

TXIS – MII ERP<sup>+</sup> Practice Solution Document

# WHITE PAPER USER MANUAL FOR – MANUAL PREPAYMENT INVOICE WITH FOREIGN CURRENCY

## Module – Account Payables

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To understand **prepayment** using the 5 W's (Who, What, When, Where, Why), here's a comprehensive breakdown:

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### 1. Who

- **Who Makes the Prepayment:** The prepayment is typically made by a buyer or customer who is paying in advance for goods or services.
- **Who Receives the Prepayment:** The prepayment is received by a seller, service provider, or landlord who will provide the goods or services at a later date.

### 2. What

- **What Is Prepayment:** Prepayment is the act of paying for goods or services before they are actually delivered or provided. It can be a full or partial payment made before the service period begins or before the goods are supplied.
- **What It Includes:** This may include advance payments for products, deposits for reservations, subscription fees, or rent paid in advance.

### 3. When

- **When Is It Done:** Prepayment is made at the time of booking, ordering, or signing a contract, typically before the delivery date or service provision date. It is done according to the terms agreed upon between the buyer and the seller.
- **When It's Recognized:** In accounting terms, prepayments are recognized as assets initially and then expensed over time as the service is received or the goods are delivered.

### 4. Where

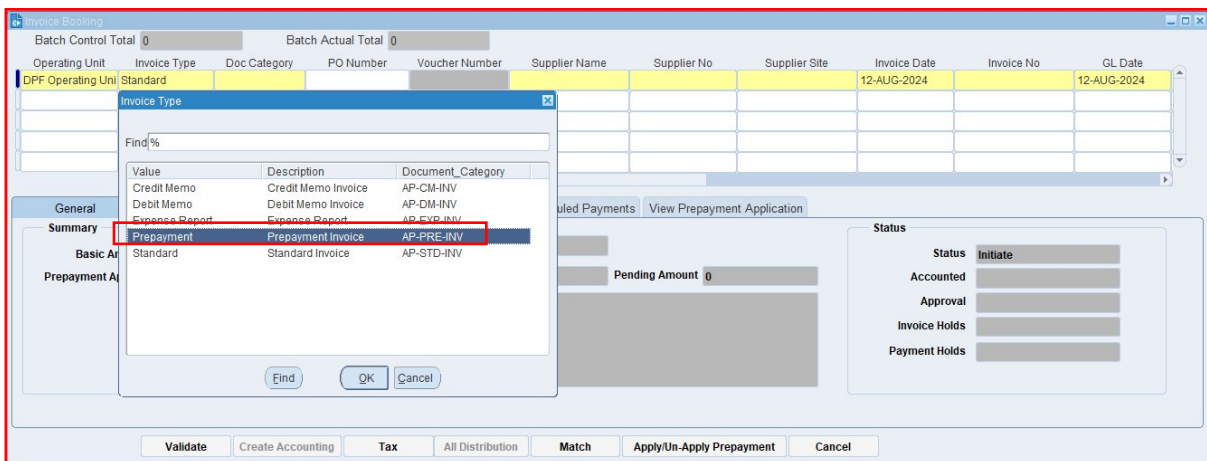
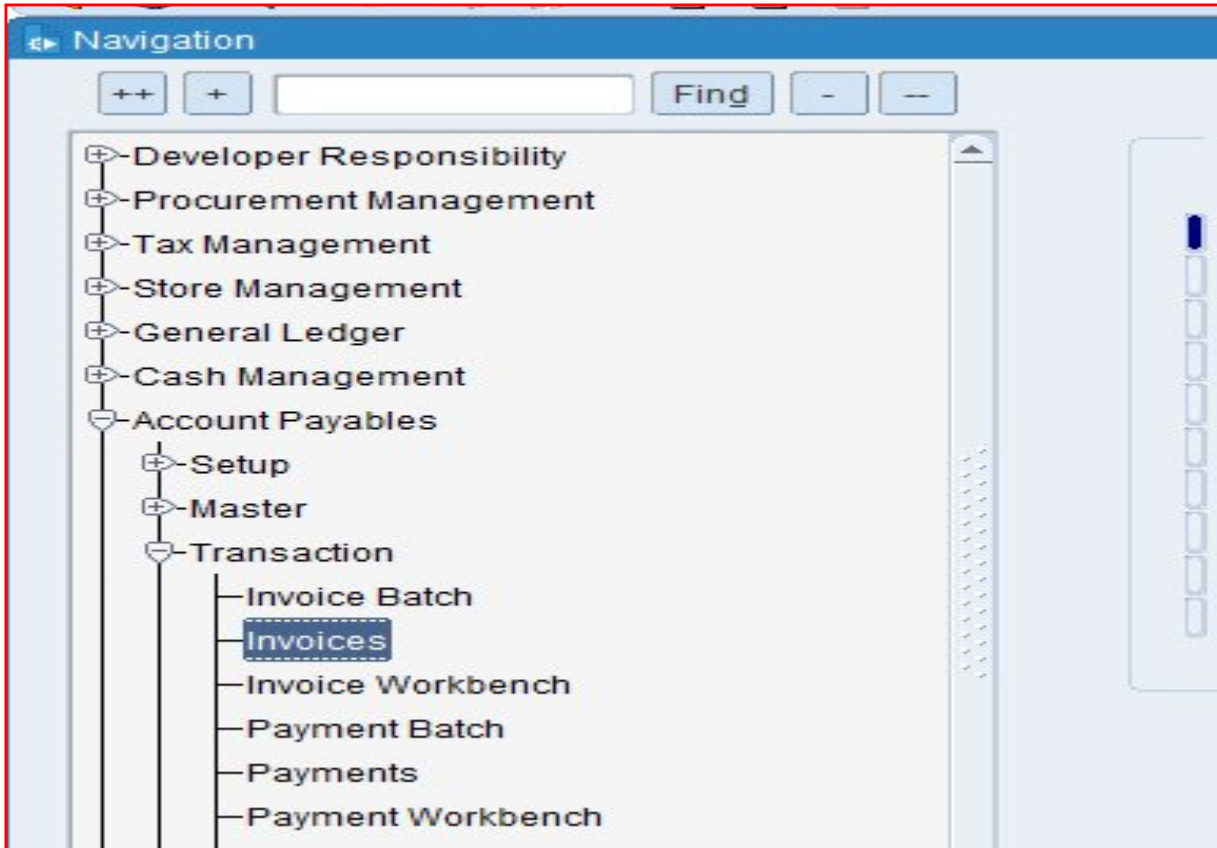
- **Where Is It Used:** Prepayment is used in various scenarios, including:
  - **Retail:** For reserving products or services.
  - **Real Estate:** For paying rent or deposits on rental properties.
  - **Travel and Hospitality:** For booking flights, hotels, or event tickets.
  - **Subscriptions:** For paying for ongoing services like magazines, software, or memberships.
- **Where Is It Recorded:** In financial records, prepayments are typically recorded as prepaid expenses or prepaid assets on the balance sheet until the service or goods are delivered.

