Country Solution Hungary

IFS Cloud 23 R1

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Note:

The capabilities described in the Country Solution Document are included in the set of functionalities added in an initial solution, which can be useful in demos but most probably will not satisfy global customers' demands for going live. The work will continue in coming releases.
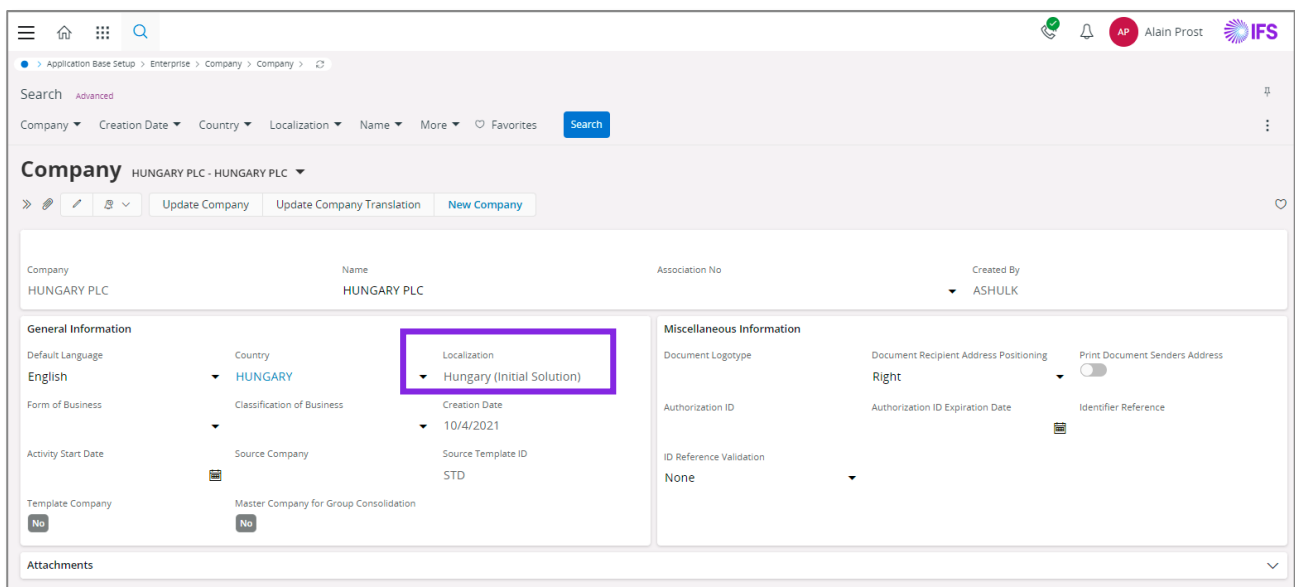In IFS Cloud for Hungary, we have included the following solutions, see Table of Content.

1 Company Set-up

1.1 Overview

In order to utilize the Hungarian functionality, the company must be set up as using the Hungary localization. This is defined in the page *Company*.

1.2 Define localization

- Open the page *Company*.
- Search for the company.
- Select "Hungary" in the drop-down list in the Localization field and Save. Note that this cannot be changed once transactions are created for the company.

1.3 Select Localization functionality

Specify which functionality to use.
- Open Localization Control Center sub menu under Company.
- The localization selected in previous step is displayed in the Localization Control Center field and cannot be changed.
- All functionality available for Hungary is presented in the list. Enable/Disable the functionality based on the requirements for the company enabling the radio buttons. Note that some functionality is mandatory and cannot be disabled.

2 Currency Rate Date and Voucher Date Extended Capabilities for Outgoing Invoices

2.1 Overview Legal Requirements

According to legal regulations in countries like Hungary, Czech Republic, Slovakia or Poland, date of posting of debit sales invoices, as well as currency rates used for posting, should be based either on invoice date or on delivery date, depending on type of transaction.

Also, according to legal regulations in Poland, prepayment based invoices should be posted with the date of the payment which is the base for the invoice.

2.2 Solution Overview

Process Overview

Standard invoicing flow is used in the solution:

| Define Basic Data | Create Customer Invoice | Modify Customer Invoice | Print and Post Invoice |

Solution Summary

New field **Delivery Date** is added to handle delivery dates on project invoices.

Handling of default value of the **Latest Ship Date** field on prepayment based invoices is modified, so that payment date could be the base for posting of the invoice.

New fields **Voucher Date Base**, **Currency Rate Base** and **Tax Currency Rate Base** are added to define base for voucher date, currency rate and tax currency rate for invoices. The fields are added on customer order invoices, instant invoices and project invoices. Either invoice date or delivery date can be the base for voucher date and currency rates.

New fields are added on company and customer level as sources of default values for new fields on invoices mentioned above.

2.3 Prerequisites

The company must be set-up to use Polish localization, see the Company Set up chapter and the "Currency Rate Date and Voucher Date Extended Capabilities for Outgoing Invoices" parameter must be enabled on the *Company/Localization Control Center* tab.

2.4 Set up Basic Data

Settings on Company level

New field **Outgoing Invoice Voucher Date Base** is added on the *Company/Invoice/General* tab. Available values are: "Invoice Date" and "Delivery Date".

New field **Tax Sell Currency Rate Base** is added in the *Company/Accounting Rules/Currency Rate Type Information* tab. The field is enabled when the **Allow Specific Currency Rates for Tax Transactions** option is enabled. Available values are "Invoice Date" and "Delivery Date"**.**

Note: Apart from new fields mentioned above, the standard **Outgoing Invoice Currency Rate Base** field on the *Company/Invoice/General* tab is used in this solution and it has to be set according to the needs.

