Champ Systems, Incorporated

Payroll to Accounts Receivable User Guide

For Sage 100 - Version 2015 (Level 5.20)
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Introduction

This enhancement is used to invoice payroll hours through Accounts Receivable and eliminate the entry of the same data twice. When doing Payroll Data Entry the user has the ability to enter a customer number and hourly billing rate to be used bill the employee's time to that customer. Reimbursed expenses can also be billed. The billing data prints on the Payroll Audit Report. When payroll is updated, the system creates invoices in the AR Invoice Entry file for any payroll line (earning or deduction) that includes a customer number. A default customer and billing rate can be set by employee. There are numerous options for setting the billing rate from the payroll pay rate including fixed and factored. Default rates can also be set up by PR labor code.

This enhancement is fully integrated with the Sage 100 Payroll and Accounts Receivable modules.

Installation

See the Installation and Registration Instructions

Note: The conversion must be run for each company that will be using the enhancement before it can be used.

SETUP

Champ Systems Payroll Options

This is a new program that can be found on the Payroll Setup Menu

Payroll-to-Accounts Receivable check box

Check this box if the current company will be using this enhancement.

Determine Billing Rate by: Employee / Customer

By selecting **Employee**, the hourly rate to bill the customer will be setup in employee maintenance. If the billing rate in employee maintenance is left blank or set to zero, the rate will be determined by the hourly rate setup for the Labor Code.

By selecting **Customer**, the hourly rate to bill the customer will be determined by the customer/labor code combination or, if the customer/labor code has not been set up, the

customer only. The employee pay rate to use, which is different from the employee's standard rate, can also be set up if this option is selected.

No. Decimals in Billing Rate

Enter the number of decimal places for the billing rate, 0 – 3. The default is 2.   This will govern the format of the billing rates as entered in Payroll, Customer Billing Rate Maintenance and the Unit Price posted to the A/R invoice.

Apply Pay Rate Multiplier to Billing Rate

Check this box if customers are to be charged extra for overtime. If this box is unchecked, the regular rate for that customer/employee will be used.

Note: If the billing rate is determined by customer and the billing method is Factor then the employee pay rate will already have the pay rate multiplier applied and therefore will be used to calculate the billing rate.

No. Decimals in Billing Factor

Enter the number of decimal places for the billing factor, 0 – 4. The default is 2. This will govern the format of the billing rates as entered in Payroll and Customer Billing Rate Maintenance. This field is available only if applying the pay rate multiplier to billing rate.

Use Pay Rate as Invoice Cost

Check this box if the pay rate for the employee on the earnings line in payroll data entry is to be transferred to the invoice as the unit cost for that line item. If this box is not checked, there will be no cost applied.

Separate Inv by Labor Code

Check this box if **all** customers are to get a separate invoice for each labor code. If only some customers are to get separate invoices for each labor code then leave this box unchecked and use Customer Billing Rate Maintenance to indicate any customers that are to receive separate invoices by labor code.

Default A/R Misc Item

The Payroll-to-Accounts Receivable enhancement uses the miscellaneous items from the Accounts Receivable module to determine which general ledger accounts will be posted when accounts receivable invoices are updated. Enter the default miscellaneous item code

to use here. To maintain miscellaneous items go to the setup menu in the Accounts Receivable module.

Note: If Use Pay Rate as Invoice Cost is selected and the A/R Miscellaneous Item is a set as a "Charge" type in Miscellaneous Item Maintenance, the cost will not be posted.

Default A/R Misc O/T Item

Enter the default miscellaneous item code to use for any overtime or double-time hours. If this is blank, the **Default A/R Misc Item** will be used.

Note: If Use Pay Rate as Invoice Cost is selected and the A/R Miscellaneous Item is set up as a "Charge" type, the cost will not be posted.

Customer Billing Rate Maintenance

This is a new program that can be found on the accounts receivable setup menu. It is only available if the option to determine the bill rate by customer is selected.

The header portion of the screen is used to maintain the defaults for the customer. If the customer/labor code combination is not on file, these are the values that will be used.

Billing Method: Rate/Factor

This is the default billing method for the customer. It will only be used if the customer/labor code combination is not on file. If billing method Rate is selected then the billing rate entered is what will be used. If billing method Factor is selected then the billing rate will be based on the employee pay rate.

