Product Guide
ERP
[Financial Management]

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1. Introduction

Unit4 ERP Financial Management System (FMS) is a top-tier, global accounting system designed for organizations that constantly face internal and external demands for change, or Businesses Living IN Change as we call them. It delivers a fully integrated range of functions, including general ledger, accounts payable and accounts receivable, comprehensive budgeting and planning, asset management, reporting and other dedicated tools. With its "multi-everything" (multi-company, multi-currency, multi-lingual) capabilities it meets the needs of a vast range of customers from the smaller or more specialized through to the largest or more complex, national or international organization. The solution helps dynamic organizations keep in control and make business decisions based on reliable, up-to-date information no matter what business change they are undergoing or how turbulent the situation.

In today's business there is only one constant: change. To keep up with it and stay ahead of competition, organizations need to make sure their financial solution is agile enough to adjust. This means that financial solutions need to deliver much more than simple bookkeeping. They must enable organizations to continually adapt to structural 'disturbance', whether it is caused by a re-organization, merger, acquisition or a new line of business. The costs to adapt financial systems are material and strategically significant. In fact, the cost of change can significantly surpass the initial cost of the software. What sets Unit4's financial solution apart from other vendors is its continued agility and flexibility to embrace change - long after initial implementation. Our target customers, Businesses living IN Change, can rest assured that with Unit4 ERP FMS they are able to adjust to any change, internal or external, simply, quickly and cost effectively.

The Unit4 ERP FMS allows CFO's and financial managers to maintain control as well as have a full overview of their organization's finances irrespective of the business change, they are undergoing.

This solution is composed of different modules that are described in the next chapter.

2. General Ledger

2.1. General Description

The General Ledger is at the heart of Unit4 ERP FMS and is the tool that delivers you the most important element of Financial Management: Control. The general ledger is used to consolidate and control all the financial and statistical information that is collected and managed in other parts of the system, such as purchases and sales, supplier and customer balances, time costs and billings, payroll costs and liabilities, tax, cash, budgets and so on. Unit4 ERP can be configured so that all transactions that update the general ledger have had appropriate approval and confirmation using workflow; this includes directly entered general ledger journals. It is within the general ledger that the huge benefits of the Unit4 solution and its configurable nature are to be found. This flexibility is rendered by the architecture and its extensively configurable data model which moves in lockstep with the process and delivery. Data from the general ledger can be aggregated at multiple different levels, visualized and structured in a way that suits the business needs of different parts of the business. This ensures that all those in your organization with budget holding and financial responsibilities are in control of your fundamental business data which is always accurate, consistent, relevant and up to date, as it is held within one unified database. This eliminates repetition and removes the need to keep separate ledgers in sync with each other.

In addition to the financial and non-financial information entered directly into Unit4 ERP FMS, it is also possible to import data from external sources and to transfer data from the FMS into other systems, allowing Unit4 ERP, as your financial system, to remain safely at the heart of the business.

2.2. Business Benefits

- Unit4 ERP Financials provides a complete cloud financial management application for global businesses.
- Unit4 ERP has been built to support both global standard and country-specific requirements
- With Unit4 ERP Financials businesses can adjust for currency, language, taxation and legal compliance differences at the local level, alongside regional and global business consolidation and roll-up.
- Provides real-time visibility into all aspects of your business worldwide, ensuring consistent and compliant management both locally and globally.
- The always-on audit trail, built in analytics, access logs and workflow, and the
- Helps businesses drive financial and operational efficiencies as well as deliver real-time visibility and consolidation, while providing the flexibility to specific corporate and subsidiary needs
- Ability to drill down to the underlying transaction detail ensures that you'll always get supporting documentation
- Unit4 ERP Financials helps companies streamline multi-subsidiary operations and provides real-time visibility at the local, regional and headquarter levels
- General Ledger is the basis for producing finalized financial and management accounts
- The General Ledger delivers all the information required to meet the full variety of statutory and management demands to support strategic and tactical decision making as well as satisfy shareholders, government authorities, and other interested parties.

- Supports consistent process across countries and subsidiaries
- The business heads and other stakeholders can get a real-time view of their business performance and drill down into key metrics within an organization's global operations, eliminating the need for custom reports, which may take hours if not days, to generate.
- Global business views, such as cross company consolidation, etc.
- Includes a number of comprehensive functions to assist companies in preparing for closings in accordance with International Financial Reporting Standards (IFRS), in addition to group reporting and any other GAAP reporting requirements.
- Minimizes the delay from period close to official reporting and the time spent on administrative year and period end tasks
- Account rules ensure that the appropriate accounting details are captured at the time of invoice entry. Additional attributes can be added to an account rule at any time, ensuring that additional accounting analysis can be captured as soon as the change is needed, without the need for costly delays or reconfiguration.

