



Article # 1303

Technical Note: Understanding the National Account Management Feature

Difficulty Level: Beginner Level AccountMate User

Version(s) Affected: AccountMate 12 for SQL and Express
AccountMate 11 for SQL and Express
AccountMate 10 for SQL and Express
AccountMate 9 for SQL and Express

Module(s) Affected: AR

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DESCRIPTION

The National Account Management feature allows linkage of customer records to another customer record that represents its parent or national account. You can apply receipts or open credits from the parent account to pay the subsidiaries' accounts. You can print either a Customer Statement for the parent only or a combined Statement for the parent and its subsidiaries. Certain receivables related reports are also enhanced to include information pertaining to both the parent and its subsidiaries; thus, users can save time and effort in analyzing data by just looking at one report rather than numerous reports while obtaining the same information.

This Technical Note discusses how to activate and set up the national account management feature. It also provides information about the feature's effects on certain Accounts Receivable (AR) functions and related enhancements implemented in certain reports.

SOLUTION

Activation and setup

Perform the following procedures to activate and set up the National Account Management feature:

1. To activate the feature, perform these steps:
 - a. Access the **AR Module Setup ► General (2)** tab.
 - b. Mark the **Check Parent Account Status** checkbox in the **National Account Management** area.
 - c. When you are done with setting up the AR module, click **OK**.
2. Assign a parent account to the subsidiary customer records and set up relevant options by performing these steps:

Caution: Once you assigned a parent account and saved the customer record, you can no longer change the assignment.

a. Access the **Customer Maintenance** function, and perform these steps in the **Settings** tab:

a1. Enter a customer number in the **National Account Management** area ► **Parent Acct #** field.

Note: Be sure to assign a parent account that uses the same home currency code as its subsidiary; otherwise, AccountMate will prevent you from assigning the parent account.

a2. If applicable, mark the **Consolidate Statement** checkbox to configure AccountMate to consolidate the subsidiary's Customer Statement with that of its parent.

Note: The **Consolidate Statement** checkbox is enabled only when the customer record is assigned as a parent of another customer account. The **Consolidate Statement** checkbox setting in the **Print Customer Statement** function overrides the setting in the customer record.

b. Click **Update** to save your changes.

Note: A subsidiary can be assigned as a parent to another customer account; however, payment processing must be done one parent level at a time. For example, let us assume that customer A is assigned as customer B's parent account. Let us further assume that customer B is assigned as customer C's parent account. The ultimate parent in this scenario is customer A. When you process payments for customer A, you can view both customer A's and B's transactions but not those of customer C. To view both customer B's and C's transactions you need to process payments using customer B's account.

How this feature affects certain functions

The next paragraphs discuss how this feature is implemented in several functions.

1. Apply payment

a. If you apply payment to a parent account, you will notice the following changes in the Apply Payment function:

- The grid will display all the outstanding invoices of the parent and its subsidiaries.
- The grid will contain a **Customer #** column that will display the customer number assigned to each invoice.
- The **Total Open Credit** field will display the total open credit balance of the parent and its subsidiaries.

Note: Open credit transactions result from sales returns, excess collections from customers, or unapplied customer deposits. You may choose to refund open credits or choose to apply them to outstanding invoices.

- The Apply Open Credit window, which is displayed when you click the Apply Credit button beside the Total Open Credit field, will list all the open credit transactions of the parent and its subsidiaries.
 - The Apply Open Credit window will contain a Customer # column that will display the customer numbers for which the open credit transactions are recorded.
 - You can simultaneously record payments, discounts, adjustments, and write-offs for the subsidiary invoices and apply the parent's or subsidiary's open credits to outstanding invoices.
- b. If the **Check Parent Account Status** checkbox is marked in **AR Module Setup** and the parent account is inactive, AccountMate still allows you to continue applying payments. Marking the **Check Parent Account Status** checkbox configures AccountMate to prevent creation of sales orders, sales quotes, advance billings, invoices, sales returns as well as recording of shipments for inactive parent accounts; but not application of payments.
- c. You can apply regular payments to subsidiary's invoices using the parent account or use the parent account's open credits to the subsidiary's invoices or to both the parent's and subsidiary's invoices. You can also apply the subsidiary's open credits to the parent's invoices or to another subsidiary's invoices. Given the following assumptions the various scenarios illustrate the effects of applying payments and open credits to outstanding invoices:

ASSUMPTIONS:

- Cash in bank balance: \$10,000.00
- Parent's regular payment receipt applied to subsidiary A's invoices: \$700.00
- Parent's open credit balance (fully applied to invoices): \$2,000.00
- Subsidiary A's regular payment receipts applied to subsidiary B's invoices: \$300.00
- Subsidiary A's open credit balance (fully applied to invoices): \$1,000.00
- Subsidiary B's open credit balance (fully applied to invoices): \$500.00
- Parent's accounts receivable balance: \$10,000.00
- Subsidiary A's accounts receivable balance: \$5,000.00
- Subsidiary B's accounts receivable balance: \$2,500.00

Scenario 1: Apply the parent's regular payment receipt to the subsidiary's invoices

In this scenario the parent received a payment from subsidiary A's customer in the amount of \$700.00. Cash in bank balance will be \$10,700.00 and subsidiary A's account receivable balance will be \$4,300.00.

Illustration:

Cash in bank	Parent		Subsidiary A		Subsidiary B	
	Open Credit	A/R Balance	Open Credit	A/R Balance	Open Credit	A/R Balance
\$10,000.00	\$2,000.00	\$10,000.00	\$1,000.00	\$5,000.00	\$500.00	\$2,500.00
700.00				-700.00		
\$10,700.00				\$4,300.00		

Scenario 2: Apply the parent's open credits to the subsidiary's invoices

In this scenario the parent's open credit balance and the subsidiary's accounts receivable balance are reduced by the applied open credit amount. Assuming that you fully apply the parent's open credits to subsidiary A's invoices, the parent's open credit balance will be zero (0) and subsidiary A's accounts receivable balance will be \$3,000.00

Illustration:

Cash in bank	Parent		Subsidiary A		Subsidiary B	
	Open Credit	A/R Balance	Open Credit	A/R Balance	Open Credit	A/R Balance
\$10,000.00	\$2,000.00	\$10,000.00	\$1,000.00	\$5,000.00	\$500.00	\$2,500.00
	-2,000.00			-2,000.00		
	\$0.00			\$3,000.00		

Scenario 3: Apply the subsidiary's regular payment receipts to another subsidiary's invoices

In this scenario subsidiary A received a payment from subsidiary B's customer in the amount of \$300.00. Although we recorded the receipt in subsidiary A's account, the increase in cash in bank was at company level; thus, it increased the total cash in bank balance to \$10,300.00 and reduced the subsidiary B's accounts receivable balance to \$2,200.00.

Illustration:

Cash in bank	Parent		Subsidiary A		Subsidiary B	
	Open Credit	A/R Balance	Open Credit	A/R Balance	Open Credit	A/R Balance
\$10,000.00	\$2,000.00	\$10,000.00	\$1,000.00	\$5,000.00	\$500.00	\$2,500.00
300.00						-300.00
\$10,300.00						\$2,200.00

Scenario 4: Apply the subsidiary's open credits to another subsidiary's invoices

In this scenario the subsidiary's open credit balance and the other subsidiary's accounts receivable balance are reduced by the applied open credit amount. Assuming that you fully apply subsidiary A's open credits to subsidiary B's invoices, subsidiary A's open credit balance will be zero (0) and subsidiary B's accounts receivable balance will be \$1,500.00.