Billing Rate

This field will only be active if the billing method Rate is selected. It is the billing rate that will be used for the customer if the customer/labor code combination from payroll data entry is not on file.

Employee Pay Rate

This field will only be active if the billing method Rate is selected. If there is an amount entered here and the customer/labor code combination from payroll data entry is not on file then this is the rate the employee will be paid.

Billing Factor

This field will only be active if the billing method Factor is selected. If the customer/labor code combination is not on file then the employee pay rate will be multiplied by the billing factor to determine the billing rate.

Separate Invoice by Labor Code

Check this box if the customer is to receive a separate invoice for each labor code. This selection will be overridden if the Separate Invoice by Labor Code option in the Champ Systems Payroll Options is selected or the customer plus labor code has been setup in Customer Billing Rate Maintenance.

A/R Item Code

This is a miscellaneous item code. It will be used if the customer/labor code combination from payroll data entry is not on file or if the item code from the customer/labor code is blank. If this is field is also blank then the Default A/R Misc. Item from the Champ Systems Payroll Options will be used.

Note: If Use Pay Rate as Invoice Cost is selected in the Champ Systems Payroll Options and the A/R Miscellaneous Item is not a type miscellaneous, the cost will not be posted since there is no cost of goods sold general ledger account number for a non-miscellaneous type miscellaneous item.

The detail part of the screen is used to set up billing methods and rates by customer/labor code. If a customer will have the same billing method and rates for all labor codes then it does not need to be maintained. Only those customer/labor code combinations that are different from the default for the customer need to be maintained.

Labor Code

This must be a valid payroll labor code.

Bill Method: Rate/Factor

This is the billing method that will be used for this customer/labor code combination. As on the header portion of the screen the options are Rate and Factor.

Bill Rate

This field will only be active if the billing method Rate is selected.

Employee Pay Rate

This field will only be active if the billing method Rate is selected. If there is an amount entered here then this is the rate the employee will be paid.

Bill Factor

This field will only be active if the billing method Factor is selected. The employee pay rate will be multiplied by the billing factor to determine the billing rate.

Sep Inv?

Check this box if this customer/labor code combination is to be billed on a separate invoice. This selection will be overridden if the Separate Invoice by Labor Code option in the Champ Systems Payroll Options is selected. It will not be overridden by the customer defaults.

A/R Item Code

This is a miscellaneous item code. If this is field is left blank then the A/R Item Code for the customer will be used. If it is also blank then the Default A/R Misc. Item from the Champ Systems Payroll Options will be used.

Note: If Use Pay Rate as Invoice Cost is selected in the Champ Systems Payroll Options and the A/R Miscellaneous Item is not a type miscellaneous, the cost will not be posted.

Employee Maintenance

There are two new fields on the Wages Tab of Employee Maintenance, Billing Rate and Default Customer.

Added for PR-to-AR Enhancement

Billing Rate

If the option **Determine Billing Rate by Employee** is selected then the rate to bill a customer will come from the Billing Rate entered on this screen. This rate is the default billing rate and is not required.

Default Customer

The **Default Customer** is the customer that this employee normally works for. It is not a required entry but if used the customer number in payroll data entry will automatically default to the customer number entered here.

Note: Some standard fields have been moved to make room for the two new fields.

Labor Code Maintenance

There have been 2 fields added to Labor Code Maintenance, Billing Rate and A/R Misc Item.

Added for PR-to-AR Enhancement

Billing Rate

If the option **Determine Billing Rate by Employee** is selected and the billing rate for the employee is zero then the rate to bill a customer will come from the Billing Rate entered on this screen. This rate is not a required entry.

A/R Miscellaneous Item

If the option **Determine Billing Rate by Employee** is selected, the item code entered here will be the one used when posting the accounts receivable data entry files. This field is not required. If it is left blank then the Default A/R Misc Item from the Champ Systems Payroll Options will be used. To maintain miscellaneous items go to the setup menu in the Accounts Receivable module.

Note: If Use Pay Rate as Invoice Cost is selected in the Champ Systems Payroll Options and the A/R Miscellaneous Item is not a type miscellaneous, the cost will not be posted.

Using the Enhancement

Payroll Data Entry

The Payroll Posting to Accounts Receivable Enhancement primarily affects Payroll Data Entry. Four fields have been added to the **Lines** tab of the data entry program. These new fields are the Customer Code, Bill Method, Factor and Billing Rate.

