

IBS Rightsmaster

Payments & Collections User Guide

Release 1.0

© IBS (Aust) Pty Ltd, Inc. 1984. All rights reserved.

Information in this document is subject to change without notice. Companies, names and data used in examples herein are fictitious unless otherwise noted. No part of this document may be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without the express written permission of IBS (Aust) Pty. Ltd.

Sales and Support

Corporate HQ (Solna) +46-8-627 2300

Europe +32-2-723-9111

Australia +61-1300 882 467

USA +1-916-985 3900

UK +44-20-8207 5655

Asia +65-6221 9300

Web www.ibsbookmaster.com

<http://www.ibs.net/>

Table of Contents

1. Preface	4
1.1 Who should use this Guide	4
2. Payment & Collections Overview	5
2.1 Incoming Transactions.....	6
2.1.1 Import/Upload all Incoming Trans.....	6
2.2 Sales Transaction Processing	9
2.2.1 Sales Transaction Analysis & Validation	9
2.2.2 Transaction Calculations	11
2.3 Payments and Collections Approvals.....	13
2.3.1 General Ledger Approvals	13
2.3.2 A/R Approvals	16
2.3.3 A/P Approvals	18
3. Appendix - Glossary	20

1. Preface

1.1 Who should use this Guide

Rightsmaster Payments & Collections User Guide is intended for users who have some working knowledge of the following:

- Rightsmaster User Interface. If you are not familiar with Rightsmaster User Interface then please refer to *Rightsmaster Navigation Guide*.
- Principles and business practices of your business.
- An understanding of the business use for Rightsmaster System. You should familiarise yourself with *Payments and Collections Process Flow* before using this guide.

2. Payment & Collections Overview

The Payments & Collections functionality in Rightsmaster is a fully integrated set of programs, designed to effectively handle the various conditions for the calculation of royalties and other payments to copyright owners and the amounts due for collection for the sale of rights licences and permissions.

The incoming sales transactions are either automatically interfaced from an integrated ERP system or uploaded via excel for a standalone system and are written to the Transaction Journal within Rightsmaster. The Payments and Collections process essentially begins with this Transaction Journal input.

Contract clauses specify the variable conditions under which transactions are to be used for the calculation of a payment or a collection requirement for that clause.

The Sales Transaction Analyser in Rightsmaster interrogates all active contracts to find a condition within a clause that matches the transaction variables.

Upon finding a matching clause for a sales transaction, the transaction currency is converted to the contract currency and the payments and collections due are calculated.

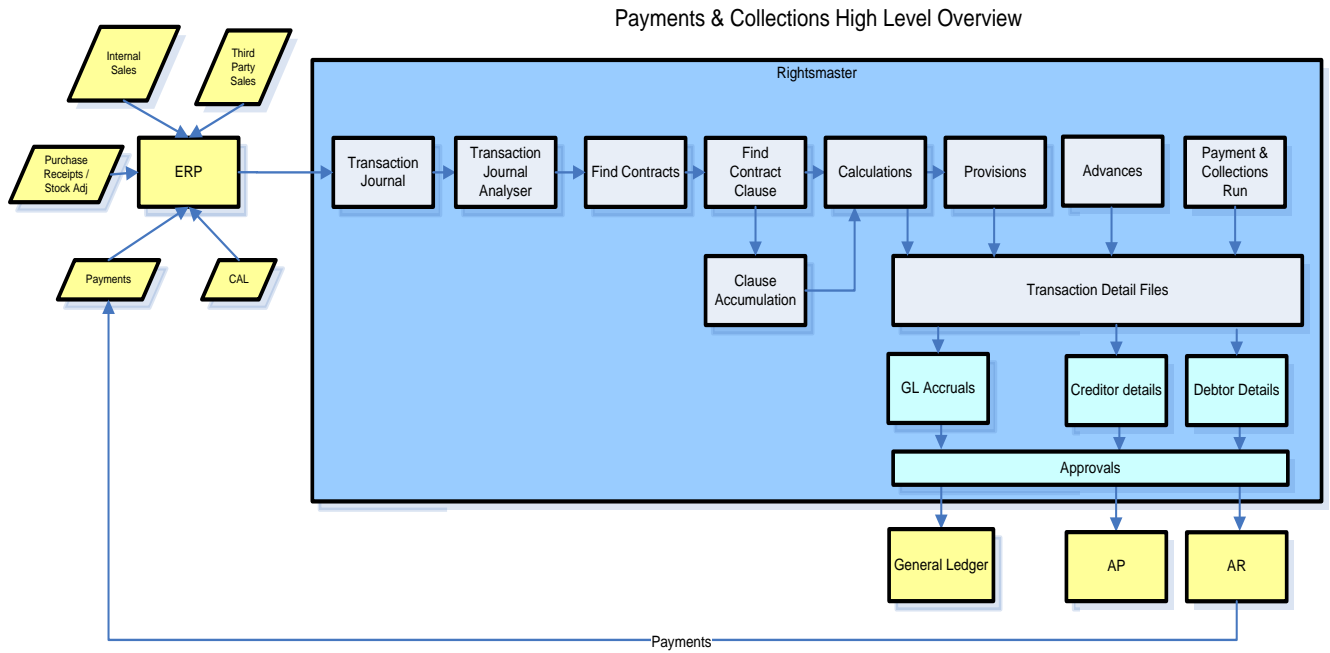
Transaction types other than sales are also written to the Transaction Journal for use in the payments and collections processes. Stock returns in the distribution system will initiate credit type transactions to be written to the transaction Journal as these transactions reduce the sales values and sales quantities accumulated for a payment & collection period.