2.3. Most important functions

- Powerful and flexible structure with the use of account rules, attributes and relations.
- Powerful reporting tools.
- Full integration with sub-ledgers and other U4ERP modules.
- Possibility to create links between suppliers and specific accounts via a setup of Transaction templates.
- All types of invoices (supplier, purchase and contract) can be registered and posted via Registration of incoming invoices and posting of incoming invoices
- Multi-language.
- Multi-currency, including multiple exchange rate types and three base currency amounts held per transaction; full history maintained.
- Multi-company, including utilities for ease of maintenance of multiple companies.
- Enables the management of multiple subsidiaries, business units and legal entities
- Currency revaluation.
- Suspense account reconciliation.
- Flexible tax handling and reporting, supporting various international tax scenario's like full and partial exemption, partial deductible VAT, partial recoverable VAT, VAT reverse charge.
- Accrual of internal interest.
- Multi legal entity features, including intercompany posting, company-based reporting hierarchies, elimination postings and partial ownership.
- Speedy transaction entry tools, including batch or discrete transaction entry, transaction templates, code completion, automated recurring, reversing and accrual posting.
- Ability to import valid transactions from external systems, transaction reversal and re-post.
- Automated cost reallocation and distribution with unlimited user-definable cost.
- Unlimited history of transactions and balances.
- Easy to use search facilities.
- Workflow for approval for master data (i.e. supplier and customer master files) and financial transactions.
- User-friendly interface giving fast and secure input of data.

3. Accounts Payable and Supplier Management

3.1. General Description

The Accounts Payable module within ERP FMS is fully integrated with the General Ledger. It is designed to handle incoming invoices and their subsequent payment. The module offers tools for tracking invoices from receipt (and before that if you are also using the Purchasing module in Logistics), and then following its progress through the entire payment cycle.

The Accounts Payable is supported by ERP workflow functionality for the processing of e-invoices, and scanned invoices.

These are the main functions of ERP Accounts Payable module:
- To process purchase invoices in order to provide interested parties with information and analysis on expenditure.
- To process payments to suppliers in such a way as to meet the organization's objectives with respect to optimizing cash flow, maintaining trading partner relationships, and securing maximum discounts.
- To manage and support the auditing of creditors.

Note:
Our Smart Invoice Processing services can further extent and streamline the process of incoming invoices removing the need for labour intensive tasks. See separate section in this document on our value proposition of these services.

3.2. Business Benefits

- Gives overview of creditors to plan and optimize cash flow and liquidity as well as maintaining good relationships with suppliers provides a wealth of information to support contract negotiation with suppliers securing good payment term and discounts.
- Integration of modules eliminates the need for tedious re-keying of data, and associated transcription errors.
- Standardisation of transaction entry screens across the financial modules means that data-entry personnel are equally at home entering a variety of transactions and reduces the training requirement.
- Enables visibility over creditors in order to plan and optimise cash flow and liquidity as well as maintaining good relationships with suppliers.
- Wealth of information is provided to support contract negotiation with suppliers, so securing good payment term and discounts, and generally maintaining trading partner relationships.

3.3. Most important functions

- Accounts payable is fully integrated with General Ledger, Purchasing, Contract Accounting, Project and Payroll which minimizes re-keying of data and associated errors.

- Ability to create links between suppliers and specific accounts via a setup of transaction templates.
- Unit4 ERP fully supports the ISO20022 requirements w/r payments, including Single European Payments Area (SEPA)
- All types of invoices can be registered and posted all in a single registration window (registration and posting of incoming invoices).
- Multi-currency, including the capability for alternative payment currency from invoice currency.
- User-definable relations give default account code completion and validation.
- Unlimited user-defined analysis, such as region, supplier type etc.
- Credit and payment details, including foreign payment details.
- Ability to override treatment rules for the supplier and on the invoice.
- Supplier details can be imported from external systems
- Supplier master can be shared across multiple companies.
- Unlimited supplier addresses for delivery, invoice, payments, mail shots etc.
- User definable input screens for capturing additional information, using flexi-fields. This could include contract information, contact details, etc.
- External documents can be linked, giving central storage. E.g. scanned location maps, web site address, contracts etc.
- Possibility to produce supplier historical aged debt reports for any date in the past.
- Head office grouping of supplier branches.
- Documents can be produced in the supplier's preferred language.
- Supplier statistics enquiry (including graphical) assists monitoring of supplier turnover, aged credit balances and payment history.
- Suppliers may be flagged as e-Commerce or EDI partners.
- User-definable payment terms.
- Ability to automate prompt payment discounts where relevant.
- Payment to supplier account or predefined payment recipients (aka factors).
- Contra facilities to transfer unpaid amounts between customers and suppliers.
- Secure payment message handling to and from banks.
- A range of standard, parameterized reports available.
- Optional posting across multiple control accounts
- Invoices can be validated against pre-defined contracts
- User-definable payment methods including computer printed cheques, manual cheques, or various other local electronic payment methods.
- Payment confirmation performs automatic payment matching.
- Proposal can be amended prior to payment processing: invoices removed or added and amounts adjusted.
- 'After the event' payment entry and matching.
- Flexible definition of automatic posting rules for exchange gain and losses.
- Possibility for payment reversal.
- Invoices can optionally be registered pending approval.
- Drill down to general ledger, payment transactions, and original PO.
- Ability for reversal of tax on payment discount and support in maintenance of open items.
- Ability to reverse invoice and payment after having matched and paid an invoice.
- workflow functionality allows for a speedy and automated invoice approval and provides for on-line archiving of scanned invoices.
- Ability to spread costs over multiple periods.
- Flexible VAT capabilities to support many different international VAT regimes and VAT scenarios, including full and partial exemption, handling of undeclared VAT.

