RAMCO AVIATION SOLUTION
ENHANCEMENT NOTIFICATION
Version 5.8.3

Finance

ramco

Ramco Aviation Solution

contents

What's new in Payables Management?

Ability to modify Taxable Amount in Supplier Item Invoice, Expense Invoice and Item Based Note

Reference: AHBG-13803

Background

It has become inevitable to specify the correct taxable value for normal & zero rated TCDs in the TCD Screen of Supplier Item Invoice, Supplier Expense Invoice and Supplier Item Based Note. Further, the transaction amount of a single line item could be apportioned into varied slabs attracting different taxes. This allows for application of multiple taxes on a single line item.

Change Details

The "Taxable Amount" field in the **Taxes, Charges and Discount** page, which was hitherto a Display field, has been made an input field to enable users to change the taxable amount that is liable for tax. The **Taxes, Charges and Discount** page associated with the following activities have been enhanced to enable users to change taxable amount.

- Create / Edit Item Invoice
- Create / Edit Expense Invoice
- Create / Edit Item Based Note

Additionally, users can now create multiple TCD records for a single line item in an invoice to allocate different amounts from the transaction amount that would attract different taxes.

Exhibit 1: The changes in **Tax/Charge/Discount** link page in the **Create Item Invoice** screen
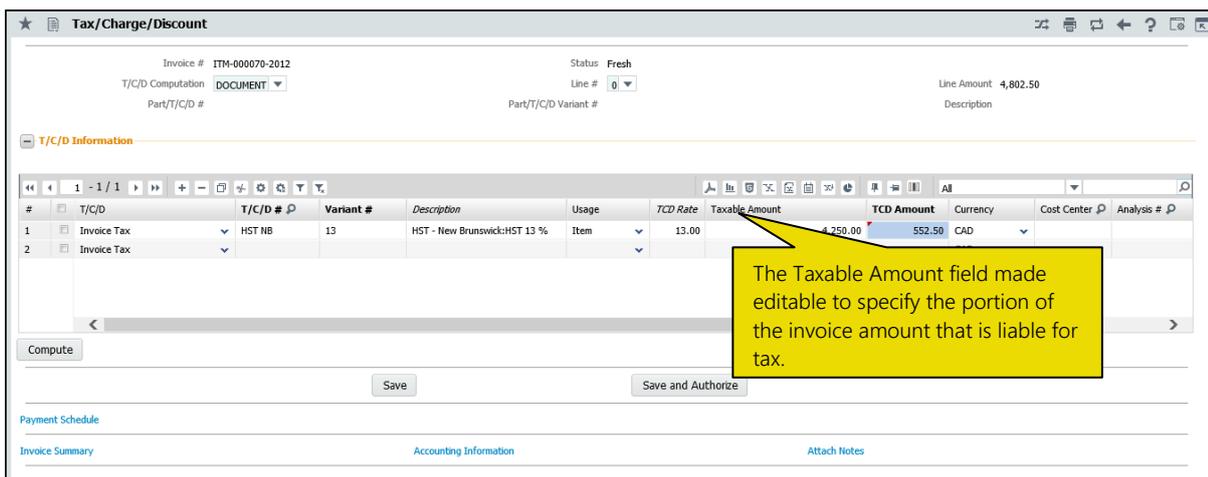
Exhibit 2: The changes in **Tax/Charge/Discount** screen in the **Create Expense Invoice** screen

Exhibit 3: The changes in **Tax/Charge/Discount** link page in the **Create Item Based Note** screen

Ability to Auto-Inherit Taxes in Supplier Direct Invoice & Debit Credit Notes based on additional parameters in Purchase Tax Rules

