

Priority for Accounts Receivable

WHY CHOOSE PRIORITY?

WORLD'S MOST CONFIGURABLE ERP

- √ tailor fields, screens, menus, reports, stationery
- √ drag and drop workflows
- √ business rules, automated data entry, automated repetitive tasks

CHOICE OF HOSTING

- √ on-premise or cloud hosted

MIXED PLATFORM

- √ any mix of PCs, Macs, tablets and smartphones

MOBILE

- √ fast enough to run over cellphone networks

INTEGRATED CRM

- √ built-in CRM provides full interaction with ERP
- √ full interaction with MS Office and Gmail suites

BREADTH OF MODULES

- √ functionality to support many industries in the same system

DEPTH OF FUNCTIONALITY

- √ detailed features for the most demanding of users

INTEGRATION/TRACEABILITY

- √ interaction between each part of the system
- √ drilldown to all related records

EASY TO INTERFACE

- √ strong API to connect to other software

EXPERIENCE

- √ 30 years of development
- √ 7,000 implementations



Flexible invoicing types, including trade counter, pro-forma and export invoices

Integration removes rekeying

Integrated CRM allows prompting of all tasks

User configurable workflow for all processes

The **Accounts Receivable** module is a direct extension of sales and delivery. It manages all accounting procedures related to the customer, from the creation of invoices to receipts of payment, calculation of finance charges, credit maintenance and aging.

A broad spectrum of reports is included in this module, which allow for the analysis of sales revenue from a number of different perspectives (customers, parts, families).

The distinction between this module and the **Customer Relations Management**, **Sales** and **Inventory** modules is merely a logical one. In practice, there is a constant flow of data between the modules. For instance, invoices can be generated on the basis of unbilled shipments; or they can record the shipment of goods as well as payment due (combining an inventory transaction with a financial one), on the basis of a sales order. Similarly, financial data can flow to the **Sales** module — for example, to inform sales representatives of the financial position of customers, particularly their credit balances.

In the same manner, financial transactions that transpire in the **Accounts Receivable** module directly affect data in the general ledger: recording of an invoice or receipt automatically creates a journal entry, which can then be authorized and posted with the push of a button, or posted automatically. These journal entries then further affect additional processes in the **Financials** module, such as cash flow forecasts, projected profit and loss, budget analysis, etc.

Customer Invoices

Invoices can be created on the basis of sales orders and/or shipping documents. This linkage allows for the automatic retrieval of data, such as prices and discounts, payment terms, order balances,

and shipped quantities. In the case of an invoice that doubles as a shipping document (i.e., sales invoice), shipped quantities are compared to the order's balance to ship, taking into account the defined order tolerance. These features provide important controls for preventing errors (in terms of quantities, prices and discounts), while eliminating the need to retype existing data. The price source of each item is displayed in the invoice, as is an electronic signature.

Invoices (and receipts) can include prices in currencies other than the customer's billing currency, even when the latter is a foreign currency (all sums are converted automatically to the customer's billing currency when entered in the journal).

Until an invoice has been approved, it is considered pending. At this stage, it may be revised or deleted and it may only be printed as a draft. Any invoice can be flagged as "being checked," which prevents it from accidentally being finalized before the check has been completed. Once authorized and finalized, a journal entry will be recorded, with sums distributed among accounts in keeping with the designated entry code.

If errors are discovered after the invoice has been finalized, a cancellation invoice can be created, which both cancels out the original document and creates a reversing journal entry. (If the invoice doubles as a shipping document, a reversing inventory transaction is created as well.) All this is achieved by a simple mouse click from the invoice form. You have the choice of cancelling on today's date (i.e., the cancellation invoice and its accompanying reversing entry will be dated on the current date) or on the original transaction date.

If a particular customer has been assigned a billing customer, the journal entry for the

invoice is recorded against the billing customer's account in the ledger. For each customer, you can determine whether invoices are sent to the actual recipient of the goods or to the billing customer.

The system also supports the recording of invoices for a general walk-in customer (per company or per branch). All walk-ins are assigned a general account (shared by all customers who do not have their own A/R account), eliminating the need to open a new account every time a sale is made to such a customer. The actual customer's name and other identifying information are recorded directly in the invoice in question, while the journal entry associated with the transaction is recorded against the general walk-in account in the accounts receivable sub-ledger. A separate form enables you to retrieve existing invoices and/or receipts for a given walk-in customer by customer name. Aging for walk-in customers may be viewed per order.

A number of types of customer invoice are available in **Priority**:

Sales invoices

- Over-the-counter invoices
- Multi-shipment invoices
- Advance payment invoices
- Pro forma invoices
- Export invoices

Each type of invoice is explained in detail below.