- Import of valid transaction from external systems.
- Inter-company and intra-company transactions for cross charging.
- Alerts can be generated by the system to highlight specific events such as overdue payments or contract renewals.
- Remittance proposal generates an on-line suggested payment list, based on user definable criteria.
- Payments in the remittance process can be sorted alphabetically by supplier name making it easier to manage the remittance process.
- Bank specific integrations can be easily created on a 'no-code/low-code' basis within the Unit4 People Platform (Integration Kit)[1]
- Ability for management of creditor accounts.
- The supplier master file is available via web services.

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[1] The module does <u>not</u> include out-of-the-box bank integrations. With our NextGen technology these can now be configured as integration flows within Integration Kit via Services. Check out the content of the various Industry Models for any preconfigured integration for particular regions or markets.

4. Accounts Receivable and Customer Management

4.1. General Description

Unit4 ERP's Accounts Receivable module is used to record monitor and process payments that have been raised and sent from elsewhere in Unit4 ERP (i.e. sales orders, project invoices) or from external systems. Details are posted automatically from other Unit4 ERP modules and require no further intervention. Invoices from external systems may furthermore be registered manually or imported.

These are the key functions of the Accounts Receivable module:
- To process payments from customers.
- To manage cash collection and outstanding debtors in such a way as to meet the organisation's objectives with respect to optimising cash flow and maintaining customer relationships.
- To manage and support the auditing of debtors.
- To maintain a central information store of customer information.
- To support good customer relationships throughout an organisation.

4.2. Business Benefits

- Unit4 ERP Accounts Receivable system goes beyond the basic utilities and provides support for a variety of business practices. It eliminates unwieldy workarounds, improves accuracy, saves time and increases productivity. Unit4 ERP's Accounts Receivable is equipped with a variety of credit control tools enabling you to effectively monitor and recover debts before they become bad debts
- Unit4 ERP gives a unique visibility over debtors in order to plan and optimise cash flow and liquidity as well as maintaining good relationships with customers. Support for payment schedules enables organisations to provide better customer service.

4.3. Most important functions

- Accounts receivable is fully integrated with the general ledger, sales order processing and project, eliminating the need for tedious re-keying of data.
- Transactions can be viewed in any alternative currency, selected on demand.
- Ability to define the maximum allotted age (in days) of the oldest overdue item for a given customer.
- The system can be set up to check how many days can pass before a customer's credit becomes invalid.
- Ability to perform a credit check against the credit limit of the head office for all customers with the same head office.
- Ability to set up whether credit limit is including or excluding tax.
- Actions TODO and a record of actions done via the Action overview.
- Alerts can be defined to highlight exceptional events, such as overdue invoices, or unusually high levels of debt.

- Possibility for an unlimited number of text notes.
- External documents can be linked to transactions, giving central storage. E.g. scanned location maps, web site address, contracts, etc.
- Ability to spread revenue over multiple periods.
- User-definable relations give default account code completion and validation.
- Ability for import of valid transactions from external systems.
- Definition of a payment plan/schedule for stage payments.
- Credit control history available for review, maintenance and identification of follow-up actions.
- Production of statements according to user-specified parameters and selection criteria.
- Multiple customer groups give common treatment rules, defaulting control account, currencies, payment and discount terms.
- Treatment rules can be overridden for the customer and on the invoice.
- Customer details can be imported from external systems (flat file and XML).
- The customer database can be shared across multiple companies.
- Ability to store unlimited number of customer addresses (including email addresses) for delivery, invoice, payments, etc.
- Unlimited user-defined analysis, such as region, sales person, credit manager, customer type etc.
- Possibility for additional input screens for non-financial customer information, using flexi-fields.
- Credit and payment details, including foreign payment details.
- Head office grouping of customer branches.
- Customer statistics enquiry (including graphical) assists monitoring of customer turnover, aged debt balances, etc.
- User-definable payment methods including cheques, bank transfer, or various local electronic payment methods.
- IBAN an BIC are supported on the Customer master file.
- Ability to treat cheques differently in the GL according to status.
- User-definable 'complaint' codes track reasons for disputed items.
- Ability to drill down to General ledger, payment transactions, and originating sales order.
- Ability to email XML reminders or produce standard printouts
- Ability to exclude selected customers from reminder processing.
- Automatic interest calculation according to user-defined parameters with XML or standard output.
- Ability to include an administrative fee for reminders.
- Ability to define or import a payment plan/schedule for stage payments.
- Ability to consolidate and re-schedule payment plans.
- User-definable statement and reminder texts.
- Payment scheduled with corresponding phasing of statements, reminders, ageing etc.
- Automated transfer of debts to debt collection and import of collected receipts.
- Automatic write-off of selected items (proposal and actual).
- Definition or import of direct debit agreements as well as credit card details.
- Ability to run a process, to identify all invoices due for payment by direct debit, subject to specified criteria, and produce a flat file for sending to the bank.
- User-definable automatic match facilities exist for payments/remittance advices imported or received electronically.
- Contra facilities to transfer unpaid amounts between customers and suppliers.
- Handling of early payment discounts

