

BaanERP

Triangular Invoicing

Set-Up and Basic Procedure

Version 1.1 (prelim.)

Jun 2007



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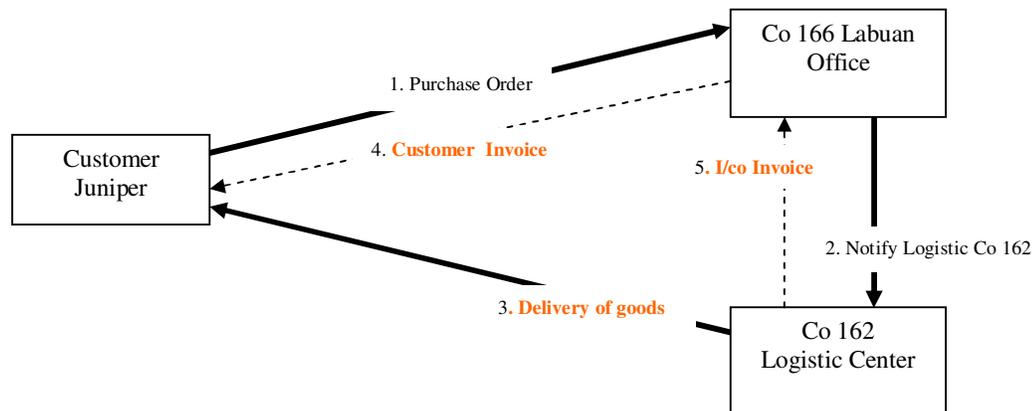
1 Introduction

1.1 About this Document

In this document the setup and procedure for "triangular invoicing" is described. The document is as a complete but basic guideline. In practice a different configuration can be used, however the basic concepts in this document will apply.

1.2 Triangular Invoicing Situation

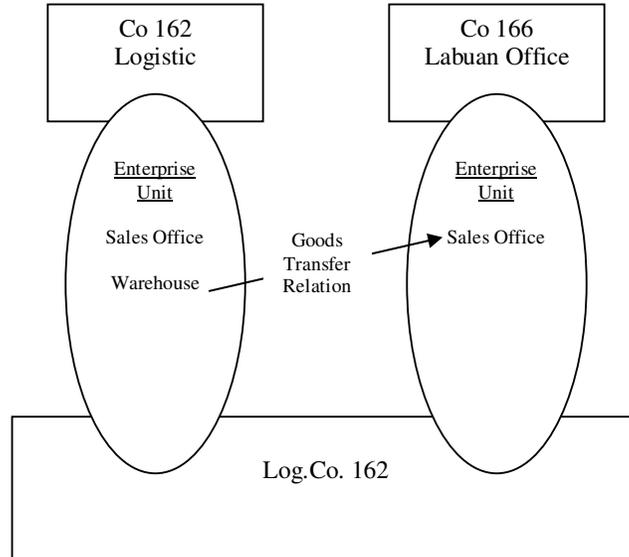
Triangular invoicing is applicable where goods are directly shipped to a customer from a warehouse which belongs to another legal entity then the legal entity to which the revenue belongs (which means the legal entity of the sales order). Schematically this gives the following situation:



1. The Juniper customer places an order with the Labuan Office (Co 166);
2. The Labuan Office does not keep inventory and therefore places an order with the Logistic Co 162
3. The Order says that the goods need to be shipped directly to the Juniper customer (Delivery of goods);
4. The Labuan office sends an invoice at customer price to the Juniper customer (Customer Invoice);
5. The Logistic Co 162 sends an I/co invoice at transfer price to the Labuan office.

1.3 Company Structure

To set up the above case in BaanERP the following company structure was created.



All logistic activities will be controlled in one logistic company i.e. Co 162

Between the Logistic warehouse and the Labuan office a goods transfer relation is defined. This means that goods can be transferred from the warehouse to an order created by the sales office where the inter-company consequences are handled by the system.

