



# Terms Procedures Manual

Version 7.2.0  
February 1999  
Document Number TEP-72UN

Supply Chain Suite



**LAWSON INSIGHT™ II**  
BUSINESS MANAGEMENT SYSTEM

Lawson Software believes that the information described in this manual is accurate and reliable, and much care has been taken in its preparation. However, no responsibility, financial or otherwise, can be accepted for any consequences arising out of the use of this material, including loss of profit, indirect, special, or consequential damages. There are no warranties that extend beyond the program specification.

The customer should exercise care to assure that use of the software and related documentation will be in full compliance with laws, rules, and regulations of the jurisdictions with respect to which it is used.

## **Copyright**

Contents of this publication are copyrighted and cannot be reproduced in any form without the written permission of Lawson Software. The information contained herein is subject to change. Revisions may be issued from time to time and Lawson assumes no responsibility to advise customers of changes or additions.

LAWSON INSIGHT® is a registered trademark of Lawson Software

UNIVERSE™ is a trademark of Lawson Software

LEON® is a registered trademark of Lawson Software

Drill Around™ is a trademark of Lawson Software

LightShip™ is a trademark of Pilot Executive Software

Show Case Vista™ is a trademark of Rochester Software Connection, Inc.

UNIX® is a registered trademark in the United States and other countries, licensed exclusively through X/Open Ltd.

RS/6000® and AS/400® are registered trademarks of International Business Machines Corporation

Microsoft® and Windows® are registered trademarks of Microsoft Corporation

Microsoft® Access® is a registered trademark of Microsoft Corporation

Microsoft® Excel® is a registered trademark of Microsoft Corporation

Microsoft® Windows NT® is a registered trademark of Microsoft Corporation

Lotus® and 1-2-3® are registered trademarks of Lotus Development Corporation

Arbor® and Essbase® are registered trademarks of Arbor Software Corporation

All other brand or product names mentioned herein are trademarks or registered trademarks of their respective companies.

Correspondence regarding this document should be addressed to

Lawson Software

1300 Godward Street

Minneapolis, MN 55413-3004

©1999 Lawson Software, Minneapolis, MN

All rights reserved

Printed in the United States of America

## **Lawson Software Locations**

Atlanta, Boston, Calgary, Chicago, Columbus, Dallas, France, Los Angeles, Minneapolis, New York, San Francisco, Seattle, South Africa, Spain, Sweden, The Netherlands, Toronto, The United Kingdom, and Washington D.C.

Document Number TEP-72UN

# Contents

<b>Introduction</b>	<b>vii</b>
Before You Start .....	vii
How This Manual Is Organized .....	vii
Lawson Software Documentation .....	viii
Documentation Short Names .....	ix
LAWSON INSIGHT II Applications .....	ix
LAWSON INSIGHT II Environment .....	x
LAWSON INSIGHT II Training Materials .....	x
Lawson Software Documentation Standards .....	xi
Key Names .....	xi
Terminology .....	xii
Lawson Software Support .....	xiv
Lawson Software Help Line .....	xiv
Lawson Software Fax Number .....	xiv
Lawson Software Documentation Internet Mail Address .....	xiv
<b>Chapter 1: Considerations Before Setup</b>	<b>15</b>
Setup Prerequisites .....	15
Drill Around Security .....	15
Anticipation Discount Terms .....	15
<b>Chapter 2: Setup</b>	<b>17</b>
Defining Terms Codes .....	17
Defining a Net Terms Code .....	17
Defining a Multiple Payment Terms Code .....	18
Defining a Split Terms Code .....	18
Defining a Fixed Days Terms Code .....	19
Defining a Prox Terms Code .....	19
Defining a Prepayment Terms Code .....	20

<b>Chapter 3: Procedures</b>	<b>21</b>
Previewing Terms Codes .....	21
Defining Standard Messages .....	21
<b>Chapter 4: System Logic</b>	<b>23</b>
Terms Code Use in Other Systems .....	23
Accounts Payable .....	23
Accounts Receivable .....	23
Billing .....	24
Bills of Exchange .....	24
Invoice Matching .....	24
Order Entry .....	24
Purchase Order .....	24
Terms Code Examples .....	24
Example 1: Net Terms .....	25
Example 2: Multiple Payment Terms with Discounts .....	25
Example 3: Multiple Payment Terms without Discounts .....	27
Example 4: Fixed Days Terms - Fixed Day of the Month .....	27
Example 5: Fixed Days Terms - Fixed Day of the Week .....	31
Example 6: Prox Terms .....	32
Example 7: Split Terms .....	33
<b>Appendix A: System Programs</b>	<b>35</b>
Programs Listed by Function .....	35
Terms Codes Setup and Maintenance .....	35
Terms Codes Preview .....	36

Message Definition .....	36
Terms Code Listing .....	36
List of Forms and Subforms .....	37

<b>Appendix B: Typical Questions</b>	<b>39</b>
--------------------------------------	-----------

<b>Glossary</b>	<b>43</b>
-----------------	-----------

<b>Index</b>	<b>45</b>
--------------	-----------

~ END OF THIS SECTION ~

# Introduction

The LAWSON INSIGHT® II Terms system lets you set up pre-defined payment terms codes. You can assign a terms code to vendors, customers, invoices, debit memos, and purchase orders. Use terms codes to automatically calculate due dates for recreated bills of exchange, invoice due date and discount information, and create open item debit memos.

