be entered as a default in the first row.

You can have an Account brought in by specifying an Account Short Code in the Short. field to the right.

You can also enter the Code of an Autotransaction in this field. You can use Autotransactions to automate the entry of frequently used Purchase Invoice Transactions, not only reducing labour but also ensuring the correct Accounts are used every time. Autotransactions are fully described in the 'Nominal Ledger' manual. An example of an Autotransaction might be one that distributes the cost of an overhead such as rent across several Objects on a percentage basis.

Objects	**Paste Special**	Object register, Nominal Ledger/System module

You can assign up to 20 Objects, separated by commas, to a Purchase Invoice row, to be transferred to the consequent Nominal Ledger Transaction. You might define separate Objects to represent different departments, cost centres or product types. This provides a flexible method of analysis that can be used in Nominal Ledger reports. Usually the Objects specified here will represent the item or cost.

In the Nominal Ledger Transaction generated from a Purchase Invoice, any Objects specified here will be assigned to the debit posting to the Cost Account. This assignment will merge these Objects with those of the parent Invoice (shown on the 'Terms' card).

If you don't use Objects, you can use the Skips Object option in the Purchase Invoice Settings setting to have the insertion point skip over this field when you press Return or Enter (but not Tab).

If you specify a Project on flip B and this Project has been given an Object, this Object will be copied here automatically. You can also have an Object brought in by specifying an Account Short Code in the field immediately to the right.

Short.	**Paste Special**	Account Short Codes setting, Nominal Ledger

You can use Short Codes to help reduce errors when selecting Accounts and Objects. You can also use them if you do not want members of staff using Purchase Invoices and Expenses to have any access to the Account and Object registers (which means that they will not be able to use 'Paste Special' to choose Accounts and Objects). Enter a Short Code here to bring in the appropriate Account and Object(s).

Description	**Default taken from**	Account

The Account Name will be entered here automatically when you specify the Account above. You can change the Description if necessary.

You can use the Skips Description option in the Purchase Invoice Settings setting to have the insertion point skip over this field when you press Return or Enter (but not Tab).

If you have entered various translations of the Account Name on the 'Texts' card of the Account record, the correct translation will be brought in according to the Language of the Invoice (specified on the 'Comment' card). If there is no Language on the 'Comment' card but you have entered a Language in the Company Info setting in the System module and you are using the Account Description in Company Language option in the Transaction Settings setting in the Nominal Ledger, then the appropriate translation of the Account Name for the Company Info Language will be brought in.

Amount

The amount to be debited to the Cost Account. If you have specified a Currency, this figure should be in that Currency.

A convenient way of quickly entering the correct value is to click or otherwise move the insertion point into the field and then press the Enter or Return key. The correct value to balance the Invoice will be brought in, taking the TOTAL and any previous rows into account.

V-Cd

Paste Special   VAT Codes setting, Nominal Ledger

The VAT Code entered here will determine the rate at which VAT will be charged and the Input VAT Account to be debited.

The default offered in each row will be chosen as follows—

1.   The Purch. VAT Code for the Supplier will be used.

2.   It will be taken from the Account record.

3.   The VAT Code on the 'VAT' card of the Account Usage P/L setting will be used.

In the last case, the appropriate VAT Code for the Zone of the Supplier will be used.

You can change this default in a particular Invoice row if necessary.

In the Nominal Ledger Transaction generated from the Purchase Invoice, this VAT Code will be assigned to the debit posting to the Cost Account specified above. If you want it assigned to the debit posting to the Input VAT Account as well, use the Add VAT Code to VAT A/C rows option in the Transaction Settings setting in the Nominal Ledger.

T-Cd

Paste Special   Tax Templates setting, Nominal Ledger

In some countries, Tax Templates are used instead of VAT Codes. VAT Codes should be used where each sales and purchase transaction (e.g. each row in a Purchase Invoice) is taxed at a single rate, while Tax Templates should be used where different taxes and/or several tax rates are applied to one transaction (e.g. to one row).

If you need to use Tax Templates, you should first choose the Use Tax Templates for Tax Calculation option in the Transaction Settings setting in the Nominal Ledger. This option will cause a Tax Template field ("T-Cd") to appear

here instead of the VAT Code field ("V-Cd"). Having done so and having entered your Tax Templates in the Tax Templates setting also in the Nominal Ledger, you should specify the Tax Templates that are to be used in each Purchase Invoice row here.

The default offered in each row will be chosen as follows—

1. The Purch. Tax Temp. for the Supplier will be used.

2. It will be taken from the Account record.

3. The Tax Template on the 'VAT' card of the Account Usage P/L setting will be used.

4. If there is a Branch on the 'Comment' card of the Purchase Invoice, the Purch. Tax Temp. from the Contact record for that Branch will be used.

In the third case, the appropriate Tax Template for the Zone of the Supplier will be used.

Flip B

If you need to use the Intrastat reporting feature, you should ensure the Item and Quantity fields on flip B of each Purchase Invoice row are filled out correctly. The Intrastat P/L document (described here) lists the Items that have been purchased from Suppliers in other EU countries, taking this information from these fields. The Purchase Order Accruals report and the Accrued and Accrued by Nominal Code options of the Purchase Order Status report also require Items to be specified on flip B of each Purchase Invoice row. If you will be creating Purchase Invoices from Purchase Orders or Goods Receipts, you should choose the Consolidate by Items and Project or the Transfer Each Row Separately options in the Purchase Invoice Settings setting to ensure the fields on flip B of each Purchase Invoice row contain the necessary information.

Order Type   This field will be filled automatically and can contain two values: "Normal" and "Drop Ship". It will contain "Drop Ship" in a Purchase Invoice row that was created from a Purchase Order row in which the Order Type was also "Drop Ship". A "Drop Ship" Purchase Order is a Purchase Order that you place with your Supplier, and the Supplier then delivers direct to your Customer so that you do not receive the Items into stock yourself. As there will therefore be no Goods Receipt, any Price Variance will be calculated differently when the Order Type is "Drop Ship" (the Price Variance is shown on flip D).

Stock Type   This field will be filled automatically and can contain two values: "Purchased" and "Consignment". It will contain "Consignment" in a Purchase Invoice row that was created from a Goods Receipt row in which the Stock Type was also "Consignment". An Item is in Consignment Stock when it is in your warehouse or showroom but still belongs to the Supplier until you sell it. If the Stock Type is "Consignment", it will change the choice of Cost Account on flip A.

Item	**Paste Special**	Item register

You may enter the Item number of the purchased Item here.

In the case of Purchase Invoices created from Purchase Orders or Goods Receipts, Item Numbers will be copied if you are using the Consolidate by Items and Project or the Transfer Each Row Separately options in the Purchase Invoice Settings setting.

As well as the 'Paste Special' feature, you can use the 'Item Search' function on the Operations menu to add Items to the Purchase Invoice. This function is described below on page 87.

Qty   Enter the quantity purchased here.

In the case of Purchase Invoices created from Purchase Orders or Goods Receipts, Quantities will be copied over if you are using the Consolidate by Items and Project or the Transfer Each Row Separately options in the Purchase Invoice Settings setting.

Project	**Paste Special**	Project register, Job Costing module (if installed)

If you are using the Job Costing module, you can enter a Project Number here if you need to connect the expense represented by a Purchase Invoice row to a Project.

If the Project has been given an Object, this will be copied to the Objects field on flip A of the Purchase Invoice.

If you enter a Project, you must also enter an Item and Quantity.

In the case of Purchase Invoices created from Purchase Orders, any Project specified on the 'Terms' card of the Order (or on flip B of an individual Purchase Order row) will be copied over to each Purchase Invoice row if you are using the Consolidate by Items and Project or the Transfer Each Row Separately options in the Purchase Invoice Settings setting.

When you mark a Purchase Invoice as OK and save it, separate Project Transactions will be created for each row in which you have specified a Project, Item and Quantity. These Project Transactions allow the exact cost of work done against a Project to be included in cost analysis reports in the Job Costing module and, depending on how the Project has been configured, are the mechanism by which the Customer will be invoiced for the work done. If you then invalidate the Purchase Invoice, the Project Transaction(s) will be deleted. You will not be able to invalidate the Purchase Invoice if the Project Transaction has already been invoiced. Please refer to the 'Job Costing' manual for full details.

Flip C

N/L Accrual   **Paste Special**   N/L Accruals setting, Nominal
                                        Ledger

Please refer to the 'Accruals' section below on page 59 for details about this field and an illustrated example.

VAT   As you add rows to a Purchase Invoice, the Calculated VAT field in the footer of the Purchase Invoice will be updated with the total VAT value, calculated using the Amounts and VAT Codes in each row.

If the total VAT amount on the Supplier's Invoice is different to the figure in the Calculated VAT field, you should enter the Supplier's figure in the VAT field in the header.

In the resulting Nominal Ledger Transaction, the total figure posted to the Input VAT Account(s) will be the figure in the VAT field in the header or, if this field is empty, the figure in the Calculated VAT field in the footer.

If there is more than one VAT Code in the Invoice, the amounts posted to each Input Account will be calculated using the Amounts and VAT Codes in each row. If you have entered a figure in the VAT field in the Purchase Invoice header, an adjustment will be made to the amount posted to the first Input Account to ensure the total value of VAT posted is correct.

If you know the VAT value of each row, this calculated adjustment might not be sufficiently accurate. In this case, you can enter the appropriate VAT values in this field in each row. You can only enter a figure in this field if you are using the Set VAT Value on Purchase Invoice option in the Account Usage P/L setting. As you enter figures in this field in each row, the VAT field in the header will be updated. Therefore you must use this field in every row (or none) in order for the Purchase Invoice to balance (except rows with zero-rated VAT Codes).

If you are using the Set VAT Value on Purchase Invoice option, you will have a choice whether to use this field in a particular Purchase Invoice. As mentioned in the previous paragraph, if you do decide to use this field, you will need to do so in every row. If you would like to make the use of this field mandatory in every Purchase Invoice in which you have used more than one VAT Code, select the Force Line VAT if VAT Differs and more than one VAT Code option in the Account Usage P/L setting.

Flip D

Serial No.   The Serial Number of the purchased Item will be brought into this field automatically in the following circumstances—

- In the case of a Purchase Invoice created from a Purchase Order, Serial Numbers will be brought in from the relevant Goods Receipt rows providing you are using the Invoice Based on Goods Receipts option in the Purchase Invoice Settings setting. If the quantity is greater than one, the Purchase Invoice will

contain the appropriate number of rows each with a Quantity of one, allowing all Serial Numbers to be brought in. If you are not using this option, a Serial Number will still be brought in, providing you are using the Transfer Each Row Separately option in the same setting. But if the quantity is greater than one, only the first Serial Number will be copied here.

- In the case of a Purchase Invoice created from a Goods Receipt, the Serial Number will only be brought in from the relevant Goods Receipt row if you are using the Transfer Each Row Separately option in the Purchase Invoice Settings setting. If the quantity is greater than one, the Purchase Invoice will always contain the appropriate number of rows each with a Quantity of one, so there is no need to use the Invoice Based on Goods Receipts option.

In all other cases, this field will remain blank. It is a non-enterable field and cannot be changed.

Price Variance   Please refer to the 'Price Variances' section in the 'Stock' manual for details about this field.

Flip E

Asset No.   **Paste Special**   Asset register, Assets module

Asset Trans. Type **Paste Special**   Choices of possible entries

The behaviour of these fields depends on the Asset Trans. Type, as follows—

New Asset   When the Asset Trans. Type is "New Asset", you must enter a previously unused Inventory Number in the Asset No. field. When you mark the Purchase Invoice as OK and save it, a new record will be added to the Asset register automatically. The Supplier Number and Name, Purchase Invoice Number and Date and Supp. Inv. No. from the header of the Purchase Invoice and the Inventory Number, Description, Amount, VAT, Quantity and Serial Number from the Purchase Invoice row will all be copied to the new Asset record. The Purchase Invoice and the Asset will be connected to each other through the Attachments facility.

You can also use a more manual method to create Assets from Purchase Invoices. To do so, select 'Create Asset' from the Operations menu. This function is described below on page 78.

Update Asset   When the Asset Trans. Type is "Update Asset", you must enter the Inventory Number of an existing Asset in the Asset No. field. The Inventory Number must refer to an Asset in which the Used From date is empty. When you mark the Purchase Invoice as OK and save it, the Amount and VAT from the Purchase Invoice row will be added to the Purch. Value and VAT in the Asset record (on a per unit basis if the Asset Quantity is greater than one). The

	Purchase Invoice and the Asset will be connected to each other through the Attachments facility.
Revaluate Asset	When the Asset Trans. Type is "Revaluate Asset", you must enter the Inventory Number of an existing Asset in the Asset No. field. When you mark the Purchase Invoice as OK and save it, a record for the Asset will be created in the Revaluation register. The Start. Value 1 in this record will be the Start Value 1 in the most recent existing Revaluation or the Purch. Value of the Asset plus the Amount from the Purchase Invoice row, and the Trans. Date and Starting Date 1 will both be the Purchase Invoice Date. The Purchase Invoice and the Revaluation will be connected to each other through the Attachments facility.

If you specify an Asset No., you must also choose an Asset Trans. Type. If you are using the Require Asset Number on Purchase Invoice option in the Account Usage Assets setting in the Assets module, it will be mandatory to specify an Asset No. if the Cost Account on flip A is an Asset or Asset 2 Account specified in any row in the Asset N/L Classes setting, also in the Assets module.

Please refer to the 'Assets' manual for more details about Assets and Revaluations.

Footer

Currency	GBP	Withh. Tax	Ext. Tax	Calculated VAT	11.00

Currency	**Paste Special**	Currency register, System module
	Default taken from	Contact record for the Supplier (Purch. Currency) or Default Base Currency

The currency of the Purchase Invoice: the exchange rate is shown on the 'Currency' card where you can change it for an individual Invoice if necessary. Leave the field blank to use your home Currency (unless you have set a Default Base Currency, in which case this will be offered as a default and should be treated as your home Currency).

If the Contact record for the Supplier has a Purchase Currency specified on the 'Pricing' card, you can only use that Currency. Otherwise, you can use any Currency.

All figures entered in the Purchase Invoice should be in the specified Currency: when the Nominal Ledger Transaction is created, they will be converted to your home Currency.

Withh. Tax	This field will be used if you enter a Purchase Invoice that is subject to Withholding Tax. You can either enter a Withholding Tax amount in this field, or you can have it calculated automatically. Please refer to the first two examples here for details about using this field, the configuration that is required and the resulting postings in the Nominal Ledger.