### 5. Why

- **Why Is It Done:** Prepayments are made for several reasons:
  - **To Secure Goods or Services:** Ensures availability or reservation of products or services.
  - **To Benefit from Discounts:** Some providers offer discounts or better terms for advance payments.
  - **To Manage Cash Flow:** Helps in budgeting and planning by spreading out payments.
  - **To Mitigate Risk:** Reduces the risk of non-payment or cancellation by securing funds upfront.
  -

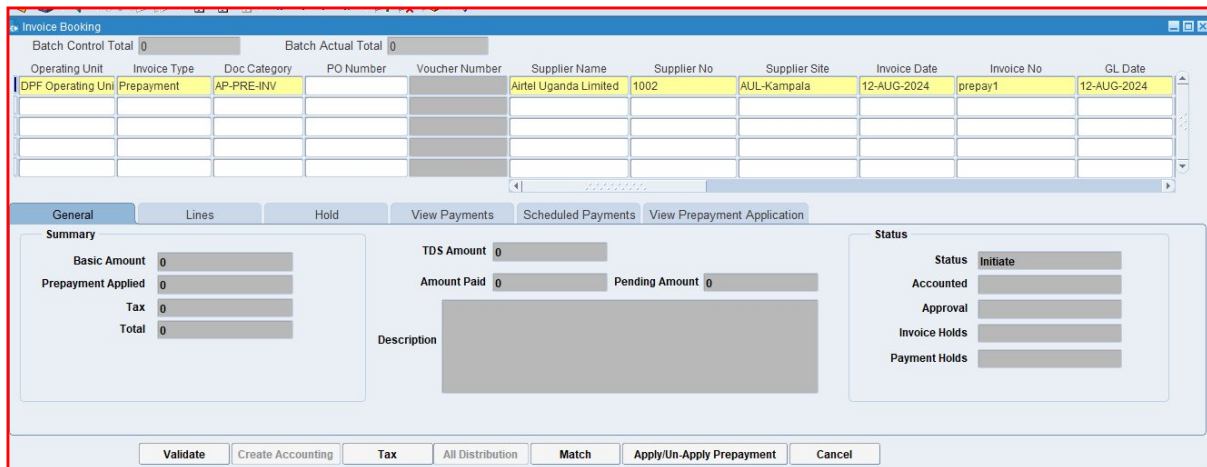
Navigation – Account Payables > Invoice

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Click on Invoice type LOV & select Prepayment.

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| Operating Unit     | Invoice Type | Doc Category | PO Number | Voucher Number | Supplier Name         | Supplier No | Supplier Site | Invoice Date | Invoice No | GL Date     |
|--------------------|--------------|--------------|-----------|----------------|-----------------------|-------------|---------------|--------------|------------|-------------|
| DPF Operating Unit | Prepayment   | AP-PRE-INV   |           |                | Airtel Uganda Limited | 1002        | AUL-Kampala   | 12-AUG-2024  | prepay1    | 12-AUG-2024 |

Put the Doc category, supplier's name & Invoice number

### What is Document Category?

This is a classification assigned to an invoice to indicate its type or purpose. It helps the ERP system to apply specific rules, workflows, and processing steps based on the category. Examples might include "Sales Invoice," "Purchase Invoice," "Credit Note," or "Debit Note."

### What is Supplier's name?

It identifies the party that has supplied the goods or services, ensuring that there is clarity on who the invoice is coming from. This helps in maintaining accurate records and resolving any discrepancies related to the supplier.

### What is a supplier site?

The supplier site provides detailed information about where a supplier operates, ships from, or where services are delivered. This helps in managing logistics, shipping, and procurement processes efficiently.

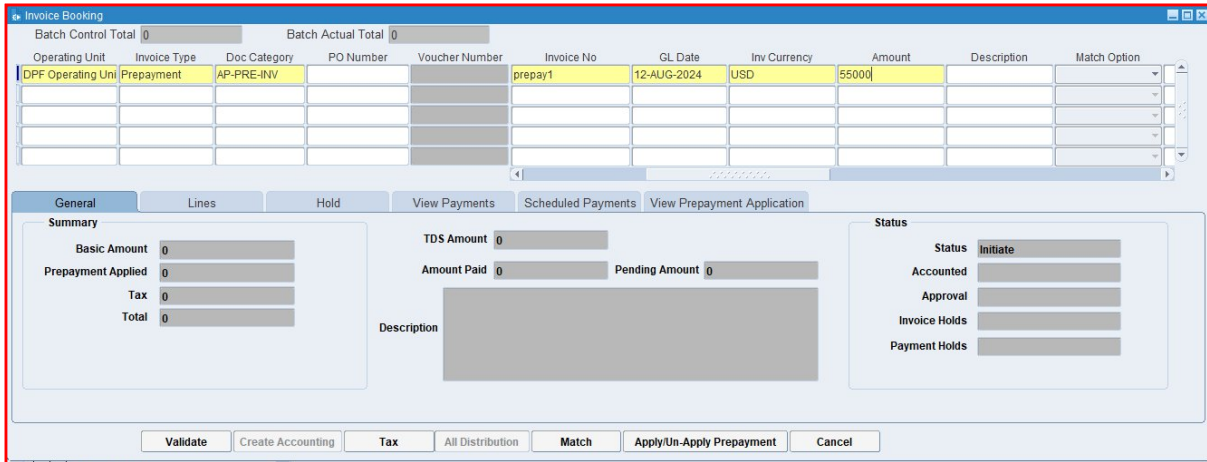
### What is the Invoice Number?

The invoice number uniquely identifies each invoice, making it easy to reference and track. It helps in distinguishing one invoice from another, which is essential for organization and clarity in financial records.

