# PMR Request for "Prepaid Solution"

1. ## Issue

   In Tririga payments are accounted for based on the payment Due Date (contractual cashflow) however when a payment is made prior to the payment Due Date, users require the system to consider the payment a 'Prepayment' and account for it based on the when the actual payment is made.

   | Scenario | | Example | | |
   |---|---|---|---|---|
   | **Payment Processing** | **Payment Timing** | **Due Date** | **Payment Processing** | **Payment Made** |
   | First Half of the Month | Prepayment | March | February | February |
   | End of the Month | Prepayment | March | January | February |

2. ## Details

   - Application: Business Application - IBM TRIRIGA.
   - Application **Version: 10.5.3.5**
   - Platform Version: 3.6.0.2
   - Priority: Severity 2
   - Is user impacted? Yes
   - Is Production Environment is impacted? Yes

   **PAYMENTS**

3. ## Ability to capture "**Post Type Duration**" to calculate the
   Create a new field to determine the "**Projected Date**" that will be auto calculated by the system and used in place of "Due Date" for accounting functionality.

   If Post Type selected as "Pre-Payment or Post- Payment then display new field 'Post Type Duration'

   - Integer

   - Editable

   - Non mandatory

   If Post Type selected as "Current Month payment" "Post Type Duration" will default to 0.

- If Post Type = 'Pre-payment', then "Projected Date" will be equal to "Due Date" Less [x] 1 month/1week
- If Post Type = 'Post Payment', then "Projected Date" will be equal to "Due Date" Plus [x] 1 month/1week
- If 'Current Month Payment, then "Projected Date" will be populated with same value as "Due Date"

4. Insert new column on the PLI, "Projected Date" beside the Due Date column.



– Add a column labeled as "Projected Date", beside the 'Due Date' column.
– This column will map to the "Projected Date" field present on each Payment Line
– Projected Date will be added to all Related Reports on the Payments sub-tab

5. RE Invoice

- New column will be added "Projected Date" to display projected date.

**ACCOUNTING**

6. Pre-payment: **Projected Date prior to the Accounting Start Date**.

- Payment line items with 'Payment Summary' Type = Rent and 'Include in Amortization' = true, created with projected date(s) prior to Accounting Start Date, should be **excluded from NPV calculation** and instead populated in the **Rental Prepayments** field in the accounting tab in the Accounting details section.

- Only Post payments with projected date extending past accounting end date but due date before accounting end date will be **included in the NPV calculation**,

  *NOTE.* On initial creation if accounting start date is changed, when user clicks "Recalculate NPV or Calculate lease treatment" Rental Prepayments would be updated and sum of payments prior to the new accounting start date would be populated.

**MODIFICATIONS**

7. Ability to accurately account for "Projected Date" for payment adjustments.
- When Adjust Payment is performed on a Payment Schedule, the Post Type and Post Type Duration values should be copied to the newly created Payment Schedule(s) when Update Action is "Update or Split Payment Schedules.
- Payment Line Items should be created with Projected Date based on Post Type and Post Type Duration values.
- If catch up payment is generated for retrospective updates the catch up payment entry produced would be created with today's date, Post Type = Same Period and Due Date will equal Projected Date.

**Journal Entries and Lease Period Balance**

8. Ability to generate lease event JE's on initial implementation[1] and record correctly in Lease Period Balance.
- Add two new Trigger Subtypes: "PrePaid Adjustment" and "Prepaid Adjustment Remeasurement"
- Add new JE's with the new Trigger Subtypes below:

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[1] These one-time JE's are only needed if apply the solution to existing leases. For new implementation, these JE's will not be required.

## Lease Journal Entry Setups

Related Reports: -Select- ▾  Lease Journal Entry Setups

Add | Delete | Activate

1 / 8  Export  356 total found  Apply Filters  Clear Filters  Show:

| ID | Journal Name | Business Unit | Journal Entry Lease Type | Accounting Standard | Lease Classification | Debit Account Code | Credit Account Code | Trigger Type | Trigger Sub Type |
|---|---|---|---|---|---|---|---|---|---|
| Contains | Contains | Contains | Contains | Contains | Contains | Contains | Contains | Contains | Contains |
| 1001162 | 842 - Prepaid Solution ADJ: Interest Expense True-up | Walmart Japan | Real Estate Lease | GAAP (FASB) | Operating | Operating Rent Expense - Real Estate | Operating Lease Liability Systematic (Noncurrent) | Lease Event | Prepaid Adjustment |
| 1001163 | 842 - Prepaid Solution ADJ: Interest Expense True-up | Walmart Japan | Real Estate Lease | GAAP (FASB) | Finance | Interest Expense - Finance Leases - Real Estate | Finance Lease Liability Systematic (Noncurrent) | Lease Event | Prepaid Adjustment |
| 1001164 | 842 - Prepaid Solution ADJ: Amortization Expense True-up | Walmart Japan | Real Estate Lease | GAAP (FASB) | Operating | Operating Rent Expense - Real Estate | Accumulated Amortization Operating Leases - Non-Systematic | Lease Event | Prepaid Adjustment |
| 1001165 | 842 - Prepaid Solution ADJ: Amortization Expense True-up | Walmart Japan | Real Estate Lease | GAAP (FASB) | Finance | Amortization Expense Finance Leases-Real Estate | Accum Amort Finance Leases - Non-Systematic | Lease Event | Prepaid Adjustment |
| 1001952 | 842 - Prepaid Solution ADJ: Recognize Principal Reduction | Walmart Japan | Real Estate Lease | GAAP (FASB) | Operating | Operating Lease Liability Systematic (Noncurrent) | A/P Clearing - Leases | Lease Event | Prepaid Adjustment |
| 1001953 | 842 - Prepaid Solution ADJ: Recognize Principal Reduction | Walmart Japan | Real Estate Lease | GAAP (FASB) | Finance | Finance Lease Liability Systematic (Noncurrent) | A/P Clearing - Leases | Lease Event | Prepaid Adjustment |
| 1001954 | 842 - Prepaid Solution ADJ: Adjust Accrued Interest | Walmart Japan | Real Estate Lease | GAAP (FASB) | Operating | Accrued Interest on Operating Lease Liabilities | Operating Lease Liability Systematic (Noncurrent) | Lease Event | Prepaid Adjustment |
| 1001955 | 842 - Prepaid Solution ADJ: Adjust Accrued Interest | Walmart Japan | Real Estate Lease | GAAP (FASB) | Finance | Accrued Interest on Finance Lease Liabilities | Finance Lease Liability Systematic (Noncurrent) | Lease Event | Prepaid Adjustment |
| 1001956 | 842 - Prepaid Solution ADJ: Adjust Asset and Liability | Walmart Japan | Real Estate Lease | GAAP (FASB) | Operating | Right-of-Use Assets Operating Leases - Real Estate | Operating Lease Liability Systematic (Noncurrent) | Lease Event | Prepaid Adjustment Remeasurement |
| 1001957 | 842 - Prepaid Solution ADJ: Adjust Asset and Liability | Walmart Japan | Real Estate Lease | GAAP (FASB) | Finance | Right-of-Use Assets Finance Leases - Non-Systematic | Finance Lease Liability Systematic (Noncurrent) | Lease Event | Prepaid Adjustment Remeasurement |

## New JE configuration inputs:

- Note. Transaction Group and Calculation Inputs for each.

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### Lease Journal Entry Setup: 1001162

General  Segments  Notifications  Notes & Documents  System  Workflow Instance  Associations

Revise | More | x

(Required): Create a Journal Entry Setup record.

**General**

ID 1001162  Status Active

• Journal Name 842 - Prepaid Solution ADJ: Interest Expense True-up

**Details**

| Field | Value | Field | Value |
|---|---|---|---|
| • Business Unit | Walmart Japan | | |
| • Journal Entry Lease Type | Real Estate Lease | • Lease Classification | Operating |
| • Accounting Standard | GAAP (FASB) | Record Journal | ✓ |
| • Accounting Type | Accounts Payable (AP) | Payment Timing | |
| • Trigger Type | Lease Event | • Trigger Sub Type | Prepaid Adjustment |
| • Journal Entry Period | Current Open Period | Journal Entry Recording Standard | GAAP (FASB) |
| Auto-Reverse | | Local Lease Classification | |
| Local Reporting Adjustment | | | |
| Transaction Group | Reclass/Other | | |
| Debit Functional Account | Interest Expense | Credit Functional Account | Long Term Lease Liability Transfer/Other |
| Debit Prior Classification | | Credit Prior Classification | |