Ext. Tax   When you define VAT Codes using the setting in the Nominal Ledger, you can use the fields on flip B to specify that an additional tax, such as an environmental tax, is to be levied. If the VAT Code in any of the rows of the Purchase Invoice is one that you have configured to include such an additional tax, the amount of that tax will be shown in this field, in the Currency of the Invoice. That amount will be recalculated as you add rows to the Invoice. When you mark the Invoice as OK and save it, this Extra Tax will be debited to the Tax Account specified for the appropriate VAT Code. If you have specified a Tax Min. (minimum Extra Tax amount) for a VAT Code, and the Extra Tax in an Invoice is less than this minimum amount, this field will be set to zero. Please refer to the description of flip B of the VAT Codes setting in the 'Nominal Ledger' manual for more details about how the Extra Tax figure is calculated together with examples.

Calculated VAT   The VAT sum, calculated from the Purchase Invoice rows. This figure will be calculated automatically as you add rows to the Purchase Invoice.

This figure will be rounded up or down according to the VAT rounding rules set for the Currency/Payment Term combination in the Currency Round Off setting in the System module. If that setting does not contain an entry for that combination, the Default for Calculated Values and VAT rounding rules in the Round Off setting (also in the System module) will be applied.

Currency Card

Currency   **Paste Special**   Currency register, System module

Default taken from   Contact record for the Supplier (Purch. Currency) or Default Base Currency

The Currency of the Purchase Invoice (also shown in the footer of the 'Costs' card) is shown together with the exchange rate that you can modify in an individual Purchase Invoice if necessary. Leave the field blank to use the home Currency (unless you have set a Default Base Currency, in which case this will be offered as a default and should be treated as your home Currency).

All figures that you enter in the Purchase Invoice should be in the specified Currency.

Exchange Rates   **Default taken from**   Base Currency Rates setting and/or Exchange Rate register, System module

The exchange rates for the specified Currency on the Transaction Date of the Purchase Invoice.

In the case of Purchase Invoices created from Purchase Orders, the exchange rate will be brought in from the Purchase Order if you are not using the Update Base Currency when Invoicing and Update Foreign Currency when Invoicing options in the Account Usage P/L setting and you have selected From Purchase Order as the Purchase Invoice Rate option in the Purchase Invoice Settings setting. This will be useful if you have agreed an exchange rate with the Supplier at the time of ordering. Otherwise, the exchange rate for the Transaction Date will be used, although the prices in Currency will not be changed. This means you will still be charged the agreed price, but the value of the Invoice in your home Currency (and therefore in the Nominal Ledger) will be different to that of the Order.

One of two conversion methods will be used. The Dual-Base system will be useful for companies that have offices in two countries that need to report in both Currencies, for companies operating in countries where there is a second Currency (usually the US Dollar or Euro) in common use in addition to the national one, and for companies in the Euro zone who retain their old national Currency for comparison purposes. The second method is a simple conversion from the foreign Currency to the home Currency, applicable to the majority of worldwide Currency transactions. These are described below.

Exchange Rates (Dual-Base System)

In the example shown above, an Invoice has been received in Euros. Base Currency 1 is the home Currency (GBP, Pounds Sterling) and Base Currency 2 is the Euro. The fields on the left show in the form of a ratio the exchange rate between the two base Currencies (taken from the record in the Base Currency Rates setting that applies on the Transaction Date). The illustration shows that GBP 0.63 buys one Euro.

Note that European Monetary Union (EMU) regulations specify that the ratios must always show how many units of the home or foreign Currency can be bought with one Euro.

Exchange Rates (Simple Currency Conversion System)

In the case of a simple currency conversion system, the Rate and right-hand Base Currency 1 fields are used to show a simple exchange rate between the foreign and home Currencies. In the example shown below, the home Currency is US Dollars (USD) and the foreign Currency Japanese Yen (JPY). JPY 122.15 buys USD 1.00.

For further examples, please refer to the 'Currency' manual.

Comment Card

Factoring	**Paste Special**	Contact register
	Default taken from	Contact record for the Supplier (Factoring)

If the Supplier is one that uses a factoring company (to which Payments are to be sent), enter the Supplier Number of that company here. The company must be registered as a Supplier in your system (i.e. there must be a record in the Contact register with the Supplier box ticked). When you print payment documents, they will be addressed to the factoring company if there is one.

Branch — If your company has several Branches (e.g. several shops), you can specify the Branch where each client machine is located in the Local Machine setting in the User Settings module. You should do this individually on each client machine, and each Branch must have its own record in the Contact register. When you create a Purchase Invoice, the Branch where the client machine is located will be recorded here and cannot be changed. Branch details will be printed on the Purchase Invoice document if you have included the various Branch fields in your Form design.

Statistical Value — This field is used for Intrastat reporting. The figure that you should enter here may depend on the type of goods purchased and your country of operation, but typically you should enter the value of goods purchased plus the cost of freight and insurance to the border of your country of operation. The figure should be in the Purchase Invoice Currency and should exclude VAT. It will be used when calculating the "FOB Value, Local" and "FOB Value, foreign Currency" values in the Intrastat P/L document. It will also be used in similar calculations by the following export functions in the Purchase Ledger: Intrastat P/L (Estonia); Intrastat P/L (Finland); Intrastat P/L (Germany); Intrastat P/L (Lithuania) and Ist@at - Items Import.

Comment	**Default taken from**	Contact record for the Supplier (Comment field)

Record here any comment about this Purchase Invoice.

Salesman	**Paste Special**	Person register, System module
	Default taken from	Contact record for the Supplier or Purchase Order

Enter the Signature of the Person responsible for the Purchase Invoice.

This field is also used by the Limited Access feature: please refer to the description of the Sales Group field immediately below for details.

Sales Group	**Paste Special**	Sales Groups setting, System, module
	Default taken from	Salesman

The Sales Group will be brought in from the Person record when you specify a Salesman in the field immediately above. If you are using the Limited Access feature, you can use this field to prevent a user from seeing every Purchase Invoice in the 'Purchase Invoices: Browse' window by restricting their view to their own Purchase Invoices or to those of their Sales Group.

Please refer to the section describing the Person register in the 'System Module' manual for full details about the Limited Access feature.

Language	**Paste Special**	Languages setting, System module
	Default taken from	Contact record for the Supplier

The Language determines the Account Descriptions that will be shown on the 'Costs' card, and the text for Payment Terms that will be printed in documents. Leave the field blank to use your home Language.

You can also use the Language to determine the Form that will be used when you print the Purchase Invoice, and the printer that will be used to print it. This can include sending the document to a fax machine, if your hardware can support this feature. Do this in the 'Form Definition' window for the Purchase Invoice document, as described in the 'Working Environment' chapter in the 'Introduction to Enterprise by HansaWorld' manual. You can change the Language before printing the Purchase Invoice even if it has been marked as OK, to ensure it is printed on the correct printer or fax machine.

Creditors A/C	**Paste Special**	Account register, Nominal Ledger/System module

The Creditor Account specified here will be credited when you mark the Purchase Invoice as OK and save it, to post it to the Nominal Ledger. The default will be chosen as follows—

1. The Creditor Account specified for the Supplier in the Contact register will be used.

2. The Creditor Account will be taken from the Supplier Category to which the Supplier belongs. If the Supplier does not belong to a Supplier Category but instead belongs to a Customer Category, the Creditor Account will be taken from there.

3. The default Creditors Account entered in the Account Usage P/L setting will be used.

If the Payment Term of the Purchase Invoice (shown on the 'Terms' card) is of the "Cash" type (i.e. the Invoice is a cash Invoice), the Cash Account to be credited will be shown here, chosen as follows—

1. The Cash Account will be taken from the Payment Term specified in the Invoice.

2. The Cash Account entered in the Account Usage P/L setting will be used.

Org. Supp.   This field will be used when you issued a Purchase Order to a Supplier and received the Purchase Invoice from a different Supplier (the "Invoice From Supplier"). In this situation, you will have specified the Invoice From Supplier in the Purchase Order (Invoice From field on the 'Comment' card). When you create the Purchase Invoice, the Supplier will be the Invoice From Supplier from the Purchase Order and the Org. Supplier (original Supplier) will be the Supplier to whom you issued the Purchase Order.

Supp. Info. on Trans

When a Nominal Ledger Transaction is generated automatically from a Purchase Invoice, this option will cause the Invoice Number, Due Date and Supplier to be copied to flip E of the Transaction row posting to the Creditor Account.

You should use this option if you want to use the Creditors Account report in the Nominal Ledger. This report lists debit and credit postings to the Creditor Account, organised by Supplier. In order to provide this analysis, the report needs the Supplier Number to be copied to flip E of each posting to the Creditor Account.

This option will be selected by default if you are using the Supp. Info. on Trans. option on the 'Creditors' card of the Account Usage P/L setting.

Self Billing   **Default taken from**   Contact record for the Supplier (Self Billing Customer)

A self-billing Invoice is an Invoice that a company issues to itself. For example, a company may have received goods from a Supplier on the agreement that invoicing will occur as it sells or consumes them. That company will create self-billing Purchase Invoices when necessary, notifying the Supplier as it does so. That Supplier should then create corresponding Sales Invoices. If you are a customer in a self-billing agreement, you can mark your Purchase Invoices as self-billing using this check box. Self-billing Invoices are separately flagged when included in SAF-T exports in Portugal.

Accounts Card

P/Order No.		In the case of a Purchase Invoice created from a Purchase Order, the Purchase Order Number will be shown here.

This field will also show the originating Purchase Order Number in a Purchase Invoice created from a Goods Receipt, copied from the Purch. Order No. field on the 'Terms' card of the Goods Receipt. In some cases, the Purch. Order No. field in a Goods Receipt will be empty so nothing will be copied. This will occur in a Goods Receipt that you have linked to more than Purchase Order and/or when you are using the PO number only on Goods Receipt rows (not in header) option in the Stock Settings setting.

This field cannot be changed.

P/O Process No.	**Paste Special**	Purchase Order Process register, Purchase Orders module

In the case of a Purchase Invoice created from a Purchase Order that has an associated Purchase Order Process, the Process Number will be shown here. This field cannot be changed. Purchase Order Processes are described in the 'Purchase Orders' manual.

Service Del. Date	**Paste Special**	Choose date

Use this field to record the date when you received the goods or services listed in the Invoice. This is for information only.

Bank Code	**Paste Special**	Banks setting, Purchase Ledger
	Default taken from	Contact record for the Supplier or Factoring Supplier (Account Operator)

The Bank where the Supplier's bank account is held. This is brought in from the Contact records for Supplier or the Factoring Supplier. It may be used in relation with foreign bank transactions.

Bank Account	**Paste Special**	Bank Accounts of the Supplier

Enter the Supplier's bank account number here. When you issue a Payment against the Invoice, this Bank Account will be copied to the To Bank A/C field on flip H of the Payment record. From there, it will be included in Banking File exports.

A default Bank Account will be placed in this field, taken from the Contact record for the Supplier and chosen in the following order—

1. The IBAN Code

2. The Bank Account

3. The Bank Account 2

If these three fields are empty and the Supplier has a Factoring Supplier, then the Bank Account will be taken from the same fields in the Contact record for the Factoring Supplier.

If a Supplier has more than one Bank Account (e.g. their Contact record has both a Bank Account and a Bank

Account 2), you can change from the default using 'Paste Special'.

Sort Code	**Default taken from**	Contact record for the Supplier or Factoring Supplier (Sort Code)

The Sort Code (branch number) of the bank where the Supplier's account is held is also brought in from the Supplier or the Factoring Supplier. When you issue a Payment against the Invoice, this Sort Code will be copied to flip H of the Payment record. From there, it will be included in Banking File exports.

Barcode

This field is used in Finland, where Purchase Invoices have barcodes containing information such as the Supplier's bank account number, the Invoice amount, a unique reference number and the Due Date. There are two versions of barcode: one contains the IBAN Code of the Supplier's Bank Account, while the other contains the Supplier's bank account number. If you enter or scan such a barcode into this field, the Supplier (and all connected details such as Name, Address, Bank Account details and Payment Term), TOTAL, Reference and Due Date will be brought into the Purchase Invoice automatically. The Supplier will be found by searching the Contact register for the record with the IBAN Code or Bank Account contained in the barcode. If no Supplier with the relevant IBAN Code or Bank Account is found, the other details (TOTAL, Reference and Due Date) will not be brought in from the barcode. So, if you will be using this feature, it is recommended that you keep the IBAN Codes and Bank Accounts in the Contact records for your Suppliers up to date. Please refer to your local HansaWorld representative for more details, including enabling entry to this field using a barcode reader.

Payment Code	**Paste Special**	Payment Codes setting, Purchase Ledger

This field is used in Sweden, where every payment to a beneficiary domiciled outside Sweden (in a foreign currency or in Swedish kronor) that exceeds a counter value stipulated by the National Tax Board (Riksskatteverket) must be reported to the Tax Board by the intermediary bank. Included in the report should be a Payment Code, a three digit code representing a category (i.e. export/import, services etc.).

Specify the Payment Code to be used with a particular Purchase Invoice here: this is only necessary if the Supplier is located outside Sweden and you will be sending banking files for cross-border payments. A default will be brought in from the 'Accounts' card of the Contact record for the Supplier. When a Payment is issued against the Invoice, it will be shown on flip H of the Payment record. From there, the Payment Code will be included in Banking File exports if you produce them using the Foreign Country Payment option and if the Payment File Format you have specified in the Bank Transfer setting in the Purchase Ledger is Sweden - Handelsbanken.

Inv. Address Card

Address	**Default taken from**	Contact record for the Supplier (Invoice Address)

The Supplier's address will be brought in from the 'Contact' card of their record in the Contact register. You can change the Address in a particular Invoice, but if you need to make a more permanent change, you should do so in the Contact register.

If you want to give a name to each of the individual address lines, use the 'Address' card of the User Defined Fields - Contacts setting in the CRM module (described in the 'Customers, Suppliers and Contact Persons' manual). This can be useful if, for example, you want to indicate that the town or city is always to be typed into the third line of the address—

Country	**Paste Special**	Countries setting, System module
	Default taken from	Contact record for the Supplier (Country)

The Supplier's Country will be brought in from the 'Contact' card of their record in the Contact register.

Approval Status	You can use the Approval Rules register in the Business Alerts module to configure an approval process that Purchase Invoices must pass through before you can mark them as OK (or before you can tick the Prel. Booking box). For example, particular managers may need to check all Purchase Invoices in which the TOTAL is greater than a

certain value. If you are using such an approval process, these options will display the stage in the process that a particular Purchase Invoice has reached.

In brief, the options are—

Not Required   The Purchase Invoice does not need to pass through an approval process, so you can mark it as OK immediately.

Not Started   If you have a configured an approval process for Purchase Invoices, the Approval Status in new unsaved Purchase Invoices will be Not Started. When you save a Purchase Invoice for the first time, the Status will change to Not Required (if the Purchase Invoice does not need to pass through the approval process, which will usually because its value is too low), or to Not Requested. The Approval Status will be re-assessed each time you save the Purchase Invoice.