Reference: AHBG-14099

Background

To enhance GST compliance in the system, a provision for the automatic retrieval of tax code from the **Manage Purchase Tax Rule** screen to th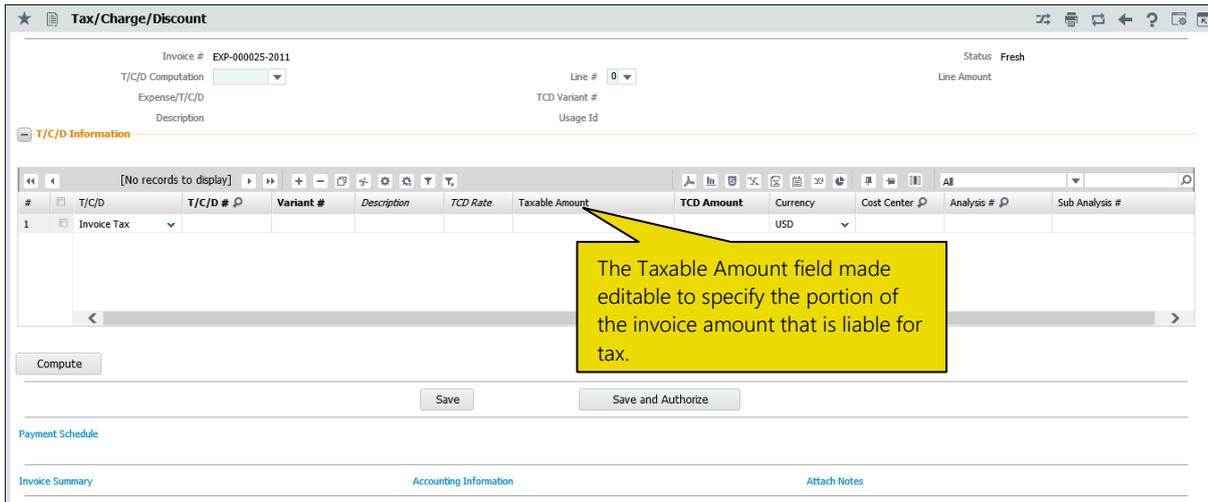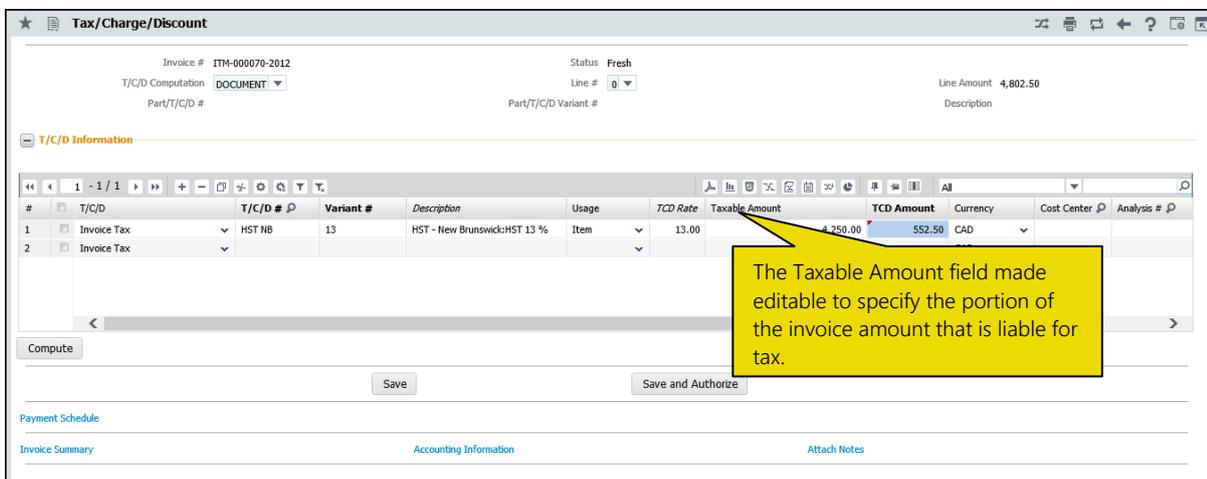e supplier direct invoices, supplier debit & credit notes and item-based invoices on the basis of tax region (states & union territories) has been developed by means of this enhancement.

Change Details

The following changes have been incorporated in the application in order to ensure that the tax code applicable for the organization and the supplier automatically flows down to the invoices in the Supplier Direct Invoice and Supplier Debit Credit Note screens.

1. In the **Maintain Address Details** activity of the **Organization Setup** business component, a new input field **Tax Region** has been added to link the tax region to the Address ID of the organization.

2. In the **Create Finance Book** and **Edit Finance Book** screens of the **Organization Setup** business component, a new field **Address ID** has been introduced to map the address ID to the finance book / company.

3. In the **Supplier Direct Invoice** business component:

    a. Two fields Company Address ID to capture the address ID for the finance book and Address ID to capture the address ID for the supplier have been added in the Create / Edit Item Invoice and Create / Edit Expense Invoice activities. These new fields have been Help-enabled to aid users in the input of data. Further, the field will also default the preferred address ID of the finance book and the supplier in the invoice.

    b. Two Display fields Company Address to display address details for the Address ID has been added to retrieve the address details for the selected address ID of the finance book.

    c. Consequently, these Address ID fields have been added as Display Only fields in the View Invoice activities along with the Company Address field.