Settings on Customer level

Following fields are added on *Customer/Address/Delivery Tax Information* tab: **Voucher Date Base**, **Currency Rate Base**, **Tax Currency Rate Base**. Available values for these fields are "Invoice Date", "Delivery Date" and "Specified on Company".

2.5 **New Fields on Invoices**

Customer Order Invoice

New fields: **Voucher Date Base**, **Currency Rate Base** and **Tax Currency Rate Base** are added on *Customer Invoice/General* tab. Available values for these fields are "Invoice Date" and "Delivery Date".

Note: In customer order invoice the **Latest Ship Date** field plays role of delivery date. "Delivery Date" setting means that value of the **Latest Ship Date** field will be taken as a base for voucher date or currency rate.

The **Currency Rate** and **Tax Currency Rate** fields are based on value of either the **Invoice Date** or **Latest Ship Date** fields, depending on setting of the **Currency Rate Base** and **Tax Currency Rate Base** fields**.**

Instant Invoice

New fields **Voucher Date Base**, **Currency Rate Base** and **Tax Currency Rate Base** are added on the *Instant Invoice/General* tab. Available values for these fields are "Invoice Date" and "Delivery Date".

The **Currency Rate** and **Tax Currency Rate** fields are based on value of either the **Invoice Date** or **Delivery Date** fields, depending on setting of the **Currency Rate Base** and **Tax Currency Rate Base** fields.

Project Invoice

New field **Delivery Date** is added on *Project Invoice/General* tab. When invoice is created the field gets the same value as Invoice Date. It can be modified when invoice is in state "Preliminary".

New fields: **Voucher Date Base**, **Currency Rate Base** and **Tax Currency Rate Base** are added on *Project Invoice/General* tab. Available values for these fields are "Invoice Date" and "Delivery Date".

The **Currency Rate** and **Tax Currency Rate** fields are based on value of either the **Invoice Date** or **Delivery Date** fields, depending on setting of the **Currency Rate Base** and **Tax Currency Rate Base** fields**.**

2.6 Process Invoices
General
New functionality to define the base for voucher date and currency rates is added for following types on invoices:

- Customer order invoices – normal debit invoices (invoice type CUSTORDDEB), collective debit invoices (invoice type CUSTCOLDEB) and prepayment based debit invoices.
- Instant invoices – normal instant debit invoices (invoice type INSTINV).
- Project invoices – debit invoices (invoice type PRJINV).

For all other invoices currency rates and voucher date are handled in a standard way. In particular for correction invoices, as well as for credit customer order and project invoices, the **Voucher Date Base**, **Currency Rate Base** and **Tax Currency Rate Base** fields are always set to hidden.

Create Invoice

When debit customer invoice (customer order invoice, instant invoice, and project invoice) is created then the **Voucher Date Base**, **Currency Rate Base** and **Tax Currency Rate Base** fields get default values based on settings on customer level. Fields which are set to "Specified on Company" on customer level get values based on settings on company level.

Note: When the **Currency Rate Base** field on customer level is set to "Specified on Company" then the **Currency Rate Base** field on invoices for this customer will get default value based on setting of the standard **Outgoing Invoice Currency Rate Base** field for company.

When prepayment based invoice is created then the **Latest Ship Date** field gets default value equal to date of payment. In standard solution this field is empty when invoice is created.

Modify Invoice

Values of the **Voucher Date Base**, **Currency Rate Base** and **Tax Currency Rate Base** fields can be modified when debit invoice is in the "Preliminary" state with following exceptions:

- The **Tax Currency Rate Base** field can be modified only when the **Allow Specific Currency Rates for Tax Transactions** option for company is enabled.
- On instant invoice the **Currency Rate Base** and the **Tax Currency Rate Base** fields can be modified only before invoice line is entered.

Whenever the **Currency Rate Base** or the **Tax Currency Rate Base** fields get modified, values in the **Currency Rate** or the **Tax Currency Rate** fields are updated accordingly.

Print and Post Invoice

When invoice gets printed then it will be posted with voucher date based on value in the **Voucher Date Base** field. If the **Voucher Date Base** field is set to "Invoice Date" then voucher date will be equal to value of the **Invoice Date** field. If the **Voucher Date Base** field is set to "Delivery Date" then voucher date will be equal to value of the **Delivery Date** field (or the **Latest Ship Date** field in customer order invoice).

Note: Value of the **Voucher Date Base** field has no impact on voucher date of invoices in following cases:

- When invoice is printed from the *Print Invoice* page with the **Use Voucher Date** option enabled.
- When invoice is processed from the *Customer Invoices with Errors* page with the **Use Voucher Date** option enabled.
- When invoices are processed from the *Create Collective Vouchers* page.

2.7 **Delimitations**

- Manual customer invoices are not handled.
- Outgoing supplier invoices are not handled.

3 Access control inventory transactions and reservations

3.1 Overview Legal Requirement

In Hungary, warehouse manager or other personnel must be appointed by management as acting authority for material located in warehouses. This is a legal requirement. Due to this requirement only, authorized personnel may change quantity and/or value of material in warehouses. Warehouse access authorization is required to prevent any inventory transactions or reservations to be executed by unauthorized personnel.

3.2 Solution

In IFS Cloud standard version IFS Cloud users are connected to sites and this connection determines the possibility to reserve inventory parts or conduct operations resulting in inventory transactions.

For IFS Hungarian Localization an additional level of authority is added where IFS Cloud users are connected to warehouses and given the authority to perform inventory transactions and make reservations.