Not Requested   The Purchase Invoice does need to pass through an approval process, and you have not yet started that process. To start the process, save any changes and then choose 'Send for Approval' from the Operations menu. After doing this, you will no longer be able to modify the Invoice.

Pending   The Purchase Invoice has been entered into the approval process, and is waiting to be approved or rejected. If you need to check the progress of the approval process, select 'Invoice Status' from the Operations menu.

Approved   The approval process has been completed and the Purchase Invoice has been approved. You can now mark it as OK (although this may have been done automatically, depending on how you have configured the approval process).

Rejected   The approval process has been completed and the Purchase Invoice has been rejected. If you have configured the approval process to allow rejected Purchase Invoices to be modified before re-submission, you must set the Approval Status back to Not Requested and then save the record before you can modify the Purchase Invoice.

Please refer to the 'Business Alerts' manual for full details.

VAT Zone   **Default taken from**   Contact record for the Supplier

These radio buttons show the Supplier's Zone, brought in from the Contact register. The Zone can control the selection of VAT Code or Tax Template in each row of the Purchase Invoice: you will have defined separate default VAT Codes or Tax Templates for each Zone on the 'VAT" card of the Account Usage P/L setting. You cannot change the Zone in a Purchase Invoice: you should make any necessary changes in the Contact register before entering Purchase Invoices.

VAT in a Purchase Invoice will be calculated as follows—

Domestic, Inside EU (Post VAT) and Outside EU (Post VAT)

VAT is calculated using the VAT Code of each row. In any Nominal Ledger Transaction resulting from the Purchase Invoice, VAT is debited to the Input Account from the VAT Code and credited to the Creditor Account.

Inside EU   Purchase Invoices received from other countries in the EU do not carry VAT. However, depending on the nature of the Purchase Invoice, VAT can be payable.

VAT is calculated using the VAT Code of each row. In any Nominal Ledger Transaction resulting from the Purchase Invoice, VAT is debited to the Input Account from the VAT Code and credited to the Output Account from the VAT Code. Therefore, it is recommended that you use a dedicated VAT Code for VAT on EU Acquisitions, with an Output Account that is not used in any other VAT Code.

It is usually recommended that you leave the VAT field in the header empty when entering Purchase Invoices from inside the EU.

Outside EU   VAT is not calculated. Any Nominal Ledger Transaction resulting from the Purchase Invoice will not include a VAT element.

You can change the names of two of these options if they are not suitable. Using the VAT Zone Label setting in the Sales Ledger, you can replace the string "EU" with your own string (for example "SACU" in South Africa).

Region   **Paste Special**   Regions setting, Sales Ledger

Default taken from   Contact record for the Supplier

This field can be used in Argentina, where tax legislation states that the calculation of gross income withholding taxes should depend on the Region where the goods or services are received. Please refer to the description of the Supplier Withholdings setting here for more details.

VAT Reg. No.   **Default taken from**   Contact record for the Supplier

The Supplier's VAT registration number. It is important that this field contains a value if the Supplier is in the "Inside EU" and "Inside EU (Post VAT)" Zones as this information is then required for EU VAT reporting purposes.

You can have a validation check carried out to ensure that the VAT Number entered here is in the correct format for the Supplier's Country. If you want there to be such a validation check, define the correct formats in the VAT Number Masks setting in the System module. The validation check will take place when you save the Purchase Invoice, and a message will be shown if the VAT Number is in the wrong format. The check will be based on the Country specified in the Contact record for the Customer or, if that is blank, using the Country in the

Company Info setting (i.e. your own country). If that is also blank, no validation check will be made.

Telephone, Fax	**Default taken from**	Contact record for the Supplier

The Supplier's telephone and fax numbers, as entered on the 'Contact' card of the Supplier's record in the Contact register.

Entering a Purchase Invoice - Examples

We shall now show how to use the various fields on the Purchase Invoice screen with the help of a few examples. Follow these steps—

1. Check the Master Control panel to make sure you are in the Purchase Ledger module. If you are in a different module, click the [Module] button in the Master Control panel or use the Ctrl-0 (zero) (Windows and Linux) or ⌘-0 (Mac OS X) keyboard shortcut. Double-click 'Purchase Ledger' in the subsequent list.

2. Click the [Purchase Invoices] button in the Master Control panel or use the Ctrl-1/⌘-1 keyboard shortcut. The 'Purchase Invoices: Browse' window appears, listing the Purchase Invoices that are already in the system.

3. Start entering a new Purchase Invoice by clicking the [New] button or using the Ctrl-N/⌘-N keyboard shortcut. The 'Purchase Invoice: New' window opens with the insertion point in the Supplier field. In a single-user system, an internal Purchase Invoice Number will have already been entered in the No. field. In a multi-user system, the No. field will be empty, and a Purchase Invoice Number will be assigned when you save the Invoice for the first time.

4. The 'Paste Special' feature makes it easy to choose the Supplier. Press Ctrl-Return (Windows and Linux) or ⌘-Return (Mac OS X): this brings up the 'Paste Supplier' window. Search among the Suppliers in the normal way, by Number or by Name. Select the relevant Supplier from the list by double-clicking (or by using the cursor keys and pressing Return). Press Return again and Supplier information such as Name, Address and Payment Term will be placed in the appropriate fields in the Purchase Invoice window.

5. The insertion point should now be in the TOTAL field. Enter the total amount payable (inclusive of tax) and press the Return key twice. If the Payment Term includes a settlement discount, the discount amount will be displayed in the Sett. Discount field. The Discount Date field will show the expiry date of the discount (i.e. the date by which you must pay the Invoice to receive the settlement discount).

6. Enter the Invoice Date as shown on the Supplier's paper Invoice and press the Return key. The Invoice Date will be copied to the Transaction Date field. In almost all cases, these two dates should be the same otherwise your Creditor Account may differ from your Aged Creditor report. If appropriate, the Discount Date will also be updated.

7. The insertion point should now be in the Payment Terms field. A default Payment Term will usually have been brought in when you chose the Supplier in step 4. If there is no default, or the default is not correct for the Invoice you are entering, press Ctrl-Return/⌘-Return to bring up the 'Paste Payment Term' window. Select a Payment Term from the list by double-clicking, and press Return twice.

8. The insertion point will now be in the Due Date field. This will have been calculated automatically when you entered the Invoice Date and again if you changed the Payment Term. If it is not correct, change it and press Return again.

9. The insertion point will now be in the Supp. Inv. No. field: enter the number assigned to the Invoice by the Supplier.

10. Now you can enter the accounting information. Click in the A/C field in the first row in the grid area, and enter the Account Number. Again you can use the 'Paste Special' feature, this time to gain access to the Chart of Accounts, from where you can choose the Account that you need. Search among the Accounts in the normal way, by Number or by Name. Highlight the relevant Account in the 'Paste Special' list and press Return or choose it by double-clicking. The Account will be brought into the Purchase Invoice row.

11. On pressing Return again, the insertion point will move to the Object field, or skip to the Amount field, depending on the options you have selected in the Purchase Invoice Settings setting. Ensure the insertion point is in the Amount field and enter the row amount (excluding VAT).

12. Repeat steps 10 and 11 as many times as necessary. If you press the Return key twice after entering an Amount, the insertion point will move to the A/C field in the next row.

13. In the last row, move the insertion point to the Amount field and press the Return key while the field is empty. This will cause the Amount to be calculated for you so that the Invoice balances.

14. When the Invoice is complete, you can save it by clicking the [Save] button in the Button Bar. In order for you to be able to save the Invoice, the TOTAL must equal one of the following, depending on the VAT Zone—

Domestic , Inside EU (Post VAT) and Outside EU (Post VAT)

>   The sum of the Amounts of the rows plus VAT.

Inside EU   The sum of the Amounts of the rows.

Outside EU   The sum of the Amounts of the rows. No VAT is calculated in this case.

If this is not the case, the error message "Transaction out of balance" will be displayed when you try to save.

15. At this point you can make any changes to the Invoice that are needed. When you are sure it is correct, tick the OK box and save it again. The Invoice will be posted to the Purchase Ledger (and, depending on your configuration, to the Nominal Ledger as well). On this occasion, you can save by clicking the [Save] or [New] buttons: use the latter option if you want to continue with another Invoice.

VAT Examples

This section contains some examples illustrating the handling of VAT in Purchase Invoices. The examples assume the use of standard VAT Codes that do not have Tax Rules specified on flip B of the VAT Codes setting in the Nominal Ledger.

The calculation of VAT in a Purchase Invoice depends on its VAT Zone, which in turn depends on the VAT Zone specified for the Supplier in the Contact register. When you specify the Supplier in a Purchase Invoice, the VAT Zone will be set accordingly, and will be visible on the 'Inv. Address' card—

When you add a row to a Purchase Invoice and specify an Account, the VAT Code in that row will be chosen as follows—

1. The Purch. VAT Code for the Supplier will be used.

2. It will be taken from the Account record.

3. The VAT Code on the 'VAT' card of the Account Usage P/L setting will be used.

In the last case, the appropriate VAT Code for the Zone of the Supplier will be used.

You can change this default in a particular Invoice row if necessary.

Depending on the VAT Zone, the VAT Code in a particular row will determine the rate at which VAT will be charged in that row and the Input VAT Account that will be debited.

Domestic, Inside EU (Post VAT) and Outside EU (Post VAT) VAT Zones

1. In a Purchase Invoice in the Domestic, Inside EU (Post VAT) or Outside EU (Post VAT) VAT Zones, when you enter the Amount in a row, the Calculated VAT field in the footer will be updated automatically. In the example shown below, the VAT Rate for VAT Code 1 is 20%—

In this simple example, the same VAT Code has been used in each row. When you mark the Purchase Invoice as OK and save it, the Calculated VAT amount will be posted to the Input VAT Account for the VAT Code (Account 831 in this example)—

2. Occasionally, the Calculated VAT figure may be such that the Purchase Invoice doesn't balance and so can't be saved. This may be due to rounding (illustrated) or, more rarely, due to an error by the Supplier.

The Invoice doesn't balance as the TOTAL is 200.00, but the sum of the Amounts in the rows plus VAT is 199.99 (100.00 + 66.66 + 33.33). Enter the VAT value charged by the Supplier in the VAT field in the header—

When you mark the Purchase Invoice as OK and save it, the VAT figure from the header will be posted to the Input VAT Account for the VAT Code (again, Account 831)—

3. If you use several VAT Codes posting to different Input VAT Accounts, the procedure for entering Purchase Invoices will be unchanged. In the example shown below, the VAT Rate for VAT Code 2 is again 20%—

As the VAT Codes post to different Input VAT Accounts, the Calculated VAT figure cannot be used in the postings as it is an accumulated total. Instead, a VAT amount will be calculated for each VAT Code and posted to each Input VAT Account—

4. If a Purchase Invoice with several VAT Codes doesn't balance, you can again enter the correct VAT total in the VAT field in the header, so that the Purchase Invoice balances—

The difference between the Calculated VAT figure and the figure in the VAT field in the header will be added to the posting to the first Input VAT Account (Account 831 in this example)—

5. If you need to specify more precisely where the difference will be posted, first make sure you are using the Set VAT Value on Purchase Invoice option on the 'VAT' card of the Account Usage P/L setting—

This will allow you to specify the VAT amounts individually in each Purchase Invoice row. You may also want to use the Force Line VAT if VAT Differs and more than one VAT Code option in the same setting. This will mean that you will have to specify VAT amounts individually in each Purchase Invoice row if a Purchase Invoice has more than one VAT Code.

Now you can enter the exact VAT amounts on flip C of each Purchase Invoice row. As you do so, the VAT figure in the header will be updated automatically—

The VAT amounts that you specify on flip C will be posted to the corresponding Input VAT Accounts—

Inside EU VAT Zone

When purchasing Items from other countries in the EU, you will not pay VAT to the Suppliers but you need to pay VAT at the domestic rate that would apply had you purchased the Items from local Suppliers. This is known as Acquisition VAT. You can reclaim this VAT, if the acquisitions relate to VAT taxable supplies that you make. One method for handling Acquisition VAT is described below. Please refer to the description of the 'Create Internal Invoice' function below on page 80 for an alternative.

1. In the VAT Codes setting in the Nominal Ledger, create a VAT Code for VAT on EU Acquisitions. VAT will be debited to the Input Account in this VAT Code and credited to the Output Account. It is recommended that you use an Output Account that is not used in any other VAT Code (VAT Code 3 in the example below)—

2. In a Purchase Invoice in the Inside EU VAT Zone, enter the total charged by the Supplier (i.e. without VAT) in the TOTAL field and the Amounts in the rows using the VAT Code from step 1. The Calculated VAT field in the footer will be updated automatically. In this example, the Currency in the Invoice is the Euro—

3. When you mark the Purchase Invoice as OK and save it, the total charged by the Supplier will be posted to the Creditor Account. VAT will be debited to the Input Account of the selected VAT Code and credited to the Output Account (EUR figures are shown in the Base 2 Debit and Credit fields, with figures in Base Currency 1 in the Base 1 Debit and Credit fields)—

Settlement Discount Examples

A Supplier might issue you with a Purchase Invoice in which they offer you a settlement discount if you pay the Invoice by a specified date. If you receive such a Purchase Invoice, follow these steps—

1. Create a record in the Payment Terms setting containing the details of the settlement discount. Enter the discount percentage in the Settl. Discount % field and the number of days for which the settlement discount offer is valid in the Settl. Disc Days field—

The Type should be "Normal", and you should also specify the number of Net Days to allow Due Dates to be calculated.

2. Specify Settlement Discount Accounts in the Account Usage P/L setting. If necessary, you can enter different Accounts to be used depending on the VAT Zone of the Supplier—
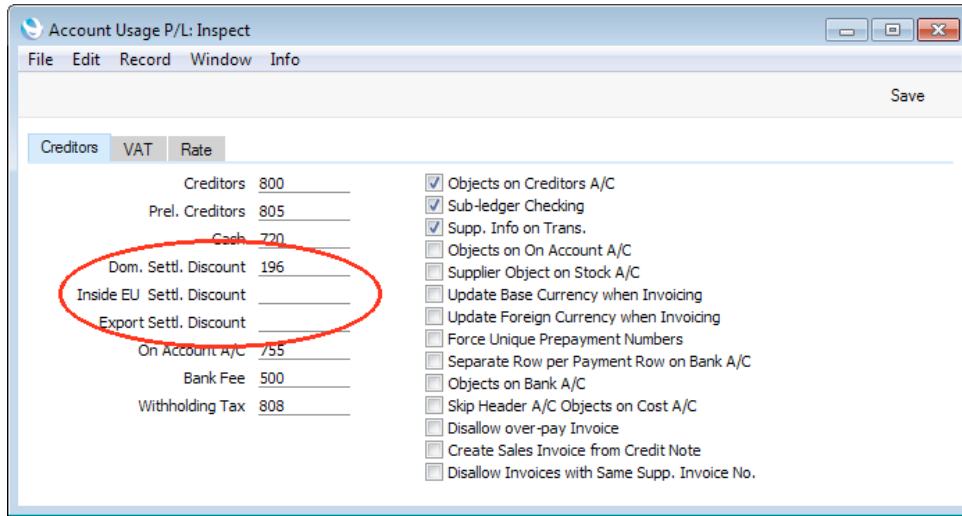
The value of the settlement discount will be credited to the Settlement Discount Account when you pay the Purchase Invoice.

