In Business for You

Workstream Description

Sales

Nonprofit Model 21.3

2021-11-30

This page left intentionally blank

About this document

Copyright

Copyright of the attached documentation is the property of UNIT4 N.V. and/or its group companies. Reproduction of this documentation for any purposes is prohibited without the prior express written authorization of UNIT4 N.V. or its group companies. Any unauthorized use, copying or sale of the above may constitute an infringement of copyright and may result in criminal or other legal proceedings.

Copyright © UNIT4 N.V. and/or its group companies. All rights reserved. Any other brand names and/or trademarks referenced herein are either registered or unregistered trademarks of their respective proprietors

Context

Unit4 has developed the **Nonprofit Model** (NP Model), which is the approach to deliver out of the box capabilities embedded in the software based on best practices for Nonprofit organizations. It is supported by additional database configuration, documentation and an iterative delivery model.

Workstreams

The NP Model consists of several workstreams. For each of these workstreams, documentation is available that describes the supplied capabilities. The following workstreams are available:

- Finance (mandatory)
- Budgeting
- Asset administration
- Procurement
- Sales
- Human Resources
- Payroll
- Travel & Expenses
- Project Cycle Management
- Award Management
- System Administration
- Volunteer Management

The workstreams setup is predefined based on the process scoped for the solution. In the personalization phase, the information specific from the customer is configured. Unit4 ERPx is a highly flexible and agile solution that can easily be adapted to support different system setups and processes.

Intended audience

This documentation is intended for members of the organization's sales department, familiar with all sales department processes, from data collection to reporting. Readers are not required to know all the details of the sales processes. However, some knowledge of basic sales concepts would be advantageous for reading this documentation.

Contents

Sales

This documentation describes the workstream for the Sales process. With a predefined configuration for the processes described in detail in this documentation, the solution also includes a standard set of inquiries, reports, and predefined tailorable stationary outputs.

The described structures and processes are based upon the software capabilities provided with Unit4 ERPx. The Sales workstream is part of the Additions level of the NP model.
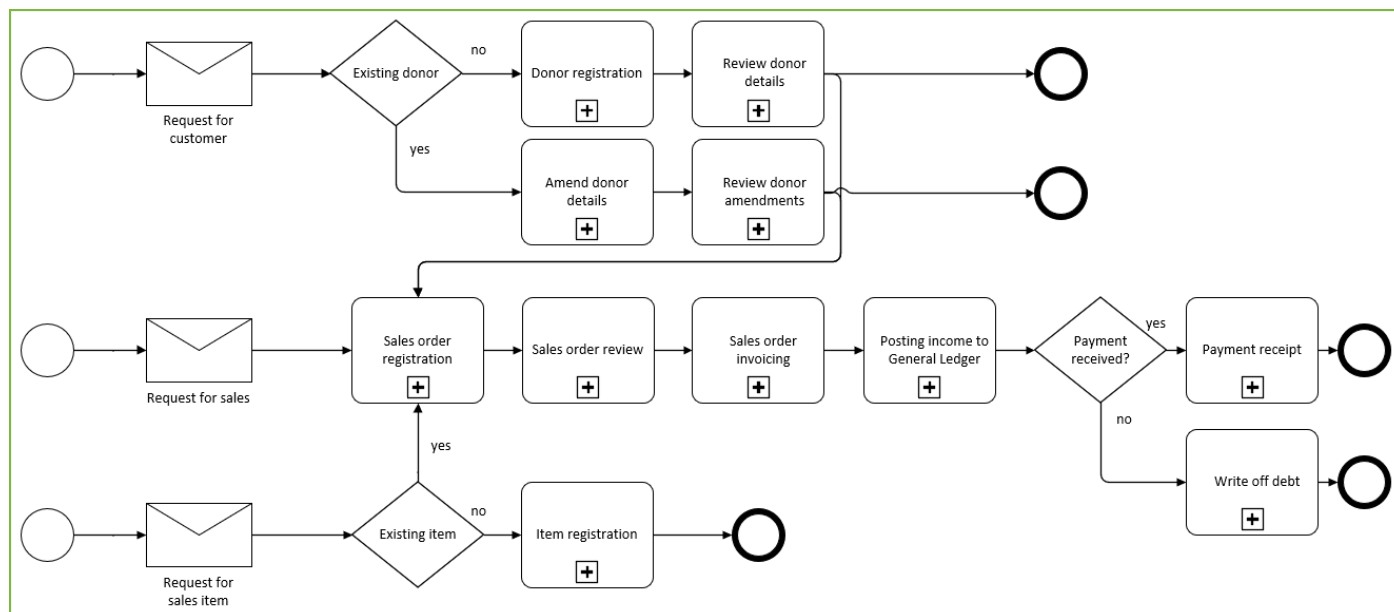