Sales Invoice

Sales invoices combine two functions: invoicing and shipping. They are used to debit sales and to record the supply of goods to the customer. As such, they also reduce inventory levels of the sold part in the warehouse.

Sales invoices may be itemized automatically on the basis of one or more sales orders, or they may be prepared manually. If based on a sales order, the invoice is filled in with ordered parts, their balance to ship, prices, discounts and payment terms — all taken from the designated order. If order prices are linked to a price index or foreign currency, prices in the invoice are adjusted accordingly. All of these details may be manually revised as long as the invoice is still pending (i.e., has not been finalized).

The quantities of items in the invoice are based on the order item's balance to ship, and that balance is updated accordingly. If goods have already been packed for the customer, these packed goods are sent to the customer. If not, goods are taken from available warehouse stock (from any status which is considered saleable, i.e., "Goods"). If the quantity of packed goods is insufficient to fill the order balance, additional goods are taken from general stock. In all cases, warehouse balances are updated accordingly. As with a regular shipping document, the system allows items stored in different bins to be recorded in the same document.

If the invoice is not based on an order (and has therefore been itemized manually), prices and discounts are filled in automatically with those ordinarily assigned to this customer.

A sales invoice can also be used to record the return of goods from a customer and to credit the account for the return, by designating negative quantities in the invoice.

Over-the-Counter Invoice

Over-the-counter invoices are used when a customer pays for goods immediately upon their receipt during an over-the-counter sale.

Such invoices are considered both an inventory transaction and a financial transaction: they reduce inventory of the sold part and record the sale in the general ledger. In addition, they record the receipt of payment from the customer.

An over-the-counter invoice can be itemized automatically (parts, prices, discounts, quantities) on the basis of a specific sales order or selected order items, or prepared manually, just like a sales invoice. Itemization of payments (cash, checks, credit card payments, etc.) is carried out in a similar manner to that of a regular receipt.

An over-the-counter invoice cannot be finalized unless the sum of the payments equals the amount owing in the invoice. Once the invoice is final, a journal entry is recorded (similar to a sales invoice). In addition, the balance of the cashier at which the money is deposited is updated.

Multi-shipment Invoice

Multi-shipment invoices are used to debit sales to customers when you want to create an invoice independently of a shipping document (e.g., when the invoice is not mailed together with the shipment, or when you want to bill several shipments in the same invoice). In addition, they may include credits to the customer for goods that were returned or overcharged. These credits are deducted from the total amount owing in the invoice. Note that the creation of a multi-shipment invoice has no effect on warehouse balances, in contrast to sales invoices and over-the-counter invoices.

A multi-shipment invoice can be recorded on the basis of a single customer shipment, all shipments made over the course of a specified period, or a number of shipping documents.

Multi-shipment invoices can be prepared automatically, by linking them to one or more documents (customer shipments, projects, service calls, service contracts), or they can be itemized manually. When linked to a customer shipment, parts, prices, discounts, payment terms and quantities are taken from the inventory transaction.

You can use the **Prepare Multi-Shipment Invoices** program to create a batch of invoices for multiple documents and customers. If a customer is set up to be billed at regular intervals, a single invoice is prepared for all documents of the same type (e.g., customer shipments) that were recorded within the designated period (negative quantities are used to credit returned goods). Otherwise, a separate invoice is prepared for each document.

Invoices may be prepared for the date recorded in the document, today's date or any other specified date. If an invoice has already been opened for the customer on the date in question, the new charges are added to the existing invoice. Should any of the customers in question have a billing customer, the invoice is prepared for the latter. Furthermore, all documents of the same type that were recorded for different customers but specify the same billing customer are combined in the same invoice.

Advance Payment Invoices

Priority allows you to record advance payments against a given sales order without the need to designate specific parts. When the invoice in question is finalized, the

advance payment balance of the order is updated. Each subsequent invoice recorded for this order is then reduced by a certain percentage (designated in the order) against the advance payment, until the advance payment balance on account reaches zero.

The advance payment facility is useful for large orders where several deliveries and invoices are sent to customers. It enables you to keep track of advance payments and/or installments. By recording advance payment invoices and receiving advance payments from the customer, you create an advance payment balance. Consequently, subsequent invoices sent to the customer for these same shipments will be smaller than usual. That is, they will be reduced by a percentage of the invoice's total value, according to the advance payment percentage specified in the order. This deduction from the invoice will appear on a separate line, for the "Prepayment" item and will have a negative value. The amount deducted in the invoice will also be deducted from the advance payment balance until it reaches zero.

Pro Forma Invoices

Priority offers a comprehensive utility for managing business transactions on a cash basis, including pro forma invoices and journal entries, which do not affect the ledger balance or appear in financial statements. You can perform separate reconciliations for pro forma entries and for regular entries, and you can run customer credit reports and aging reports that take pro forma transactions into account.