5. Fixed Assets

5.1. General Description

A fixed asset system must be able to support the auditing of assets, both in terms of the value and also their physical existence. Information on assets and the costs associated with them is required for planning. Assets are purchased, maintained, utilized, accounted for, moved, tracked and subsequently disposed of.
This is the same whether they are items of plant, computer equipment or buildings or anything else. Capital projects also require similar controls.

Management of assets can be a complex and challenging task. Changes in regulations, such as the introduction of IFRS for listed companies in Europe, the Unites States and Canada for example, meant alterations of accounting practices. Organizational changes mean reassignment and movement of assets. Increased demands for traceability and transparency mean that additional information needs to be captured, or existing data presented in new ways.

Unit4 ERP Fixed Assets is a specialized solution to manage the fixed assets of an organization, ideally throughout their complete lifecycle from purchasing, through to their use, maintenance and disposal. In accounting terms, their value needs to be established, and written off over time according to the adopted accounting rules. In some cases, assets are revalued.

Unit4 ERP Fixed Assets is tightly integrated with Accounts Payable, General Ledger, Project Costing and Billing and Planner. Data only has to be entered once, with automatic connections between the different business functions. In addition, all Unit4 ERPS's common' functionality is available for reporting and analysis.

With the flexibility of the Fixed Assets module (such as multiple depreciation books) and the integrated flexibility of the Unit4 ERP common tools, the solution is able to quickly respond to changes and new demands with minimal disruption and cost.

5.2. Business Benefits

- In Unit4 ERP all asset information is available from a single point of access eliminating the need to maintain separate systems or keep information in spreadsheets.
- Detailed and accurate information is in place to support current and future planning. Sophisticated simulation routines mean that before starting the depreciation you are also able to simulate the data to know what the effect will be on the balance sheet and P&L in future years. The integrated Action Overview against each asset informs users of any actions and changes.
- Unit4 ERP maintains a full audit trail of all accounting changes, allowing reports to be produced using both the current and historical accounting methods for comparisons and tracking
- Account rules ensure that the appropriate accounting details are captured at the time of invoice entry. Additional attributes can be added to an account rule at any time, ensuring that additional accounting analysis can be captured as soon as the change is needed, without the need for costly delays or reconfiguration.

5.3. Most important functions

- Unlimited user-definable analysis fields (relations) may be associated with each assets/asset group. These may be used for holding the asset location, asset type, owner etc.
- Statistical values may be captured to reflect internal costs, such as photocopier usage
- User definable input screens using flexi-fields for sets of additional information. This might include car model, make, colour and mileage for fleet management; processor, memory, peripherals for a register of computer equipment; floor area, number of storeys, number of rooms, usage for a property register
- Assets may be linked to other records in ERP, such as employees who are the users of a car or equipment; to projects where a building is under construction or to the property register where users are being billed for utility usage.
- Powerful enquiries and reporting by any asset field including user-definable relations or flexi-fields from above. For example, to produce a schedule of cars requiring servicing etc.
- Automatic update from other modules referenced to assets, such as General Ledger, Accounts Payable, Purchasing
- Extensive set of depreciation methods including depreciation tables
- Repeatable depreciation, i.e. ability to revalue and recalculate depreciation in the past automatically
- Unlimited number of depreciation books (sections, like tax, calculatory, US-GAAP, etc.), each of them with a complete set of definitions including accounts, and the possibility to post to GL or not
- Supports linked/composite assets
- Automatic calculations in case of inventory changes
- Depreciation forecast
- Automatic links with Purchase Orders
- Automated depreciation calculation with report only or update options, according to user-specified parameters.
- Support for capital projects (using Project modules, or simply using an attribute for Project in the GL), tracking Work in Progress and enabling capitalisation when required.
- Calculatory interest can be run on assets for years for which the year-end process has already been run.

