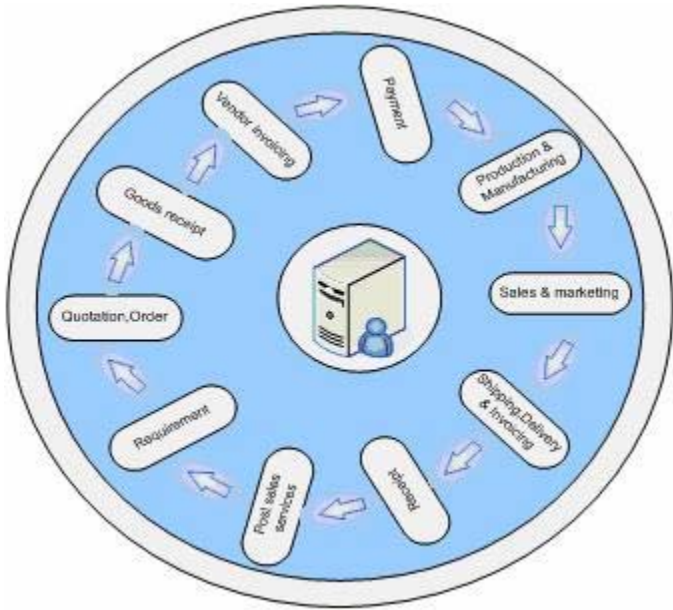


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Best Practice
eXensys – Integration
Business Performance Sustained

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Introduction:

Integration is the process of linking different process/applications within a single organization together in order to simplify and automate business processes to the greatest extent possible, while at the same time avoiding having to make sweeping changes to the existing applications or data structures. Integration is a major part of all ERP process.

Overview:

This document briefly explains the cross module integration events and the methodology. It also discusses the integration events under different methods of Inventory Accounting in Trading Business Cycle –

- i. Periodic / Purchase Based Inventory Accounting
- ii. Perpetual / Consumption Based Inventory Accounting

The basis in the integration methodology in Exensys is that, wherever finance postings are triggered from modules other than finance module, integration events are created to map accounts to such events. These events are depended on key elements of the module. Users are allowed to map GL accounts to such integration events depending on the accounting requirements.

All Integration Mappings will be at Organization level. Users are provided with option to modify the integration accounts. If any of the Accounts mapped to integration events are modified, then they will not change the postings that have already happened. Only the new postings will be done to the Accounts according to the modified mapping.

For e.g. in HCM module a income head or a deduction head becomes an integration event. Similarly in Sales module a Product Group becomes an integration head.

In some areas options are given to the user to choose the type of integration events. For e.g., In sales module, integration events can be Product Group, Item Category, Division, Sales Area etc or combinations of these. Similarly in Procurement Module. However, in some areas the integration events are predefined by the system.

Below is the process of Exensys integration configuration

1 Integration Configuration Process



1.1 Business Accounting Configurator

In Enterprise Settings – Configurators – Integration Configurator – Business Accounting Configurator provides for option to the users to select the method of Inventory Accounting (Perpetual or Periodic) for the Organization. Here the user can choose either of the options as the method of Inventory Accounting.

This Configuration is specific to the organization selected and is a one-time setting. If any entries are recorded in the organization then this setting cannot be changed

Purchase Based (Periodic) Accounting:-

Periodic inventory is a system of inventory in which updates are made on a periodic basis. This differs from perpetual inventory systems, where updates are made continuously.

In Purchased based accounting finance module has been integrated with other modules has been shown in the below mentioned diagram.