Making Reservation Allowed
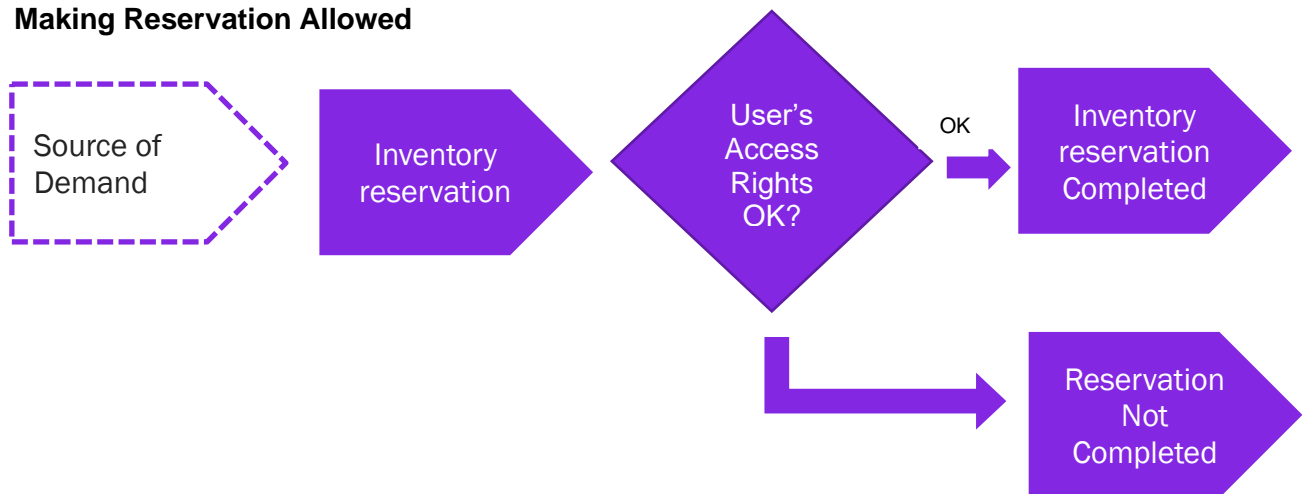
Perform Transaction Allowed
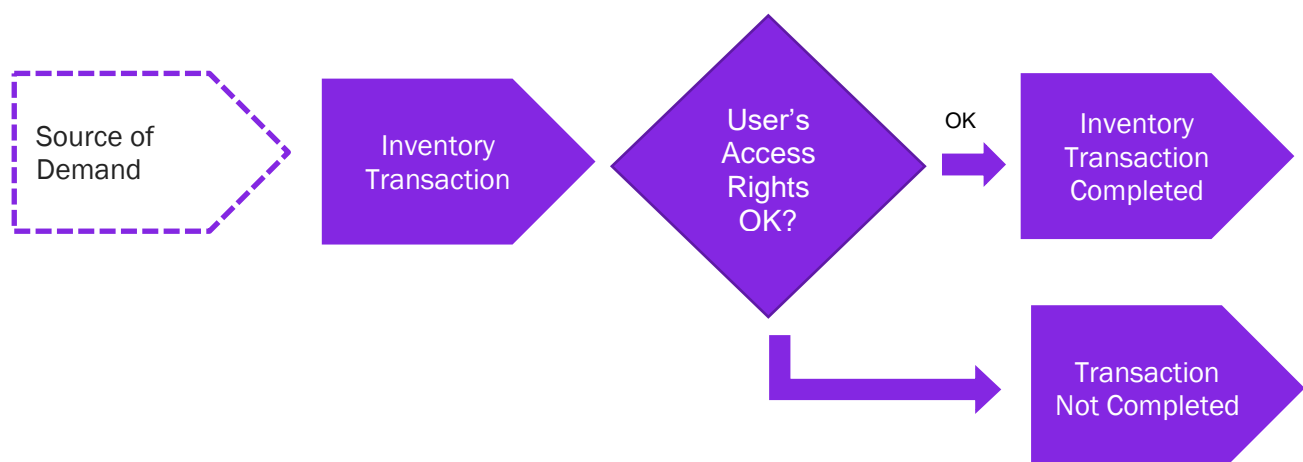
Basic Data: A basic data page is added where the authority is set up per user over warehouses in a site. This page is Warehouse Access.

Inventory transactions: Controls are added when a user is saving inventory operations (e.g. receipt, scrap, pick, move, transfer between warehouses, revaluation etc.):
- If access has been granted the user can register the operation.
- If access has not been defined or not granted an error message is displayed and the user cannot proceed.

Reservations: Controls are added when a user is reserving inventory parts (e.g. customer order, work order, shop order, material requisition):
- If access has been granted the user can reserve the quantity.
- If access has not been defined or not granted an error message is displayed and the user cannot proceed.

3.3 Prerequisites

The company must be set-up to use Hungarian localization.

Warehouse Access

Use the *Warehouse Access* page to give users access to make reservations or/and transactions. Users can be added to this page and the access can be controlled over inventory reservation and transaction as required. To control an inventory transaction, enable/disable the option in the column "**Making Stock Reservation Allowed**". To control an inventory reservation, enable/disable the option in the column, "**Making Stock Reservation Allowed**"

To save a record in Warehouse Access page a user must have at least one option enabled out of the 2 controls, reservation, and transaction. A record with a user whose both "**Making Stock Reservations Allowed**" and "**Performing Inventory Transactions Allowed**" disabled, is considered as an invalid record which cannot be saved.