3. Enter the Purchase Invoice in the usual way. After you enter the TOTAL and the Payment Term from step 1, the Discount Date and Sett. Discount fields will be filled in automatically—
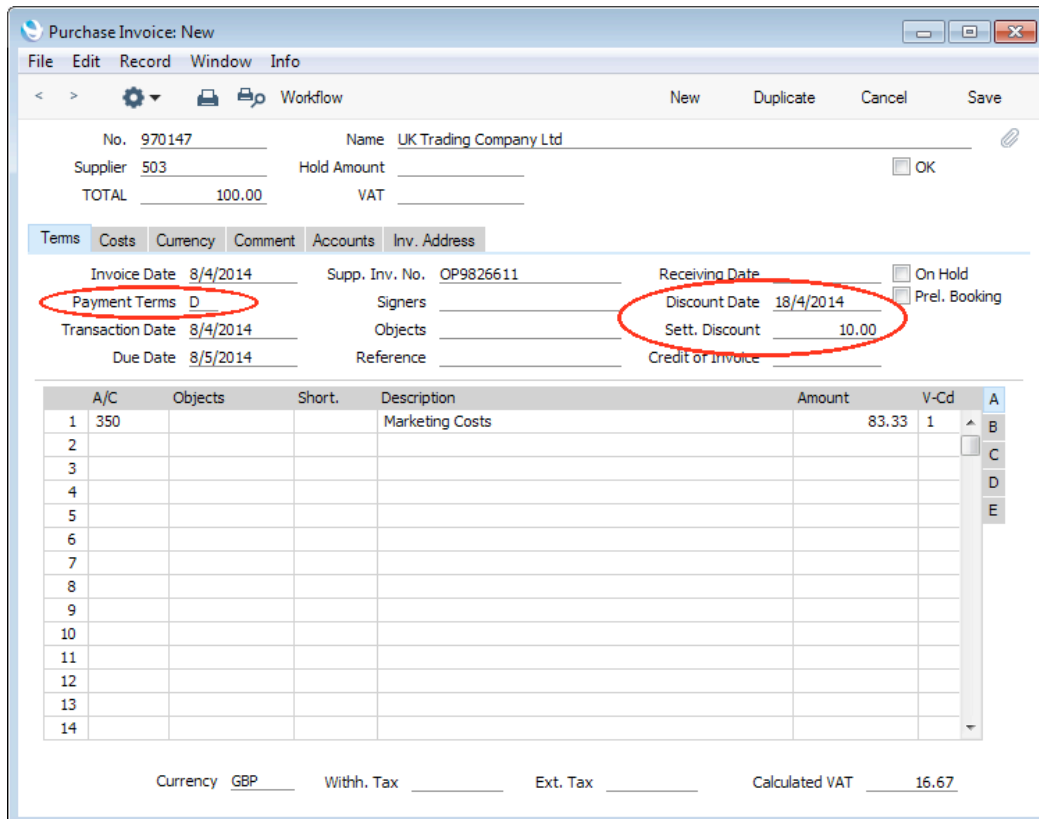
The settlement discount will be calculated using the formula—

TOTAL x Settlement Discount %

4. Mark the Purchase Invoice as OK and save. The settlement discount will not affect the postings in the Nominal Ledger.

5. When you need to pay the Purchase Invoice, create a new record in the Payment register. When you specify the Purchase Invoice Number, an extra row containing the settlement discount will be added to the Payment automatically, providing the Transaction Date is on or before the Discount Date. The Sent and Bank Amount will be changed to the outstanding amount less the settlement discount—

The Payment register is described in more detail here.

6. Mark the Payment as OK and save. In the resulting Nominal Ledger Transaction, the settlement discount will be credited to the Settlement Discount Account that you specified in step 2—

	Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	V-Cd
1	800		OP9826611 503 UK Trading Com▶			90.00	
2	700	3	Cheque			90.00	
3	800		OP9826611 503 UK Trading Com▶		10.00		
4	196		Discounts Offered			10.00	

Difference Base 1   0.00   Total   100.00   100.00
Difference Base 2   0.00   Total   158.73   158.73

7. In some countries, the posting of the settlement discount from the Payment should include a VAT element. If you need such a posting, specify a Settl. Discount VAT Account on the 'VAT' card of the Account Usage P/L setting—

Account Usage P/L: Inspect

Creditors **VAT** Rate

Settl. Discount VAT 831
On Account VAT
Prepayment VAT 831
Domestic VAT Code 1
Inside EU VAT Code 3
Outside EU VAT Code
TREO VAT Code
Domestic Tax Temp.
Inside EU Tax Temp.
Outside EU Tax Temp.

☑ Set VAT Value on Purchase Invoice
☐ Objects on VAT Account
☐ Post Payment VAT

Post Prepayment VAT
◉ No VAT
○ VAT for all Suppliers
○ VAT for Dom. Supp. and Serv. and Plain Items for not Dom. Supp.

☐ Prepayment amount excluding VAT
☐ Post VAT on Rate Gain
☐ Post VAT of Credit Inv. to VAT Outp. A/C
☐ Do not paste VAT Code to Payments
☑ Force Line VAT if VAT Differs and more than one VAT Code

8. The existence of a Settl. Discount VAT Account means that the settlement discount less VAT will be credited to the Settlement Discount Account that you specified in step 2, and the VAT element will be credited to the Settlement Discount VAT Account—

The VAT element will be calculated using the following formula (with example figures in brackets)—

$$\frac{\text{Settlement Discount (10.00) * Purchase Invoice VAT Total (16.67)}}{\text{Purchase Invoice Total (including VAT) (100.00)}}$$

The VAT total in this equation will be taken from the VAT field in the header of the Purchase Invoice being paid or, if this is empty, from the Calculated VAT field in the footer of that Purchase Invoice.

9. The settlement discount in step 3 was calculated by applying the settlement discount percentage to the Purchase Invoice TOTAL, as follows—

total row Amounts (83.33) + VAT (16.67) = TOTAL (100.00)

TOTAL (100.00) * Sett. Discount (10%) = 10.00

In some countries (e.g. the UK), settlement discounts do not include VAT. VAT is therefore calculated on the total of the row Amounts after subtracting the settlement discounts, as follows—

total row Amounts (83.33) - Sett. Discount (10%) = 75.00

75.00 * VAT (20%) = 15.00

total row Amounts (83.33) + VAT (15.00) = TOTAL (98.33)

If you are in the UK and receive Purchase Invoices with settlement discounts calculated in this way, you should tick the Exclude VAT on Settl. Discount option on the 'VAT / Tax' card of the Account Usage S/L setting in the Sales Ledger (this option applies to both the Sales and Purchase Ledgers)—
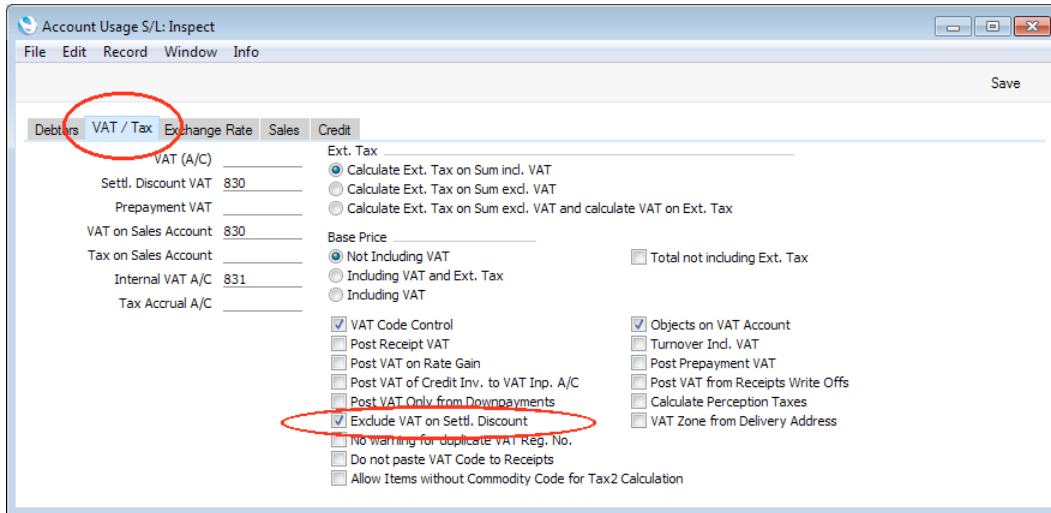
You should also remove any Settl. Discount VAT Account from the Account Usage P/L setting so that there is no VAT element in the posting of settlement discount from a Payment (as described in steps 7 and 8 above).

10. If you enter a Purchase Invoice with a settlement discount calculated as described in the previous step, the VAT total in the Supplier's Invoice will not be the same as the figure that appears in the Calculated VAT field in the footer. You will need to copy the VAT total from the Supplier's Invoice to the VAT field in the header. This will ensure that the settlement discount is calculated correctly (and also that the correct figure will be posted to the Input VAT Account)—

If the Purchase Invoice is one with several rows (possibly with different VAT Codes), you may need to enter the correct VAT figures in each row (in the VAT field on flip C) to ensure the correct amounts are posted to the Input VAT Accounts. This is described in more detail in step 5 of the 'Domestic, Inside EU (Post VAT) and Outside EU (Post VAT) VAT Zones' example above on page 41.

11. When you pay the Purchase Invoice, the settlement discount will be deducted as already described in step 5—

12. In the Nominal Ledger Transaction resulting from the Payment, the settlement discount will be credited to the Settlement Discount Account, again as already described. There will be no VAT element as the Settl. Discount VAT Account field in the Account Usage P/L setting should be empty—

Preliminary Booking

It is possible to make a preliminary booking of a Purchase Invoice when you receive it. In some companies, Purchase Invoices are passed around within the organisation for some time, in order for the expense to be approved and classified properly.

If you need to use this feature, enter the Invoice to the Purchase Invoice register as soon as you receive it in the normal way but tick the Prel. Book box as well, as shown in the illustration below—

When you save the Purchase Invoice, if so defined in the Sub Systems setting in the Nominal Ledger and in the Number Series - Purchase Invoices setting, a preliminary Nominal Ledger Transaction for the Invoice will be created. This Transaction will contain normal VAT and Cost Account postings but, instead of the usual Creditor Account, a preliminary Account (defined on the 'Creditors' card of the Account Usage P/L setting) will be credited. In this example, the preliminary Account is 805—

	Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	V-Cd
1	805		P/L Suspense a/c			240.00	
2	350		Marketing Costs		200.00		1
3	831		VAT Inputs Receivable		40.00		

Difference Base 1   0.00   Total   240.00   240.00
Difference Base 2   0.00   Total   380.95   380.95

Until you have marked the Invoice as OK and saved it, you will still be able to change it, even though this preliminary Transaction has been created. When you tick the OK box and save the Invoice once again, a new Nominal Ledger Transaction will be created, reversing the posting to the preliminary Account, replacing it with a credit to the normal Creditor Account.

	Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	V-Cd
1	800		Creditors			240.00	
2	350		Marketing Costs		200.00		1
3	805		P/L Suspense a/c		240.00		
4	350		Marketing Costs			200.00	1

Difference Base 1   0.00   Total   440.00   440.00
Difference Base 2   0.00   Total   698.41   698.41

After you have entered the Purchase Invoice and created the preliminary Transaction, you can change the Cost Accounts in any of the Purchase Invoice rows. These changes will be reflected in the final Nominal Ledger Transaction. Shown below is such a Transaction, where the Cost Account 350 used at first has been changed to 355.

	Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	V-Cd
1	800		Creditors			240.00	
2	355		Advertising		200.00		1
3	805		P/L Suspense a/c		240.00		
4	350		Marketing Costs			200.00	1

No. 970025   Trans. Date 2/4/2014   Reference

Text 503 UK Trading Company Ltd, GBP

Difference Base 1   0.00   Total   440.00   440.00
Difference Base 2   0.00   Total   698.41   698.41

It's not possible to credit a preliminary Purchase Invoice. You can only credit Invoices that have been marked as OK.

Once a preliminary Transaction has been generated, you can look at it straight away using the 'Open Preliminary NL Trans.' function on the Operations menu. To look at the final Transaction, use 'Open NL Transaction' on the same menu (both functions can be made subject to access rights).

You can use Access Groups to control who can tick the Prel. Booking box in Purchase Invoices and Purchase Credit Notes. To do this, deny access to the 'OK Purchase Invoices' and 'OK Purchase Credit Notes' Actions respectively. The same Actions control access to both the Prel. Booking and the OK check boxes. Access Groups are described in the 'System Module' manual.

If you need Purchase Invoices to pass through an approval process before you can mark them as OK, you can configure such a process using the Approval Rules register in the Business Alerts module. The same approval process will also control access to the Prel. Booking box i.e. after a Purchase Invoice has passed through the same approval process, you will be able to tick both the Prel. Booking and OK check boxes. Please refer to the description of the Approval Status options on the 'Inv. Address' card above on page 31 for brief details about the approval process and to the 'Business Alerts' manual for full details.

Inspecting Purchase Invoices, Marking as OK and Posting to the Nominal Ledger

After entering a Purchase Invoice and checking that it is correct, you should mark it as OK and save it. This will have the following consequences—

1. The Purchase Invoice will appear in credit management reports and statements (unless it is a Cash Note).

2. You will be able to issue Payments or receive Credit Notes against the Purchase Invoice.

3. If so defined in the Sub Systems setting in the Nominal Ledger and in the Number Series - Purchase Invoices setting, the Purchase Invoice will be posted to the Nominal Ledger (i.e. a Nominal Ledger Transaction will be generated from it automatically, posting to the Creditor, Cost and Input VAT Accounts).

4. The Purchase Invoice will be locked, so that you will no longer be able to make any changes to it (except to a few fields).

There are two ways to mark an Invoice as OK—

1. When viewing a Purchase Invoice, click the OK check box and then save it; or

2. Highlight one or more Invoices in the 'Purchase Invoices: Browse' window and select 'OK' from the Operations menu.

You can use Access Groups to control who can mark Purchase Invoices and Purchase Credit Notes as OK using either method. To do this, deny access to the 'OK Purchase Invoices' and 'OK Purchase Credit Notes' Actions respectively. Access Groups are described in the 'System Module' manual.