Consumption Based (Perpetual) Accounting

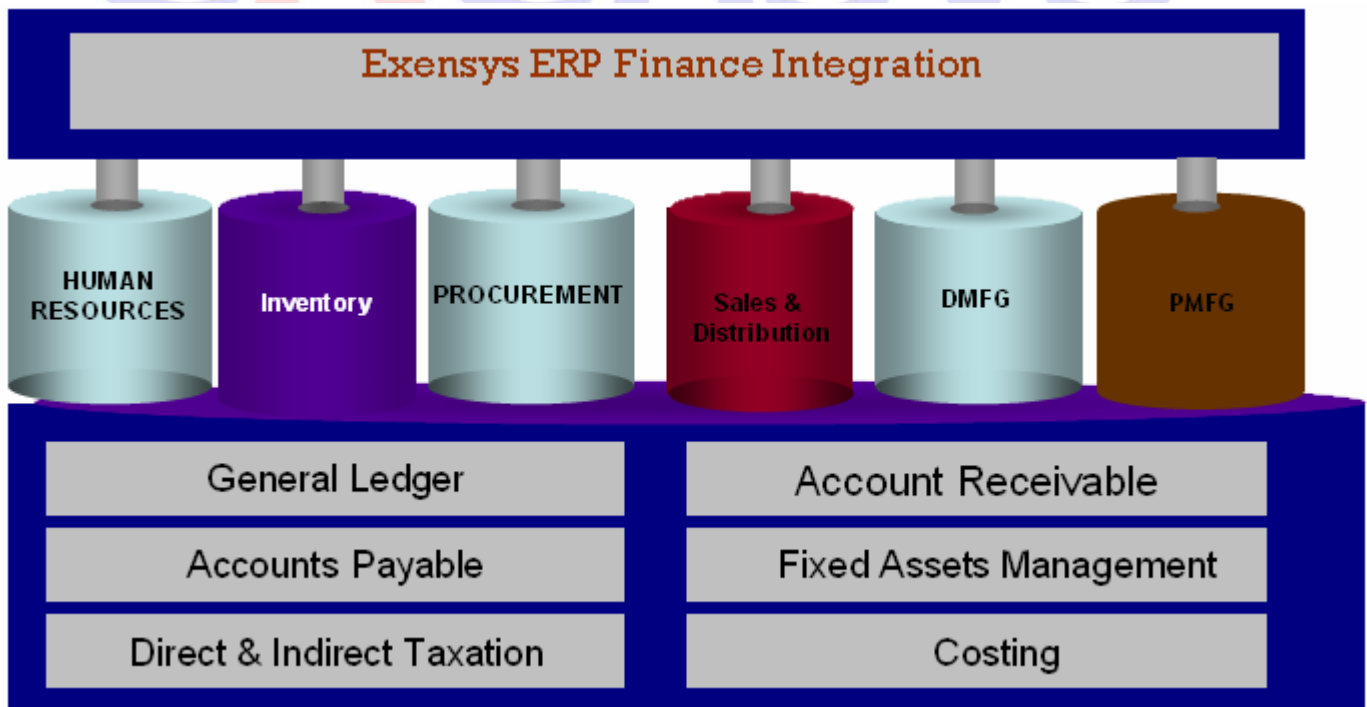
Perpetual inventory or **continuous inventory** describe systems of inventory in which the inventory as recorded or displayed in the firm or organization's information system is updated on a continuous basis with real inventory in stock. In this case, book inventory would be the same as, or almost exactly the same as, the real inventory.

1.2 Integration Configurator

In Enterprise Settings – Configurators – Integration Configurators – Integration Configurator provides option to the users to select the basis for Inventory Integration in Purchases, Sales and Inventory modules. Once mapped integration configuration cannot be edited if transaction is posted.

Event will display in integration master (where user can map GL account) based on integration configuration for inventory, Sales & Procurement, master

For e.g. user can choose a combination of Item Category and Product Group as the basis for Sales Module integration. With this configuration the system creates an integration event for combination of every Product Group and Item Category and finance postings can be achieved for sales based on the above.