The LAWSON INSIGHT II Accounts Payable, Accounts Receivable, Billing, Bills of Exchange, Invoice Matching, Order Entry, and Purchase Order systems use terms codes defined in the Terms system.

## Before You Start

The LAWSON INSIGHT II Environment is the environment under which all LAWSON INSIGHT II applications run. It provides the features you use to perform your daily tasks. The LAWSON INSIGHT II Desktop Client provides the user interface for the Environment and applications. You can work in a character-based or Windows desktop environment.

If you are not familiar with the Desktop Client, read the *Getting Started with the Desktop Client* manual (*Desktop Client Getting Started*) for your hardware environment. *Desktop Client Getting Started* offers a simple approach to learning environment and applications features. It introduces basic concepts, important terms, and instructions in an easy-to-follow format.

## How This Manual Is Organized

The *Terms Procedures Manual* covers pre-system setup, everyday processing, and typical terms procedures. For more comprehensive learning, Lawson recommends that you use the online help text along with this manual.

The *Terms Procedures Manual* has four chapters, two appendixes, and a glossary.

Chapter 1, “[Considerations Before Setup](#),” includes information you need to know before using this application.

Chapter 2, “[Setup](#),” gives instructions for setting up this application.

Chapter 3, “[Procedures](#),” gives instructions for typical procedures you perform on a regular basis.

Chapter 4, “[System Logic](#),” gives detailed information about how this application works.

Appendix A, “[System Programs](#),” lists all the programs in this application both by function and by form ID.

Appendix B, “[Typical Questions](#),” answers some common questions about this application.

To get online help for a specific form or field, press **Help (F1)** from that form or field.

## Lawson Software Documentation

Documentation for LAWSON INSIGHT II applications covers the following areas:

- [LAWSON INSIGHT II Applications](#)
- [LAWSON INSIGHT II Environment](#)
- [LAWSON INSIGHT II Training Materials](#)

All products can use the following documentation:

- Online help offers information about menu options, forms, fields, and so on. Online help is available wherever you see **Help (F1)**. For more information, see “Getting Help” in the *Desktop Client Getting Started* manual for your hardware environment.
- Most Lawson Software documentation is available as an online book. These books are accessible from the Desktop Help menu. From the Help menu, choose an online book.

- Context-sensitive Windows help is available if you choose the Help button in the dialog box that you access from the menu bar command. These help topics provide you with information about how to correctly use each of the options in the dialog box. You can also access each of the context-sensitive help categories from the pull-down help menu.

## Documentation Short Names

When an Environment manual is referred to from another manual, a short name is used. For example, the *Getting Started with the Desktop Client* manual is referred to in a LAWSON INSIGHT II application procedures manual as *Desktop Client Getting Started*.

In this introduction, you can find the short name of each Environment manual immediately after its full title.

## LAWSON INSIGHT II Applications

- The application *Procedures Manual* is a how-to guide for learning all the functions in an application. This manual covers what to consider before you set up your application, setup procedures, typical procedures, and system logic. Use this manual with online help text for a complete explanation of a process.
- The application *Conversion Workbook* is a user's guide for the data conversion process. Conversion workbooks are written for new Lawson clients that are converting from a non-Lawson system to a Lawson application system. The conversion workbooks explain considerations for data conversion, include diagrams illustrating the conversion process, and provide detailed instructions for converting data. Conversion workbooks are available on the Lawson client Internet site. Contact your account representative for the URL address.
- Application online help text gives you quick access to detailed information about a form, a field, program file usage, or the data files in an application. Choose **Help (F1)** to view the help text. See the *Desktop Client Getting Started* manual for your hardware environment for more information.
  - *User Text* gives you information on using forms and form fields.

- *Data File Text* gives you information on what data files contain and lists the updated and referenced programs by data file.
- *Technical Text* lists the updated and referenced files by program.

## LAWSON INSIGHT II Environment

- *Getting Started with the Desktop Client (Desktop Client Getting Started)* explains the basic operation and standard features of the Environment and applications. This manual describes standard user interface components such as menus, forms, and dialog boxes; and basic procedures for working with online data and reports. This manual also explains how to install the Desktop Client and describes Desktop Tabs, a toolbar that users can customize to automate applications that can run on the Windows desktop. If you are new to the Desktop Client and Lawson applications, read this manual first.
- *Getting Started with the Desktop Client Quick Reference Card (Desktop Client Getting Started Quick Reference)* is an easy-to-use reference card to guide you in your daily work. This card explains some of the common features of the Environment and applications.

## LAWSON INSIGHT II Training Materials

- The application *Training Manual* includes information you need to learn the basics of a LAWSON INSIGHT II application system. Use this manual with the application procedures manual.
- The *Lawson Trainer Catalog* contains course schedules and descriptions for the Environment, Desktop Client, and applications classes.

You can view the current training schedule and course catalog at our World Wide Web site at the following address.

**World Wide Web site:**     **<http://www.lawson.com>**

To obtain a password or request a specific password, contact [webmaster@lawson.com](mailto:webmaster@lawson.com)

## Lawson Software Documentation Standards

Lawson Software uses the following character styles in its documentation.