When working on a cash basis, you do not debit the customer's account in the ledger until **after** receiving payment for services rendered. Consequently, you cannot use regular invoices to bill the customer for these

services. Instead, you record a pro forma invoice after performing the service and prior to receipt of payment.

Pro forma invoices can be prepared in batch, on the basis of sales orders, customer shipments, service calls, service contracts and warehouse transfers.

When payment is received, you can open receipts on the basis of the pro forma invoice, then record a multi-shipment invoice on the basis of the receipt(s). Once this invoice is finalized, a regular journal entry is opened automatically for the invoice and reconciled with the entry for the receipt(s). You can also open and reconcile pro forma entries manually.

Export Invoices

The system enables you to record invoices and credit memos to customers in English, when working in a foreign language. These documents are created in a similar manner and have the same attributes as multi-shipment invoices.

Crediting the Customer

In the event of an overcharge or a return of goods, there is a need to credit the customer's account. **Priority** offers two basic methods for this purpose. One way is to record a credit memo; the other is to credit the return in an invoice. You can either record credits together with debits in an invoice, in which case the credits appear as negative amounts, or record only credits, in which case the invoice can be setup to appear as a credit memo, using positive values.

A credit memo does not affect inventory levels. It is therefore always used when you wish to credit the customer for an overcharge. When a customer returns

damaged or unwanted goods, the credit memo must be accompanied by a separate return document (which does update inventory balances). Another option is to include the credit for the return within a sales invoice, as a negative quantity (as that also affects warehouse levels).

Credit memos for a return of goods can be created automatically based on one or more customer return documents. Credit memos for overcharges are itemized manually.

Receipts

Receipts are used to record payments from customers, as well as to apply those payments to specific invoices (or orders, in the case of a walk-in customer). Payments can be made against several invoices; likewise, several receipts can be reconciled against the same invoice (that is, partial payments can be recorded). Receipts may also be recorded without reference to any invoice or order.

Once a receipt is finalized, a journal entry is created that credits the customer's account. Consequently, the invoices being paid are reconciled automatically with the receipt. The same reconciliation number appears against the two journal entries in the customer's account.

You can easily designate which invoices are being paid for, selecting them from a list of outstanding invoices for that customer. All flagged invoices, together with the newly recorded payment, are reconciled when the receipt is finalized.

The system allows you to record partial and/or installment payments. Outstanding balances are maintained for each invoice, and you can view the current status of any given invoice in the **Outstanding Debt by Invoice** report. When a partially paid invoice

is displayed in the **Outstanding Invoices** form, both the sum originally owed as well as the current payment balance are displayed.

You can record a variety of payment means: cash, checks and credit card payments, and so on. Once all details have been checked and the document is finalized, the balance of the receiving cashier is updated.

Receipts can include prices in currencies other than the customer's billing currency, even when the latter is a foreign currency (all sums are converted automatically to the customer's billing currency when entered in the journal).

Receipts are similar to other financial documents in that they can be printed and, if need be, canceled. Pending receipts can be deleted.

The **Receipt Details – Paid Invoices** report displays the details of designated customer receipts, including the invoices or other financial transactions against which the receipts were made. You can choose to exclude pending and/or canceled receipts from the report.

Finance Charges

Each customer can be assigned a rate of finance charges that will be owed in the event of late payment. This entails an initial rate to be charged so long as amounts owing remain within a designated range, as well as a penalty rate to be applied once the account balance exceeds that limit. Finance charges are calculated on a daily basis, taking into consideration the customer's account balance for that day.

The **Daily Finance Charges** report displays finance charges owed by designated customers, calculated on a daily basis.

The **Charges Billed to Customers** report displays a record of finance charges already billed to designated customers (based on final invoices created for this purpose).

Credit and Aging

Customer Credit

Priority allows for the calculation of customer credit, determined by:

open orders + delivered goods/
services not yet invoiced + invoiced
goods/services for which payment has
not been received

In the dual-currency package, customer liability is also calculated, based on the above formula with the addition of post-dated checks. When the customer pays with a post-dated third-party check (or with a bank check), the system does not add the sum to the customer's liability.

Credit (and liability) limits can be assigned to each customer. Balances indicate what portion of the limit has already been used. Once a customer has exceeded the assigned limit, a warning message appears whenever subsequent orders are placed (as well as when new shipments, service calls or invoices are recorded). You can choose between online calculations of credit usage (as documents are recorded) and periodic calculations at your discretion.

A number of reports are available to give you an overall picture of customer debt:

Customer Credit – displays the total amount of credit already afforded to the customer on the day the report was run. A negative credit balance indicates that the customer has overstepped the credit limit.