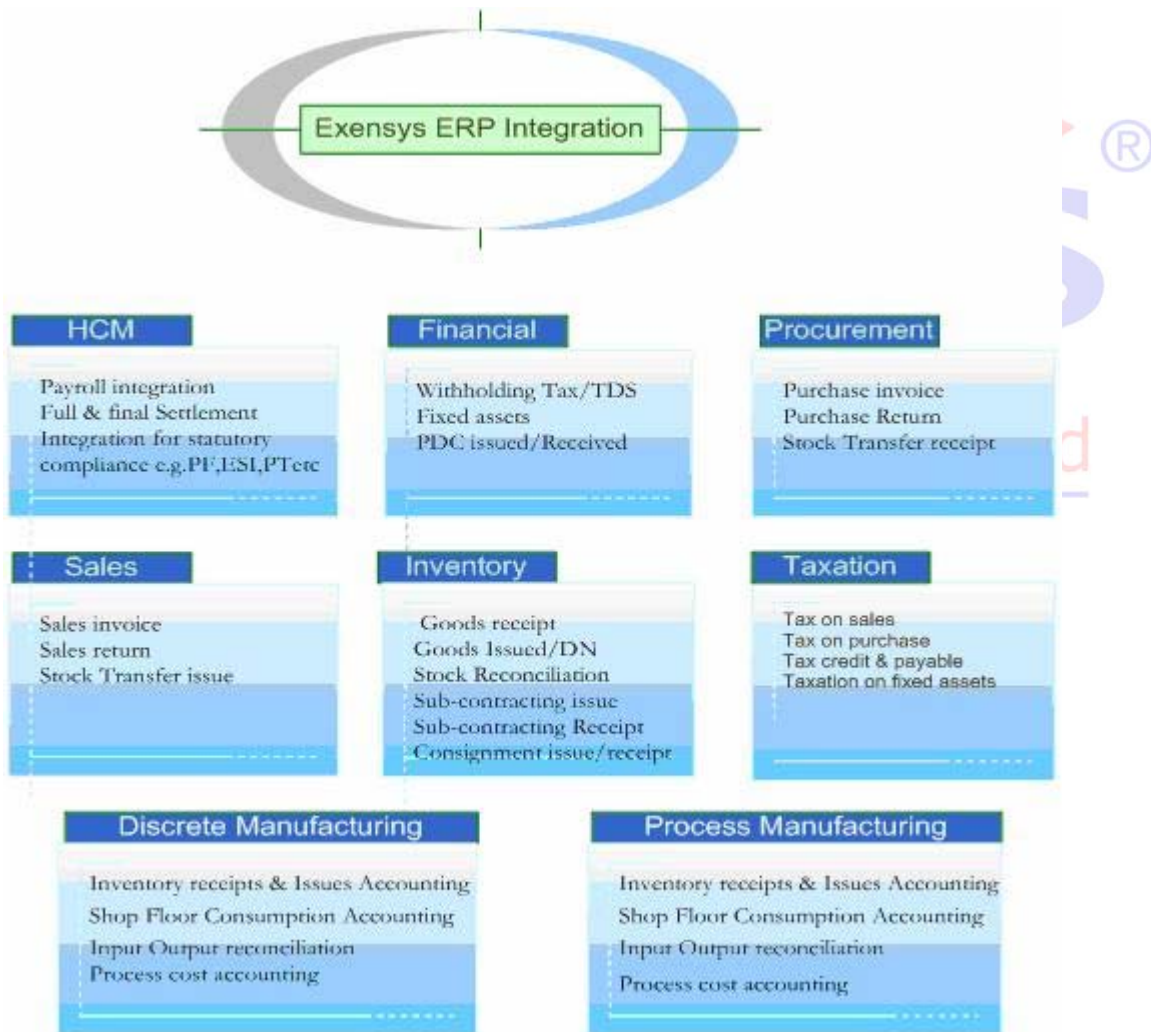


1.3 Module Wise Events/Integration master

Enterprise Settings < Financial Management < Master < Integration Account

In integration master the entire event for integration mapping will display, User can map any GL account through search picker grid. On mapping the GL account if any transaction is done than financial posting will effect to the integration map GL account

E.g. If Sales module integration configuration is done based on Product group than all the product group will display in integration master as an event where user can map any Income type GL account. If any sales is made for an item than financial posting will happen in GL account which are mapped in integration account to related product group



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1.3.1 HRP/HCM

It provide the integration between HCM (HRP) and Finance.

1. Default events are created for the Basic Salary Component.
2. For all the Income and Deduction heads created in the HCM module, integration events are automatically created in the integration account master.
3. Postings to employee accounts happen on the basis of the control account that is mapped to the employee master in “**Control Account**” in Finance – Masters.
4. defaults events for statutory deduction in case of localisation
5. GL account mapping is required for all the events displaying in integration master. Whenever any transaction is done for any event, financial posting will happen in mapped GL account.
6. All the events are default except income & deduction, whenever user will create any income & Deduction in HRP module than income/Deduction will display in integration master as an event.

1.3.2 Financial

Its provides integration between different sub-module of finance (e.g. fixed Assets, Withholding Tax/TDS, PDC management)

Default events are created for TDS, Fixed Assets, PDC, Cash purchase & sales. Configuration based events will be create for service item for Purchase service invoice & Sales Service invoice.