- Assets can be created directly from information entered on purchase invoices, ensuring that the creation of fixed asset records is done by the person with the most relevant knowledge, minimizing the chances of errors.
- By creating assets from the posted invoices all information is available from a single process, including the scanned invoices, with no need for further reconciliation of data or amounts.
- Quick start tools allow users to load bulk historical data from spreadsheets and quickly load old assets with their balances and new assets.
- When an asset is sold all data will be automatically posted using specialist transaction types for sales and disposals.
- Assets can be transferred easily with their associated balances.
- Unlimited user-definable analysis fields (relations) may be associated with each assets/asset group.
- Ability for automatic numbering when creating new assets, with different number sets for different types of asset.
- Action overview is used to track maintenance issues, record changes and actions.
- Document archive can hold certificates, photographs, operating instructions, deeds, etc.
- Assets may be linked to other records in ABW, such as employees who are the users of a car or equipment, etc.
- Automatic update from other modules referenced to assets, such as General Ledger, Accounts Payable, Purchasing.
- Maintenance of assets can be monitored and controlled using Project modules/work-orders.
- Depreciation method can be changed at any time on the original asset and you can view the remaining lifetime of a depreciating asset.
- Possible to post calculatory interest before depreciation on an asset has started. This means that assets that have a different capitalization date from the depreciation start date can be more accurately accounted for.
- Ability to simulate costs like depreciation for planned or imaginary assets that have not yet been created or capitalized.
- Multiple depreciation methods supported, including straight line, reducing balance and digressive depreciation. Also, the ability to use depreciation tables.
- Multiple deprecation books to handle statutory, business, tax and other simultaneous depreciation calculations.
- The general ledger is updated automatically with the appropriate accounting entries to support IFRS or local GAAP.
- Automated depreciation calculation with report only or update options, according to user-specified parameters.
- Full support for index-based revaluations and simulation of depreciation supports index-based revaluation (IRV).
- The specified depreciation method can be changed at any time on the original asset.
- The remaining lifetime of a depreciating asset can be viewed via the asset master file. The calculation is based on the date entered in the date from field in the change date section. The field is displayed in periods.
- Transactions can be created on multiple depreciation books simultaneously.
- Possibility to include an explanatory text when creating an asset from an invoice.
- Powerful reporting and enquiry tools enable effective control of capital projects and other asset costs against budget, over time etc. Reporting is possible by any asset field including user-definable relations or flexi-fields.
- Analysis requirements on transaction screens change dynamically for different asset groups.
- Bulk/mass updates from spreadsheets.

- Supports both residual and salvage values
- Specialist third party applications may be interfaced, using standard interface functionality, Batch Input, (such as a Property Management system) enabling all relevant costs to be held in the ERP database, and enabling all relevant data to be queried in one place.
- Account types, amount types and formulas are user-definable.
- It is user definable whether a line in a transaction is debit or credit.

6. Bank Reconciliation and Statement Processing

6.1. General Description

Posting of bank statements is for most companies a labour-intensive but inevitable activity that happens daily. In addition, in a bank statement various items must be investigated before posting, such as:

- Customer invoices receipts by way of automatic collection or manual payments, with or without pre-printed giro credit slips.
- Supplier invoices payments via remittance, by direct debit or by manual payments.
- Payments or amounts withheld without invoices such as banking costs, rental, leasing, national insurance premiums, taxes or payments of public utilities.

Nowadays every modern bank has the possibility to provide the statement of account in an electronic form that could be used for automating the process for bank reconciliation and matching.

The Statement Processing module in the Financial Management product family is used to support the reconciliation of cash and bank balances with bank statements and at the same time providing strong capabilities for automatic matching of transactions.

Effortlessly import new data types, set up complex matching rules, and record all of your activity in an audit-ready format.

The advantages of these functions are a considerable time-saving compared to the work involved when entering bank mutations manually and a reduction in the risks of mistakes.

6.2. Business benefits

- Unit4 ERP's automatic reconciliation and combined matching facilities eliminate the need for manual processing thereby freeing time for more value-added tasks, while ensuring full control is maintained
- Ability to follow an automatic matching and reconciliation with a manual one focuses the user's attention on the exceptions.
- Cut down on manual errors, find potential mismatches, and generate exception reports so you can find a little peace of mind.
- Simple definition and import of bank specific statements reduces the speed and cost of implementation.
- Ability to adapt and extend match rules based on experience means that you can achieve a very high automatic match rate, freeing up time to check on exceptions and errors

6.3. Most important features

- Bank accounts, balances and movements can be sub-analysed in order to support, for example, a single bank account used by many branches of a single organisation. This is done in the general ledger, using accounts and account rules.