**Debit Account Code**

Name Operating Rent Expense - Real Estate
Service Code 0005501010

**Credit Account Code**

Name Operating Lease Liability Systematic (Noncurrent)
Service Code 0002509003

**Calculation**

Amount = Input01-Input02

**Calculation Inputs**

Export  2 total found  Show: 10 ▾

| Cc Calculation Oj Input | Name | Calculation Lease | Calculation Source | Calculation Period | Nth Period From Calculation Period | Cumulative From Period | Source Field Name | Use Cst Workflow Prefix? |
|---|---|---|---|---|---|---|---|---|
| Input01 | Interest Expense | Lease | Finance/Operating Schedule | Current Closed Period | 0 N/A | | trInterestAmountHJ | |
| Input02 | Interest Expense | Lease Latest History | Finance/Operating Schedule | Current Closed Period | 0 N/A | | trInterestAmountHJ | |

Revise  More  x

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### Lease Journal Entry Setup: 1001164

General  Segments  Notifications  Notes & Documents  System  Workflow Instance  Associations

Revise | More | x

(Required): Create a Journal Entry Setup record.

**General**

ID 1001164  Status Active

• Journal Name 842 - Prepaid Solution ADJ: Amortization Expense True-up

**Details**

| Field | Value | Field | Value |
|---|---|---|---|
| • Business Unit | Walmart Japan | | |
| • Journal Entry Lease Type | Real Estate Lease | • Lease Classification | Operating |
| • Accounting Standard | GAAP (FASB) | Record Journal | ✓ |
| • Accounting Type | Accounts Payable (AP) | Payment Timing | |
| • Trigger Type | Lease Event | • Trigger Sub Type | Prepaid Adjustment |
| • Journal Entry Period | Current Open Period | Journal Entry Recording Standard | GAAP (FASB) |
| Auto-Reverse | | Local Lease Classification | |
| Local Reporting Adjustment | | | |
| Transaction Group | Amortization Exp | | |
| Debit Functional Account | Amortization Expense | Credit Functional Account | Accumulated Amortization |
| Debit Prior Classification | | Credit Prior Classification | |

**Debit Account Code**

Name Operating Rent Expense - Real Estate
Service Code 0005501010

**Credit Account Code**

Name Accumulated Amortization Operating Leases - Non-Systematic
Service Code 0001551514

**Calculation**

Amount = Input01-Input02

**Calculation Inputs**

Export  2 total found  Show: 10 ▾

| Cc Calculation Oj Input | Name | Calculation Lease | Calculation Source | Calculation Period | Nth Period From Calculation Period | Cumulative From Period | Source Field Name | Use Cst Workflow Prefix? |
|---|---|---|---|---|---|---|---|---|
| Input01 | Amortization Expense | Lease | Finance/Operating Schedule | Current Closed Period | 0 N/A | | trISLDepreciationHJ | |
| Input02 | Amortization Expense | Lease Latest History | Finance/Operating Schedule | Current Closed Period | 0 N/A | | trISLDepreciationHJ | |

Revise  More  x

General   Segments   Notifications   Notes & Documents   System   Workflow Instance   Associations     Revise   More ⌄   x

[Required]: Create a Journal Entry Setup record.

**⊟ General**

| | |
|---|---|
| ID 1001952 | Status Active |

★ Journal Name 842 - Prepaid Solution ADJ: Recognize Principal Reduction

**⊟ Details**

| | |
|---|---|
| ★ Business Unit Walmart Japan | |
| ★ Journal Entry Lease Type Real Estate Lease | ★ Lease Classification Operating |
| ★ Accounting Standard GAAP (FASB) | Record Journal ☑ |
| ★ Accounting Type Accounts Payable (AP) | Payment Timing |
| ★ Trigger Type Lease Event | ★ Trigger Sub Type Prepaid Adjustment |
| ★ Journal Entry Period Current Open Period | Journal Entry Recording Standard GAAP (FASB) |
| Auto-Reverse ☐ | Local Lease Classification |
| Local Reporting Adjustment ☐ | |
| Transaction Group Reclass/Other | |
| Debit Functional Account Long Term Lease Liability Transfer/Other | Credit Functional Account |
| Debit Prior Classification ☐ | Credit Prior Classification ☐ |

**⊟ Debit Account Code** | **⊟ Credit Account Code**

| | |
|---|---|
| Name Operating Lease Liability Systematic (Noncurrent) | Name A/P Clearing - Leases |
| Service Code 0002509003 | Service Code 0002162051 |