Illustration:

Cash in bank	Parent		Subsidiary A		Subsidiary B	
	Open Credit	A/R Balance	Open Credit	A/R Balance	Open Credit	A/R Balance
\$10,000.00	\$2,000.00	\$10,000.00	\$1,000.00	\$5,000.00	\$500.00	\$2,500.00
			-1,000.00			-1,000.00
			\$0.00			\$1,500.00

Scenario 5: Apply the parent's open credits to both the parent's and subsidiary's invoices

In this scenario the parent's open credit balance and both the parent's and subsidiary's accounts receivable balances are reduced by the applied open credit amount. Assuming that you equally divide the parent's open credit balance and apply each portion to the parent's invoices and to the subsidiary A's invoices, the parent's open credit balance will be zero (0) and the parent's and subsidiary A's accounts receivable balances will be \$9,000.00 and \$4,000.00, respectively.

Illustration:

Cash in bank	Parent		Subsidiary A		Subsidiary B	
	Open Credit	A/R Balance	Open Credit	A/R Balance	Open Credit	A/R Balance
\$10,000.00	\$2,000.00	\$10,000.00	\$1,000.00	\$5,000.00	\$500.00	\$2,500.00
	-2,000.00	-1,000.00		-1000.00		
	\$0.00	\$9,000.00		\$4,000.00		

Scenario 6: Apply the subsidiary's open credits to the parent's invoices

In this scenario the subsidiary's open credit balance and the parent's accounts receivable balance are reduced by the applied open credit amount. Assuming that you fully apply the subsidiary A's open credits to the parent's invoices, subsidiary A's open credit balance will be zero (0) and the parent's accounts receivable balance will be \$9,000.00.

Illustration:

Cash in bank	Parent		Subsidiary A		Subsidiary B	
	Open Credit	A/R Balance	Open Credit	A/R Balance	Open Credit	A/R Balance
\$10,000.00	\$2,000.00	\$10,000.00	\$1,000.00	\$5,000.00	\$500.00	\$2,500.00
		-1,000.00	-1,000.00			
		\$9,000.00	\$0.00			

2. Void payment

- a. When you enter the parent customer # in the **Void Payment** function, the Receipt # Search window lists all the payments made for the parent account regardless of whether these were previously applied to the parent's or subsidiary's invoices.
- b. When you void a receipt, the parent's/subsidiary's accounts receivable balance(s) increase(s) depending upon whether the payment was previously applied to the parent's/subsidiary's outstanding invoices.

3. Void applied credit

When you void an open credit, the parent's/subsidiary's open credit and accounts receivable balances increase depending upon which company the open credit originated from.

Affected Reports

Activating the national account management feature entails enhancements in the following reports:

- **GL Transfer Report**
This report displays a credit to the Accounts Receivable GL Account ID assigned to the customer whose invoice is paid regardless of whether the parent or subsidiary actually paid the invoice.
- **AR Aging Report**
A **Consolidate Aging** checkbox is added to the report interface. It is available only when the **Individual Customer #** checkbox is marked. Marking the **Consolidate Aging** checkbox configures AccountMate to group by parent account the AR aging data including the subsidiaries' invoices, credit invoices, and unapplied credits; otherwise, the AR aging data will be shown separately by customer.
- **AR Status Report**
Marking the **Consolidate AR Status** checkbox in the report interface configures AccountMate to show in the report the AR invoice status for both the parent and subsidiary accounts. It is available only when the **Individual Customer #** checkbox is marked.
- **Customer Listing**
A **Parent Customer #** sorting option is added to the report interface. When this option is chosen, the report groups the customer records according to their parent accounts.
- **Print Customer Statement**
When the **Consolidate Statement** checkbox is marked in the report interface, the parent's Customer Statement will include information from all of its subsidiaries regardless of whether the customer record > **Consolidate Statement** checkbox is marked. If the checkbox in the report interface is unmarked, AccountMate will follow the **Consolidate Statement** checkbox setting in the customer record.
- **AR Currency Gain/Loss Report**
When the **Consolidate Report** checkbox is marked in the report interface, the report will show the currency gain/loss for both parent and subsidiary accounts. It is available only when the **Individual Customer #** checkbox is marked.
- **Cash Receipts Report**
If you want the report to show the cash receipts for both the parent and subsidiary accounts, mark the **Consolidate Report** checkbox in the report interface. It is available only when the **Individual Customer #** checkbox is marked.
- **Customer Transactions Detail Listing**
When the **Consolidate Report** checkbox is marked in the report interface, the report will show detailed information about the sales invoice transactions for both the parent and subsidiary accounts. It is available only when the **Individual Customer #** checkbox is marked.