3.3.1 INVENTORY RESERVATION CONTROL

Controls are added when a user is reserving inventory parts (e.g. Customer Order, Work Order, Shop Order, Material Requisition, Pick by Choice:
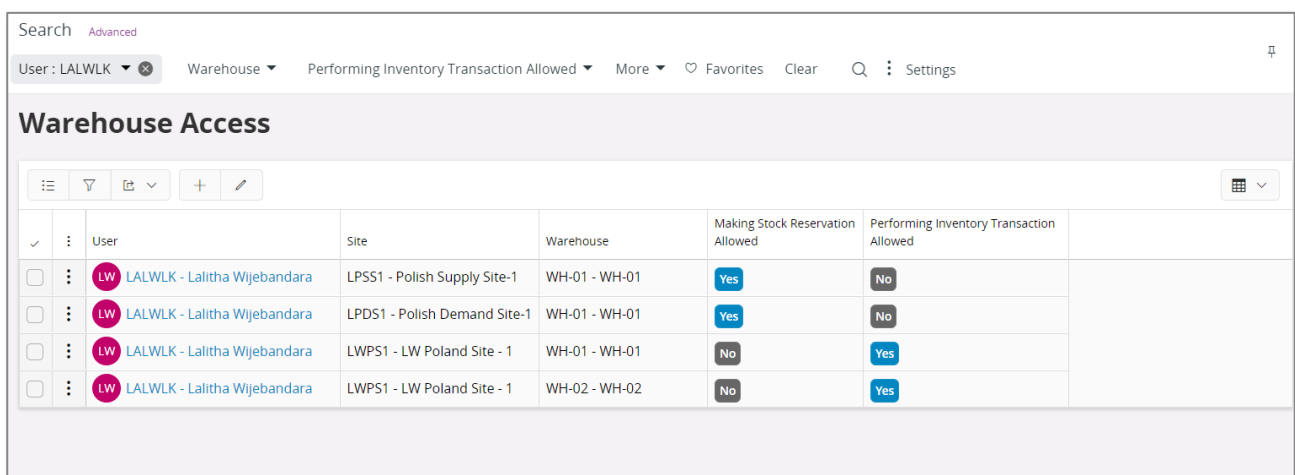
● If access has been granted the user can reserve the quantity
● If access has not been defined or not granted an error message is displayed and the user cannot proceed.

3.3.2 INVENTORY TRANSACTION CONTROL

Controls are added when a user is saving inventory operations (e.g. Receipt, Scrap, Pick, Move, Move Reserved Materials, Transfer between Warehouses, Revaluation, Attach to Handling Unit, Unattached from Handling Units, Pack According to Pack Instructions, Pack According to Handling Unit Capacity, etc...):

• If access has been granted the user can register the operation
• If access has not been defined or not granted an error message is displayed and the user cannot proceed

When moving parts directly into the new inventory, you should have access to both warehouses, on each site. If access is not authorized, you will receive an error message.

When moving into transit at first (i.e. the goods are under transportation) you can put the material into transit, but you can move them from transit into the target location only if you have an access to that target warehouse. If access is not authorized, you will receive an error message.

Note:
- You may grant a user an access to a warehouse but not connect him to the site. In this case the user cannot perform any transactions or/and reservations.
- If the user does not have warehouse access defined or the access is set to "No", the user cannot perform Inventory transactions or/and reservations.
- If the company's parameter is not enabled, the effect is that no access control will occur.

3.4 Automatic Reservation

With the automatic reservation, the system decides under IFS Cloud standard logic from which locations and in what order inventory parts are reserved. During automatic reservation the Cloud will only reserve material from locations from/to which the user has access according to the Access Rights enabled in the **Warehouse Access** Page.

3.5 Exceptions in Access Rights

For changing inventory part locations between two sites, the user must be authorized to perform transactions in warehouses of both sites. During the transportation of Parts to another site, two transactions are generated: INVM-OUT (direction -) and INVM-TRIN (direction 0). The second transaction, INVM-TRIN, refers to a target location. But, if the user is not granted access to the

Warehouse in destination Site the Part cannot be moved to a destination location, so that transactions cannot be completed.

3.6 Delimitations

None

4 Cash Account Currency Rate Method

4.1 Overview Legal Requirement

This requirement covers the different currency rate methods for bank and cash account movements in Hungary. In Hungary, at the outgoing payment moment it is not needed to account for the differences between the invoice currency rate and payment currency rate.

The rate for the outgoing transaction is calculated based on the incoming transactions.

The different methods for calculating currency rates are weighted average (AVG) and FIFO.

4.2 Process Overview

Define basic data

Create Incoming Transactions

Currency rate updated in the cash account

Create Outgoing Transactions
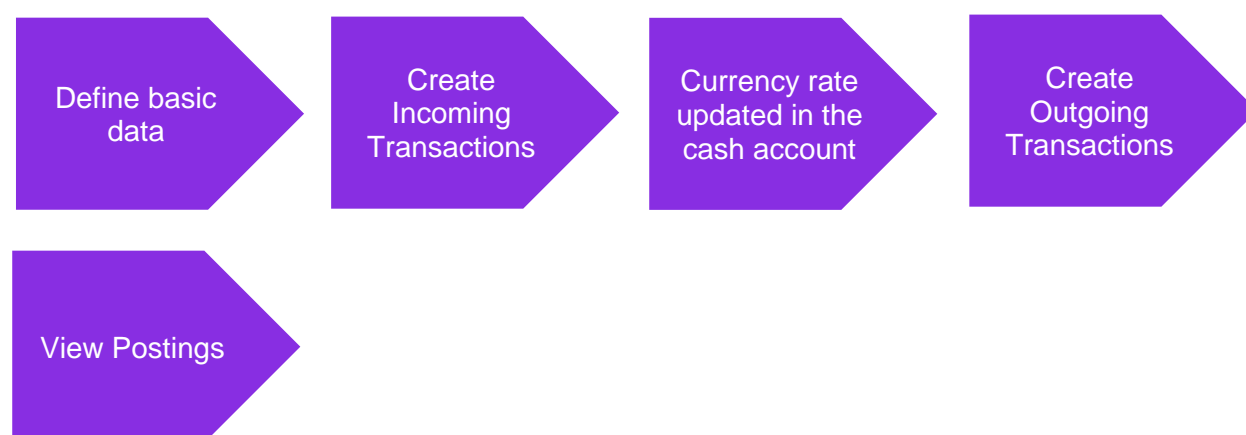
View Postings

Postings are created for the currency difference when the outgoing payment is approved.