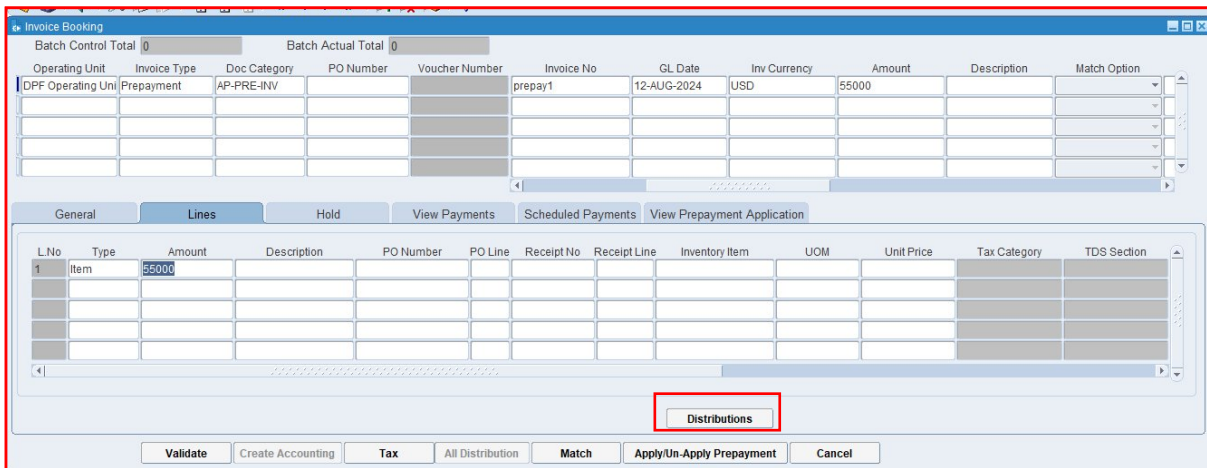
### What is GL Date?

The GL date indicates the specific date on which a transaction is recorded in the General Ledger. This date determines the accounting period in which the transaction will be included for financial reporting and analysis.

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Put the prepayment amount & Take the Invoice Currency as USD.



Fill **Lines** Details and then click **DISTRIBUTIONS** button

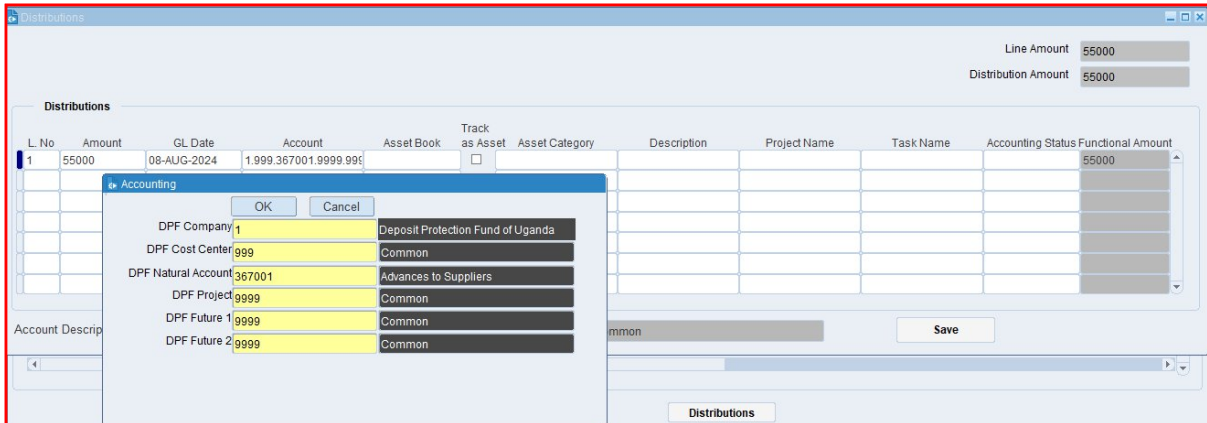
### What is Lines?

In the context of an invoice, lines refer to the individual entries or rows on the invoice that detail each specific item or service being billed. Each line typically includes a description, quantity, unit price, and total amount for the particular item or service.