**⊟ Calculation**

Amount =    Input01

**⊟ Calculation Inputs**

⚙ Export   1 total found        Show: 10 ▼

| Ca Calculation Oj Input | Name | Calculation Lease | Calculation Source | Calculation Period | Nth Period From Calculation Period | Cumulative From Period | Source Field Name | Use Cst Workflow Prefix? |
|---|---|---|---|---|---|---|---|---|
| ± Input01 | PLI Prepayment | Lease | Lease Accounting Details | N/A | | 0 N/A | cstPLIPrePaidNU | ☐ |

Revise   More ...   x

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General   Segments   Notifications   Notes & Documents   System   Workflow Instance   Associations     Revise   More ⌄   x

[Required]: Create a Journal Entry Setup record.

**⊟ General**

| | |
|---|---|
| ID 1001954 | Status Active |

★ Journal Name 842 - Prepaid Solution ADJ: Adjust Accrued Interest

**⊟ Details**

| | |
|---|---|
| ★ Business Unit Walmart Japan | |
| ★ Journal Entry Lease Type Real Estate Lease | ★ Lease Classification Operating |
| ★ Accounting Standard GAAP (FASB) | Record Journal ☑ |
| ★ Accounting Type Accounts Payable (AP) | Payment Timing |
| ★ Trigger Type Lease Event | ★ Trigger Sub Type Prepaid Adjustment |
| ★ Journal Entry Period Current Open Period | Journal Entry Recording Standard GAAP (FASB) |
| Auto-Reverse ☐ | Local Lease Classification |
| Local Reporting Adjustment ☐ | |
| Transaction Group Reclass/Other | |
| Debit Functional Account Accrued Interest Balance Transfer/Other | Credit Functional Account Long Term Lease Liability Transfer/Other |
| Debit Prior Classification ☐ | Credit Prior Classification ☐ |

**⊟ Debit Account Code** | **⊟ Credit Account Code**

| | |
|---|---|
| Name Accrued Interest on Operating Lease Liabilities | Name Operating Lease Liability Systematic (Noncurrent) |
| Service Code 0002231030 | Service Code 0002509003 |

**⊟ Calculation**

Amount =    Input01

**⊟ Calculation Inputs**

⚙ Export   1 total found        Show: 10 ▼

| Ca Calculation Oj Input | Name | Calculation Lease | Calculation Source | Calculation Period | Nth Period From Calculation Period | Cumulative From Period | Source Field Name | Use Cst Workflow Prefix? |
|---|---|---|---|---|---|---|---|---|
| ± Input01 | Accrued Interest Balance | Lease Latest History | Finance/Operating Schedule | Current Closed Period | | 0 N/A | triAccruedInterestBalanceNU | ☐ |

Revise   More ...   x

- Add new Functional Accounts to Lease period Balance Records:
  Long Term Lease Liability Transfer/Other
  Accrued Interest Balance Transfer/Other



**Note:** Additional consideration will be required to address impact to historical report solution. Additional journal entries and functional accounts would be required to be reflected in LPB as well as Rollforward report.

## Processing Non Fixed Rent Journal Entries

9. Ability to process monthly journal entries for non-fixed rent payments.
- In the Process Lease Journal entries form
  Complete 'General' Section and Create Draft
  *Name: Specify "Non-Fixed Rent" JE's and the fiscal period*
  *BU: select BU*
  *Lease Search Scope : select "By selected Leases"*

*Fiscal Period : auto-populated*

*Process Type: select Period and Lease Event(JE's)*

- Add new section underneath General Section " Non Fixed Rent Process
- Add Boolen field "Process Non-Fixed Rent JE's" and dropdown field "Post Type"



Check the "Process Non-Fixed Rent" checkbox

Select "Post Type"
If Payment Timing of non fixed rent PLI's is Arrears – select Post Payment
If Payment Timing of non fixed rent PLI's is Advanced – **select Prepayment**
If Payment Timing of non fixed rent PLI's is in the Current month – select Same Month Payment

Click Find > a pop-up window with leases will display

- Follow existing process to select leases and Retrieve/Issue journal entries.
  The system should then generate a monthly journal entry on each lease for the payment line item(s) that are non-fixed rent and that have the post type selected by the user.



Record will be present in list view with 'Completed' state.