1.3.1 Entities

Now the entities (sales office, warehouse) within the enterprise units need to be created

Warehouse setup

Warehouse: 162040

Close

Save

Revert

Help

General

Description: FINISHED GOODS WAREHOUSE

Address Code: FLX000162 → FLEXTRONICS TECHNOLOGY(SHANGHAI)LTD

Legal Report Location:

Enterprise Unit: FLX162 → FLEXTRONICS 162

Type

Warehouse Type: Normal

Nettable Warehouse

Relation

Project:

Business Partner:

Make sure you link the correct enterprise unit to the warehouse. The enterprise unit determines the financial company to which the warehouse belongs

Sales Offices

Department: S16601

Close

Save

Revert

Help

General

Description: Sales Office 166

Department type: Sales Office

Address: FLX000166 → FLEXTRONICS LABUAN 166

City (letterhead):

Calendar Code:

Enterprise Unit: 166001 → FLEXTRONICS LABUAN.

Fiscal Branch:

Create department of type "sales office" in tcmcs0565m000. Be sure you link the correct enterprise unit.

1.4 Relationships

In the triangular invoicing situation, goods flow between two enterprise units belonging to two different financial companies (from warehouse (fin.co.162) to Labuan office (fin.co.166)). The financial rules for this transaction need to be set in a relationship, in this case a goods transfer relationship.

Goods Transfer TRIANG

Close
Save
Revert
Help

General

Description TRIANGULAR INVOICING

Price Type Commercial Price

Surcharge Percentage 0.00

Invoicing

Triangular Invoice
 Bilateral Invoice

Default Currency

Take Default Currency from From Enterprise Unit

After that the relationship between the warehouse and the sales office needs to be defined. In the field "Application Process" you link the above created goods transfer rule.

Create the Entity – Entity Relationship in tcomm2510m000.

Relationship type Goods Transfer

Close
Save
Revert
Help

From Entity

Type Warehouse

Logistic Company 162 FLEXTRONICS

Entity 162040

To Entity

Type Sales Office

Logistic Company 162 FLEXTRONICS

Entity 516601

Date - Process

Effective Date 01-01-2007 00:00

Expiry Date 03312015 00:00

Application Process TRIANG TRIANGULAR INVOICING Goods Transfers

1.5 Internal Business Partners

In the triangular invoicing situation purchase and sales activities will take place between the Co 162 and the Co 166 i.e. Labuan office. Although the goods shipped to the customer never physically hit the sales office, an inter-company Accounts Payable and Accounts Receivable will be created. Therefore both enterprise units need to be defined as Internal Business Partners. An internal business is defined in the business partner table. The business partner is ticked as "Internal" and linked to the specific "enterprise unit"

Create a (internal) business partner in tcom4500m000

Internal Business Partner 162

The screenshot shows the 'Business Partners' dialog box in SAP, specifically the 'General' tab. The window title is 'tcom4100s000 : Business Partners [User: samkokyi] [162]'. The 'Business Partner' field contains 'FLF000162'. The 'Name' field contains 'FLEXTRONICS TECHNOLOGY SHANGHAI'. The 'Search Key' field contains 'FLEXTRONICS TECH'. The 'Parent B. Partner' field is empty. The 'Address' field contains 'FLX000162' and 'FLEXTRONICS TECHNOLOGY(SHANGHAI)LTD'. The 'Contact' field is empty. The 'Financial Department' field is empty with a 'Text' checkbox. The 'Status' section shows 'B. Partner Status' set to 'Active'. The 'Roles' section has several checkboxes checked: 'Sold-to', 'Ship-to', 'Invoice-to', 'Pay-by', 'Buy-from', 'Ship-from', 'Invoice-from', and 'Pay-to'. On the right side, there are buttons for 'Close', 'Save', 'Revert', 'Text', 'Address...', 'Contact...', 'Features...', and 'Help'.

The screenshot shows the 'Business Partners' dialog box in SAP, specifically the 'Enterprise Modeling' tab. The window title is 'tcom4100s000 : Business Partners [User: samkokyi] [162]'. The 'Business Partner' field contains 'FLF000162' and 'FLEXTRONICS TECHNOLOGY SHANGHAI'. The 'Enterprise Modeling' section has a checkbox for 'Internal Business Partner' which is checked. The 'Enterprise Unit' field contains 'FLX162' and 'FLEXTRONICS 162'. The 'Multi-Site' section has a checkbox for 'Affiliated Company' which is unchecked. The 'Aff. Comp. No.' field contains '000'. A callout box with a dashed border points to the 'Internal Business Partner' checkbox and contains the text: 'Fill these data to set a Business Partner as Internal.' On the right side, there are buttons for 'Close', 'Save', 'Revert', 'Enterprise Modeling', and 'Help'.