- Ability to import bank statements in different type of formats (i.e. csv, txt, XML, etc)
- Ability to process consolidated statements containing multiple bank accounts
- Ability to reconcile bank statements manually and/or automatically with cash postings in the Unit4 ERP ledgers.
- Automatically updated by all bank transactions including payments, receipts and transfers.
- Autopost rules allow you to post directly from the bank statement to the GL for example interest and charges, including cost distribution capabilities
- Providing strong capabilities for automatic matching of transactions, including incoming customer payments and receipts.
- Support for multiple automatic matching routines which can be easily configured to meet customer specific business requirements, i.e. LIFO-/FIFO- matching, matching on KID reference
- Ability to process partial payment and advance payments
- Manual matching capabilities to handle exceptions / items which cannot be automatically match
- Supports any number of bank accounts and currencies.
- Facilities to ensure efficient manual matching – suggested matches, sorting and selection options,
- User defined tolerances for automatic matching
- Ability to match based on aggregated transactions
- Ability to set user defined match rules, for example by reference or part reference, transaction type, date, amount
- The automatic process will make a proposal which can be viewed, confirmed, adjusted, deleted, rerun as required
- A clear posting proposal showing the user how the final posting in general ledger will look like whilst processing a statement
- Detailed and summarised reports are available as standard
- Enquiries are available to analyse the cash book, bank statement, matched and unmatched transactions
- Defining the bank statement formats can be done on a 'no-code/low-code' principal with the Unit4 People Platform by creating tenant specific integration flows.[2]

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[2] The module does not include out-of-the-box bank integrations. With our NextGen technology these can now be configured as integration flows within Integration Kit via Services. Check out the content of the various Industry Models for any preconfigured integration for particular regions or markets

7. Sales order processing

7.1. General Description

The Unit4 ERP sales order functionality provides support for the sales process with easy order entry and follow up, in order to respond to customers' questions and delivery of excellent customer service.

The Sales Oder module enables the entry, control and processing of sales orders, together with monitoring and analysis of sales order activity.

It provides back-office support the sales process, including goods despatch and invoicing. It also will support organisations in producing sales invoices in situations where the organisation sells services rather than stock or products.

The module is an integrated part of the Unit4 ERP working seamlessly with other modules within the Unit4 ERP like General Ledger, Accounts Receivable, but also Purchasing and providing information to customer evaluation, contract negotiation, sales analysis, commission calculations, etc.

Includes processes of sales ordering, picking, despatching and invoicing. Authorisation may be defined by user-id, and credit control, stock level checks etc, are performed. Unit4 ERP supports back-to-back sales/purchase ordering, and sales of kits.

To produce sales invoices from Unit4 ERP, the customer may use Sales Orders, without the need to do the full cycle of order entry, pick and despatch. It is possible to select a different 'treatment' and enter invoice details for printing.

7.2. Business Benefits

- Sales Orders aims to assist organisations in meeting customer service targets, particularly with respect to delivering the right product to the right place at the right time.
- Powerful sales analysis tools enable the organisation to maximise the potential of their markets and improve turnover, profitability and competitiveness.
- The functionality will ensure that the user can respond to virtually any question the customer may pose during order entry or subsequent follow-up. Such questions may be about the order, his AR account or credit position, stock availability, expected delivery, previous orders etc.
- When salespeople are recording customer orders, they do not often know or care about how it is recorded in the ledgers. Automation of the coding as much as possible saves them time and improves accuracy of sales analysis and accounting information.
- Account rules ensure that the appropriate accounting details are captured at the time of invoice entry. Additional attributes can be added to an account rule at any time, ensuring that additional accounting analysis can be captured as soon as the change is needed, without the need for costly delays or reconfiguration.
- Automated credit control functions, including automated credit checking and authorisation linked to sales 'roles', ensure optimum debt recovery and profitability.
- Support for payment schedules enables organisations to provide better customer service, to accommodate their customers' ability to pay.

- Powerful and flexible reporting ensures that salespeople and managers are equipped with valuable information for customer negotiations, enabling them to achieve the best possible terms while maintaining good customer relationships.
- Sales Orders provides the basis for the eCommerce solutions, enabling integration with external systems, web-shops etc. Similarly, integration with external Electronic Point of Sale (EPOS) systems ensures fast and accurate update of core sales and financial data.

7.3. Most important features

Customers

- Multiple customer groups give common treatment rules, defaulting accounting information, currencies, payment and discount terms.
- Treatment rules can be overridden for the customer and on the order.
- Customer details can be imported from external systems
- Unlimited customer addresses for delivery, invoice, payments, mail shots etc.
- Unlimited user-defined analysis, such as region, salesman, credit controller, customer type etc.
- Credit and payment details, including foreign payment details
- Unlimited text notes
- External documents can be linked, giving central storage. E.g. scanned location maps, web site address, contracts, links to customer web site etc.
- Head office grouping of customer branches.
- Language facility enables documents to be produced in the customer's preferred language.
- Customer statistics enquiry (including graphical) assists monitoring of customer turnover, aged debt balances and payment history, including whether payments were made late, on time etc.
- Alternative payment account for factors etc.