If you need Purchase Invoices to pass through an approval process before you can mark them as OK, you can configure such a process using the Approval Rules register in the Business Alerts module. Please refer to the description of the Approval Status options on the 'Inv. Address' card above on page 31 for brief details about the approval process and to the 'Business Alerts' manual for full details.

Nominal Ledger Transactions from Purchase Invoices

When you mark a Purchase Invoice as OK and save it, a Nominal Ledger Transaction will be generated automatically if you have so determined in the Sub Systems setting in the Nominal Ledger and in the Number Series - Purchase Invoices setting. Please refer to the 'Accounting Principles' chapter in the 'Introduction to Enterprise by HansaWorld' manual for full details of this Transaction.

Once the Transaction has been generated, you can look at it straight away using the 'Open NL Transaction' function on the Operations menu (subject to access rights).

Error Messages

Whenever you save a Purchase Invoice, a number of checks will be carried out, in order to help reduce errors. If a Purchase Invoice fails any of these tests, an error message will appear. For example, you cannot save a Purchase Invoice if any of the following apply—

1. The Payment Terms field is empty or contains a Payment Term that doesn't exist in the Payment Terms setting.

2. The Due Date field is empty.

3. The Supplier field is empty, contains a Supplier Number that doesn't correspond to a record in the Contact register or contains a Supplier Number that refers to a record in the Contact register that either has not been marked as a Supplier or has been Closed.

4. The Creditors A/C field on the 'Comment' card or the A/C field in any row contains an Account Number that doesn't exist in the Account register.

5. The V-Cd field in any row contains a VAT Code that doesn't exist in the VAT Codes setting (or, if you are using Tax Templates, the T-Cd field in any row contains a Tax Template Code that doesn't exist in the Tax Templates setting).

6. The Objects field on the 'Terms' card or in any row contains an Object Code that doesn't exist in the Object register.

7. The Purchase Invoice doesn't balance.

8. If you are using Number Series, the No. does not belong to a number sequence that is valid for the Transaction Date.

Depending on the options you are using, additional checks may also take place. For example, the format of the Supplier's VAT Registration Number may be checked, or the Supp. Inv. No. may be checked to ensure you haven't already used it with the same Supplier. Please refer to the descriptions of the individual fields above for more details.

While the Purchase Invoice is still on screen, you can correct the error. For example, you will usually correct points 3, 4 and 5 by specifying a valid Supplier or valid Account(s) or VAT Code(s) in the Invoice but, subject to access rights, you can also do so by adding the missing Account(s) to the Account register or by changing the settings accordingly.

The program cannot post transactions to non-existent Accounts, to prevent accounting errors.

Printing Purchase Invoices

You can print a Purchase Invoice, to facilitate approval or authorisation.

To print a Purchase Invoice, open it in a record window and click the Printer icon in the Button Bar. You must save the Purchase Invoice if the latest modifications are to be included in the printed document. If you want to print to screen, click the Preview icon.

Alternatively, to print several Purchase Invoices at once, click the [Documents] button in the Master Control panel (or use the Ctrl-D (Windows and Linux) or ⌘-

D (Mac OS X) keyboard shortcuts) and select 'Purchase Invoice Forms' from the subsequent list.

Purchase Invoices and Purchase Invoice Credit Notes will be printed using different Forms. To determine the Forms that will be used, follow these steps—

1. Design the Purchase Invoice and Purchase Invoice Credit Note Forms using the Form register in the System module. Use the 'Properties' function on the Operations menu to name the Forms (in this description, we have used the names "PURCH_INV" and "DEBIT_INV") and to assign them both the Document Type "Purchase Invoice". Full instructions for using the Form register can be found in the 'System Module' manual, and a full list of the fields you can include in the Form design can be found here.

2. Select the Purchase Ledger using the [Module] button in the Master Control panel or the Ctrl-0/⌘-0 keyboard shortcuts.

3. Click [Documents] in the Master Control panel or use the Ctrl-D/⌘-D keyboard shortcuts. The 'Documents' list window will be opened: highlight 'Purchase Invoice Forms'.
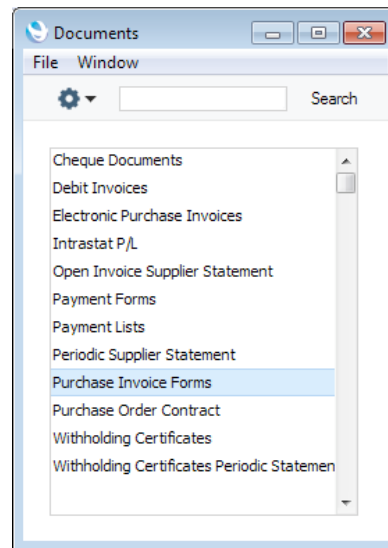
4. Select 'Define Document' from the Operations menu.

5. In the subsequent 'Form Definition' window, enter "PURCH_INV" in the Form field of the first row (you can use 'Paste Special' to ensure the spelling is correct).

    If you only want to be able to print Purchase Invoices that have been marked as OK, enter 'OKed' in the Status column in every row in the 'Form Definition' window. This will prevent the printing of Purchase Invoices that have not yet been marked as OK. If you have also used Access Groups to control who can mark Purchase Invoices as OK, this feature helps prevent the fraudulent creation and printing of unauthorised Purchase Invoices.
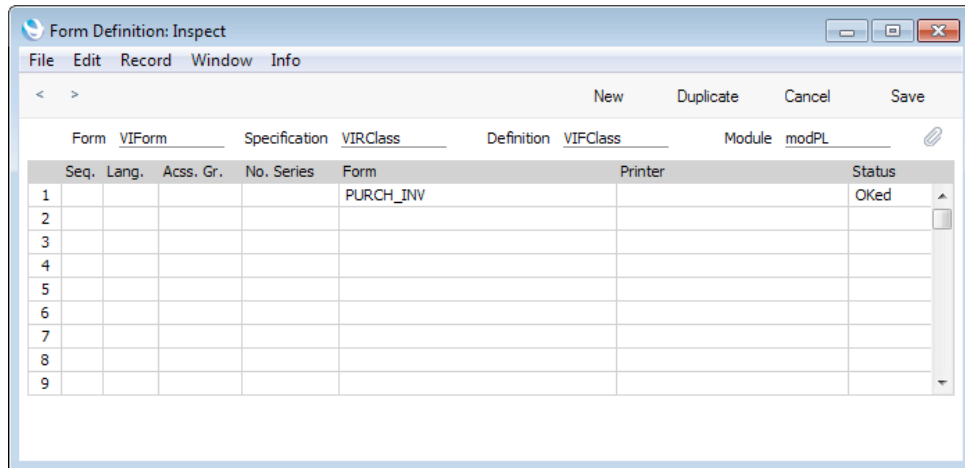
You can also use this feature to use a different Form when printing Invoices that have not been marked as OK, as shown below—
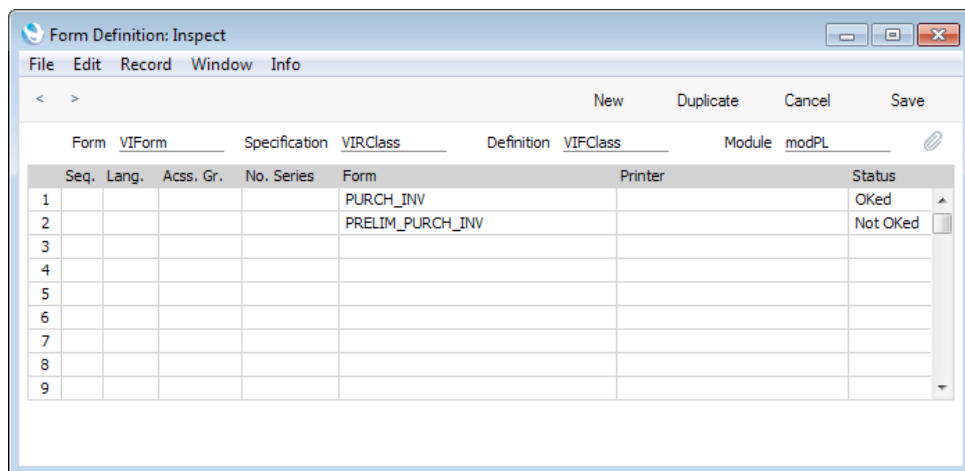
6. Click [Save] to save the Purchase Invoice Form definition.

7. Repeat steps 3-6 for the 'Debit Invoices' option.

From now on, Purchase Invoices will be printed using the following Forms—

• Purchase Invoices printed by clicking the Printer icon in the Purchase Invoice window will use the Purchase Invoice Form.

• Purchase Invoice Credit Notes printed by clicking the Printer icon in the Purchase Invoice window will use the Debit Invoice Form.

• All records printed using the Purchase Invoice Forms option in the 'Documents' list will use the Purchase Invoice Form.

• All records printed using the Debit Invoice Forms option in the 'Documents' list will use the Debit Invoice Form.

Accruals

In normal circumstances the whole Amount for each Purchase Invoice row will be posted to the Cost Account when the Nominal Ledger Transaction is generated. However, this might not be appropriate if the Purchase Invoice is for a service or contract that is spread over time. In this case, it might be

appropriate for the Amount to be posted to the Cost Account gradually over the period of the service or contract.

For example, you receive an Invoice for a service contract for one year to the value of 120. You might not want the Cost Account to be debited with the 120 at once: it might be more appropriate if it is debited with 10 per month over the year (the contract period), especially if the contract period crosses over into a new fiscal year.

Use the N/L Accruals setting in the Nominal Ledger to define the formulae by which Invoice amounts are gradually debited to the Cost Account. For this example, we will use a record containing twelve monthly transfers, each of 8.33% (i.e. one twelfth of the total)—
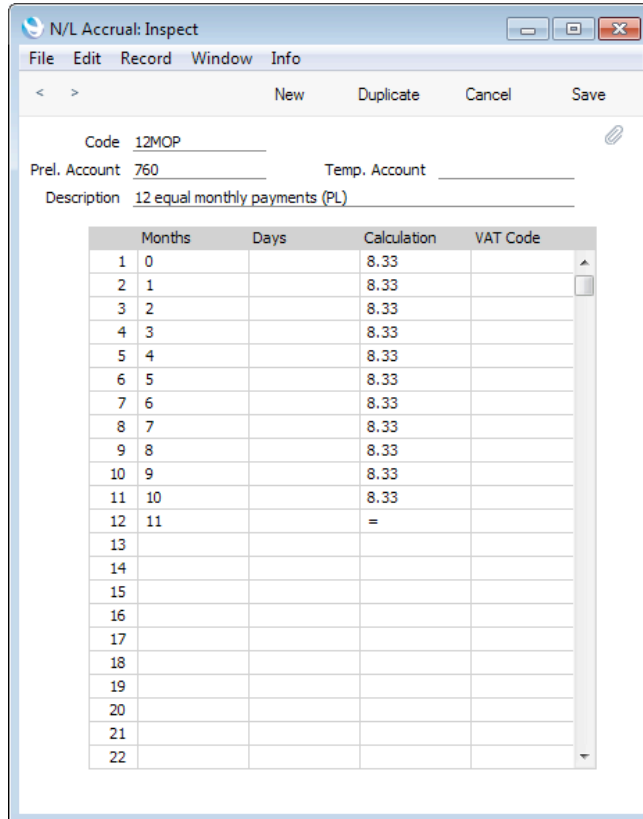
This setting is described in detail in the 'Nominal Ledger' manual.

Enter the Purchase Invoice in the normal way, then go to flip C and use the N/L Accrual field to link to the record in the N/L Accruals setting—

When you mark the Invoice as OK and save it, the Amount (i.e. excluding VAT) of the Invoice row will not be posted to the Cost Account in the normal way. Instead, it will be posted to the Prel. Account specified in the N/L Accrual record. The postings to the VAT and Creditor Accounts will not be affected.

A record will also be created in the Simulation register. This will contain twelve sets of balancing debit and credit postings, each of which credits the Accrual Account and debits the Cost Account with one twelfth of the total amount—

Simulation: Inspect

File Edit Record Window Info

‹ › ⚙▾ 🖨 🖨͛ Workflow   New   Duplicate   Cancel   Save

No. 13   Trans. Date 2/4/2014   Reference _____

Text 512 Tampopo Noodle Co, GBP P/INV.970026

	A/C	Trans. Date	Objects	Description	Additional Description	Debit	Credit	V-Cd
1	445	2/4/2014		Maintenance of Eqmnt		99.96		1
2	760	2/4/2014		Prepaid Charges			99.96	1
3	445	2/5/2014		Maintenance of Eqmnt		99.96		1
4	760	2/5/2014		Prepaid Charges			99.96	1
5	445	2/6/2014		Maintenance of Eqmnt		99.96		1
6	760	2/6/2014		Prepaid Charges			99.96	1
7	445	2/7/2014		Maintenance of Eqmnt		99.96		1
8	760	2/7/2014		Prepaid Charges			99.96	1
9	445	2/8/2014		Maintenance of Eqmnt		99.96		1
10	760	2/8/2014		Prepaid Charges			99.96	1
11	445	2/9/2014		Maintenance of Eqmnt		99.96		1
12	760	2/9/2014		Prepaid Charges			99.96	1
13	445	2/10/2014		Maintenance of Eqmnt		99.96		1
14	760	2/10/2014		Prepaid Charges			99.96	1
15	445	2/11/2014		Maintenance of Eqmnt		99.96		1
16	760	2/11/2014		Prepaid Charges			99.96	1
17	445	2/12/2014		Maintenance of Eqmnt		99.96		1
18	760	2/12/2014		Prepaid Charges			99.96	1
19	445	2/1/2015		Maintenance of Eqmnt		99.96		1
20	760	2/1/2015		Prepaid Charges			99.96	1
21	445	2/2/2015		Maintenance of Eqmnt		99.96		1
22	760	2/2/2015		Prepaid Charges			99.96	1
23	445	2/3/2015		Maintenance of Eqmnt		100.44		1

Difference   0.00   Total   1200.00   1200.00

Once a month, you can use the 'Generate N/L Accrual Transactions' Maintenance function in the Nominal Ledger to create a Transaction from each pair of balancing debit and credit postings in the Simulation. The dates of these Transactions will be taken from the Transaction Date of the corresponding Simulation row. This will allow you to move the Invoice amount gradually from the Accrual Account to the Cost Account.