### What is Distributions?

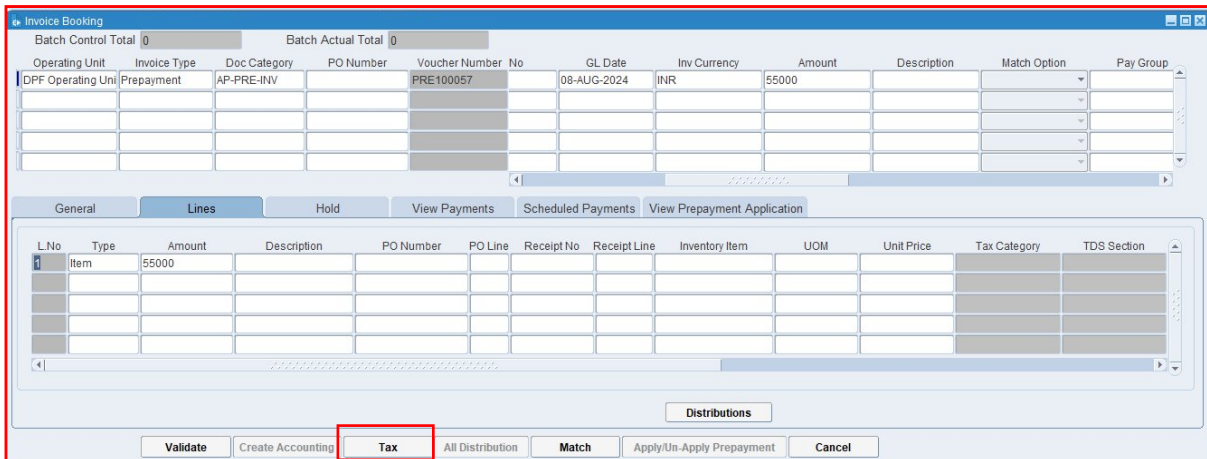
In the context of invoicing and accounting, distributions refer to the process of allocating the costs of an invoice to different accounts, cost center, or departments within an organization. This ensures that expenses are recorded accurately in the financial records and helps in proper budgeting and financial analysis.

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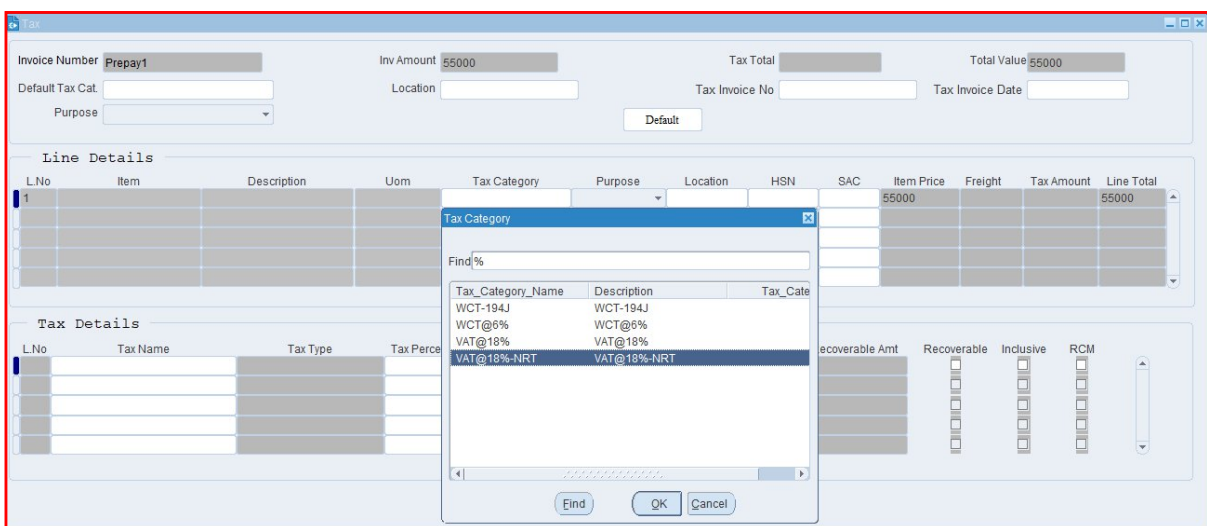
| L No | Amount | GL Date     | Account               | Asset Book | Track as Asset           | Asset Category | Description | Project Name | Task Name | Accounting Status | Functional Amount |
|------|--------|-------------|-----------------------|------------|--------------------------|----------------|-------------|--------------|-----------|-------------------|-------------------|
| 1    | 55000  | 08-AUG-2024 | 1.999.367001.9999.999 |            | <input type="checkbox"/> |                |             |              |           |                   | 55000             |