4. Similarly, in the **Supplier Debit Credit Note** business component,

    a. Two new fields of the same name - Address ID, one each to capture the preferred address of the finance book and the supplier have been introduced in the Create Item Based Note, Create Account Based Note and Edit Item Based activities. Further, the field will also default

b. the preferred address ID of the default finance book and the supplier.

c. A new Display Only field Company Address has been added to retrieve the address details for the selected address ID of the finance book.

d. Consequently, these Address ID fields have been added as Display Only fields in the View Invoice activities along with the Company Address field.

Based on the tax regions associated with the address IDs of the finance book and the supplier, the system retrieves the tax code applicable for the invoice in the **Tax / Charge / Discount** page from the **Manage Purchase Tax Rule** screen and then computes the TCD amount chargeable for the invoice. Thus with this enhancement, the system intuitively computes tax without user intervention. The system picks the tax code based on the doc type, expense category (if the doc type is 'Expense'), company address ID and supplier address ID in the invoice.

> ✎ *Note: The address ID of the supplier and the address ID of the company are the same as Tax Region From and Tax Region To in the **Manage Purchase Tax Rule** screen.*

Exhibit 1: The new **Tax Region** field in the **Maintain Address Details** screen

Exhibit 2: The new **Address ID** field in the **Create Finance Book** screen

Exhibit 3: The new **Company Address ID, Company Address**, and **Address ID** fields in the **Create Expense Invoice** screen

Exhibit 4: The new **Company Address ID, Company Address**, and **Address ID** fields in the **Create Item Invoice** screen

Exhibit 5: The new **Company Address ID, Company Address**, and **Address ID** fields in the **Create Account Based Note** screen

Exhibit 6: The new **Company Address ID, Company Address**, and **Address ID** fields in the **Create Item Based Note** screen

Ability to generate Incremental invoice for Exchange PO

Reference: AHBG-14154

Background

Other Fees, such as Penalty or Late fee is charged on Exchange purchase orders subsequent to the receipt/issue of goods. In addition, Repair costs are charged against the Core shipped. To account for these expenses, Exchange purchase orders are amended with such additional costs. This enhancement enables to account for such amendments to the Repair Costs & Other Fees.

Change Details

The Accounting for the Repair Cost & the Other Cost added during amendment of the Purchase Order takes place during the Amendment and Authorization of the Purchase Orders. **Maintain Invoice** has been enhanced to enable invoicing of such amendments independently as an incremental Invoice at an Entity level Viz. (Exchange Fee, Repair Cost and Other Cost). In the **Maintain Invoice** activity in **Supplier Order Based Invoice**, the "Invoice Remarks" field will display the "Accounting Usage & Invoicing Remarks" recorded in the associated Exchange purchase order with "Entity" as "Other Cost".

Note: For 'Closed' purchase orders, if the process parameter "Authorization required for amendment" is

- 'No', the accounting entry is posted on approval of purchase orders
- 'Yes', the accounting entry is posted on authorization of the amendment purchase order

WHAT'S NEW IN STOCK MANAGEMENT?

Ability to enable GST Accounting in Stock transfer transaction

Reference: AHBG-14377

Background

In the current Tax framework, Tax (VAT/CST) will not be levied on Stock Transfers. With the revised GST Tax framework, GST will be applicable for Stock Transfers at the time of Issue as well as Receipt. This enhancement enables GST accounting for Inter-State Stock Transfers under Indian GST. Therefore taxes can be applied and accounted during interstate stock transfers in accordance with the Indian GST.

Change Details

A new value auto post accounting type "GST Stock Transfer – Stock-In Transit" has been added in the "Automatic Posting Accounting Type" column in the **Creative Operative Chart of Accounts** activity of the **Accounting Setup** business component under the **Finance Setup** business process.