Transaction: Inspect

File Edit Record Window Info

‹ › ⚙▾ 🖨 🖨͛ Workflow   New   Duplicate   Cancel   Save

No. 2000   Trans. Date 2/4/2014   Reference _____

Text 512 Tampopo Noodle Co, GBP P/INV.970026

	Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	V-Cd
1	445		Maintenance of Eqmnt		99.96		1
2	760		Prepaid Charges			99.96	1
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							

Difference Base 1   0.00   Total   99.96   99.96
Difference Base 2   0.00   Total   158.67   158.67

From the Invoice, you can view the Simulation and any Transactions created so far using the Attachments feature. Click the [Attachments] button (with the paper

clip icon) in the Invoice record, and then double-click an item in the list to open the record—
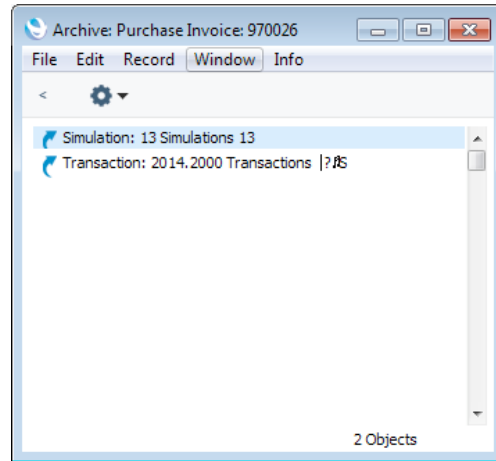
When you create a Transaction from each pair of postings in the Simulation, the Status of these postings (shown on flip B of the Simulation) will be changed from "Active" to "Transferred", preventing the creation of another Transaction the next time you use the function.

The 'Generate N/L Accrual Transactions' Maintenance function is fully described in the 'Nominal Ledger' manual.

Cash Notes

A Cash Note is a Purchase Invoice that is immediately to be treated as being paid. It differs from a normal Invoice in that it does not affect your Creditor Account or appear in any of your credit-management reports: instead, a credit posting for the Invoice value will be made directly to your Cash Account.

To enter a Cash Note, follow the usual procedure for entering Invoices, with just one exception: change the Payment Terms (using the 'Paste Special' function if necessary) to refer to a Payment Term record of Type "Cash"—
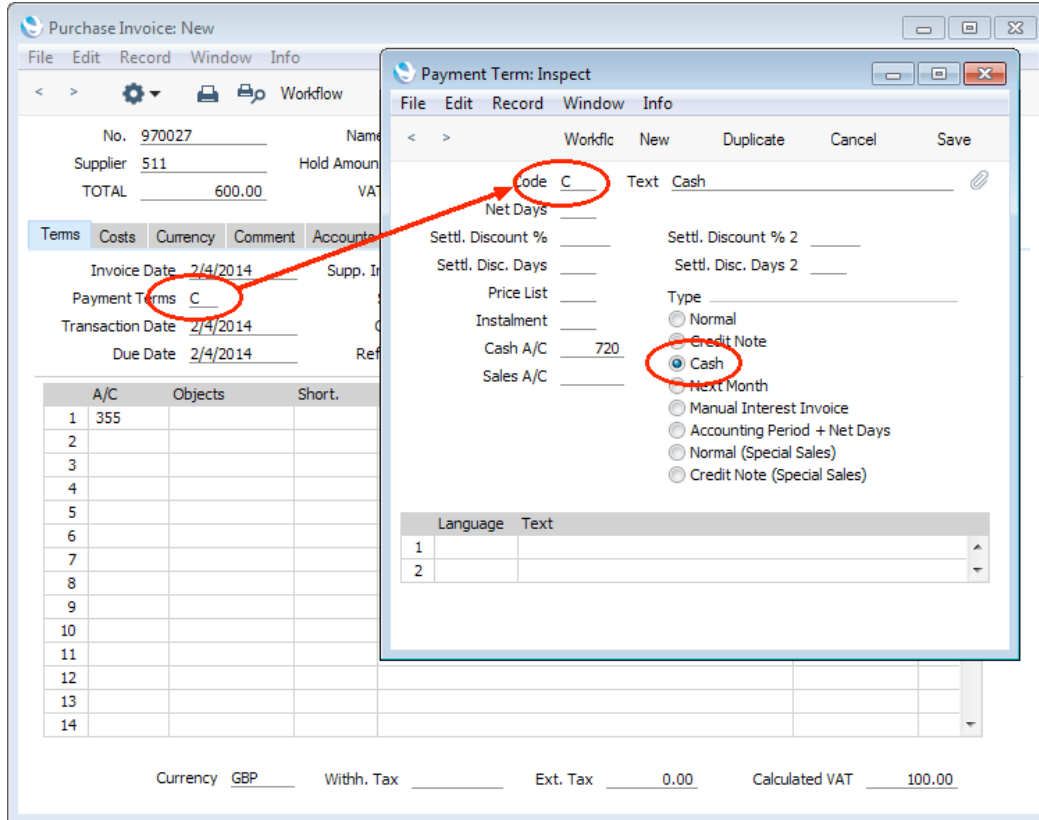
If appropriate, you can register a "Cash" Payment Term in the Contact records for Suppliers that you always pay immediately (in the Purch. Pay. Terms field), so you don't have to make this change every time.

Click the OK check box when you are sure the Cash Note is correct. As with ordinary Invoices, saving the Cash Note now will cause it to be posted to the Purchase and Nominal Ledgers. In the resulting Nominal Ledger Transaction, the Cash Account will be credited—

The Invoice Status report for the Cash Note (obtained using the 'Invoice Status' function on the Operations menu) shows that it has been treated as paid immediately and therefore that nothing is outstanding—

Please refer to page 68 below for details about crediting Cash Notes.

Crediting Purchase Invoices

If you want to credit a Purchase Invoice that has been sent to you, follow these steps—

1. Open the Purchase Invoice to be credited and select 'Create Credit Note' from the Operations menu. You can also duplicate the Purchase Invoice you want to credit or. if you don't want to connect the Credit Note to a particular Invoice, create a new Purchase Invoice.

    If the Purchase Invoice to be credited was created from a Purchase Order, you can create the Credit Note using [New], [Duplicate] or 'Create Credit Note'. But, if you want the Invoiced Quantity field on flip C of the Purchase Order to be updated by the Credit Note, you must create it using [Duplicate] or 'Create Credit Note', you must be using the Credit Notes Update Invoiced Quantity option in the Purchase Order Settings setting in the Purchase Orders module, and you must not be using the Consolidate Items to Supplier Cost Account option in the Purchase Invoice Settings setting.

2. Fill in the data in the normal way, but change the Payment Terms to refer to a Payment Term record of Type "Credit Note" (if you created the Credit Note using the 'Create Credit Note' function, the first Payment Term alphabetically with the Type "Credit Note" will be selected automatically)—

3. Enter the number of the credited Invoice in the Credit of Invoice field on the 'Terms' card. Use 'Paste Special' to search for the correct Purchase Invoice Number. The Invoice to be credited must have been marked as OK. Again, if you created the Credit Note using the 'Create Credit Note' function, this will be done automatically—

There may be cases where the original Invoice used a foreign Currency and the Exchange Rate changes between the Invoice Date and the Credit Note Date. If so, the original Exchange Rate will be brought in to the Credit Note when you enter the number of the Invoice to be credited. This prevents Exchange Rate gains or losses resulting from Credit Notes, and complies with good bookkeeping practice.

4. Complete the Credit Note in the usual way, listing the Cost Accounts and the amounts in the grid area.

5. Click the OK check box when you are sure the Credit Note is correct and save it. As with ordinary Invoices, this will cause the Purchase Ledger to be updated, and, if so defined in the Sub Systems setting in the Nominal Ledger and in the Number Series - Purchase Invoices setting, a Nominal Ledger Transaction to be generated—
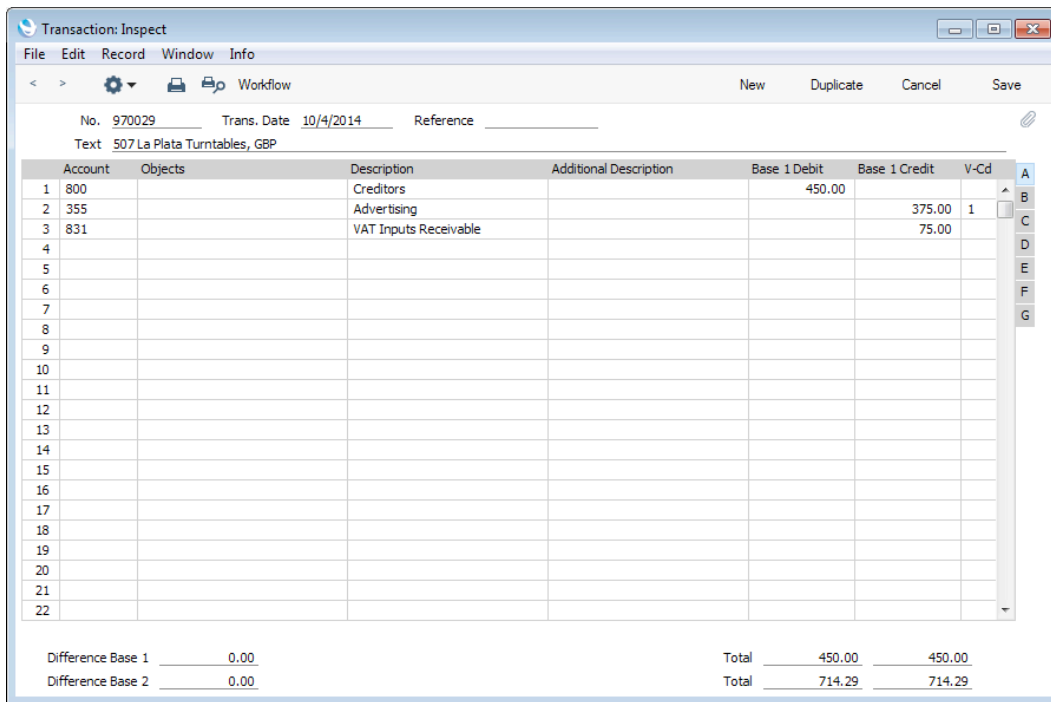
If you are using the Disallow over-pay Invoice option in the Account Usage P/L setting, you will not be able to save the Credit Note if its value is greater than the value outstanding on the Purchase Invoice being credited.

The Nominal Ledger Transaction will usually reverse the postings of the original Purchase Invoice, so that the Creditors Account will be debited and the Cost and Input VAT Accounts will be credited. The exception is if you are using the Negative Amounts option in the Transaction Settings setting in the Nominal Ledger. In this case, negative amounts will be credited to the Creditors Account and debited to the Cost and Input VAT Accounts. If you would like the VAT to be posted to the VAT Output Account instead, use the Post VAT of Credit Inv. to VAT Outp. A/C option in the Account Usage P/L setting.

You can use Access Groups to control who can mark Purchase Credit Notes as OK: they need not be the same members of staff as those who can mark Invoices as OK. To do this, deny access to the 'OK Purchase Credit Notes' Action. Access Groups are described in the 'System Module' manual.

Credit Notes and Cash Notes

If you need to reverse a Cash Note, you cannot follow the standard crediting procedure described above. A Credit Note will debit the Creditor Account, while reversing a Cash Note should debit the Cash Account. Instead you should enter a new Cash Note (i.e. with a Payment Term of Type "Cash") with a negative value.

Invalidating Purchase Invoices

In some circumstances it can be appropriate to invalidate a Purchase Invoice. To do this, simply open the Purchase Invoice record and choose 'Invalidate' from the Record menu. This function will remove the Invoice from the Purchase Ledger; any associated Nominal Ledger Transaction will be invalidated as well. An invalidated Invoice is easily distinguished because all fields have red lines drawn through them. These red lines are also shown in the 'Purchase Invoices: Browse' window.

You cannot invalidate a Purchase Invoice if it has been paid, if it has not been marked as OK, if it is of preliminary status or if its Invoice Date is earlier than the Lock Purchase Invoices date specified in the Locking setting in the System module.

If a Project Transaction has been created from a Purchase Invoice, it will be deleted when you invalidate the Invoice. You will not be able to invalidate the Purchase Invoice if the Project Transaction has already been invoiced.

If the Purchase Invoice was created from a Purchase Order, the Invoiced quantity on flip C of the relevant Purchase Order rows will be updated when you invalidate the Invoice, providing you are not using the Consolidate Items to Supplier Cost Account option in the Purchase Invoice Settings setting.

You can use Access Groups to control who can invalidate Purchase Invoices. To do this, deny access to the 'Invalidate Purchase Invoices' or the 'Invalidate Purchase and Sales Invoices' Actions. Access Groups are described in the 'System Module' manual.

Operations Menu
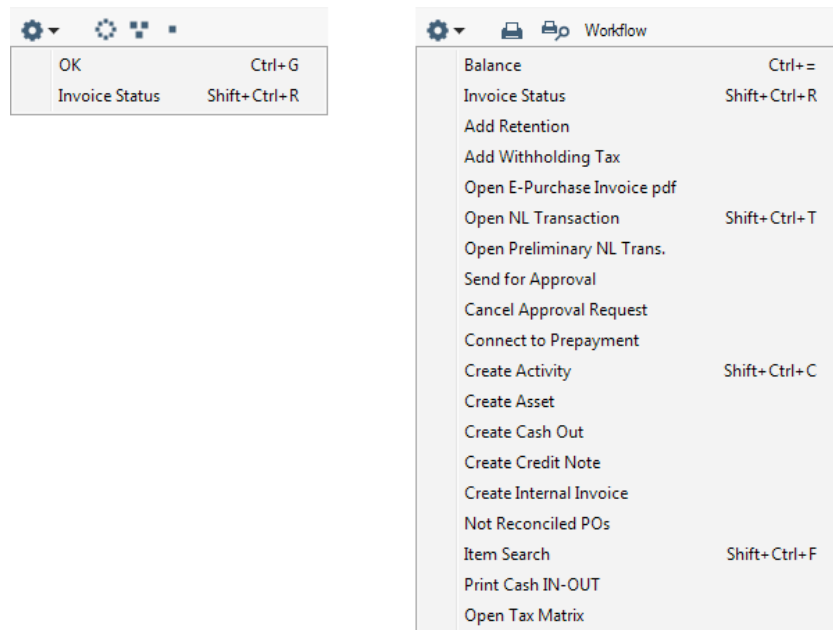
The Operations menus for Purchase Invoices are shown above. On the left is the Operations menu for the 'Purchase Invoices: Browse' window: highlight one or more Purchase Invoices (hold down the Shift key while clicking) in the list before selecting the function that you need. On the right is the Operations menu for the 'Purchase Invoice: New' and 'Purchase Invoice: Inspect' windows.

OK

This command is only available on the Operations menu for the 'Purchase Invoices: Browse' window. It allows you to mark Purchase Invoices as OK in batches. Simply highlight a range of Purchase Invoices in the browse window and select the function. Each highlighted Purchase Invoice will be marked as OK immediately. To select a range of Purchase Invoices, click the top one in the range and then hold down the Shift key and click the last one. Remember that this action causes Nominal Ledger Transactions to be created for each Purchase Invoice in the selection and that therefore once it has been carried out you will no longer be able to modify those Purchase Invoices.