Fill **Lines Distributions** Details and Accounts Details are automatically selected on “type: Prepayment”. Only you have to save it.



| Operating Unit     | Invoice Type | Doc Category | PO Number | Voucher Number | No | GL Date     | Inv Currency | Amount | Description | Match Option | Pay Group |
|--------------------|--------------|--------------|-----------|----------------|----|-------------|--------------|--------|-------------|--------------|-----------|
| DPF Operating Unit | Prepayment   | AP-PRE-INV   |           | PRE100057      |    | 08-AUG-2024 | INR          | 55000  |             |              |           |

Click on Tax



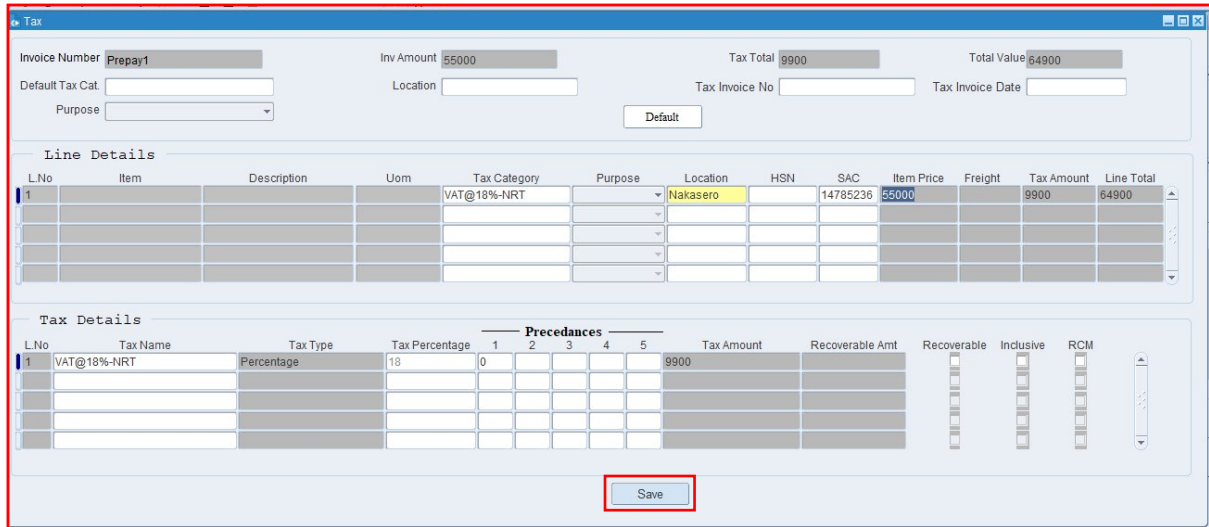
| LNo | Item | Description | Uom | Tax Category | Purpose | Location | HSN | SAC | Item Price | Freight | Tax Amount | Line Total |
|-----|------|-------------|-----|--------------|---------|----------|-----|-----|------------|---------|------------|------------|
| 1   |      |             |     |              |         |          |     |     | 55000      |         |            | 55000      |

Select the tax category.

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### What is Tax Category?

a tax category refers to a classification used to apply the correct tax rules and rates to transactions. This categorization ensures that taxes are calculated accurately based on the nature of the goods or services being provided and the applicable tax regulations.