Internal Business Partner 166

The screenshot shows the 'Business Partners' window with the following fields and values:

- Business Partner: FLF00240U
- Name: FLEXTRONICS SALES&MARKETING(A-P)LTD
- Search Key: FLEXTRONICS SALE
- Parent B. Partner: [Empty]
- Address: BP5F0240U FLEXTRONICS SALES&MARKETING(A-P)LTD
- Contact: [Empty]
- Financial Department: [Empty] Text
- Status: B. Partner Status: Active
- Roles:

<input checked="" type="checkbox"/> Sold-to	...	<input checked="" type="checkbox"/> Buy-from	...
<input checked="" type="checkbox"/> Ship-to	...	<input checked="" type="checkbox"/> Ship-from	...
<input checked="" type="checkbox"/> Invoice-to	...	<input checked="" type="checkbox"/> Invoice-from	...
<input checked="" type="checkbox"/> Pay-by	...	<input checked="" type="checkbox"/> Pay-to	...

Buttons on the right: Close, Save, Revert, Text, Address..., Contact..., Features..., Help.

The screenshot shows the 'Enterprise Modeling' tab with the following fields and values:

- Business Partner: FLF00240U FLEXTRONICS SALES&MARKETING(A-P)LTD
- Enterprise Modeling: Internal Business Partner
- Enterprise Unit: 166001 FLEXTRONICS LABUAN
- Multi-Site: Affiliated Company
- Aff. Comp. No.: 000

Buttons on the right: Close, Save, Revert, Enterprise Modeling, Help.

Make sure you fill all business partner roles (both sold as buy) because an internal partner

1.6 Transfer Pricing

We now need to create and setup a price matrix for "transfer prices".

To create a transfer price matrix, use the following procedure

Step 1. Create a price book code (TRF) to be used for the transfer prices Codes (tdpcg0111m000)

Price Book Code	Description	Module
162166	162-->166	Sales
ABC123	SERVICE PACK	Purchasing
CA002R	Alcatel Suzhou Telecom	Sales
CA002U	Alcatel SuZhou USD	Sales
CA003U	APPLIED MATERIALS	Sales
CA004U	ALCATEL BUSINESS SYSTEM	Sales
CA006U	ADVANCED MP TECHNOLOGY	Sales
CA007U	America Electronics	Sales
CA008U	AVNET	Sales
CA013U	AMBIT ELECTRONICS INC	Sales
CA014U	AVITOOOLS(S) PTE LTD	Sales

Step 2. Create a Price Book for code TRF and fill the price for the item you want to use for the triangular invoicing deal. (tdpcg0531m000)

Price Book: 162166 162-->166

Item: JNT-S5G-ANT

Description: S5G Wireless Replacement Anten

Currency: USD US DOLLARS

Break [Minimum]: 9999999.0000 EA

Effective Date: 01-01-07 00:00:01

Expiration Date: [] []

Entry Date: 06-01-07 10:55:28

Price: 10.000000 EA

Discount Schedule: []

Quotations Only

Default Price Book

Price Change Reason: []