4.3 Solution Overview

Cash Account

Short Name	Currency Rate Calculation Method	Handling of Negative Balance	Two-step Currency Profit/Loss
AVG-GBP	Weighted Average	Currency Profit/Loss after each Inflow	No
AVG-USD	Weighted Average	Currency Profit/Loss after each Inflow	Yes

The column Currency Rate Calculation Method in the Cash Accounts page defines the method of currency rate calculation for outflow. It can have following values:

- Weighted average
- First in First Out

The column Handling of Negative Balance in the Cash Accounts page defines how the calculation is carried out in case the cash account has a negative balance. It can have following values:

- Currency Profit/Loss after each inflow
- Aggregate Currency Profit/Loss

The Two-steps Currency Profit/Loss check box in the Cash Account page is enabled for editing. It controls how currency differences are posted. The details are explained below.

If Two-steps Currency Profit/Loss check box is checked –

1. Parallel currency gain or loss will be identified separately with a PP80 (Currency Gain) or PP79 (Currency Loss)
2. Currency rate which is in the cash account queue will not be fetched to postings, instead the currency rate which is given when approving the outgoing payment is fetched to the postings.

If Two-steps Currency Profit/Loss check box is Unchecked –

1. Parallel currency gain or loss will not be calculated.
2. Currency rate which is in the cash account queue is fetched to the postings when the outgoing payment is approved.

New currency rate calculation methods are introduced when approving,

- Mixed Payments
- Cash Box Payments

4.4 Prerequisites

1. The company must be set-up to use Hungary localization, see the Company Set-up chapter and the "Cash Account Currency Rate Method" parameter must be enabled.

2. Cash accounts should be created.

    -   In the Cash Accounts page, you can define the calculation method of currency rate for cash account in foreign currency.
    -   These columns are editable only when Cash Account is not in accounting currency.

3. Cash Accounts should be linked to posting control PP1.

4. Posting controls PP80 (currency Gain) and PP79 (Currency loss) should be created. (This is only needed when Two-steps Currency Profit/Loss check box is checked.

5. Customers and Suppliers should be created.

4.5 Weighted Average Method

In the AVG method the average currency rate is calculated for the cash account using incoming transactions. The current balance of the cash account in transaction currency and accounting currency is calculated after each incoming transaction. It is used when calculating currency rate for outgoing transactions.

Balance in accounting currency divided by balance in transactions currency calculates currency rate for outgoing transaction. The currency rate of an outflow is updated with the historical average currency rate in the mixed payment line after the mixed payment is approved.

EXAMPLE:

Currency Rate Calculation Method –   Weighted Average
Handling of Negative balances   –   Currency Profit/loss
Two step   –   Checked

Inflow Amount In Transaction Currency	Inflow Currency Rate	Amount in Accounting Currency	Average Currency Rate
150	4.3	645	
100	4.2	420	
200	4	800	
450		1865	**4.14**

1. Create 3 manual customer invoices as below,

Manual Customer Invoices

			Customer	Series ID	Invoice No	Status	Invoice Type	Invoice Date	Currency	Gross Amount	Net Amount	Tax Amount
☐	⋮	🔗	Ⓟ PL_CUS - PL_CUS FS		AJ1	PostedAuth	FS	5/12/2021	USD	150.00	150.00	0.00
☐	⋮	🔗	Ⓟ PL_CUS - PL_CUS FS		AJ2	PostedAuth	FS	5/12/2021	USD	200.00	200.00	0.00
☐	⋮	🔗	Ⓟ PL_CUS - PL_CUS FS		AJ3	PostedAuth	FS	5/12/2021	USD	100.00	100.00	0.00

2. Create a mixed payment, connect the previously created invoices with respective currency rates and approve.

Debit	Credit	Debit Amount in Acc Curr
450.00	0.00	1865.00

Credit Amount in Acc Curr

0.00

Transaction Details

View Transactions   Notes   Cancel Matching

(1) ✓	⋮	Amount	Currency Rate	Inv/Prepaym No	Lump Sum Trans Number	Payment Transaction Type	Cash Account User Group	Bank Transactio
☑	⋮	200.00	4	AJ2	3	Enter Customer Paymen	*	*
☐	⋮	100.00	4.2	AJ3	2	Enter Customer Paymen	*	*
☐	⋮	150.00	4.3	AJ1	1	Enter Customer Paymen	*	*

3. Cash account should be updated.

Cash Account Queue - PL_WA

✓	⋮	Currency Amount	Amount in Acc Curr	Currency Rate
☐	⋮	450.00	1865.00	4.1444

4. Create a manual supplier invoice for 200

5. Create a mixed payment with the currency rate 5 and connect the previously created invoice and approve.

6. View the postings for the mixed payment,

Calculation for the exchange gain is calculated as below,

Amount in Transaction Currency			Amount in Accounting Currency
200	*	4.14	828.8
200	*	5	1000
			171.12

Note - This is a positive currency difference (Currency Gain), posted with PP80. If in case there is a currency loss, then postings are posted with PP79 (Currency Loss)

In this scenario Two-steps Currency Profit/Loss check box is checked –

1. Parallel currency gain or loss will be identified separately with a PP80.
2. Currency rate which is in the cash account queue will not be fetched to postings, instead the currency rate which is given when approving the outgoing payment is fetched to the postings.