Figure 1 - Sales process

Sales reflects the process of processing the offer of specific products/services to donors or customers. The process uses the sales item catalog to search for the product/service to be sold and registered in sales orders for approval and invoicing. The invoice is sent to the donor by email directly, where the attachment is kept in our document archive where it is retrievable on the sales order.

The sales invoice updates the AR sub-ledger and the general ledger allowing for reporting to donors, items, and other dimensions, such as projects and cost centers. For non-collectible debts, a write-off process is provided. It transfers the doubtful open receivable to a loss account, which allows to correctly report on open items and the reconciliation of accounts at period and year-end.

Item Catalog (Addition)

The item catalog contains all items that are available in the sales process. This catalog is provided as an internal catalog within the solution based on several product groups. The item catalog contains both products and services to be sold. Products are aggregated into product groups for reporting and more importantly, to define the sales process's income accounts. One generic product per product group has been provided to ensure the out of the box usage of the items, with the option to amend this and expand the item catalog with additional products and services during implementation. The following product groups are available:

Product group	Description
58	Membership fees
59	Donations
60	Service Agreements

Items

Non-stocked products can be created in the product record. The product record provides you with all details about the items in the catalog. It contains the standard product information, and linking it to the associated product group will ensure that the right financial entries are made during the sales process. This financial information is important since it allows for the correct income allocation.

By default, every product group is provided with a single product for the ease of entry having the same description as the item group. This description can be overwritten at requisition/order entry and keeps item catalog maintenance to a minimum, but still having the link to separate income accounts being automated.

Pictures of products can be added optionally. The product record provides the option to attach relevant documents at product level (e.g. technical specifications).

Donors

The donor record stores all the relevant data regarding the sales process. It collects general information such as name details & contact information, and the organization's legal identification number.

Donor workspace

An out-of-the-box portfolio of donors and associated workspace is provided. This contains the portfolio of all donors and is accessible by award users and sales users. The donor portfolio displays an overview of all donors, including main details, open AR balance and DSO (days sales outstanding) as alerts.

From the portfolio, by zooming into a specific donor's workspace, you access overview, payments and awards information. It includes donor details, workflow tasks, and metrics.

These metrics are provided:

- Donor open AR balance amount
- Donor DSO (Days Sales Outstanding), or maximum days due for payment
- Donor open AR balance history for the last 12 months
- Donor DSO history for the last 12 months
- Donor open balance per invoice and due date
- Donor due balance per invoice and due date
- Current awards per donor
- Award amounts per donor
- Open AR balance per award

Links are available to the following activities:

- Donor record with all donor details
- Maintenance of open AR items
- Statement of Accounts report to be generated (and optionally send per email)
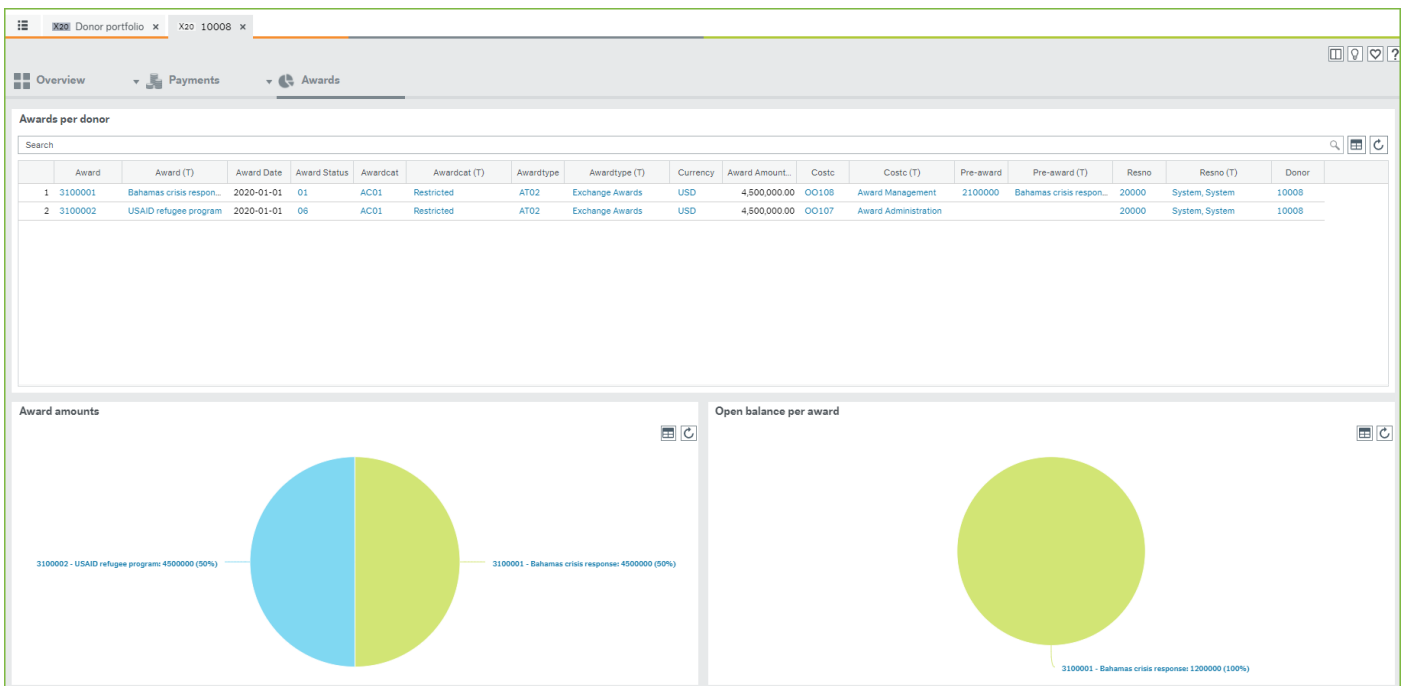- Payment receipt entry

Figure 2 - Donor portfolio

Figure 3 - Donor portfolio, award metrics

Donor registration

New donors are created as records in the system by users who have the required permission (typically the AR department). Donors are aggregated into donor groups and the following predefined donor groups are provided within the solution:

Donor Group	Definition
10	Donor group for domestic Donors
11	Donor group for international Donors
12	Donor group for operating units in a multi-organization environment

It is required to record at least one address for your donors, but the solution provides multiple address types for registration. The following address types are available:

Address Type	Definition
General	It is used to indicate an address that is the organization's physical location or office or where an operation is performed
Bank	Used to indicate the bank address
Copy	Used to specify the address to which a copy of the documents can be sent

Figure 4 - Donor record

Donor amendment

The donor amendment process is used to maintain existing donor records. Before changes are effectuated, amended donor records are sent in a workflow for approval. Changes that trigger workflow are:

Field	Definition
Donor group	Group that defines the AR control account
Donor name	Donor name
Bank account	Bank account of the donor
Company registration number	The company registration number (Chamber of Commerce)
IBAN	International Bank Account Number
Currency	Currency
Language	Language of the donor for reporting and stationery output
Payment method	Payment method
Status	Status of the donor
Payment terms	Payment terms
VAT registration	VAT registration number

The approver sees the old and amended values triggered for workflow in their approval screen to compare values.

Donor review

Donors created and amended by the Sales users are sent for approval by the AR discipline within the finance department. A workflow approval process is provided, which separates new donor records from donor amendments. In the first scenario, the full record is subject to the task owner's approval, where, in case of amendments, only the old and new values are presented for approval to the task owner.

For further information on Donor topics, refer to Accounts Receivable in the Finance Workstream Description.

Sales orders (Addition)

Sales orders are used to produce a document that authorizes the sale of a specific item from the item catalog, either a product or service, and requests payment of the delivered product or service.