Purchase transactions are also added to the transaction journal as the acquisition of stock can be a condition used within a contract to calculate the percentage of free sales or gratis sales against the stock purchased.

Payments made by a third party against licensing invoices are also written to the Transaction Journal as a notification that royalties can be released for the licensing of a subsidiary right.

Any milestone advances that are due are also processed for payments or collections.

All of the results of the payments and collections processing are written to a transaction detail file. The resulting records are consolidated by either Creditor or Debtor and can be reviewed on screen prior to initiating the financial interface in case any changes are needed. If changes are necessary, the transaction journal can be reprocessed for a specified time frame after the contract maintenance is complete, checked again and then released to General Ledger, and then to Accounts Receivable or Accounts Payable.



2.1 Incoming Transactions

If your Rightsmaster installation is linked to an ERP system then all the incoming transactions should be automatically interfaced into Rightsmaster Transaction Journal for processing. If you are using IBS Bookmaster system then ensure the appropriate data queues are up and running.

In a standalone installation of Rightsmaster all incoming transactions must be uploaded into Rightsmaster Transaction Journal before any processing can begin.

2.1.1 Import/Upload all Incoming Trans

You can import all incoming transactions via excel by either clicking on the named tile on the Rightsmaster introduction screen or by invoking the auto hide menu and clicking Import/Export menu item under the Configuration menu. Import/Export Interface screen will display as a new tab listing all the interface programs:



Figure 1

Multiple files can be selected and imported into Rightsmaster. Select the sales interface program (PBMSLRO – Rightsmaster Sales Transaction Inbound). Right click in the white box underneath 'Files to Upload' and select 'Add Files to Import List'. Browse and attach all files to be uploaded:

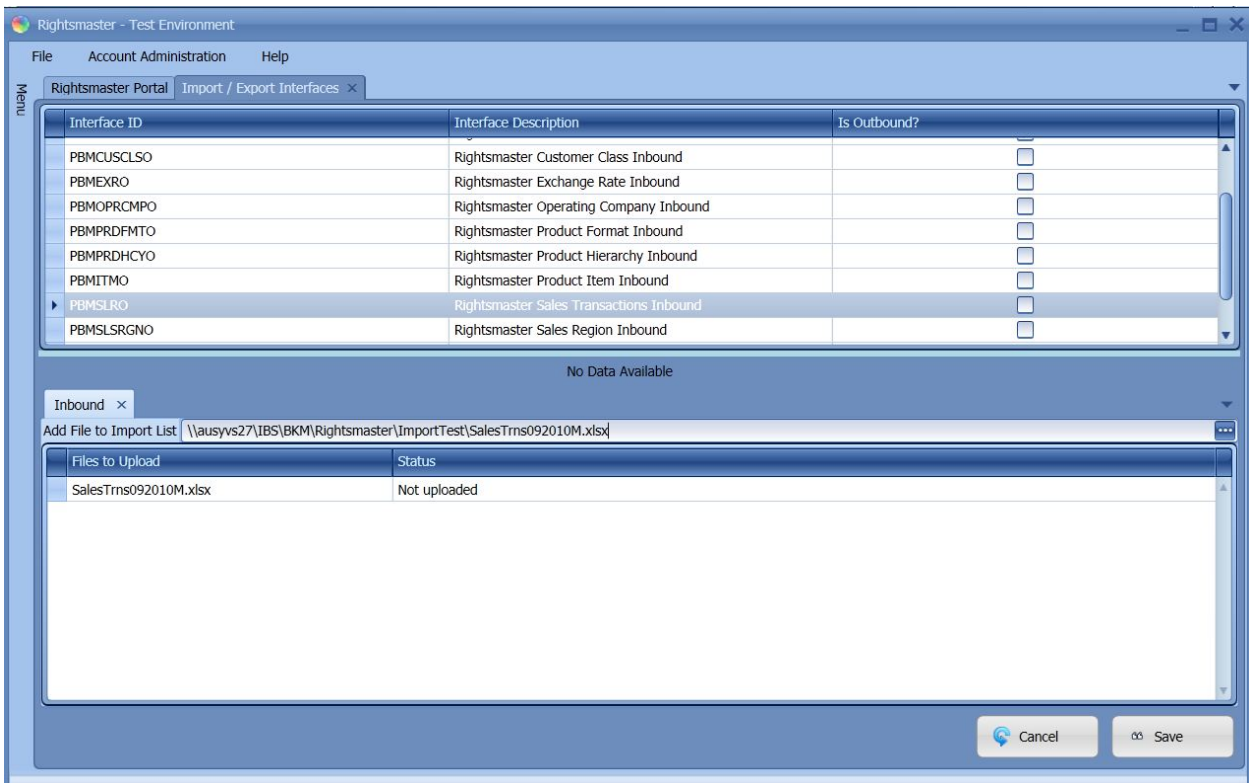


Figure 2

Note: The excel data file template for the upload is supplied by IBS. All sales transactions to be uploaded must be uploaded using the IBS supplied template.

Once all the files are selected to be uploaded click the Save function button to begin the upload process.

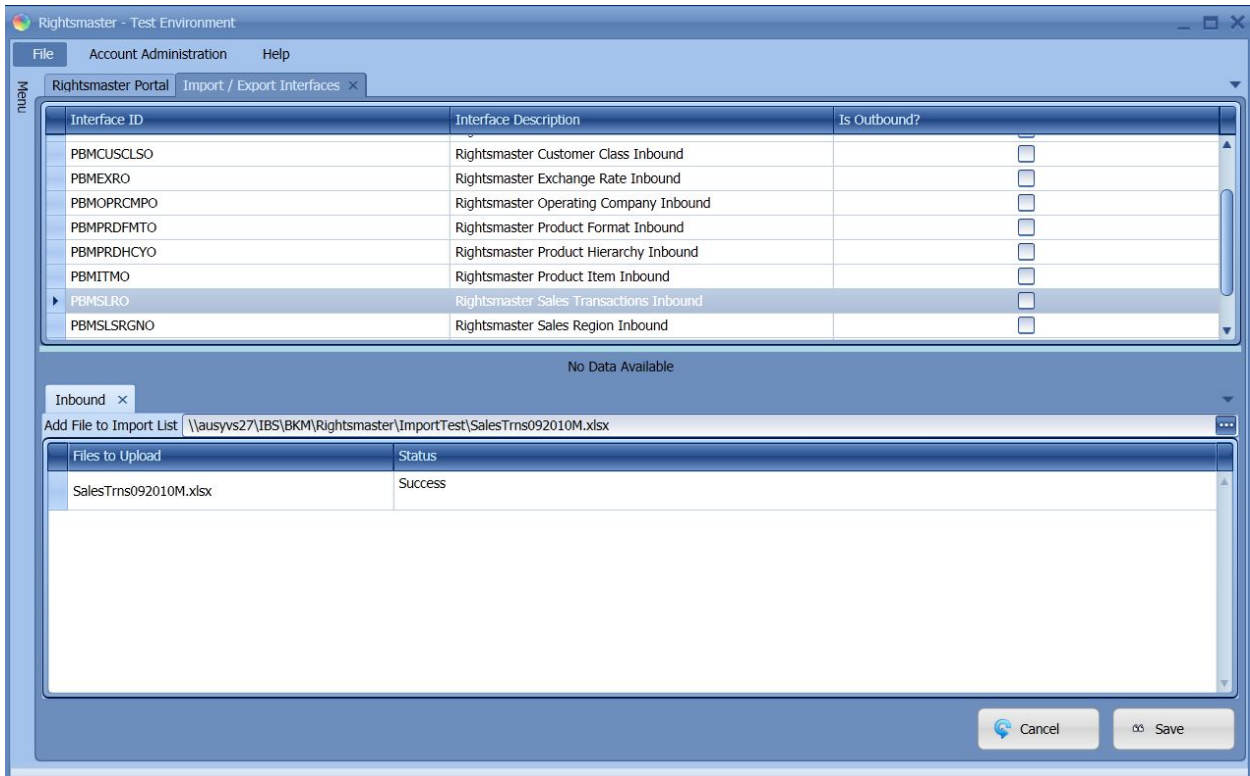


Figure 3

On successful upload the status of the upload files will be *success* as displayed above. If there is an error on upload the status will display an appropriate an error message.