Cancelling mixed payment

- For AVG method, cancelling the mixed payment is allowed.
- The warning message "There is an existing approved mixed payment with later payment date. The wrong order of approval creates wrong average currency rate. Do you want to proceed" will be presented to the user when there is any approved mixed payment which has later payment date.

4.6 Weighted Average Method – Handling of Negative Balance using Currency Profit/Loss after each inflow

Currency Profit/Loss after each inflow is one of the calculation methods of Handling of Negative Balance in the Cash Accounts page, it defines how the calculation is carried out in case the cash account has a negative balance.

This is when the cash account has a negative balance instead of a positive balance.

How the functionality works - when there is a negative amount in the cash account – Creating an outflow

1. Make the balance of cash account negative.

2. Create a Manual supplier invoice for an amount of 200, create a mixed payment and connect the created manual supplier invoice with the currency rate 3 and approve.

3. Cash account will get updated as below,

Calculation is done as below,

Currency Amount	Amout in Accounting Currency	Currency Rate
-290	-1450	5
-200	-600	3
-490	-2050	**4.18**

Postings are as below,

Note – Even though cash account shows a currency rate of 4.18 this will not be fetched to postings as the cash account balance is negative. Here currency rates are posted based on the currency rate entered in the mixed payment.

How the functionality works - When there is a negative amount in the cash account – Creating an inflow

1. Cash account is already negative

2. Create a manual customer invoice for an amount of 100, Create a mixed payment and connect the same invoice with the currency rate 3.5 and approve.

3. View the cash account

Note – Cash account currency rate will not get updated, instead it will remain the same currency rate. This is because the cash account has a negative balance. when this balance is changed to positive, currency rates will be used proportionally.

4.7 Weighted Average Method – Handling of Negative Balance using Aggregate Currency Profit/Loss

Aggregate Currency Profit/Loss is one of the calculation methods of Handling of Negative Balance in the Cash Accounts page, it defines how the calculation is carried out in case the cash account has a negative balance.

This is when the cash account has a negative balance instead of a positive balance.

How the functionality works - When there is a negative amount in the cash account – Making an outflow.

1. Make the balance of cash account negative.

2. Create a Manual supplier invoice for an amount of 3000, create a mixed payment and connect the created manual supplier invoice with the currency rate 3 and approve.

3. Cash account will get updated as below,

Calculation for currency rate is as below,

Inflow amount in Trans curr	Amount in Acc curr	Inflow curr rate
-1000	-5000	5
-3000	-9000	3
-4000	**-14000**	**3.5**

4. View vouchers

Note – Even though cash account shows a currency rate of 3.5 this will not be fetched to postings as the cash account balance is negative. Here currency rates are posted based on the currency rate entered in the mixed payment.

How the functionality works - When there is a negative amount in the cash account – Making an inflow.

1. Make the balance of cash account negative.

2. Create a Manual customer invoice for an amount of 1500, create a mixed payment and connect the created manual supplier invoice with the currency rate 3 and approve.

3. View cash account

Calculation is as below,

Inflow amount in Trans curr	Amount in Acc curr	Inflow curr rate
-4000	-14000	3.5
1500	4500	3
-2500	**-9500**	**3.8**

4. View vouchers

Mixed Payment Vouchers PLN-COM - 2021000042 - 6/2/2021 ▼ 1 of 1

Company	Voucher Type	Voucher No	Voucher Date
PLN-COM	N	2021000042	6/2/2021
Accounting Year	Accounting Period		
2021	6		

Voucher Rows

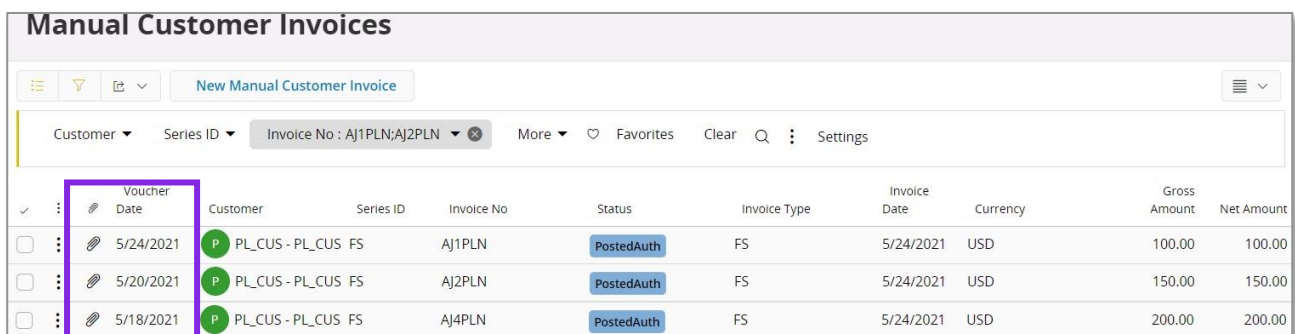|		Tran... Code	Account	Currency	Curre... Rate	Conversion Factor	Debit Amount in Transaction Currency	Credit Amount in Transaction Currency	Amount in Transaction Currency
☐	⋮	PP12	75140 - Negative currency differe...	USD	3	1	0.00		0.00
☐	⋮	PP13	75030 - Positive currency differen...	USD	3	1		0.00	0.00
☐	⋮	IP1	21015 - Short-term domest.payab...	USD	3	1	3000.00		3000.00
☐	⋮	IP1	21015 - Short-term domest.payab...	USD	3	1		0.00	0.00
☐	⋮	PP1	13010 - Current banking account	USD	3	1		3000.00	-3000.00

4.8 FIFO Method

A FIFO queue is used to keep track of incoming transactions. When cash account balance is greater than zero, then each incoming transaction is added to the FIFO queue. For outgoing transactions, the rows in the FIFO queue are consumed to compensate the outflow amounts.