Exhibit 1:

Create Operative Chart of Accounts screen in the **Accounting Setup** business component
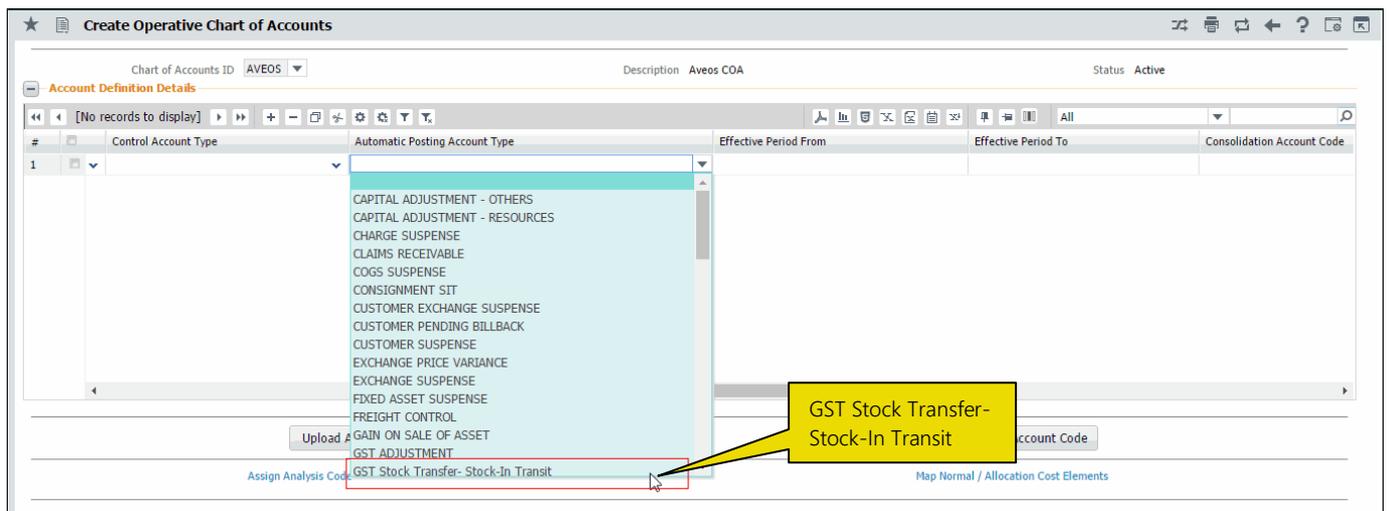
<u>Account Postings for Tax</u>

Confirm Issue

In case of stock transfer from one location to another, GST will be applied during the stock issue, which in turn will be considered as 'Supply of goods'. Tax will be auto inherited based on the Sale Tax Rules for the stock transfers in the **Manage Tax for Inventory Transactions** activity of the **Stock Maintenance** business component.

Example:

On confirmation of issue, the system posts the following:

Debit Stock-In Transit	10,000 [Existing Functionality]
Credit Inventory	10,000 [Existing Functionality]

Assuming Tax rate @ 18%

Debit GST-ST-SIT	1,800 (Auto Post Account Type)
Credit Output Tax	1,800 (TCD Account Code)

✏ *Note: If the transferred part is 'Capital', then only TCD postings will happen.*

Amendment

After confirmation of issue document for Reference Document Type # Stock Transfer Issue, user can modify the taxable amount in **Manage Tax For Inventory Transactions** screen till the time Stock Transfer Receipt is not Confirmed.

Therefore, on click of the 'Confirm' pushbutton, the system posts an entry for the 'Tax Amount' based on the modified taxable amount.

In the above example, if the user modifies the taxable amount from 10,000 to 9000 and GST is 18%, then the system posts the following adjustment entry.

Dr. Output Tax	180	[(10,000 - 9000) * 18%]
Cr. GST-ST-SIT	180	(Auto Post Account Type)

Confirm Receipt

In case of stock transfer from one location to another, GST will be applied during stock receipt which in turn will be considered as 'purchase of goods'. Tax shall be auto inherited based on the Purchase Tax Rules for the stock transfers in the **Manage Tax for Inventory Transactions** activity of the **Stock Maintenance** business component.

Example

On confirmation of receipt, the system posts the following:

Debit Inventory	10,000 [Existing Functionality]
Credit Stock-In Transit	10,000 [Existing Functionality]

Debit Input Tax	1,800 (TCD Account Code)
Credit GST-ST-SIT	1,800 (New Auto Post Account Type)

✐ *Note: If the transferred part is 'Capital', then only TCD postings will happen.*

Amendment

Accounting for Tax is triggered during modification of taxable amount for reference document type Stock Transfer Receipt as follows:

✐ *Note: All the modifications in the taxable amount for reference document type Stock Transfer Receipt shall post to GST Expense (Pre-defined Usage)*

During Stock Receipt

Debit Inventory	10,000
Credit Stock-In-Transit	10,000

Dr. Input Tax	1,800 [10,000*18%] [TCD Account Code]

Cr. GST-ST-SIT	1,800

Modified Taxable amount from 10,000 to 8,000

Debit GST Expense	360 [2000*18%] [Pre-defined Usage]
Cr. Input Tax	360

WHAT'S NEW IN ACCOUNT GROUP?