Products and Services

- Multiple product groups give common, default treatment
- Unlimited user-definable product analysis
- Import of products from external systems (flat file, or XML)
- Multiple units of measure per item, eg, stocking, pricing, selling, buying
- Default tax (VAT) treatment
- Definition of stock, non-stock/service items
- Back-to-back sales/purchase ordering to eliminate stock holding
- Support for multi-level sales 'kits' including fixed and configurable kits
- Definition of 'value only' items, ie where quantities are not relevant, such as in-service contracts
- Control of batch, lot and serial numbered items
- Unlimited text, organised by text type, such as internal text, order text/specification, etc. Text may be defined and output in multiple languages
- Unlimited EAN/Bar codes per item
- Flexible product enquiries enabling easy identification of items required
- Default order and invoice 'charges' for carriage, duty, handling etc.

Sales Prices

- Prices set by customer group and/or customer, unit of measure, currency, quantity breaks and effective dates
- Discount matrix based on customer and item groupings with effective dates
- Optional price override on order
- Order discount
- Optional validation of target margins during sales order entry
- Mass update of sales prices

Orders/Invoices

- Variety of order 'treatments' enables the users to by-pass various stages in the order cycle. E.g. full cycle of order entry, goods delivery, invoicing, may be shortened to eliminate the print stage where an invoice print and post utility is required
- Flexible, tailorable customer search facilities
- Optional ability to enforce sales order authorisation
- Automated credit checking against customer credit limit at order entry and save
- Checking of stock availability
- Default of order delivery address with override
- Multiple dates to support follow-up, enquiry and performance reporting
- Flexible, tailorable product searches
- User can specify columns to be displayed during order entry, giving straightforward entry screen or displaying additional order-line information
- Unlimited order-line text for item specification (defaults from item file)
- Entry and selection of order header and footer text
- User-definable order analysis
- Orders may be entered manually, or imported from external systems, such as EPOS systems.
- Tracking of order amendments
- Unlimited internal text, for example for follow-up notes
- General Ledger analysis defaults from customer and item details and need only be overridden in exceptional circumstances. This simplifies order entry.
- Order and order-line charges may be applied
- Capture of shipping details, such as Incoterms and shipping marks
- Various enquiries and maintenance functions support order follow-up, confirmation and customer enquiry
- Picking and goods delivery functions may be used for stocked and non-stocked items (See Inventory for more details). Goods delivery may be by-passed for service items if required, using the appropriate 'treatment'.
- Parameterised picking including picking by date, order range, customer range, location picking sequence or location code etc.
- Invoices may be printed, trial printed and copy invoices can be printed if required
- XML Invoices may be emailed directly to the customer
- Consolidated invoices may be produced according to predefined rules
- Internal invoicing within an organisation as well as to external customers
- Inter-company trading between sales and purchase order systems in different companies in the database.
- Ability to enter distribution key to spread the income posting across multiple periods
- Ability to specify payment plans, for payment by installment

Other Features

- All documents may be produced in multiple languages

- All transactions are multi-currency
- Flexible tax (VAT) treatment of sales, including gross and net pricing, destination-based tax treatment, etc.
- Payment schedules can be attached (manually entered or imported), thus simplifying credit control
- Powerful, flexible enquiry and reporting tools enable easy analysis of all sales-related activity, including ordered/invoiced amounts, sales targets whether set by customer, product group, salesperson etc;
- Similarly, the reporting and enquiry tools enable easy customer/order follow-up, including details of outstanding orders, incomplete orders, stock allocation and availability, etc
- Integration with General Ledger, Accounts Receivable, Inventory Management, and Purchasing.
- Integrated with workflow for approvals, checking and automatic notification

8. Smart Invoice Processing

8.1. General Description

Smart Invoice Processing (aka SIP) is a self-learning accounting prediction service to support the processing of incoming invoices.

The service can be incorporated within the U4ERP workflow for invoice registration to propose the GL-accounting analysis based on pattern recognition of historical data for single line invoices.

By adopting this service Unit4 ERP can now assist in selecting more accurate accounting values for your incoming supplier invoices using established patterns from past registration.

By analysing the way invoices have been registered and subsequently posted in the past the service creates a predictive model that is there to apply to an invoice to suggest likely values for the required posting attributes.

In short, the model answers the following question:
"Given an invoice from supplier x, and based on experience, which are the most probable accounting values to apply".