Cash purchase integration with Purchase invoice

Cash sales integration with Sales invoice

TDS integration with TDS module for payable, Interest & penalty

PDC issued & Receipt integration with PDC management

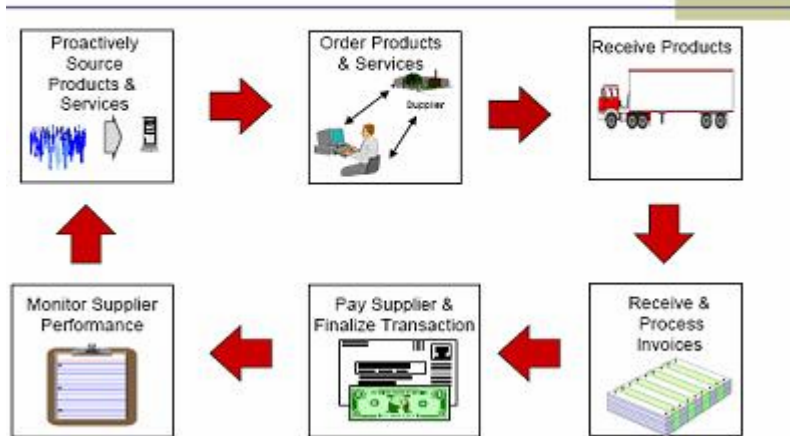
Service item integration for Purchase & sales based on the inventory configuration

1.3.3 Procurement

Procurement integration includes GRN, Cash Purchase, Purchase, Purchase return & stock transfer receipt & Vendor Control account integration/mapping with Vendors.

This list provides Integration events for Purchase module based on the Integration Configurator as explained in the section 1.2 above. This list depends on the basis of method of Inventory accounting explained in 1.1

P2P Process Flow Chart

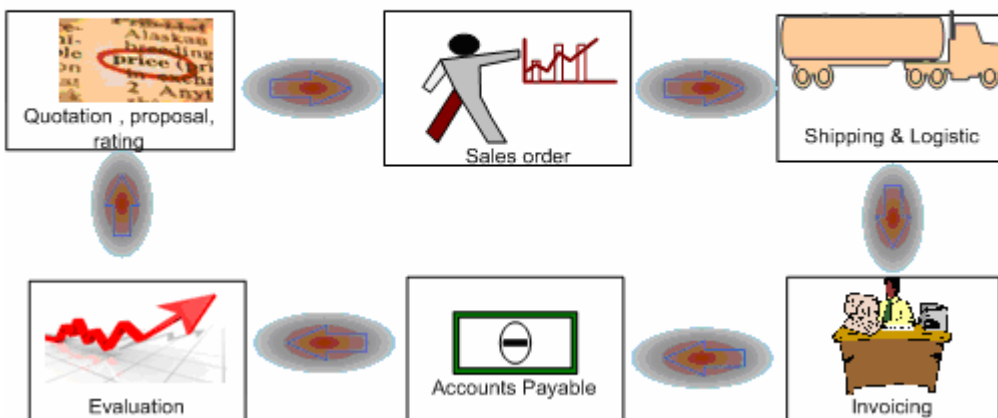


1.3.4. Sales & distribution

Sales integration includes DN, Cash sales, Sales invoice, Sales return & stock transfer Issue & Customer Control account integration/mapping with Customers.

This list provides Integration events for Sales module based on the Integration Configurator as explained in the section 2.2 above. This list depends on the basis of method of Inventory accounting explained in 2.1

Order To Cash Flow



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1.3.5 Inventory Integration

Inventory integration with finance includes GRN, Delivery note, loss of material, qty reconciliation, Sub-contracting in & out,

1.3.6. Taxation Integration

Taxation integration includes Tax on purchase, Tax on sale, Tax on assets, Tax credit, Tax payable ,Discount, Other component e.g. Packing Charges

This list provides Integration events for Component/tax profile created in taxation module. Whenever user will create any component/tax profile, an event will arise for mapping in integration master. Whenever user will do any transaction in any module using any component, financial posting will happen in integration mapped GL account.

1.3.7 Production module Integration Events in case of Consumption based accounting

- A. Stock Reconciliation – Shortage / Excess
- B. Item Kitting – Assembling
- C. Item Kitting – Dis-Assembling
- D. Stores Issues – Delivery Note
- E. Stores Issue – Inter Department transfers
- F. Stores Issue – Production issues
- G. Stores Receipt – Inter Department transfers
- H. Stores Receipt – Production Receipts
- I. Consignment Out
- J. Sub Contract Issue
- K. Sub Contract Receipts
- L. Shop Floor Consumption Accounting