Ability to post accounting for Customer Stock Status Transaction for Group Company

Reference: AHBG-14483

Background

Currently, there is no framework whereby company can do inventory (Customer Stock Status) transaction on behalf of its group companies. This enhancement provides the ability to enable inventory transactions on behalf of its Group Company and accounting for the same in respective OU (destination OU). Inventory transaction for the Customer Owned Stock Status done by one of the group company will be accounted in the OUs of the respective Group Company. This will bring provision to carry out transaction on behalf of the related companies and recording the same in the respective books of accounts. Though all the transactions are carried out by Source Company, Account postings for the same are recorded in Destination Company.

Change Details

Group Company (related Company) need to be set up in Ramco Application by virtue of which relationship shall be established amongst them to carry out transactions on behalf of another. To carry out business, Transacting Company need to identify its Destination Company. After Identification, it need to set up the **Customer Master** with **Nature of Customer** as 'Group Company' and specify the unique **Company Code** i.e., Destination Company Code.

For Instance: Transacting Company 'ABC Ltd.' needs to transact on behalf of its Group Company say 'XYZ Ltd.', then in the books of 'ABC Ltd.', Customer Master shall be set up in the name of 'XYZ Ltd.' and it is identified as Group Company/Trading Partner.

Set options are available to enable Automatic Accounting on behalf of Destination Company in the **Maintain Organization Parameters** activity under **Organization Setup** business component. Here, Login OU Company (Source Company) shall establish the relationship among the Group Companies.

In **Maintain Organization Parameters** screen, user needs to provide input for 2 parameters namely; 'Defn. for Company Code' and 'Transacting With Company Code'. 'Defn. for Company Code' shall capture the Source Company Code i.e., organization that will transact on behalf of related company and 'Transacting With Company Code' shall capture the Destination Company Code whereby the accounting transaction shall be recorded.

The following process parameter is added additionally in the **Set Finance Process Parameters** activity of the **OU Parameter Setup** business component to regulate the accounting for transaction on behalf of Group Company at Global Level:

Parameter Level: Installation Level

Business Process: Finance Setup

Category: Global Parameters

Process Parameter:

- 'Accounting Required for Related Company being Customer' provides the following options:
  o 'Yes' - Allows accounting for transactions on behalf of Group Company being customer
  o 'No' – Do not allow accounting for transactions on behalf of Group Company being customer.

Key transactions involved i.e., Maintenance Issue, Maintenance Return, Stock Status Conversion, Stock Correction, etc. will be posted to the respective group Company OU, based on identification of the Trading Partner. Accounting for Inventory transactions in the respective OUs, enables managing the parts/stocks by one of the Companies across the group Companies.

Inventory Transactions involved:

- Stock Adjustment
- General Issue / Return
- Unplanned Issue / Return
- Unplanned Receipt
- Kit Issue / Return
- Rental Order Receipt
- Maintenance Issue / Return
- Tools Issue / Return
- Stock Transfer Issue / Receipt
- Stock Status Conversion
- Material Lost in Transit

Exhibit 1: Identifies the new process parameter in **Set Finance Process Parameters** screen

Ability to enable labor accounting for Work Order at Entity level

Reference: AHBG-14544

Background

Currently, cost of Material incurred against the Shop Work Order/Aircraft Maintenance Execution has the flexibility to post the same in Event or Entity based Finance Book based on option settings. Further, cost of labor incurred against SWO & AME document is booked against Event based Finance Book only. This enhancement provides the ability to enable Entity based accounting when labor cost for SWO & AME is subscribed.

Change Details

This enhancement enables to account the Labor cost booked in the SWO & AME to the Aircraft's Finance Book. Holding Finance Book captured at the Aircraft master level is the Aircraft's Finance Book. During Task / Work Order closure, the Labor Cost will be posted in the Aircraft's Finance Book. This enhancement ensures that Maintenance costs (Material / Labor Costs) can be accurately accounted in the respective Aircraft's Finance Book.

WHAT'S NEW IN SUBCONTRACT MANUFACTURING?