This	Represents
<b>bold</b>	<p>A key name or a function key name. For example, <b>Shift</b> is a key name and <b>Help (F1)</b> is a function key name.</p> <p>A value or command that you must type exactly as it appears. For example, if the instructions say "Type <b>A</b>", type the bolded letters exactly as written, then press <b>Enter</b>.</p>
<i>italics</i>	<p>A placeholder for a user-defined value. For example, <b>lapm productline PO20.1</b>.</p> <p>Important information that requires your attention.</p> <p>A manual title.</p>
<b>(F1)...(F24)</b>	<p>A function key number. For example, if the instructions say "Press <b>Help (F1)</b>," press the key(s) mapped for the <b>(F1)</b> function key on your keyboard.</p>
<b>Key1+Key2</b>	<p>A plus sign between key names instructs you to press and hold down the first key, then press the second key. For example, "Press <b>Shift+FndNxt (F3)</b>" instructs you to press and hold down the <b>Shift</b> key, then press the <b>FndNxt (F3)</b> function key. Release both keys to complete the action.</p>

### Key Names

Because different keyboards can have different key names, your keyboard key names might not match those used in Lawson Software documentation. For example, if the instructions say

“Choose OK,” and your keyboard does not have an **OK** key, choose the key that is mapped as the **OK** key on your keyboard (for example, the **F12** key or the **Enter** key).

If you use the Desktop Client, press **Alt+K** to display your keyboard mapping on the terminal screen. If you use a third-party emulator, see the documentation for the package you use.

## Terminology

Lawson Software uses several terms in its documentation that have a precise meaning. The following table defines these terms.

Term	Meaning
choose	<p>Start a process, for example, open a form or a subform.</p> <p>If you use Windows-based applications, you choose an option by pointing to the option and double-clicking the left mouse button or pressing the equivalent accelerator keys.</p> <p>If you use character-based applications, you choose an option by putting the light bar on the option and pressing <b>Mark</b> or <b>OK</b>. In some cases, you can choose an option by typing the letter next to the option.</p> <p>For complete information, see the <i>Desktop Client Getting Started</i> manual for your hardware environment.</p>
define	<p>In a form or subform, type data in the fields required to complete the form or subform, and choose OK to send the data.</p> <p>In some fields, you must choose Define to open the form or subform where you can define the field value.</p>

Term	Meaning
OK	<p>Accept or send the data. For example, choosing OK after typing data on an online form saves the data and updates the database.</p> <p>In character-based applications, the key(s) mapped for the <b>OK</b> key is hardware-dependent.</p>
run	<p>Send data for processing. Depending on your hardware, you can press different keys to perform this task.</p>
select	<p>Identify an item to process. Selecting an item does not start a process.</p> <p>If you use Windows-based applications, you select an item by pointing to the item and clicking the left mouse button or pressing the equivalent accelerator keys. In most cases, when you select an item, you select it from a list of valid values that appears when you click the field select indicator or choose Select.</p> <p>If you use character-based applications, you select an item by putting the light bar on it. In some cases, you must also press <b>Mark, Next, or OK</b>.</p> <p>For complete information, see the <i>Desktop Client Getting Started</i> manual for your</p>
type	<p>In a form field, type the data, then move the light bar to the next field.</p> <p>At a command line, type the letters exactly as written, then press <b>Enter</b>.</p>
use	<p>Start a form or subform.</p> <p>For complete information about starting forms and subforms, see the <i>Desktop Client Getting Started</i> manual for your hardware environment.</p>

## Lawson Software Support

If you have questions after using Lawson Software documentation, or if you would like to suggest ways to improve a manual, you can contact us using one of the following methods:

- [Lawson Software Help Line](#)
- [Lawson Software Fax Number](#)
- [Lawson Software Documentation Internet Mail Address](#)

### Lawson Software Help Line

The Lawson Software Help Line is open Monday through Friday from 7:00 AM to 7:00 PM (central time). Emergency service is available after 7:00 PM and on weekends.

**Help Line:** **1-800-695-9000**

**Help Line from New York State:** **1-800-888-3440**

**Help Line in the United Kingdom:** **(0)181-754-8460**

### Lawson Software Fax Number

You can fax questions or suggestions about a manual to the Documentation Production Manager using the Lawson Software fax number.

**Fax number:** **612-379-8569**

### Lawson Software Documentation Internet Mail Address

You can send questions or suggestions about a manual to the Documentation Production Manager using the Lawson Software Internet mail address.

**Internet mail address:** **documentation@lawson.com**

~ END OF THIS SECTION ~

# Considerations Before Setup

When you set up your LAWSON INSIGHT II Terms system, you might need to define optional information in other LAWSON INSIGHT II systems that use terms codes defined in the Terms system.

## Setup Prerequisites

Consider the following before setting up your Terms system:

- [Drill Around Security](#)
- [Anticipation Discount Terms](#)

### Drill Around Security

The Lawson Software Drill Around feature gives users access to LAWSON INSIGHT II Business Management System data. Users can move between summary and detail information by selecting options. Therefore, security must be defined so that confidential information is accessible only to appropriate users. For information about defining security for the Drill Around feature, see “Defining Drill Around Security” in the “Lawson User Administration” chapter of *System Administration*.

### Anticipation Discount Terms

An anticipation discount is a discount granted based on the number of days an account is paid before the due date. The anticipation discount rate is the percentage used to calculate the discount amount. You can use anticipation discount terms in the LAWSON INSIGHT II Accounts Payable system.

## Setup Prerequisites

You can define anticipation discount terms for a multiple payment or split terms code. If you define a terms code for anticipation invoices, you must define an anticipation discount rate for each accounts payable vendor that uses the terms code.