You can use Access Groups to control who can mark Purchase Invoices and Purchase Credit Notes as OK by any method including this function. To do this, deny access to the 'OK Purchase Invoices' and 'OK Purchase Credit Notes' Actions respectively. Access Groups are described in the 'System Module' manual.

Messages will appear if any of the Purchase Invoices you have selected need to pass through an approval process before you can mark them as OK, to let you know that the function has ignored such Invoices. You can configure approval processes using the Approval Rules register in the Business Alerts module. Please refer to the description of the Approval Status options on the 'Inv. Address' card of the Purchase Invoice window above on page 31 for brief details about the approval process and to the 'Business Alerts' manual for full details.

Invoice Status

This command prints a report to screen summarising all aspects of the Purchase Invoice currently open in a record window or of the first Purchase

Invoice highlighted in the 'Purchase Invoices: Browse' window. The report includes a list of the Cost Accounts used in the Purchase Invoice together with amounts. It also shows the payment history. In the illustration below, the Purchase Invoice in question has been paid with a Payment.

In the Invoice History section showing the payment history, you can click on a transaction number (Purchase Invoice Number, Credit Note Number or Payment Number) to open the corresponding Invoice, Credit Note or Payment record.

If a Purchase Invoice needs to go through an approval process before you can mark it as OK, the 'Invoice Status' report will contain an Approval Status section that you can use to monitor the approval process. Please refer to page 31 above for brief details about the approval process and to the 'Business Alerts' manual for full details.

Balance

Before you can save a Purchase Invoice, the amount in the TOTAL field in the header must equal the sum of the Amounts of the Invoice rows plus the VAT. If this is not the case, an error message 'Transaction out of balance' will appear when you try to save. You can then use this function to balance the figures.

Before you use the function, you should place the insertion point either in the TOTAL field in the header or in the Amount field of one of the Purchase Invoice rows. Selecting the function will cause the value in the field containing the insertion point to be adjusted so that the Purchase Invoice balances, allowing it to be saved.

Add Retention

In a long-term Project, there can be an agreed provision that part or all of an invoiced amount will not be paid until a specified point has been reached. This is known as "Retention". On the purchase side, a Supplier can send you a Purchase Invoice in which part or all of the value is subject to retention. You may have a simple Customer-Supplier relationship with the Supplier (i.e. they are

carrying out work for you), or it may be that you have sub-contracted work to them (i.e. they are carrying out work that you will invoice to a Customer as part of a Project).

To process a Purchase Invoice with an element of retention, follow these steps—

1. Specify a Retention P/L Account and Retention P/L VAT Code in the Account Usage J/C setting in the Job Costing module—
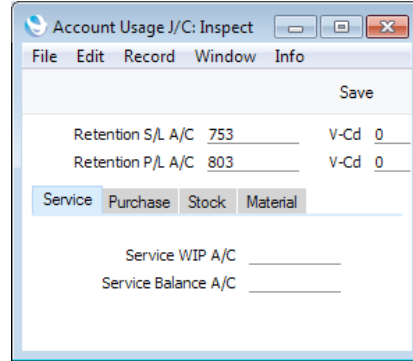
2. All retained amounts must be registered against a Project. If you have a simple Customer-Supplier relationship with the Supplier, this will be a Project whose purpose is to keep track of the costs involved. If the Supplier is a sub-contractor, the Project will also track the work done for the Customer and also provide the basis for invoicing. Remaining in the Job Costing module, enter the Project in the Project register.

3. Changing to the Purchase Ledger, enter the Purchase Invoice in the normal way. Remember to specify the Project and Item on flip B of each row so that Project Transactions will be created, assigning the costs to the Project and, if necessary, allowing them to become invoiceable to the Customer.

    When the time comes to enter the element of retention, choose 'Add Retention' from the Operations menu. The following window will open—
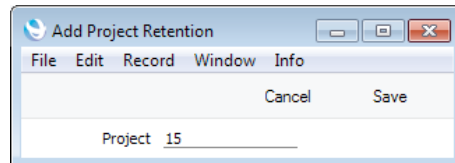
4. Enter the Project Number (you can use 'Paste Special' to help you choose the correct one) and click the [Save] button.

5. A special "Retention" row will be added to the Purchase Invoice containing the Project Number and the Retention P/L Account and Retention P/L VAT Code from the Account Usage J/C setting. You can change the Account and VAT Code if necessary, and even the Project if you realise you made a mistake with your choice in step 4. Enter the retained amount as a negative figure in the Amount column—

6. For the Invoice to balance, the TOTAL in the header should not include the retained amount. In the example illustrated above, 10000.00 + 2000.00 VAT - 2500.00 Retention = 9500.00. When the Invoice is complete, mark it as OK and save it in the usual way. In the resulting Nominal Ledger Transaction, the retained amount is credited to the Retention P/L Account, and the TOTAL is credited to the Creditor Account as normal. The retained amount is not included in the posting to the Creditor Account as it is not yet payable.

7. The retained amount will be registered against the Project. You can check Supplier retentions by opening the Project record and choosing 'Project Info' from the Operations menu. A report will be printed to screen, at the bottom of which there will be a section listing Supplier retentions.

8. When the retained amount becomes payable, you will receive a second Purchase Invoice from the Supplier. Again, use the 'Add Retention' Operations menu function to add the special "Retention" row, and this time enter the retained amount as a positive figure—

9. The Nominal Ledger Transaction from this Invoice will move the retained amount from the Retention P/L Account to the Creditor Account, as it is now payable—

Add Withholding Tax

Please refer to the second example here for details about this function.

Open E-Purchase Invoice pdf

You can use this function in a Purchase Invoice that was created from an E-Purchase Invoice. The E-Purchase Invoice will usually have as an attachment a pdf version of itself. Use this function to open that pdf in a pdf reader application, without having to navigate to and open the E-Purchase Invoice itself. If the E-Purchase Invoice has a Supplier Inv. No. 2, the pdf file must be named using the format Supplier Inv. No. 2.pdf in order to be opened by this function. Otherwise, it must be named using the format Supplier Inv. No.pdf.

This function will be useful if you need Purchase Invoices to pass through an approval process before you can mark them as OK. Please refer to the description of the Approval Rules register in the 'Business Alerts' manual for details about approval processes.

Open NL Transaction

When you mark a Purchase Invoice as OK and save it, a Nominal Ledger Transaction will be created (if so defined in the Sub Systems setting in the Nominal Ledger and in the Number Series - Purchase Invoice setting). This function allows you to view that Transaction.

When you select the function, the Transaction will be opened in a new window.

Note: this function will only open the final Transaction. If you need to open a preliminary Transaction (created by ticking the Prel. Booking check box and saving), use the 'Open Preliminary NL Trans.' function immediately below.

You can use Access Groups to control who can open both preliminary and final Transactions from Purchase Invoices. To do this, deny access to the 'Open

Transactions from Operations Menu' Action or to the Nominal Ledger altogether. Access Groups are described in the 'System Module' manual.

Open Preliminary NL Trans.

When you tick the Prel. Booking check box in a Purchase Invoice and save the Invoice, a preliminary Nominal Ledger Transaction will be created (if so defined in the Sub Systems setting in the Nominal Ledger and in the Number Series - Purchase Invoice setting). This function allows you to view that Transaction.

When you select the function, the Transaction will be opened in a new window.

You can use Access Groups to control who can open both preliminary and final Transactions from Purchase Invoices. To do this, deny access to the 'Open Transactions from Operations Menu' Action or to the Nominal Ledger altogether. Access Groups are described in the 'System Module' manual.

For more details about the Preliminary Booking feature, please refer to page 53 above.

Send for Approval

If a Purchase Invoice has to pass through an approval process before you can mark it as OK (or before you can tick the Prel. Booking box), use this function to begin that approval process. Please refer to page 31 above for brief details about the approval process and to the 'Business Alerts' manual for full details.

Cancel Approval Request

If a Purchase Invoice needs to go through an approval process before you can mark it as OK (or before you can tick the Prel. Booking box) and you have started that approval process by selecting 'Send for Approval' from the Operations menu, you will no longer be able to modify the Invoice. So, if you realise the Purchase Invoice contains an error, you must cancel the approval process before you can correct the error. To do this, open the Purchase Invoice and choose 'Cancel Approval Request' from the Operations menu. You will now be able to amend the Purchase Invoice and then restart the approval process by once again choosing 'Send for Approval'.

If you cannot cancel the approval process, the probable reasons are—

- The Approval Status of the Purchase Invoice (visible on the 'Inv. Address' card) is not Pending.

- You may have configured the approval process (using the Approval Rules register in the Business Alerts module) so that it does not allow cancellation.

- You cannot cancel the approval process if at least one Approval Person has approved the Purchase Invoice.

Please refer to page 31 above for brief details of the approval process and to the 'Business Alerts' manual for full details.

Connect to Prepayment

Please refer to the 'Prepayments' section here for a full description of this function.

Create Activity

This function allows you to create records in the Activity register in the System module. This can be useful if you need, for example, to schedule a call with the Supplier regarding the Purchase Invoice. The Activity Type given to Activities

created by this function will be taken from the Activity Types, Subsystems setting in the CRM module. The Task Type of the new Activities will be To Do, the Symbol will be Other and the Start Date will be the Due Date of the Purchase Invoice. The Person will be the current user. The Comment on the 'Comment' card of the Purchase Invoice will be copied to the Text field in the Activity.

When you select the function is selected, the following screen appears, where you can create a new Activity—

The new record will be opened in a window entitled 'Activity: Inspect'. This means that it has already been saved and is being opened for checking. After amendment if necessary, save the record in the Activity register by clicking the [Save] button in the Button Bar and close it using the close box. Alternatively, if you no longer require the Activity, remove it using the 'Delete' function on the Record menu. In either case, you will be returned to the Purchase Invoice window.

The Purchase Invoice and the Activity will be connected to each other through the Attachments facility. This allows you to open the Purchase Invoice quickly and easily when reviewing the Activity, or to open the Activity from the Purchase Invoice. When viewing the Activity or Purchase Invoice, click the button with the paper clip image to open a list of attachments. Then double-click an item in this list to open it.

You must save the Purchase Invoice at least once before you can create an Activity.

You can choose to have an Activity created automatically whenever you mark a Purchase Invoice as OK and save it. Again, this is controlled using the Activity Types, Subsystems setting in the CRM module.

Please refer to the 'CRM' manual for full details about the 'Activity: Inspect' window and about the Activity Types, Subsystems setting.

Create Asset

If the Purchase Invoice represents the purchase of an item that is to be included as one of your company's assets, you can register that item as such using this function. The function requires you to be using the Assets module.

When you select the function, a new record in the Asset register will be created as follows—

- If the insertion point is in a Purchase Invoice row, the Purchase Value of the Asset will be the Amount from the Purchase Invoice row, divided by the Quantity on flip B. If this Quantity is blank, it will be said to be 1. The Quantity will be copied to the 'Owner' card of the Asset record, while the Asset's Description will also be copied from the Purchase Invoice row.

- If the insertion point is not in any Purchase Invoice row, the Purchase Value of the Asset will be the total value of the Purchase Invoice. The Asset's Description will be blank.

The new record will be opened in a separate window with the title 'Asset: New', meaning that it has not yet been saved.

Enter an Inventory Number and otherwise complete the window as appropriate and click the [Save] button to save the details. Click the [Cancel] button if you do not want to keep the Asset record.

You do not have to mark a Purchase Invoice as OK before creating an Asset from it.

You can also use the fields on flip E of the 'Costs' card of the Purchase Invoice window to have Asset records created from Purchase Invoices automatically. Please refer to page 22 above for details.

Please refer to the 'Assets' manual for full details about the Asset register.

Create Cash Out

In some countries, cash transactions need to be recorded using a sequential number sequence. You should use this function to record such transactions in the Cash Out register in the Cash Book module. When you select it, the following window appears, in which you can create a new Cash Out record—

A new record will be opened in a window entitled 'Cash Out: New'. This means that it has not yet been saved. After amendment if necessary, save the record in the Cash Out register by clicking the [Save] button in the Button Bar and close it using the close box. If you entered a Payment Mode in the Payment Term field in the Invoice, this will be transferred to the Cash Out record. Otherwise, a default Payment Mode will be brought in from the Cash Book Settings setting in the Cash Book module. A default Expense Account will also be taken from that setting. If you have not specified any defaults in that setting, you will need to enter a Payment Mode and Expense Account to the Cash Out record before you can save it. Alternatively, if you no longer require the Cash Out record, click [Cancel]. In either case, you will be returned to the Purchase Invoice window.

If you tick the OK box and save the Cash Out record, a Nominal Ledger Transaction will be generated from it automatically if you have so determined in the Sub Systems setting in the Nominal Ledger, in the Payment Modes setting and in the Number Series - Cash Out setting. You will no longer be able to modify the Cash Out record. The Transaction will not include a VAT element even if you are using the Post VAT option in the Cash Book Settings setting, because VAT will already have been posted from the Purchase Invoice.

You must mark a Purchase Invoice as OK and save it before you can create a Cash Out record from it.

You can create Cash Out records from Purchase Invoices of all kinds, but if you want to be able to create them from Cash Notes (Purchase Invoices with "Cash" Type Payment Terms) only, select the Cash Collection option in the Cash Book Settings setting. The Cash Collection option also prevents you creating more than one Cash Out record from a Purchase Invoice, prevents you changing the value of the Cash Out record (i.e. it ensures the values of the Invoice and the Cash Out record are the same), and also prevents you from deleting the Cash Out record after you have saved it for the first time.

Please refer to the 'Cash Book' manual for full details of the 'Cash Out: New' window and of the 'Create Collection Cash Out' Maintenance function, which

allows you to create Cash Out records from Purchase Invoices in batches. It will only create Cash Out records from Purchase Invoices that are Cash Notes.

This function requires the Cash Book module to be present.

Create Credit Note

Use this function to create a Credit Note from the Invoice. Please refer to page 66 above for details.

Create Internal Invoice

This function is used in some countries (for example Poland) to help with EU VAT reporting.

When purchasing Items from other countries in the EU, you will not pay VAT to the Suppliers but you need to pay VAT at the domestic rate that would apply had you purchased the Items from local Suppliers. This is known as Acquisition VAT. You can reclaim this VAT, if the acquisitions relate to VAT taxable supplies that you make.

One method for handling Acquisition VAT is to use a dedicated VAT Code in the relevant Purchase Invoices, as described above on page 43. An alternative method is to create Internal Invoices from the Purchase Invoices. Internal Invoices will be in your home Currency (Base Currency 1) and will post to both the Output and Input VAT Accounts. In the countries that use the VAT Report Sales and the VAT Report Purchases reports (for example, Poland), the benefit of using Internal Invoices is that they will be visible in both reports (i.e. the reports will show both the Input and Output VAT implications). As a result, both reports will match the Nominal Ledger. Purchase Invoices that use a dedicated VAT Code will only be shown in the VAT Report Purchases report. An Internal Invoice will also provide an explicit record of an Acquisition VAT transaction, which was a legal requirement in Poland until 2014. On the other hand, Internal Invoices will not be included in the VAT Listing report, so if you are using this report you should not use Internal Invoices.