Added for PR-to-AR Enhancement

Depending on the options selected and entries made during setup for this enhancement, these new fields may be filled in with default data. The employee pay rate may also come from the Customer Billing Rate File.

If a customer code is not entered, data entry will behave the same as standard payroll and there will be no posting to accounts receivable for this line.

Both earnings lines and deduction lines can be posted to accounts receivable. If an employee paid out of pocket expenses that are to be billed to a customer then the employee can be reimbursed though payroll and the reimbursed amount can be posted to accounts receivable. In order to do this, enter a deduction line using a deduction code with a calculation method of Fixed. Also enter a customer number and the deduction amount as a negative. This will reimburse the employee and, when payroll is updated, post a miscellaneous charge line to the customer invoice in accounts receivable.

Note: If the option to have the billing rate determined by employee is selected then the default billing rate will come from the employee unless that rate is zero. Then it will come from the labor code.

Payroll Data Entry Audit Report

When the Payroll to A/R enhancement has been activated this report will have the option to print the customer billing information. The new report includes totals for the billing and the reimbursement amounts for each department, if used, and for the report.

Added for PR-to-AR Enhancement

Payroll Check Register Update

This update posts all payroll data entry lines that include a customer number to accounts receivable invoice data entry. All data entry lines for the same customer, regardless of employee number, will be billed on the same invoice unless the setup option to determine billing rate by customer is selected and the customer/labor code combination has been marked to be billed separately. If batches are used in accounts receivable, the invoices will be posted to batch **PR2AR**.

The new fields added for Payroll Data Entry are posted to the P/R Perpetual Check History Line file (PR_23), if that feature is activated. They are available for reporting using the ODBC data dictionary.

Accounts Receivable Invoice Data Entry

There have been no changes made to this program. However, certain data will be filled in by the payroll check register update. On the lines tab, the lines that come from earnings lines will have the employee name as the description and, if the option to Use Pay Rate as Invoice Cost is selected, the cost will posted. The lines which come from deduction lines will have the payroll deduction code description as the line comment. See the tables below for new data fields.

Any invoices created through payroll are processed as any other accounts receivable invoices. They can be modified, added to and/or deleted.

A/R Delete and Change Customers Utility

When a customer is deleted, the utility will:
- Remove all setup for that customer from the Customer Billing Rate Maintenance files
- Clear the Default Customer from the Employee Masterfile.

For historical purposes the Customer Number will **not** be cleared from the P/R Perpetual Check Detail file.

When a customer is renumber, the utility we renumber the customer in the following files:
- Customer Billing Rate Maintenance files
- Employee Masterfile
- P/R Perpetual Check Detail file

Note: The utility should **not** be used when a P/R Pay Cycle is in progress involving a customer being deleted or renumbered. The utility does not affect the Payroll Data Entry Line file (PR7).

New data fields in A/R Invoice files

The following new fields in AR_InvoiceHeader are populated by the Payroll Check Update when the invoice is created. They are also available in AR_InvoiceWrk so they may be added to the A/R invoice form. When the A/R invoice is updated, the data fields are posted to AR_InvoiceHistoryHeader.

Field Name	Data
D008FromPayroll	"Y"
D008PeriodEndDate	P/R Period End Date
D008LaborCode D008LaborCodeDesc	Labor Code and Description if this is a separate invoice by Labor Code

The following new fields in AR_InvoiceDetail are populated by the Payroll Check Update when the invoice is created. They are also available in AR_InvoiceWrk so they may be added to the A/R invoice form. When the A/R invoice is updated, the data fields are posted to AR_InvoiceHistoryDetail.

Field Name	Value
D008EmployeeDeptNo	Employee Department
D008EmployeeNo	Employee Number
D008EmpLastName	Employee Last Name
D008EmpFirstName	Employee First Name
D008EarnDeductIndicator	"E" or "D" indicating an earning or deduction line
D008EarnDeductCode	Earning or Deduction Code
D008EarnDeductDesc	Earning or Deduction Description
D008EarningsType	Earnings Type
D008EarningsMultiplier	Earnings Multiplier
D008LaborCode	Labor Code
D008LaborCodeDesc	Labor Code Description
D008BillingMethod	Billing Method
D008BillingFactor	Billing Factor