EXAMPLE:

Currency Rate Calculation Method	–	FIFO
Handling of Negative balances	–	Currency Profit/loss
Two step	–	Unchecked

Inflow amount in trans curr	Inflow curr rate	Amount in acc curr
100	4.3	430
150	4	600
200	4.2	840
450		1870

1. Create 3 manual customer invoices as below using 3 different voucher dates, (Example – 18th, 20th, 24th)

2. Create a mixed payment for each transaction separately, connect the created invoice with respective voucher date and currency rate and approve.

   Note - Order of voucher dates are important when approving mixed payments. According to the functionality which ever transaction is approved in the mixed payment will be fetched to the cash account as the "first in" irrespective of the payment date.

   Therefore, according to above example approve mixed payment according to the order 18th, 20th and 24th.

3. View cash account.

Note – Unlike in Weighted average method where an average currency rate was calculated, FIFO method will keep transactions separately with the respective currency rates in the cash account.

Cash Account Queue - AJFIFO - AJFIFO

		Currency Amount	Amount in Acc Curr	Original Amount	Original Amount in Acc Curr	Status	Currency Rate	Payment Date
		200.00	840.00	200.00	840.00	NotCleared	4.2	5/20/2021
		150.00	600.00	150.00	600.00	NotCleared	4	5/18/2021
		100.00	430.00	100.00	430.00	NotCleared	4.3	5/24/2021

If a payment was made through mixed payment, the currency rate should be picked according to the FIFO method. The first transactions entered should be picked first as the outflow.

4. Create a manual supplier invoice for an amount of 280. Create a mixed payment and connect the created manual supplier invoice with the currency rate 4.3 and approve.

Transaction Balances

Cash Account	Statement No		Remaining Amount	
PL_FIFO	3		0.00	

Debit	Credit	Debit Amount in Acc Curr
0.00	280.00	0.00

Credit Amount in Acc Curr
1160.00

Transaction Details

View Transactions   Notes   Cancel Matching

(1)		IAmount	Currency Rate	Inv/Prepaym No	Lump Sum Trans Number	Payment Transaction Type	Cash Account User Group	Bank Transacti
☑		-280.00		FIFOAJ1	1	Enter Supplier Payment	*	*

5. View the postings of the mixed payment.

Currency rate is calculated as below,

Currency Amount	Currency Rate	Amount in Accounting Currency
100	4.3	430
150	4	600
30	4.2	126
280		**4.13**

Cancelling mixed payment

- When FIFO method is used, only last mixed payment can be cancelled.
- When trying to cancel other mixed payments the user will be presented with an error message which says "Only last mixed payment can be cancelled when First In First Out method is used for foreign currency cash account!"

4.9 FIFO Method – Handling of Negative Balance using Currency Profit/Loss after each inflow

Currency Profit/Loss after each inflow is one of the calculation methods of Handling of Negative Balance in the Cash Accounts page, it defines how the calculation is carried out in case the cash account has a negative balance.

This is when the cash account has a negative balance instead of a positive balance.

How the functionality works - When there is a negative amount in the cash account – Making an outflow.

1. Cash account is already negative.

2. Create a manual supplier invoice for an amount of 500, Create a mixed payment and connect the created supplier invoice with the currency rate 8.

3. Cash account will get updated as below,

- Cash account will get updated with the new transaction which will be shown in minus.

How the functionality works - When there is a negative amount in the cash account – Creating an inflow

1. Cash account is already negative.

2. Create a customer payment for an amount of 1000 and connect the invoice using mixed payment and approve. Use currency rate 4.

3. Cash account is updated as below,

4.10 Delimitations

- You can only select the value in the Currency Rate Calculation Method field if the cash account is not in accounting currency and there are no transactions for the cash account.

- Cash accounts with a currency rate calculation method defined cannot be used in other payment windows (i.e.: supplier payment, customer payment, netting, acknowledge automatic supplier payment, acknowledge direct debiting etc.)

- In case when FIFO method is used, only the last mixed payment can be cancelled.

5 Currency Rate Date Extended Capabilities for Incoming Invoices

5.1 Requirement Overview

It is a requirement in Hungary, when register supplier invoices, that the currency rate can be fetched based on the arrival date or delivery date of the invoice. It Is also required that the tax currency rate can be fetched based on another date.

5.2 Solution

Define Basic Data - Company → Define Basic Data - Supplier → Enter Manual Supplier Invoice → Post Supplier Invoice