Follow these steps—

1. Enter the Purchase Invoice with no VAT Codes in the matrix. The lack of VAT Codes means the Invoice will not be included in the VAT Report Purchases report.

2. On flip B of each row, specify the Items you have purchased, with quantities—

3. Mark the Purchase Invoice as OK and save it in the usual way.

4. Create an Internal Invoice from the Purchase Invoice by selecting 'Create Internal Invoice' from the Operations menu. This will create a new record in the Internal Invoice register in the Sales Ledger. The new record will be opened in a window entitled 'Internal Invoice: New'. This means that it has not yet been saved.

The Items and quantities will be copied from the Purchase Invoice, while the Amounts will be converted to your home Currency (Base Currency 1). However, the VAT Codes will be copied from the Item records (Domestic VAT Code field), so VAT will be calculated at the domestic rate. Note that the Domestic VAT Codes will only be taken from the Item records, not from any Item Groups or from the Account Usage S/L setting. So, be careful to ensure any Items that you will purchase from EU Suppliers contain Domestic VAT Codes.

5. When you are sure the Internal Invoice is correct, tick the OK box and save. If you have so determined in the Sub Systems setting in the Nominal Ledger and in the Number Series - Internal Invoices setting, a Nominal Ledger Transaction will be created that credits the Output VAT Accounts specified in the VAT Codes and debits the Internal VAT A/C specified in the Account Usage S/L setting.

6. The Internal Invoice will be included in both the both the VAT Report Sales and the VAT Report Purchases reports, if you choose to include Internal Invoices and use the Inside EU option. The Purchase Invoice itself will not be included in the VAT Report Purchases report because of the existence of the connected Internal Invoice.

Create VAT Correction P/L

This function will only be included on the Operations menu if the VAT Law in the Company Info setting in the System module is set to "Croatian", "Polish", "Serbian", "Slovenian" or "Ukrainian".

In some countries such as Poland, once an Invoice has been posted to the Nominal Ledger, the posting to the Input VAT Account can be moved to a later month. This might be appropriate if the Invoice has been received before the goods have been delivered. This is known as a "VAT Correction" or "VAT Movement". This function provides an easy way of doing this.

Before using this function, carry out the following configuration work—

1. In the VAT Codes setting in the Nominal Ledger, specify an Input A/C Corr. (Input Correction Account) on flip C of each VAT Code.

2. Select the Supp. Info. on Trans. option in the Account Usage P/L setting.

3. Check the options in the VAT Correction Settings setting in the Sales Ledger. Please refer to your HansaWorld representative for details about this setting.

For the function to have any effect from a particular Invoice, you must first save all changes to the Invoice (use the [Save] button), and the Invoice must have been marked as OK.

When you select the function, a new record will be created in the VAT Corrections P/L setting. It will be opened in a new window, entitled 'VAT Correction P/L: New', meaning that it has not yet been saved.

The Transaction and Correction Dates default to the current date. Enter the new date for the VAT posting in the Trans. Date field in the header. The Correction Date is used in Ukraine only to record the date when the Correction was issued by the Supplier. Make any other changes that are necessary and, when you are sure the VAT Correction record is complete and correct, tick the OK box in the footer and save the record.

The results in the Nominal Ledger will be twofold—

1. In the Transaction created from the original Invoice, the posting to the Input VAT Account will be replaced by one to the Input VAT Correction Account—

Transaction: Inspect

File Edit Record Window Info

< >   ⚙▾   🖨 🖨ₚ Workflow   New   Duplicate   Cancel   Save

No. 970042   Trans. Date 6/4/2014   Reference _____
Text 511 Roman Candles SpA, GBP

	Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	V-Cd
1	800		Creditors			600.00	
2	355		Advertising		500.00		1
3	831		VAT Inputs Receivable		100.00		
4	Signature	FF	Old Trans. Date	6/4/2014			
5	839		VAT Inputs Correction		100.00		
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							

Difference Base 1 _____ 0.00   Total _____ 600.00   600.00
Difference Base 2 _____ 0.00   Total _____ 952.38   952.38

2. A new Transaction will be created from the VAT Correction record, reversing the posting to the VAT Correction Account and debiting the Input VAT Account.

Transaction: Inspect

File Edit Record Window Info

< >   ⚙▾   🖨 🖨ₚ Workflow   New   Duplicate   Cancel   Save

No. 1 _____   Trans. Date 31/5/2014   Reference P/INV.970042 _____
Text _____

	Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	V-Cd
1	839		VAT Inputs Correction			100.00	
2	831		VAT Inputs Receivable		100.00		
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							

Difference Base 1 _____ 0.00   Total _____ 100.00   100.00
Difference Base 2 _____ 0.00   Total _____ 158.73   158.73

If you created the VAT Correction record from a Credit Note, the postings will usually be reversed, so that the VAT Correction Account will be debited and the Output VAT Account will be credited. The exception is if you are using the Negative Amounts option in the Transaction Settings setting in the

Nominal Ledger. In this case, negative amounts will be credited to the VAT Correction Account and debited to the Output VAT Account.

You can view past VAT Correction records using the VAT Corrections P/L setting in the Purchase Ledger. You can also enter new records in the setting: type the Invoice Number into the new record to bring in the details of the Invoice.

After you have marked the VAT Correction record as OK and saved, you will still be able to change the Transaction Date if necessary. To do this, open it, choose 'Update Trans. Date' from the Operations menu and enter the new date in the Trans. Date field. You can also invalidate a VAT Correction record by selecting 'Invalidate' from the Record menu.

Not Reconciled POs

This function may be useful for companies who receive shipments containing Items from many Purchase Orders, where it is not clear which Items belong to which Purchase Orders.

When you create a Goods Receipt in this situation, you will probably connect it to several Purchase Orders, using the PO No. and PO Row fields on flip I of the Goods Receipt. The Quantity on flip A of the Goods Receipt will default to the Purchase Order quantity: change this to the quantity received as normal. But, before doing so, enter the correct Purchase Order quantity in the PO Recon. field (again on flip I), with Comment if necessary. When you receive the Purchase Invoice, enter the Purchase Invoice quantity in the Inv. Recon. field, again on flip I of the Goods Receipt and again with Comment if necessary. You can enter the PO Recon. and Inv. Recon. quantities after you have marked the Goods Receipt as OK. When you create a Purchase Invoice from the Goods Receipt, you can use this function to produce a report comparing Goods Receipt, Purchase Order and Purchase Invoice quantities for the Item. The report also lists Purchase Order rows that have not been received or invoiced. If there is a discrepancy in the various quantities, the report may help you find the reason for the discrepancy or help you connect other unfulfilled Purchase Orders to the Goods Receipt or Purchase Invoice.

You must be using the Transfer Each Item Separately option in the Purchase Invoice Settings setting in the Purchase Ledger if you want to use this feature and, for the report to be as comprehensive as possible, you should create the Purchase Invoice from the Goods Receipt, not from the Purchase Order.

Item Search

You can use this function to search for Items that you can then add to the Purchase Invoice. This function is therefore an alternative to the 'Paste Special' feature. Place the insertion point in the Item field in any row and then select 'Item Search' from the Operations menu. The following window opens—
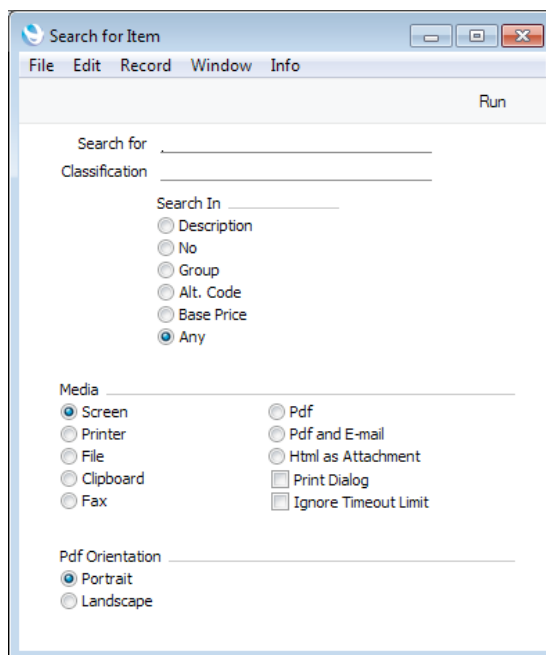
| **Search for** | Enter here the string (e.g. part of an Item Number or Name) that you are looking for. You must make an entry in this field, otherwise no search will be carried out. |

| **Classification** | **Paste Special** | Item Classifications setting, Sales Ledger |

If you enter an Item Classification here, the search for the string that you specified in the field above will be restricted to Items belonging to that Classification.

| **Search In** | Specify the field in which you want to search. |

Press [Run] to activate the search. A report will be printed to screen, listing the Items found. If you click on an Item Number in the report, the Item will be added to the Purchase Invoice in the first empty row. You can keep the report open and click on more Item Numbers to have more Items added to the Invoice.

If the 'Search for Item' window does not appear when expected, the probable reason is that you did not click in the Item field in a Purchase Invoice row before selecting the function from the Operations menu.

Print Cash IN-OUT

You will usually use the 'Print Cash IN-OUT' command for Purchase Invoices that are Cash Notes (i.e. their Payment Terms are of the "Cash" Type). It prints a cash receipt for your records: there is a legal requirement in the Baltic States to keep printed records of all cash transactions. The function requires the Cash Book module to be present.

You can also print cash receipts in batches. To do so, first change to the Cash Book module using the [Module] button in the Master Control panel. Then, click the [Documents] button, also in the Master Control panel and double-click 'Cash

Out Invoices' in the 'Documents' list window. Enter the Invoice Number (or range of Numbers) that you want to be printed and press [Run].

Whether you print singly or in batches, the Form used will be determined as follows—

1. Design the cash document using the Form register in the System module. Use the 'Properties' function on the Operations menu to name the Form (in this description, we have used the name "CASH_OUT_INV") and to assign it a Document Type of "Cash Out Invoices". Full instructions for using the Form register can be found in the 'System Module' manual.

2. Select the Cash Book module using the [Module] button in the Master Control panel.

3. Click the [Documents] button in the Master Control panel. The 'Documents' list window will be opened: highlight 'Cash Out Invoices'.

4. Select 'Define Document' from the Operations menu.

5. In the subsequent 'Form Definition' window, enter "CASH_OUT_INV" in the Form field in the first row (you can use 'Paste Special' to ensure the spelling is correct).

6. Click [Save] to save the Form definition. From now on, the Form that you have designed will be used, both from the 'Documents' function in the Cash Book module and when selecting 'Print Cash IN-OUT' from the Operations menu when viewing a Purchase Invoice.

You must save the Purchase Invoice before you can use this function, but you do not need to mark it as OK.

Open Tax Matrix

In some countries, Tax Templates are used instead of VAT Codes. VAT Codes should be used where each sales and purchase transaction (e.g. each row in a Purchase Invoice) is taxed at a single rate, while Tax Templates should be used where different taxes and/or several tax rates are applied to one transaction (e.g. to one row).

If you need to use Tax Templates, you should first choose the Use Tax Templates for Tax Calculation option in the Transaction Settings setting in the Nominal Ledger. This option will cause a Tax Template field ("T-Cd") to appear on flip A of the matrix instead of the VAT Code field ("V-Cd").

Because a particular Tax Template can include several tax rates, it can be difficult to see at a glance how the tax figure in a Purchase Invoice is calculated. Selecting this function will cause a new window to be opened, displaying the tax calculation, as follows—

- If you place the insertion point in a Purchase Invoice row, the function will display the tax calculation for that row.

- If you place the insertion point in a header field, the function will display the tax calculation for the Purchase Invoice as a whole. This is shown in the illustration below.
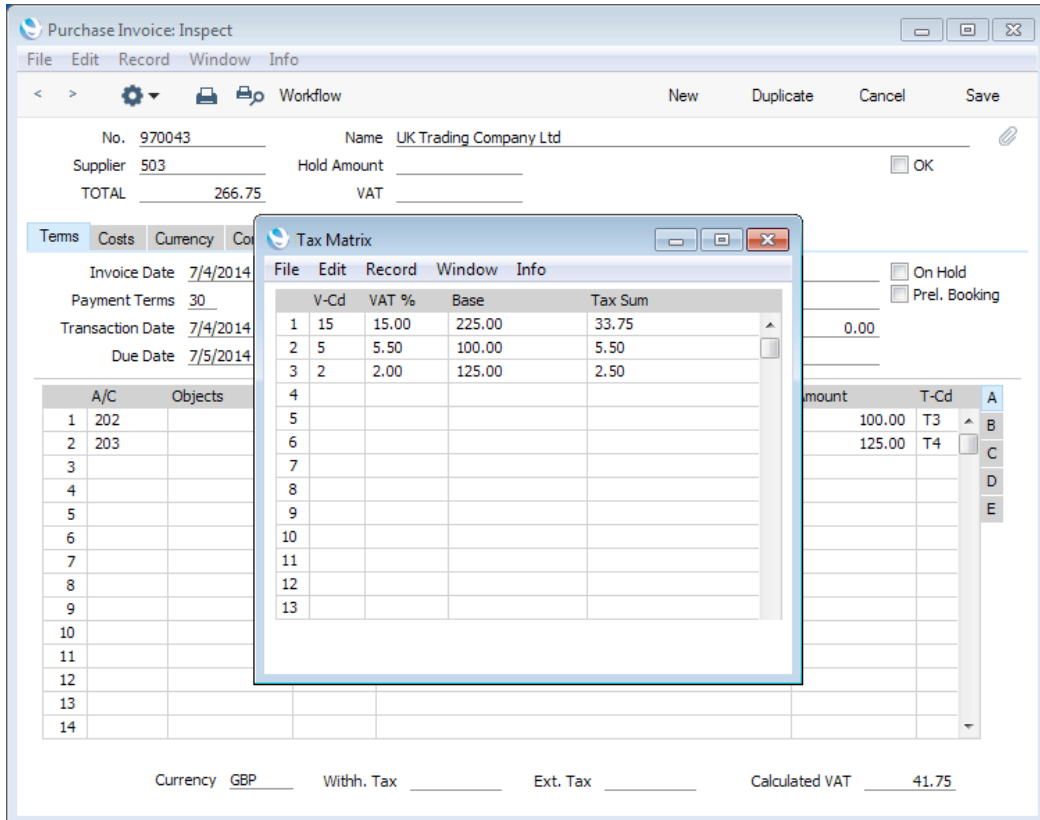
Selecting this function will have no effect if you are not using Tax Templates (i.e. you have not selected the Use Tax Templates for Tax Calculation option in the Transaction Settings setting).