Sales order registration

To capture the sale of services and products, a sales order registration screen is provided. All sold products are selected from the product catalog after selecting the donor to invoice. To allow for the correct income allocation, the correct accounting dimensions must be chosen, more accurately the Award and Cost center. An order type is defined that the product is registered automatically as delivered and that skips the pickling list and goods delivery entry so that the order can be directly invoiced when the sales order is approved. The NP model doesn't support stocked items, so this avoids these steps in the sales invoicing process.

Figure 5 - Sales orders entry

The sales order allows for documents to be attached and saved to the document archive with specific details, such as technical specifications or donor agreements.

Mass sales order entry

To facilitate entering sales orders for multiple donors at once, the solution provides you with mass sales orders. This allows you to select multiple donors and produce similar sales orders for them with the same products and product details (e.g. price, unit, award, activity, cost center, etc.). This speeds up the sales order process and the subsequent invoicing, avoiding having to enter similar sales orders sequentially. It is beneficial when membership fees are invoiced once a year to a large group of customers or donors.

Sales order review

Sales orders are subject to approval in a workflow with the required approval from the award responsible and the financial department. Only after approval are they ready for invoicing.
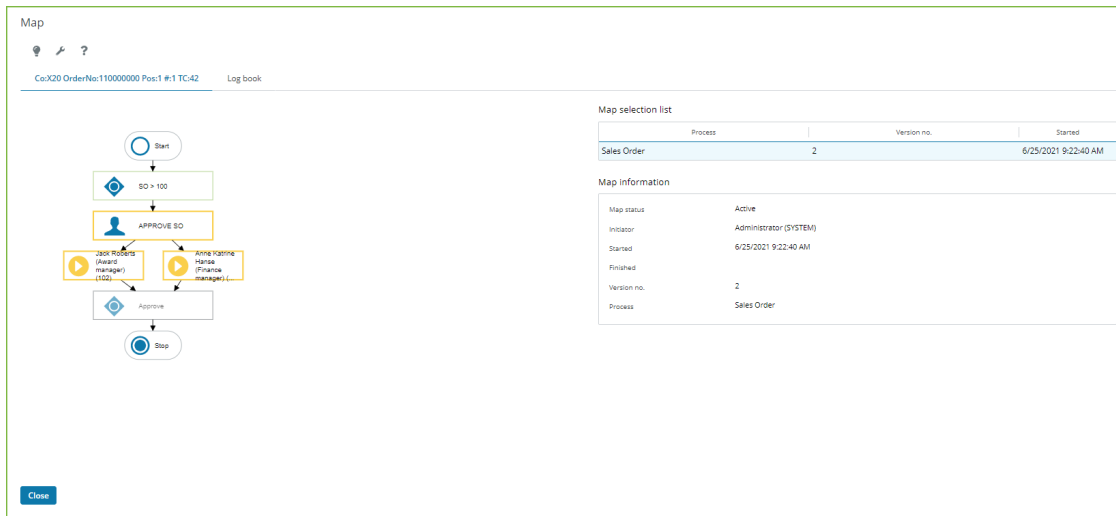
Figure 6 - Workflow inquiry on sales orders

Credit sales order entry

Credit Sales Order will be raised using the reference to the original sales order. A credit sales order is raised and can be created, copying the original order's details and amending when applicable. This way, the reference of the credit note with the subsequent sales order is kept. Like the sales order for income allocation, the credit sales order will have dimensions that will allow the correct income allocation as a project, award, and cost center. Using the highlighted field in the print below, the user can reference the original invoice. As with the sales order, the credit sales order gets a number assigned when saved. The credit sales order will have a workflow that would allow for an authorization step with a need for approval by the award responsible and the finance department.

Subscription Billing (Addition)

Subscription billing provides the ability to manage donor payments automatically, on a fixed schedule, for a specific product or service. For example, when a donor wants to set up a regular donation and pay on a monthly basis. This function is available as an addition in the NP Model.

Where subscriptions are billed in advance and have an invoice period of more than one month, a distribution key can be used to ensure the billing/revenue is posted per month. For example, if an invoice is sent out in Dec for Q1, and is to be posted to Jan, Feb, March of the following year, a key (3 months distribution) can be used and a recurring journal is created.