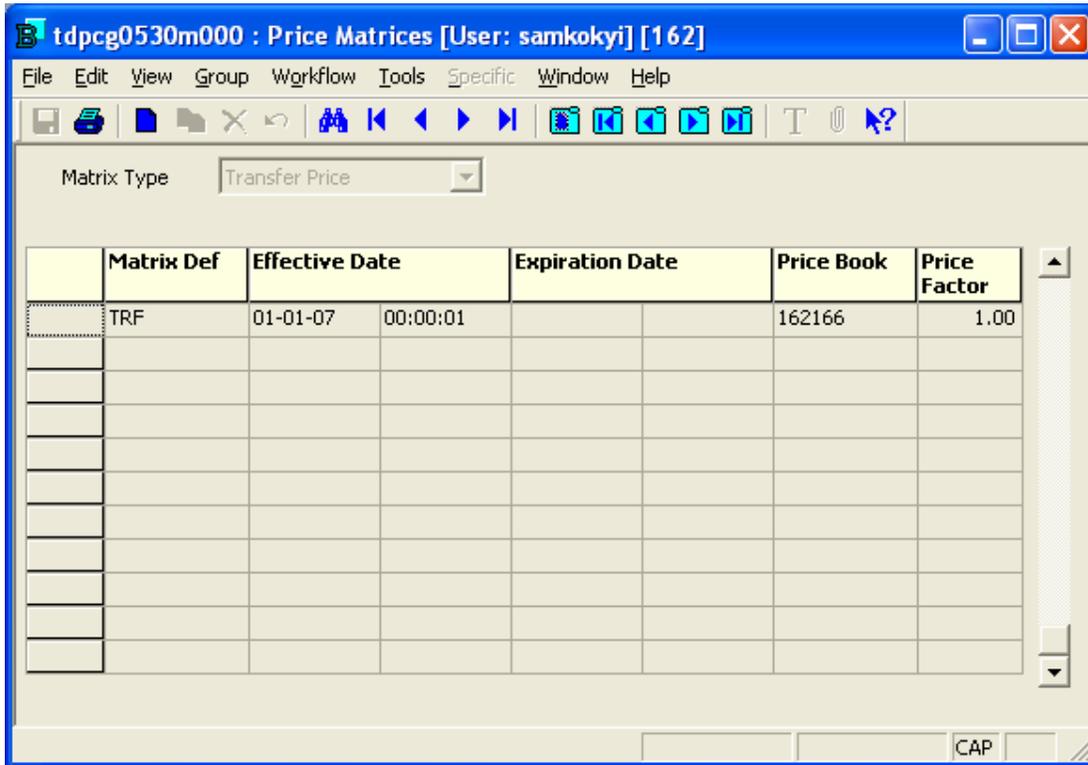
Buttons: Close, Save, Revert, Help

Step 3. Create a Matrix Definition (TRF) of the type Transfer Price (tdpcg0510m000)

Step 4. Create a Matrix Sequence of the type Transfer Price where you effect the matrix TRF (tdpcg0120m000)

Level	Seq.	Effective Date	Expiration Date	Matrix Def	Description
None	1	01-01-07	00:00:00	TRF	Transfer Price

Step 5. Now create a price matrix of type Transfer Price in tdpcg0530m000.



Here you bring the TRF price book and the TRF matrix together.

Step 6. Zoom on the TRF line to sub session tdpcg0130s000 to fill the attributes for TRF. In the attributes you define the item and the internal business partners between whom the transfer price applies.



tdpcg01 30s000 : Price Matrices [User: samkokyi] [162]

General | Sales Attributes | Purchase Attributes | Transfer Attributes

Matrix Type: Transfer Price
 Matrix Definition: TRF Transfer Price

Matrix Attributes

Invoice To	FLF00240U	
Invoice From	FLF000162	
Item		
Product Type		
Product Line		
Product Class		
Manufacturer		
Price Group		
Item Group		

Close
 Save
 Revert
 Help

1.7 Finance

In Labuan company 166 a self billing need to be set up. Self billing is needed to handle the Inter-company invoicing between company 162 and 166 for the transaction between the warehouse and the sales office.

1.7.1 Self Billing Transaction Type

Create a Transaction Type (tfgld0511m000) for purchase invoices to be linked to purchase orders.

tfgld0111s000 : Transaction Types [User: samkokyi] [162]

General | Transactions | Options

Transaction Type: PSB

Definition

Description: PURCHASE INVOICE-SELF BILLING

Transaction Category: Purchase Invoices

Update Mode: Finalization

Document Handling

Documents Sequenced by Date

Documents in fixed Sequence

Number of Digits for Series: 2

Default Series: 26

Close

Save

Revert

Help

1.7.2 Self Billing Parameters

Fill the "Self Billing Invoices" part in the ACP Parameters (tfacp0100m000)

tfacp0100s000 : ACP Parameters [User: samkoyi] [166]

General | Transactions | **Approvals** | Expense Purchase Tax | Automatic Matching

Approval of Purchase Invoices

Approval batch access mode: One approval batch for all users per day

Transaction Type for Approvals: PAP ► PURCHASE INVOICE APPROVAL

Batch Reference: Purchase Order Approval

Approval done before receipt: No Check

Post Costs in Approval Period:

Self Billing Invoices

Transaction Type Self Billing: PSB ► PURCHASE SELF BILLING

Trans. Type Self Billing (no vat book):

Trans. Type Self Billing (intra EC):

Trans. Type for Return of Goods:

Batch Reference: SELF BILLING

Offset Details

Offset Transaction Type:

Last Used Offset Number:

Last Used Statement Number:

OK
Close
Save
Revert
New...
Print
Help