To calculate the discount amount for an anticipation invoice, the system

- subtracts the invoice payment date from the invoice due date to calculate the number of days paid early,
- divides the number of days paid early by 365 days,
- multiplies the result by the anticipation discount rate, and
- multiplies the result by the payment amount to calculate the discount amount.

For complete information on setting up the LAWSON INSIGHT II Accounts Payable system, see the *Accounts Payable Procedures Manual*.

~ END OF THIS SECTION ~

This chapter gives instructions on setting up the Terms system.

- [Defining Terms Codes](#)

## Defining Terms Codes

The following sections explain the different terms codes in the Terms system and how to define them.

This section includes the following topics.

- [Defining a Net Terms Code](#)
- [Defining a Multiple Payment Terms Code](#)
- [Defining a Split Terms Code](#)
- [Defining a Fixed Days Terms Code](#)
- [Defining a Prox Terms Code](#)
- [Defining a Prepayment Terms Code](#)

### Defining a Net Terms Code

Net terms are the most common payment terms. Use net terms to define a net due date based on a set number of days from the invoice date. The program calculates the discount amount and the discount date from the discount percent and the discount day.

**To define a net terms code**

- Use TE01.2 (Maintenance).

Choose the Net form tab to define net terms codes.

**Optional reports and inquiries**

- Use TE01.1 (Inquiry) to display net terms codes. In the Type field, select Net.

- Run TE200 (Terms Code Listing) to list all net terms codes. In the Terms type field, select Net.

### Defining a Multiple Payment Terms Code

Use multiple payment terms when several net due dates are required for a single invoice number or several levels of discounts when a hierarchy of percentages and due dates are needed. For example, you can use this code in a seasonal purchase where a single invoice will result in several payments by the customer. Each obligation is aged separately.

#### To define a multiple payment terms code

- Use TE01.2 (Maintenance).  
Choose the Multiple Payment form tab to define multiple payment terms codes.

#### Optional reports and inquiries

- Use TE01.1 (Inquiry) to display multiple payment terms codes. In the Type field, select Multiple Payment.
- Run TE200 (Terms Code Listing) to list all multiple payment terms codes. In the Terms type field, select Multiple Payment.

### Defining a Split Terms Code

Split terms are similar to prox terms because the net due date and discount date are defined as a specific day of the month, depending on the invoice date. Split terms have the added ability to split a month into five segments, each having a unique net due date and discount date.

The due date can either be a specific day of the month or it can be the last day of the month. Because of the split terms logic, the due date can also be defined in the following month. The program checks to ensure the discount date for each range, if defined, is before the due date.

#### To define a split terms code

- Use TE01.2 (Maintenance).  
Choose the Split form tab to define split terms codes.

### Optional reports and inquiries

- Use TE01.1 (Inquiry) to display split terms codes. In the Type field, select Split.
- Run TE200 (Terms Code Listing) to list all split terms codes. In the Terms type field, select Split.

## Defining a Fixed Days Terms Code

Fixed days terms let you define several obligations on certain days of the month or certain days of the week. There are no discounts allowed with this type of code.

### To define a fixed days terms code

- Use TE01.2 (Maintenance).  
Choose the Fixed Days form tab to define fixed days terms codes.

### Optional reports and inquiries

- Use TE01.1 (Inquiry) to display fixed days terms codes. In the Type field, select Fixed.
- Run TE200 (Terms Code Listing) to list all fixed days terms codes. In the Terms type field, select Fixed.

## Defining a Prox Terms Code

Use prox terms to define a specific day of the month for the net due date and an optional discount due date. If a discount is offered, the discount due date and the net due date can be the same day, but the net due date will be one or more months following. If the net due date is different from the prox day, you must enter a discount percent.

You can define the net due date using specific date options or number of days forward options. The date options can be defined as either a specific date, the end of the month, or a set number of months forward. The days forward option allows the net due date to be a set number of days from the last discount date calculated or the invoice date.

## Defining Terms Codes

The prox date is used to calculate the discount date unless additional discount days or months are defined. Additional discount parameters cannot be defined if the days forward method is used to calculate the net due date.

### To define a prox terms code

- Use TE01.2 (Maintenance).

Choose the Prox form tab to define prox terms codes.

### Optional reports and inquiries

- Use TE01.1 (Inquiry) to display prox terms codes. In the Type field, select Prox.
- Run TE200 (Terms Code Listing) to list all prox terms codes. In the Terms type field, select Prox.

## Defining a Prepayment Terms Code

Use prepayment terms if the invoice is to be prepaid or requires Cash on Delivery (COD). The calculated net due date is the transaction date and no discount is applied.

### To define a prepayment terms code

- Use TE01.2 (Maintenance).

Choose the Prepayment form tab to define prepayment terms codes.

### Optional reports and inquiries

- Use TE01.1 (Inquiry) to display prepayment terms codes. In the Type field, select Prepayment.
- Run TE200 (Terms Code Listing) to list all prepayment terms codes. In the Terms type field, select Prepayment.

~ END OF THIS SECTION ~

# Procedures

This chapter gives instructions on terms maintenance procedures you perform on a routine basis.

- [Previewing Terms Codes](#)
- [Defining Standard Messages](#)

## Previewing Terms Codes

The Preview Button is located on TE01.1 (Inquiry) and on all terms maintenance form tabs in TE01.2 (Maintenance). The terms program calculates and displays the discount date, discount percent, discount amount, due date, the due date day of the week, and the obligation amounts based on a sample amount and invoice date you provide.