- Define basic data.
  - o Define currency rate date option for company. Two options are added to the **Incoming Invoice Currency Rate Base** parameter in *Application Base Setup/ Enterprise/ Company/ Company/ Invoice* sub menu/ *General* tab.
  - o Define tax currency rate date option for company. A parameter is introduced in *Application Base Setup/ Enterprise/ Company/ Company/ Accounting Rules* sub menu/ *Currency Rate Type Information* tab, to set tax buy currency rate base when specific tax currency rates are used.
  - o Define currency rate date options for supplier. Two parameters are introduced in *Application Base Setup/ Enterprise/ Supplier/ Invoice* sub menu/ *General* tab, to set invoice currency rate base and tax currency rate base per supplier.
- Enter manual supplier invoice.
  - o Based on selected options for the supplier and company, the currency rate is fetched to the Manual Supplier Invoice.
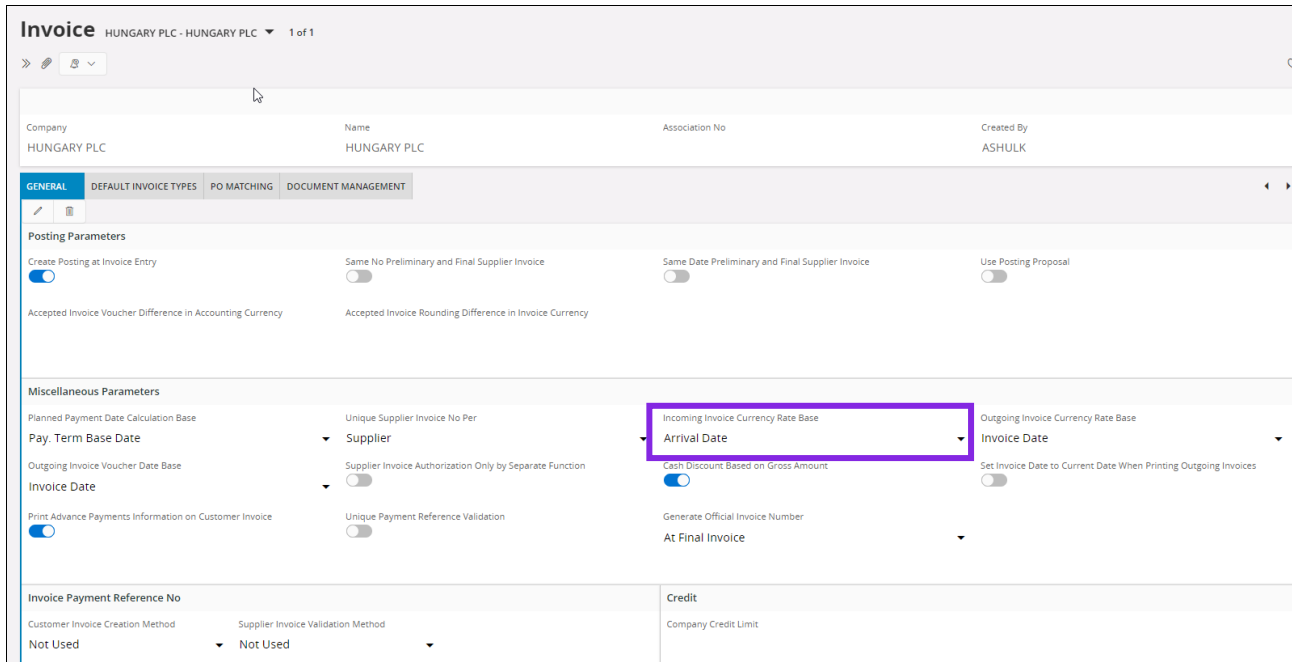- Post supplier invoice.

5.3 Prerequisites

The company must be set up to use Czech Republic localization, see chapter Company Setup, and the parameter "*Currency Rate Date Extended Capabilities for Incoming Invoices*" must be enabled.

5.4 Define Basic Data

5.4.1 COMPANY

In the *Application Base Setup/ Enterprise/ Company/ Company/ Invoice* sub menu/ *General* tab select **Incoming Invoice Currency Rate Base**.

Currency rate base options of **Voucher Date**, **Invoice Date** and **Customs Declaration Date** exist in IFS Cloud standard. Additional two options are added.

- Delivery Date – Fetch currency rate based on the delivery date specified on the supplier invoice.
- Arrival Date – Fetch currency rate based on the arrival date specified on the supplier invoice.

In *Application Base Setup/ Company/ Company/ Accounting Rules* sub menu/ *Currency Rate Type Information* tab, set buying tax currency rate base when specific tax currency rates are used.

When enabling **Allow Specific Currency Rates for Tax Transactions**, the default option is set as the same option in **Incoming Invoice Currency Rate Base**.

5.4.2   SUPPLIER

In *Application Base Setup/ Enterprise/ Supplier/ Invoice* sub menu*/ General* tab, select invoice currency rate base and tax currency rate base per supplier. This overrides the currency rate base set for **Incoming Invoice Currency Rate Base** in company.

Tax Currency Rate Base can only be set when **Allow Specific Currency Rates for Tax Transactions** is enabled.

5.5 **Enter Supplier Invoice**

The currency rates for supplier invoice are fetched as per the company and supplier setup. For example,

Company Setup			Supplier Setup		Currency Rate Fetching in Manual Supplier Invoice	
Incoming Invoice Currency Rate Base	Allow Specific Currency Rates for Tax Transactions	Tax Buy Currency Rate Base	Currency Rate Base	Tax Currency Rate Base	Currency Rate	Tax Currency Rate
Delivery Date	Disabled	Disabled	Specified on company	Disabled	Based on Delivery Date	Based on Delivery Date
Delivery Date	Enabled	Delivery Date	Specified on company	Delivery Date	Based on Delivery Date	Based on Delivery Date
Delivery Date	Enabled	Delivery Date	Specified on company	Invoice Date	Based on Delivery Date	Based on Invoice Date
Delivery Date	Enabled	Invoice Date	Specified on company	Specified on company	Based on Delivery Date	Based on Invoice Date
Delivery Date	Enabled	Invoice Date	Arrival Date	Invoice Date	Based on Arrival Date	Based on Invoice Date

Note: Currency rates for prepayment tax documents are always fetched based on prepayment date and this functionality is not impacting prepayment tax documents. To get further details about prepayment tax documents, refer to the chapter Handle Prepayment Tax Documents.

5.5.1 ENTER MANUAL SUPPLIER INVOICE

Go to New Manual Supplier Invoice Assistant as per the IFS Cloud standard process.

The currency rates are fetched as per the supplier and company setup.

5.5.2   POST MANUAL SUPPLIER INVOICE

Post the invoice as per the IFS Cloud standard functionality. The amounts in accounting currency are calculated based on the available currency rates on the invoice.

5.6   Delimitations

- External supplier invoices are not handled.