8.2. Business benefits

- Faster processing of invoices, improving settlement times
- Considerable timesaving compared to the work involved when entering invoices manually and a reduction in the risks of mistakes
- Both services can be easily incorporated within an existing solution setup delivering quick time-2-value

8.3. Most important features

- The predictive model is encapsulated in a workflow system step available within the incoming invoice element type.
- The system step allows customers to position the assisted registration as you like in combination with other routing decisions in the workflow model.
- To use of the model is not 'all or nothing'; you can easily route the invoices with certain accounting strings around the model preserving the values originally entered upon registration.
- (Re)train capabilities to improve the model to benefit from the added transactions

9. Compliance

9.1. IFRS and GAAP compliance

Unit4 ERP FMS includes a number of comprehensive functions to assist companies in preparing for closings in accordance with International Financial Reporting Standards (IFRS), in addition to group reporting and any other GAAP reporting requirements.

Compliance to IFRS is an accounting responsibility rather than a set of software requirements. Accurate reporting in Unit4 ERP FMS does not only depend on functionality, but also on the correct configuration and handling.

Customers need to consult the implementation team and their corporate accountant to determine what their IFRS requirements are and how to implement them. At the end customers are responsible for making all applicable operations and for providing appropriate documentation so that their financial reports are accurate and complete.

We do not have specific functionality to handle:
- Stock revaluation
- Hedging (out of scope for Unit4 ERP functionality)

The biggest strength of unit4 ERP FMS is in being able to report according to IFRS and local GAAP simultaneously with a complete audit trail of the differences and also with the option of implementing workflow so that adjustments have to be approved.

9.2. Sarbanes Oxley

Again, as with IFRS, compliance is not a software issue but an organisational issue. However, there are tools and features within Unit4 ERP FMS that help in this area. These include workflow for control, audit trails, availability of historical data, integrated systems, validated batch import etc.

10. Localisation capabilities

10.1. North America

Unit4 ERP provides some additional capabilities to serve the US and Canadian operating customers securing compliance to specific USA specific legal & statutory requirements:

1099-ETC connector

What is 1099?
1099 refers to a United States tax form used for reporting payments made to independent contractors. For Unit4 ERP clients, this typically means payments to suppliers. 1099 reporting requirements is an accounts payables issue and the appropriate 1099 report is due to the IRS on January each year. 1099's is not a payroll function but an Accounts Payable requirement for tax filing purposes.

1099 reporting via 1099-ETC/PRO
Advanced Micro Solutions 1099-ETC (1099-ETC) and 1099-PRO are 3rd party applications which provides reports to meet IRS filing requirements in 2 main areas:
1) 1099 accounts payables (see above "What is 1099" section)
2) US payroll (W2 Annual Statement of Wages, 941 Quarterly form, 940 Annual Federal Unemployment form, and so on)

See vendor website for further details at http://www.1099-etc.com/

What is the 1099 interface localization solution?
Unit4 ERP interfaces with this application by providing the necessary data via output files (batch interfaces and not real-time). 1099-ETC/PRO consumes Unit4 ERP output files to produce the 1099 reports.

The Unit4 ERP 1099 interface solution covers all the interfaces (usually a batch export) to send information from ABW to 1099-etc/PRO. Currently, Unit4 ERP supports the 1099-MISC, 1099-DIV, 1099-R, 1099-INT, W2, 941 and others reports but will expand the support offering to fit the customer need as requested.

Is 1099-ETC/PRO always required ?
The primary benefit of acquiring the 1099-ETC/PRO application is automation. Automating the creation of 1099 reports provides speed, accuracy and minimizes the effort.

Alternatively, 1099 reporting requirements can be handled manually.

The primary criteria is – does an organization have enough 1099 complexity and volume to justify the additional cost of acquiring 1099-ETC/PRO and the associated localization implementation effort? This is typically determined on a case-by-case basis. Many US customers do not need it if they do not have AP requirements to report on external suppliers used. Or, they already have some other 3rd party system in place to handle this via their old ERP, or, they have such a small need that the just paper file it. In short, there are many ways to file/meet 1099 needs. We should only suggest 1099-ETC/PRO if the state the need for extensive 1099 reporting needs.

Example :

For clients who do not have many suppliers and not many transactions, it is possible to fill-in 1099 forms by hand using data gathered from Unit4 ERP screens, information browser reports, Excel sheets, ad hoc calculations and so on.

A better option is to gather data from 1099-ETC output file generated by unit4 ERP and use this information to manually fill-out 1099 forms. 1099-ETC output files have documentation and a user can be trained to understand the "tags" and read the information.

1099-ETC for Unit4 ERP customers
Unit4 does <u>not</u> resell the 1099-ETC solution. Customers purchase this product directly from the vendor and is responsible for maintaining and obtaining product updates to keep abreast of all regulatory changes to the reporting requirements.

Advanced Micro Solutions 1099-ETC : Contact information
https://www.1099-etc.com/activecart/order-start.php

Financials report of payments for Canada Revenue Agency (T4A GL)

With the Unit4 ERP North American localisation customers can comply to the regulatory reporting requirement of T4A GL – financials report of payments for Canada Revenue Agency.