Discount amounts display for all payment terms code types except multiple payment terms codes. For a multiple payment terms code, up to three discount dates and percentages may apply to each payment sequence displayed. The discount amounts displayed assume the invoice is paid in full on or before the discount date.

To preview a terms code

- From a terms maintenance tab, choose the Preview Button.  
– or –  
Use TE01.3 (Terms Code Preview).

## Defining Standard Messages

You can define standard messages for use by other LAWSON INSIGHT II applications. These standard messages print on statements and bills of exchange.

## Defining Standard Messages

To define a standard message

- Use TE02.1 (Standard Messages).

~ END OF THIS SECTION ~

# System Logic

This chapter contains the following topics.

- [Terms Code Use in Other Systems](#)
- [Terms Code Examples](#)

## Terms Code Use in Other Systems

The LAWSON INSIGHT II

- [Accounts Payable](#),
- [Accounts Receivable](#),
- [Billing](#),
- [Bills of Exchange](#),
- [Invoice Matching](#),
- [Order Entry](#), and
- [Purchase Order](#)

systems use terms codes defined in the Terms system.

### Accounts Payable

You can assign terms codes to vendors, locations, and invoices in the Accounts Payable system. Terms codes are used to automatically calculate invoice due date and discount information.

### Accounts Receivable

You can assign terms codes to debit memos, customers, and invoices in the Accounts Receivable system. Terms codes are used to automatically calculate invoice due date and discount information.

## Billing

You can assign terms codes to invoices for ship-to customers in the Billing system. Terms codes are used to automatically calculate invoice due date and discount information.

## Bills of Exchange

Terms codes are used to calculate due dates for recreated bills of exchange and create open item debit memos in the Bills of Exchange system.

## Invoice Matching

You can assign terms codes to invoices in the Invoice Matching system. Terms codes are used to automatically calculate invoice due date and discount information.

## Order Entry

You can assign terms codes to orders in the Order Entry system. Terms codes are used to automatically calculate invoice due date and discount information.

## Purchase Order

You can assign terms codes to purchase orders in the Purchase Order system. Terms codes are used to automatically calculate invoice due date and discount information.

## Terms Code Examples

This section illustrates how different terms codes are used to calculate invoice due date and discount information. It contains the following examples.

- [Example 1: Net Terms](#),
- [Example 2: Multiple Payment Terms with Discounts](#),
- [Example 3: Multiple Payment Terms without Discounts](#),
- [Example 4: Fixed Days Terms - Fixed Day of the Month](#),
- [Example 5: Fixed Days Terms - Fixed Day of the Week](#),

- [Example 6: Prox Terms](#), and
- [Example 7: Split Terms](#).

## Example 1: Net Terms

Net terms are used to establish a net due date based on a set number of days from the invoice date. The program calculates the discount amount and the discount date from the discount percent and the discount day.

For the discount logic to be valid, both the discount percent and discount day must be entered. The discount percent cannot be greater than 100, and the discount day must be less than the net due day.

## Example 2: Multiple Payment Terms with Discounts

Multiple payment terms are used to create multiple due dates for a single invoice. A hierarchy of discount dates and percentages is optional. The following example illustrates multiple payment terms with discounts.

An invoice amount of \$500,000.00 is to be paid in quarterly payments, with the first due date 60 days after the invoice date of January 1. Subsequent payments are due in 90 day increments. The discount options are as follows.

- 3 percent discount if paid within 20 days after the invoice date.
- 2 percent discount if paid within 30 days after the invoice date.
- 1 percent discount if paid within 40 days after the invoice date.

### Discount Logic

Discounts are only offered if a payment is made before the first obligation date. Payments must be made on or before a discount date for a discount to be granted. The discount amount is calculated by multiplying the discount percentage by the total open obligation amount.

If the payment amount is less than the amount due, the remainder is due on the obligation date. If the payment amount is enough to cover more than one obligation, the remaining obligations are not due until the originally defined due dates.

## Terms Code Examples

For example, to fully pay the first three obligations and qualify for a 2.00 percent discount, a payment of 367,500.00 must be made on or before January 31. The payment amount is based on a 7,500.00 discount (2.00 percent) granted on 375,000.00 (the total amount of the first three obligations). The next payment will not be due until November 27, the original due date of the final obligation.

Obligation	Due Date	Amount Due	Disc Date	Disc Pct
Open		Open	Jan. 21	3.000
Open		Open	Jan. 31	2.000
Open		Open	Feb. 10	1.000
First	March 2	125,000.00		
Second	May 31	125,000.00		
Third	August 29	125,000.00		
Fourth	Nov. 27	125,000.00		

### Calculating Discount Dates

Discount dates can be established as a given number of days from the invoice date, a specific day and month, or a number of months from the invoice month. Methods of discount date selection cannot be mixed and must be progressive.

### Calculating Obligation Amount

Two methods can be used to calculate the amount of the first obligation. The first is to divide the total amount due equally among the defined number of obligations. The second method is to define the first obligation as a percentage of the total amount due and to split the remaining amount equally among the remaining number of obligations.

### Calculating Due Dates

There are several options available in calculating the first due date and subsequent due dates.

The first due date can be defined as specific number of days from the last discount date or the invoice date. It cannot be before the last discount due date if discounts are offered. Subsequent obligations can be defined as a set number of days from the last due date or a set number of months from the last due date.

The first due date can be defined as a specific day in a given month or a number of months following the invoice month. Subsequent obligations can be defined as a set number of days from the last due date or a set number of months from the last due date.