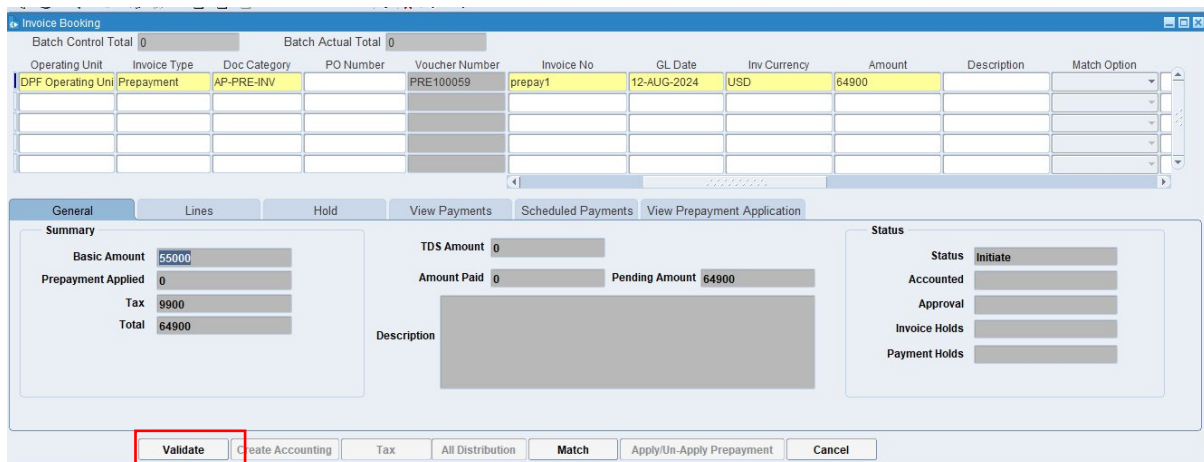


| L.No | Item | Description | Uom | Tax Category | Purpose | Location | HSN | SAC      | Item Price | Freight | Tax Amount | Line Total |
|------|------|-------------|-----|--------------|---------|----------|-----|----------|------------|---------|------------|------------|
| 1    |      |             |     | VAT@18%-NRT  |         | Nakasero |     | 14785236 | 55000      |         | 9900       | 64900      |

| L.No | Tax Name    | Tax Type   | Tax Percentage | Precedences |   |   |   |   | Tax Amount | Recoverable Amt | Recoverable              | Inclusive                | RCM                      |
|------|-------------|------------|----------------|-------------|---|---|---|---|------------|-----------------|--------------------------|--------------------------|--------------------------|
|      |             |            |                | 1           | 2 | 3 | 4 | 5 |            |                 |                          |                          |                          |
| 1    | VAT@18%-NRT | Percentage | 18             | 0           |   |   |   |   | 9900       |                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Click on Save



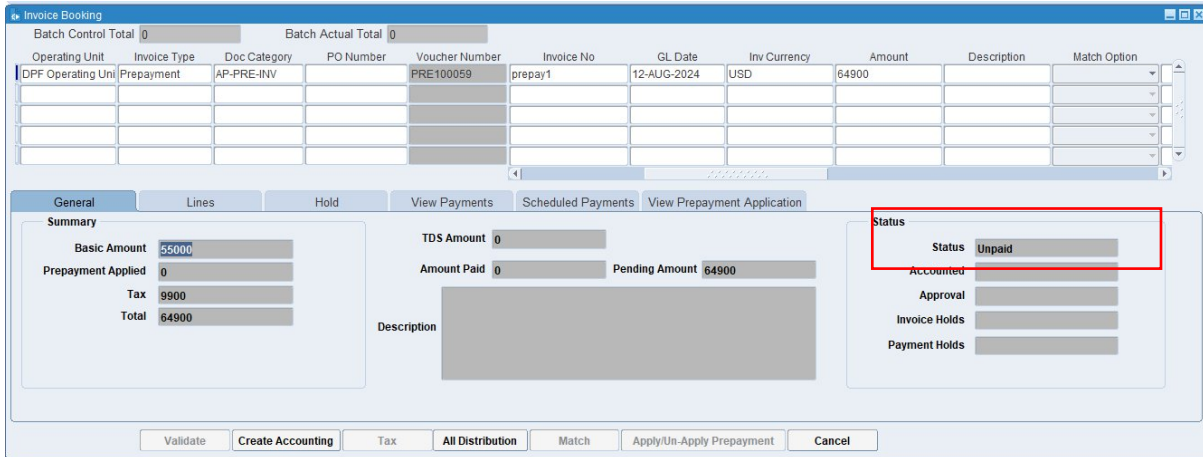
| Operating Unit    | Invoice Type | Doc Category | PO Number | Voucher Number | Invoice No | GL Date     | Inv Currency | Amount | Description | Match Option |
|-------------------|--------------|--------------|-----------|----------------|------------|-------------|--------------|--------|-------------|--------------|
| DPF Operating Uni | Prepayment   | AP-PRE-INV   |           | PRE100059      | prepay1    | 12-AUG-2024 | USD          | 64900  |             |              |