Customer Liability (dual-currency package) – displays the liability of designated customers. A negative liability balance indicates that the customer has overstepped the liability limit.

Customers' Average Late Payment – based on past performance, displays the average number of days that the customer is late in paying bills.

Aged Receivables and Open Invoices

Priority offers a variety of reports on outstanding customer debts and aging. Some reports summarize the amount owed per customer; the more detailed reports delineate outstanding invoices:

Aging by 30-Day Period—displays the amount owed by individual customers per 30-day aging period, i.e., current debt, 1–30 days, 31–60, 61–90 and over 90 days.

Aging Work Area—displays information similar to the periodic aging report, and features a number of retrieval and sorting options.

Monthly Aging by Account – displays the amount owed by individual customers per month.

Monthly Aging by Trial Bal. Item – displays the amount owed by a group of customer accounts (represented by the same trial balance item) per month.

Daily Aged Receivables – displays the amount owing from individual customers on a daily basis, together with the number of days payment is overdue.

Weekly Aged Receivables – displays the amount owing from individual customers on a weekly basis.

Aged Receivables by Invoice—displays all overdue invoices sorted by due date. In the dual-currency package, this same report is also available in the account currency.

Detailed Aged Receivables – displays invoices that have not been paid, receipts for partial payments against these invoices and early payments.

Outstanding Debts by Orders – displays overdue invoices for (walk-in) customers whose payments are reconciled by order (all invoices linked to a particular order are outstanding until the whole order has been paid for).

Open Transactions as of Date – Detailed – displays all invoices that were owed on any specified date. This is useful for viewing the state of the customer's account at some point in the past (e.g., the end of the previous month).

Open Transactions – Monthly Summaries – displays amounts owed per month from a specified (past) date. The user determines the number of months for which figures will be displayed. Any open transactions that fall

before the given starting point will appear in a pre-period column.

Consolidated Aging – a pair of reports that display aging data for a multi- company enterprise.

Restricted Customers – a list of customers who have been restricted or are about to be restricted (i.e., have been warned) owing to outstanding debts. Certain financial documents cannot be recorded for restricted customers, as defined in the attributes of customer statuses.

Customer Statements

Priority offers the following customer statements:

Print Customer Statement – includes all transactions recorded against the customer's account.

Print Customer Statement With Aging – displays outstanding transactions recorded against the customer's account; also presents the outstanding account balance broken down into aging periods.

Print Customer Statement With Aging – Engl (only available in the dual- currency package).

Customer Statement: Cash-Based Accounting – includes all transactions recorded against the customer's account during the designated period, when working on a cash basis.

Sales Revenue Reports

A number of reports display revenues per customers and per sold part over a designated period. Selected reports also display generated profits. Most of the reports are based on finalized invoice data. Other

reports allow you to include pending invoices.

Some of the analyses report revenue on a monthly basis (e.g., **Customer Sales per Month**); others report over a user-designated period (e.g., **Customer Sales**). Part analysis reports display quantities sold in addition to revenues (e.g., **Part Sales per Month**).

In addition to standard reports, you can run the **Invoice Analysis (OLAP)** report in a variety of cross-sections and formats. You can also custom-design a variety of reports using both the **Sales Report Generator**, which takes into account final shipping documents and sales invoices, and the **Customer Invoice Report Generator**, which takes into account data from all types of final invoices. The former is useful when shipments are billed on a monthly basis, such that invoice data is not available until the end of the month; the latter is useful when you want to focus on invoice data (disregarding unbilled shipments). You can use either facility to design summary reports, which provide a broad overview, as well as more detailed reports that offer specific information about individual sales transactions.

The following reports are available:

Invoice Analysis Reports

- Monthly Sales (by Invoice)
- Branch Sales (Invoices)
- Inactive Customers
- Invoice Analysis (OLAP)
- Sales per Sales Rep (Invoices)
- Invoices and Their Payment
- Customer Invoice Rept Generator

Customer Analysis Reports

- Customer Sales (Invoices)
- Sales in Period-Inc. Pend. Invs
- Customer Sales per Month (Table)
- Customer Sales by Part (Inv.)
- Detailed Customer Sales (Inv.)
- Customer Sales per Month (Inv.)
- Monthly Sales per Customer (Inv)

Part Analysis Reports

- Part Sales in Period (Inv.)
- Part Sales per Month (Inv-2nd Curr)
- Part Sales per Quarter (Inv.)
- Monthly Profit from Part (Inv.)
- Part Sales per Month (Inv.)
- Part Sales per Month (Table)
- Profit from Part Sales (Inv.)

Acct Family Analysis Reports

- Part Sales per Family (Invoices)
- Quarterly Sales per Family (Inv)
- Monthly Sales per Family (Invs.)
- Profit per Family (Invoices)

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