An optional invoice cutoff day lets you define specific days of the month as the net due date and optional discount date. For a detailed example of using an invoice cutoff day with multiple payments terms see appendix B, "[Typical Questions.](#)"

### Example 3: Multiple Payment Terms without Discounts

Multiple payment terms are used to create multiple due dates for a single invoice. The following example illustrates multiple payment terms without discounts.

An invoice amount of \$500,000.00 is to be paid in quarterly installments, with the first due date 60 days after the invoice date of January 1. Subsequent payments are due in 90 day increments. No discounts are defined.

Obligation	Due Date	Amount Due
First	March 2	125,000.00
Second	May 31	125,000.00
Third	August 29	125,000.00
Fourth	November 27	125,000.00

### Example 4: Fixed Days Terms - Fixed Day of the Month

Fixed days terms can establish obligations on certain days of the month. There are no discounts allowed with this type of terms code.

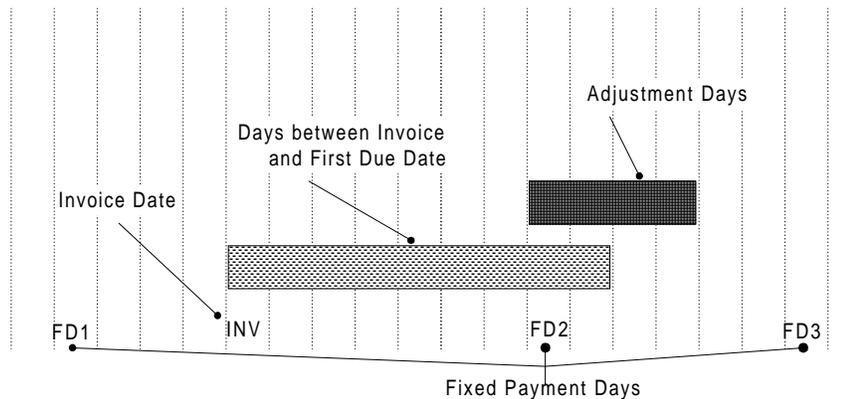
### Calculation of First Due Date

The calculation of the first due date depends on several user defined variables.

- The number of days between the invoice and the first obligation is used to calculate the date of the first obligation.
- The days for adjustment, if entered, are also used to calculate the date of the first obligation. Days for adjustment are used when a calculated due date falls between two fixed days of the month.
- The days between payments will adjust multiple obligations to be at least that many days between obligations. If this number is larger than the number of days between the fixed payment days (depending on the size of the adjustment days range) it can cause the system to skip over a fixed payment day. Be sure to test your parameters in TE01.3 (Preview).

### Calculating First Due Date - Calculation Logic

In the graphic below each column represents a single date. The fixed payment days are represented by the abbreviation "FD." The invoice date is represented by the abbreviation "INV." The number of days between the invoice date and the first due date, and the range of adjustment days are represented by shaded bars.



In this example, the days between the invoice date and first due date is beyond the range of the second fixed payment day, FD2. If no adjustment days are defined the first due date will be FD3. If adjustment days are defined the first due date can be before the first eligible date as specified by the days between invoice and first due date value.

If the fixed payment date is before the first eligible due date but, falls within the overlap of the adjustment day range and the range of days between the invoice and first due date, then it is eligible for the first due date. This is shown on the graph by the overlapping area of the two shaded bars.

### Calculating First Due Date - Examples

The following examples illustrate the obligation structure of a fixed days terms code showing two different invoice dates.

Assume the following information about the sample invoice:

Number of Payments	7
Days between Invoice and First Due Date	10
Days between Payments	8
Fixed Payments Days of Month	5 15 25
Fixed Payments Days for Adjustment	3

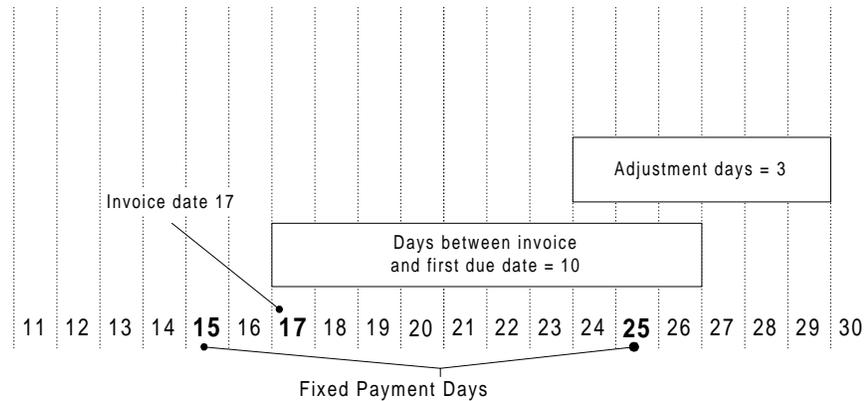
If the number of obligations is set at 7 and the days of the month are set at 5, 15 and 25, there are 7 obligations created with due dates being the 5th, 15th and the 25th, alternating until all 7 obligations are created.

### Calculating First Due Date - Example #1

If the number of days between the invoice and the first obligation when added to the invoice day falls on the 27th of the month and the days for adjustment is equal to 3, the program looks back 3 days to see if there is an earlier date to use as the first obligation.

## Terms Code Examples

In this case, the invoice date plus the days between the invoice date and the first due date is equal to 27, and the 25th is within the 3 day adjustment range. From this set of variables, the first obligation date would be the 25th.