- **Customer Transactions Summary Listing**
When the **Consolidate Report** checkbox is marked in the report interface, the report will show the summary of sales invoice transactions for both the parent and subsidiary accounts. It is available only when the **Individual Customer #** checkbox is marked.
- **Finance Charge Report**
When the **Consolidate Report** checkbox is marked in the report interface, the report will show the finance charges for both parent and subsidiary accounts. It is available only when the **Individual Customer #** checkbox is marked.
- **Finance Charge Exception Report**
When the **Consolidate Report** checkbox is marked in the report interface, the report will show the finance charges for both parent and subsidiary accounts. It is available only when the **Individual Customer #** checkbox is marked.
- **Freight Charge Report**
If you want the report to show the freight charges for both the parent and subsidiary accounts, mark the **Consolidate Report** checkbox in the report interface. It is available only when the **Individual Customer #** checkbox is marked.
- **Invoice Line Item Report**
This report shows detailed information about the sales invoices for both the parent and subsidiary accounts when the **Consolidate Report** checkbox is marked in the report interface, It is available only when the **Individual Customer #** checkbox is marked.
- **Invoice Summary Report**
The report shows summary information about the sales invoice transactions for both the parent and subsidiary accounts when the **Consolidate Report** checkbox is marked in the report interface. It is available only when the **Individual Customer #** checkbox is marked.
- **Open Credit Adjustment Report**
If you want the report to show the open credit refunds for both the parent and subsidiary accounts, mark the **Consolidate Report** checkbox in the report interface. It is available only when the **Individual Customer #** checkbox is marked.
- **Open Credit Report**
When the **Customer #** sorting option is chosen, the report interface displays the **Consolidate Report** checkbox. Marking this checkbox configures AccountMate to group the open credit data by parent account. All subsidiary open credit transactions are listed under the parent account. Open credit records for customers without a parent are separately listed by customer number.
- **Payment Distribution Report**
Marking the **Consolidate Report** checkbox in the report interface configures the report to group the payment distribution records by parent account. All subsidiary payment records are listed under the parent. Payment distribution records for customers without a parent are independently listed and subtotaled by customer number.
- **Print Prepaid Memo**
When the **Consolidate Report** checkbox is marked in the report interface, the report will show the prepayments for both the parent and subsidiary customers. This checkbox is available only when the **Individual Customer #** checkbox is marked.

- **Profit Margin Report**

If you want the report to show the profit margin for both the parent and subsidiary accounts, mark the **Consolidate Report** checkbox in the report interface. It is available only when the **Individual Customer #** checkbox is marked.

- **Sales Tax Amount Report**

Marking the **Consolidate Report** checkbox in the report interface configures AccountMate to show in the report the sales tax amounts for both the parent and subsidiary accounts. It is available only when the **Individual Customer #** checkbox is marked.

- **Print Payment Receipt**

This report shows the number of the customer whose invoice was paid off by the receipt. This piece of information is helpful especially in cases when a certain customer's payment is applied to another customer's invoice.

Understanding the feature's effects when applying or voiding receipts and open credits allows users to properly set up the required information. Knowing the enhancements made to certain reports helps users maximize the information that can be generated from them. In summary maximizing the use of this feature helps users speed up the processing of invoices and payments, thereby resulting in increased productivity in less time, improved collection efforts, reduced outstanding receivables, and maximized cash flow.

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