|   |  |  |
|---|--|--|
| <b>Summary</b><br>Basic Amount: 55000<br>Prepayment Applied: 0<br>Tax: 9900<br>Total: 64900 | TDS Amount: 0<br>Amount Paid: 0<br>Pending Amount: 64900 | <b>Status</b><br>Status: Initiate<br>Accounted: <input type="checkbox"/><br>Approval: <input type="checkbox"/><br>Invoice Holds: <input type="checkbox"/><br>Payment Holds: <input type="checkbox"/> |
|---|--|--|

Click on Validate

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| Operating Unit     | Invoice Type | Doc Category | PO Number | Voucher Number | Invoice No | GL Date     | Inv Currency | Amount | Description | Match Option |
|--------------------|--------------|--------------|-----------|----------------|------------|-------------|--------------|--------|-------------|--------------|
| DPF Operating Unit | Prepayment   | AP-PRE-INV   |           | PRE100059      | prepay1    | 12-AUG-2024 | USD          | 64900  |             |              |

**Summary**

Basic Amount: 55000

Prepayment Applied: 0

Tax: 9900

Total: 64900

TDS Amount: 0

Amount Paid: 0

Pending Amount: 64900

**Status**

Status: Unpaid

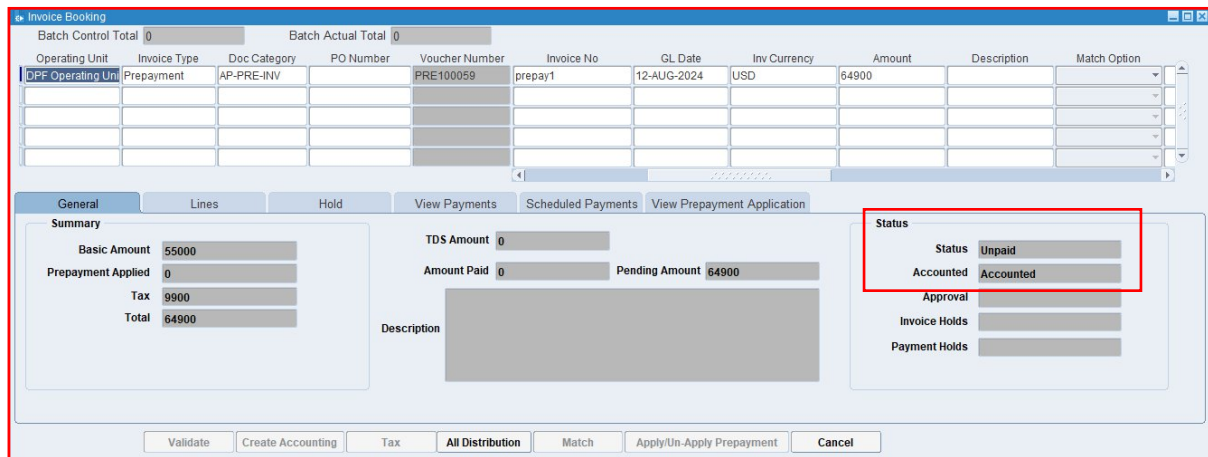
Accounted:

Approval:

Invoice Holds:

Payment Holds:

Check Status should be **UNPAID**



| Operating Unit     | Invoice Type | Doc Category | PO Number | Voucher Number | Invoice No | GL Date     | Inv Currency | Amount | Description | Match Option |
|--------------------|--------------|--------------|-----------|----------------|------------|-------------|--------------|--------|-------------|--------------|
| DPF Operating Unit | Prepayment   | AP-PRE-INV   |           | PRE100059      | prepay1    | 12-AUG-2024 | USD          | 64900  |             |              |

**Summary**

Basic Amount: 55000

Prepayment Applied: 0

Tax: 9900

Total: 64900

TDS Amount: 0

Amount Paid: 0

Pending Amount: 64900

**Status**

Status: Unpaid

Accounted: Accounted

Approval:

Invoice Holds:

Payment Holds:

Then do Create Accounting

XX END XX