**Invoice Date: January 17, 1997**

**Invoice Amount: 700.00**

Due Date	Day of Week	Amount Due
January 25	Saturday	100.00
February 5	Wednesday	100.00
February 15	Saturday	100.00
February 25	Tuesday	100.00
March 5	Wednesday	100.00
March 15	Saturday	100.00
March 25	Tuesday	100.00

### Calculating First Due Date - Example #2

If no adjustment days are entered or the calculated day was the 19th or greater, the first obligation date would be the 5th of the following month.

Invoice Date: January 19, 1997

Invoice Amount: 700.00

Due Date	Day of Week	Amount Due
February 5	Wednesday	100.00
February 15	Saturday	100.00
February 25	Tuesday	100.00
March 5	Wednesday	100.00
March 15	Saturday	100.00
March 25	Tuesday	100.00
April 5	Saturday	100.00

### Example 5: Fixed Days Terms - Fixed Day of the Week

Fixed days terms also let you set the due date as a specific day of the week regardless of the day of the month they fall on. There are no discounts allowed with this type of terms code.

#### Calculation of First Due Date

The calculation of the first due date depends on several user defined variables.

- The number of days between the invoice and the first obligation is used to calculate the date of the first obligation.
- The days for adjustment, if entered, are also used to calculate the date of the first obligation. Days for adjustment are used when a calculated due date falls between two fixed days of the month.
- The days between payments will adjust multiple obligations to be at least that many days between obligations. If this number is larger than the number of days between the fixed payment days (depending on the size of the adjustment days range) it can cause the system to skip over a fixed payment day. Be sure to test your parameters in TE01.3 (Preview).

### Calculation Logic

The following example illustrates the obligation structure of a fixed days terms code with a due date of every other Wednesday.

Set the fixed payment days of the week for Wednesday and define the days between payments and the days for adjustment. The days between payments minus the number of days for adjustment must be seven or greater, and fourteen or less. The program will then select every other Wednesday as the due date. The number of payments you have defined determines the amount of each obligation.

Assume the following information about the sample invoice:

Number of Payments	6
Days between Invoice and First Due Date	7
Days between Payments	14
Days of Week	Wednesday
Days for Adjustment	2

Invoice Date: Monday January 6, 1997

Invoice Amount: 1,200.00

Due Date	Day of Week	Payment Amount
January 15	Wednesday	200.00
January 29	Wednesday	200.00
February 12	Wednesday	200.00
February 26	Wednesday	200.00
March 12	Wednesday	200.00
March 26	Wednesday	200.00

### Example 6: Prox Terms

Prox terms define a specific day of the month as the net due date and optional discount due date. The following example illustrates prox terms with two different invoice dates near the cutoff day.

Assume the following information about the sample invoice:

Invoice Cutoff Day 16  
 Prox Day 15  
 Discount Percent 5.000  
 Net Due Date 25

Invoice Date: January 16, 1997  
 Invoice Amount: 100.00

Disc Date	Disc Pct	Disc Amount	Due Date	Amount Due
February 15	5.000	5.00	February 25	100.00

Invoice Date: January 17, 1997  
 Invoice Amount: 100.00

Disc Date	Disc Pct	Disc Amount	Due Date	Amount Due
March 15	5.000	5.00	March 25	100.00

### Example 7: Split Terms

Split terms define the net due date and discount date as a specific day of the month, depending on the invoice date. Split terms can divide a month into five segments, each having a unique net due date and discount date. Assume the following structure for the split terms code:

Invoice Date Range	Discount On	Due On/EOM	Months Forward
28 - 7	9	15	
8 - 12	14	20	
13 - 18	19	End of Month	
19 - 27	3	10	1

## Terms Code Examples

The entire range of invoiced dates can only include two overlapping months. The program calculates the ending day of the range from the beginning day of the next range.

Invoice Date	Disc Date	Due Date
January 2	January 9	January 15
January 8	January 14	January 20
January 15	January 19	January 31
January 22	February 3	February 10
January 28	February 9	February 15

~ END OF THIS SECTION ~

# System Programs

This appendix lists the programs for the Terms system.

- [Programs Listed by Function](#)
- [List of Forms and Subforms](#)

## Programs Listed by Function

The programs listed in this section are grouped by system function. This section includes the following listings.

- [Terms Codes Setup and Maintenance](#)
- [Terms Codes Preview](#)
- [Message Definition](#)
- [Terms Code Listing](#)

### Terms Codes Setup and Maintenance

Use the following programs to define and maintain terms codes.

Form ID	Name
TE01.1	Inquiry
TE01.2	Maintenance
	Net (Form tab)
	Multiple Payment Terms (Form tab)
	Split Terms (Form tab)
	Fixed Days Terms (Form tab)
	Prox Terms (Form tab)
	Prepayment Terms (Form tab)

## Terms Codes Preview

Use the following program to test terms codes.

Form ID	Name
TE01.3	Terms Code Preview

## Message Definition

Use the following program to define standard messages for use in other LAWSON INSIGHT II applications.

Form ID	Name
TE02.1	Standard Messages

## Terms Code Listing

Use the following program to list terms codes.

