

Product Profile: Corporate Allocations with Infor10 Financials Business (SunSystems)



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An extension to Infor10 Financials Business (SunSystems) that allows you to automate sophisticated allocation functions on Ledger Accounting and Fixed Asset data. This module enables a user to re-distribute financial data, such as costs, and allocate charges across accounts, cost centres, projects, products etc. based on static ratios and financial or statistical data. Allocations can be made within ledgers and across companies.

Allocations

Three methods of allocation are available. Apportionment allows you to spread costs or revenues based on statistical or financial data held in the ledger. You can for instance spread overhead costs across departments by floor space, or factory overheads across products by units of production. If the basis of allocation does not vary from month to month a Fixed Percentage allocation may be used. This allows costs to be split by pre-defined percentages, for example to allocate 60% of telephone costs to the sales department. In addition to spreading a variable amount, Fixed Amount allocations may also be made, for example the allocation of the first £1500 of building maintenance costs to head office.

Charges

As well as re-apportioning costs, Corporate Allocations is also able to generate charges. There are three charging methods available: Using Apportionment allows you to base a charge on statistical or financial data. A financial organisation may wish to accrue a handling cost derived from the number of transactions for each product dealt with. A Fixed Percentage calculates a charge based on a pre-defined percentage of a financial or statistical value. For example this may be used to calculate inter-company interest at 14% on current account balance with group treasury. For cases where the same charge is to be made every month, such as a management fee, a Fixed Amount charge may be used.

Inter-Company Capabilities

Inter-company processing is fully supported. Central payables and receivables can be maintained with automatic posting to relevant entities and maintenance of balancing entries in the inter-company control account.

Allocations and charges can be made across entities. These can be posted automatically or at your request. Transfer files can be produced for distribution to remote locations.

Multi-Currency

Full multi-currency facilities are available. Charges and allocations can be made in and across currencies. The charging currency may be different from the original currency.



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Processing

Using simple data entry forms, the structure of an Allocation can be set up easily and quickly. First, an Allocation Definition is created to describe the source transactions, target accounts and rules for an allocation process. A single allocation definition can combine any number of steps using any of the allocation or charging methods. Next, the Allocation Source is defined. This describes the company account codes and transaction ranges on which the allocation will be based. Then an Allocation Target is set. This describes the company and account codes to which allocated amounts will be posted.

Finally the Allocation Ratio is defined. This describes the basis by which the allocation source amounts will be apportioned to the target accounts. Once an allocation has been fully defined in this way, Generate Allocations can be run to calculate, report and post charges to target accounts. For groups of allocations using the same basis, multiple Allocation Definitions can use the same Allocation Ratio, saving time in both setting up and maintaining the system. The source for the allocation can either be individual transactions, totals of individual accounts or totals of cost centres, products etc. For example, the expense of service cost centres can be spread across the direct cost centres. Full audit trails and security are built into the module, in common with the rest of the Infor10 (SunSystems) range.

Posting Options

Postings resulting from an allocation run may be made in a number of different ways: Automatic, Immediate. Postings are made at the end of each step in the allocation sequence thus allowing allocation and subsequent re-allocation in the same run. Automatic, End of Run. Postings are made automatically at the end of an allocation run for all allocations made. Automatic, Batch. A transfer file is created for subsequent posting by use of the Journal Import function. Report Only. A report only option is available. This can be used as the source for a manual posting or as a validation run.

Reporting

The Definition Report brings together the four related elements for each Allocation Definition record onto a single report. It also shows details or a summary of the transactions generated for an allocation definition.

For more information about SunSystems Corporate Allocations contact our product advisory team on +44 (0)20 7648 2000