Subscription management

Each subscription is created in the context of a donor and specifies subscription billing details for products/services. To support subscription billing the NP Model includes predefined frequency codes, reason codes and distribution keys. There is one product created per product group ready to be used for subscription billing products or services.

Figure 7 - Example of Subscriptions window - Details tab

Standard routines exist to generate Sales orders from the subscription content and these are run routinely by the Accounts Receivable user responsible.

A notification is created to send an email to the user responsible, 30 days before the expiry date (end date) of an existing subscription, to take appropriate action.

Frequency codes

For each subscription a frequency code determines the frequency of subscription payments.

Frequency code	Description
10	Monthly
20	Quarterly
30	6 Monthly
40	Yearly

Reason codes

Reason codes can be used to provide additional information for reporting. Negative reasons are intended to lead to a closed or parked item and positive leave it open but have a reason attached to the subscription detail with more information on different actions taken.

Code	Flag	Reason	Status values
10	Negative	Agreed subscription period reached	Closed
11	Negative	Human error	Closed
12	Negative	On hold - Customer dispute	Parked
13	Negative	On hold - Debt recovery	Parked
14	Negative	Terminated - Customer led	Closed
15	Negative	Terminated - Service led	Closed
20	Positive	Additional Product / Service	Active
21	Positive	Change in payment frequency - Customer led	Active
22	Positive	Change in payment frequency - Service led	Active
23	Positive	Change of product detail	Active
24	Positive	GL analysis / coding amendment	Active
25	Positive	Price amendment / review	Active
26	Positive	Quantity amendment / review	Active
27	Positive	Subscription stop date extended	Active

Distribution keys

To allow correct distribution for the revenue across the months the subscription spans, distribution keys are available when creating a subscription.

Key ID	Name	#	Period(s)	Distribution
3	3 months distribution	1	1	33,33
		2	2	33,33
		3	3	33,34
6	6 months distribution	1-5	1-5	16,66
		6	6	16,70

Subscription processing

Periodically, subscriptions are processed and their details are added to the batch input register for sales orders. From there, batch input is used to transfer the data to Sales orders. Once the subscription is created as a sales order it can be invoiced using the standard sales order invoice process.

Subscription attachments

To store important documents about subscriptions, a 'subscription' document type is used to attach documents.

UNIT4

Invoicing (Addition)

After the approval process is completed, the order is ready for invoicing. The solution provides you with the flexibility of invoicing and sending the invoice directly to the donor by email or physically by post.

Invoice creation

Each sales order is processed into an invoice automatically. The order type defines whether this is automatically done or whether the invoice process needs to be started manually. The invoices are generated per sales order, but the solution provides a consolidated order per donor. A stationary output for the invoice is available, which is tailored to your company style. For later retrieval, invoice documents are attached to the order in our document archive. The invoices are directly sent to the donor by the invoicing process as emails with the invoice document as an attachment. The donor email address is used for this, which is retrieved in the donor record.

Credit Notes

Credit Notes are raised directly by picking the original sales order. After processing the credit note, the sales order and credit note will be matched and moved to the historical sub-ledger in Accounts Receivables and General Ledger. The solution provides default inquiries that will allow you to check this match and inquire about different perspectives. The credit notes are attached to the document archive's corresponding order, to allow later retrieval. During invoicing, the credit note invoice is sent to the donor automatically using the email address kept in the donor record.

Payment Follow-up

Monitoring the open items in Accounts Receivable to receive payment is part of the payment follow up process. It is described in more detail in the Finance Workstream description. In case of doubtful debts, the solution can write-off the debt and register it as a loss.

Write-off receivables

When open items are considered not recoverable, there is a need for the open item's write-off. The solution provides a write-off process. By maintaining the open items, the collection status is updated. This results in the write-off process making this open item historic and posting the loss to an expense account for a loss. This is valuable when a pledged or committed funding is never received, and the open commitments from donors need to be written off.

For more information on the open receivable process, refer to Accounts Receivable chapter in the Finance Workstream Description.

This page left intentionally blank

Index

This page left intentionally blank