Form ID	Name
TE200	Terms Code Listing

## List of Forms and Subforms

Form ID	Type	Name
TE01.1	Form	Terms Code
TE01.2	Form	Maintenance
	Form tab	Net Terms
	Form tab	Multiple Payment Terms
	Form tab	Split Terms
	Form tab	Fixed Days Terms
	Form tab	Prox Terms
	Form tab	Prepayment Terms
TE01.3	Form	Preview
TE02.1	Form	Standard Messages
TE200	Listing	Terms Code Listing

**List of Forms and Subforms**

~ END OF THIS SECTION ~

## Typical Questions

**What is the difference between prox and split terms?  
What are the advantages of using one over the other?**

You can define specific days of the month as the net due date and optional discount dates with both split and prox terms. Split terms have the added ability to split a month into five segments, each having a unique net due date and discount date.

The key difference is the number of due dates during the month. Prox terms are useful if you want to limit the number of due dates to one per month. Split terms are useful if you want to have more than one net due date each month.

**Can I define a multiple payment structure with discount periods before each due date?**

No. With multiple payment terms discounts are offered only before the first due date.

Multiple payment terms are structured around the philosophy that there is an inherent value in letting the customer pay off the obligation in stages. The discount structure encourages the customer to pay off as much of the obligation as possible before the first due date. The incentive is the ability to pay off multiple obligations with a discount with the remainder due at later dates.

For more information, see [“Example 2: Multiple Payment Terms with Discounts”](#) in Chapter 4.

**How does the invoice cutoff day affect the multiple payment discount logic?**

Defining an invoice cutoff day in a multiple payment terms code lets you have a due date and discount date structure similar to prox terms. You can define specific days of the month as the net due date and optional discount date.

You can calculate the net due date

- as specific day of the month a set number of months following the invoice month, or
- a set number of days from the last discount date.

The discounts dates are calculated as a specific day of the month a set number of months following the invoice month.

For example, to set the first due date for invoices received after the 26th of the month as

- three months after the invoice month, and
- payable in four installments at one month increments

you will need to set up the following discount logic.

Total number of payments	4
Invoice cutoff day	26
First payment due	15 days from last calculated discount date
Increment payments by	1 month
Discount options	2% discount given on the 10th day of the month, 3 months following invoice month

The following example illustrates a multiple payment terms code with two different invoice dates near the cutoff day.

Invoice Date: January 20  
Invoice Amount: 500,000.00

Obligation	Due Date	Amount Due	Disc Date	Disc Pct
Open			April 10	2.00
First	April 25	125,000.00		
Second	May 25	125,000.00		
Third	June 25	125,000.00		
Fourth	July 25	125,000.00		

Invoice Date: January 27  
Invoice Amount: 500,000.00

Obligation	Due Date	Amount Due	Disc Date	Disc Pct
Open			May 10	2.00
First	May 25	125,000.00		
Second	June 25	125,000.00		
Third	July 25	125,000.00		
Fourth	August	125,000.00		

~ END OF THIS SECTION ~

# Glossary

**Anticipation discount**

The daily discount percentage that the system applies to an invoice by calculating the number of days between the invoice date and the payment date.

**Payment terms**

*Same as Terms code.*

**Prepayment**

A deposit or payment made to a vendor before an invoice for goods or services is received.

**Prox**

Refers to the following month. For invoices, it is the month after the month of the invoice.

**Prox date**

The day of the month used to calculate the discount date and net due date for prox terms.

**Standard comment**

A user-defined narrative added to a transaction. Each narrative can be up to 999 lines long and have a comment type.

**Terms**

Payment terms that are defined for a customer for billing.

**Terms code**

A user-defined code that automatically calculates invoice due dates and discount information. The terms code can be assigned to vendors, customers, and invoices.

~ END OF THIS SECTION ~

## A

Accounts Payable  
  system interface, 23  
Accounts Receivable  
  system interfaces, 23  
Anticipation discount  
  defining, 15

## B

Billing  
  system interfaces, 24  
Bills of Exchange  
  system interface, 24

## D

Drill around security, 15

## E

Example  
  fixed days terms  
    fixed day of the month, 27  
    fixed days of the week, 31  
  multiple payment terms with discounts, 25  
  net terms, 25  
  prox terms, 32  
  split terms, 33  
Example without discounts  
  multiple payment terms, 27

## F

Fixed days terms  
  defining, 19  
  example  
    fixed day of the month, 27  
    fixed days of the week, 31  
  listing, 19

Forms  
  listing, 37

## I

Invoice Matching  
  system interface, 24

## M

Multiple payment terms  
  defining, 18  
  example with discounts, 25  
  example without discounts, 27  
  listing, 18

## N

Net terms  
  defining, 17  
  example, 25  
  listing, 17

## O

Order Entry  
  system interface, 24

## P

Prepayment terms  
  defining, 20  
  listing, 20  
Preview button  
  using, 21  
Programs  
  by function, 35  
Prox terms  
  defining, 19  
  example, 32  
  listing, 19

Purchase Order  
system interface, [24](#)

## **S**

Setup  
prerequisites, [15](#)

Split terms  
defining, [18](#)  
example, [33](#)  
listing, [18](#)

Standard messages  
defining, [21](#)

Subforms  
listing, [37](#)

System interfaces

Accounts Payable, [23](#)  
Accounts Receivable, [23](#)  
Billing, [24](#)  
Bills of Exchange, [24](#)  
Invoice Matching, [24](#)  
Order Entry, [24](#)  
Purchase Order, [24](#)

## **T**

Terms code  
examples, [24](#)  
previewing, [21](#)  
use in other systems, [23](#)

Terms codes  
defining, [17](#)