Ability to manage accounting for Subcontract Manufacturing by external agency through Purchase Order

Reference: AHBG-7655

Background

The manufacture of some of the aircraft parts may need to be outsourced to an external agency for reasons like lack of expertise or manufacturing infrastructure or cost efficiency. These new parts will then be purchased and received into the inventory by means of a purchase order. Therefore, a provision to manage accounting for the manufacturing expenditure of parts subcontracted to an external agency was required to be incorporated in the Finance function of the product.

Change Details

In order to facilitate the accounting of part manufacture by an external agency, the following changes have been built into the system:

- New Automatic Posting Account (Transit Account): "Subcontract Production WIP" will be introduced for WIP accounting of Spares issued in Subcontract manufacturing in the Create Operative Chart of Accounts page of Accounting Setup. The user must follow the below-mentioned combination while creating account code for Auto Post Account Type - **SUBCONTRACT PRODUCTION WIP**:
    1. Currency- Base Currency
    2. Account Group- Asset
    3. Account Classification- Balance Sheet
    4. Automatic Posting Account Type- SUBCONTRACT PRODUCTION WIP
    5. Layout Heading - Only Asset Headings shall be allowed
- **Subcontract Production WIP – Breakup** report for the value of Spares with the vendor will be introduced to list the balance available against the each of the Subcontract purchase orders (VAB)
- New Predefined usage **SUBCONCONSUMPTION** will be introduced to account post the residual Spare Cost to Consumption in **Account Rule Definition**
- Default Cost Center for **SUBCONCONSUMPTION** will be captured in the Set Parameters- Default Cost Center activity of **BU Parameter Setup**

Account posting for subcontracted parts

Example 1: Costing of Subcontract PO with spares shipment.

Step 1: Subcontract PO

Purchase Order	PO Part #	Order Qty	Order Cost (Per Unit)
PO-002312-16	0-0001-368-106	1	200
	0-0050845-2	1	200

Step 2: Spares to be shipped for Subcontract PO

Purchase Order	PO Part #	Spare Part #	Qty	Issue Basis	Spares Cost
PO-002312-16	0-0001-368-106	254786752	1	Returnable	50
		0-008-106-01	1	Non-Returnable	50
	0-0050845-2	542-789-732	1	Non-Returnable	50
		254786752	1	Non-Returnable	50

Accounting Entry – Spare Issue	
Account	**Amount in $**
Subcontract Production WIP a/c Dr.	200
Inventory (stock a/c) Cr.	200

Step 3: Spares Usage Details for Subcontract PO

Purchase Order	PO Part #	Spare Part #	Issued Qty	Used Qty	Pending Return Qty
PO-002312-16	0-0001-368-106	254786752	1		1
		0-008-106-01	1	1	
	0-0050845-2	542-789-732	1	1	
		254786752	1	1	

Step 4: Receiving manufactured parts

Goods Receipt	PO Part #	Serial #	Rcvd./Accepted Qty	Order Cost	Consumed Spares cost
GI-000121-16	0-0001-368-106	MFR-031	1	200	50
	0-0050845-2	MFR-042	1	200	100

Accounting Entry – Receipt of Manufactured Part		
Account	**Amount in $** **Part 1: 0-0001-368-106**	**Amount in $** **Part 1: 0-0050845-2**
Stock Suspense a/c Dr. (Order Cost)	200	200
Supplier Suspense Cr. (Order Cost)	200	200

Stock Suspense a/c Dr. (Spare Cost)	50	100
Subcontract Production WIP a/c Cr. (Spare Cost)	50	100

Step 5: Receiving unused spare Parts

Goods Receipt	Spare Part #	Serial #	Received Qty	Issued Spare Cost	Received Spare Cost
GI-000121-16	254786752		1	50	50

Accounting Entry – Receipt of Unused Spare Part	
Account	**Amount in $**
Stock Suspense a/c Dr. (Spare Cost)	50
Subcontract Production WIP a/c Cr. (Spare Cost)	50

Step 6: Moving Manufactured Parts to Inventory

Goods Receipt	PO Part #	Serial #	Moved Qty	Inventory Value
GI-000121-16	0-0001-368-106	MFR-031	1	250

Accounting Entry – Movement of Manufactured Part		
Account	Amount in $ Part 1: 0-0001-368-106	Amount in $ Part 2: 0-0050845-2
Inventory a/c Dr. (Total Cost)	250	300
Stock Suspense a/c Cr. (Total Cost)	250	300

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