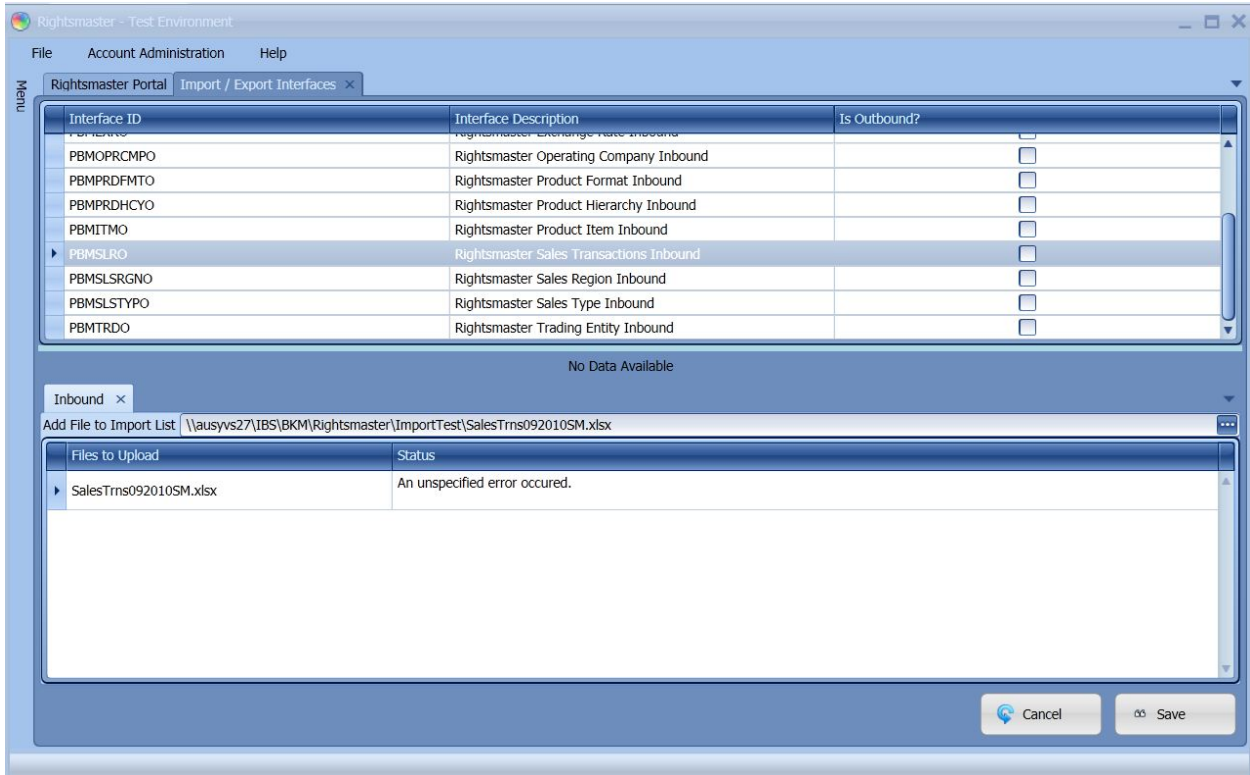


Figure 4

If the upload has failed, check the input file and ensure the correct upload template is being used.

2.2 Sales Transaction Processing

All the inbound transactions (internal sales, third party sales, CAL transactions, customer payments for subsidiary rights licence invoices, purchase receipts and stock adjustment transactions) are held in the Transaction Journal until processed by the Payments and Collections Process.

In the Transaction Processes:

1. *Sales transaction analyser* will analyse and validate all transactions imported to Rightsmaster. It will match the transaction variables against conditions defined in the clauses within active contracts in Rightsmaster.
2. *Transaction Calculation* will convert the currency of the transaction to the currency of the matching contract and using the formulas defined in the matching clause it will calculate the payments or collections due from the validated transactions.

Note: Ensure the exchange rates maintained are correct before any calculations are done.

2.2.1 Sales Transaction Analysis & Validation

To validate the incoming transactions access Transaction Processes by either clicking on the named tile on the Rightsmaster introduction screen or by invoking the auto hide menu and clicking the Transaction Processes menu item under Transactional Processing menu.

Sales Transaction Processing screen will be displayed as a new tab:

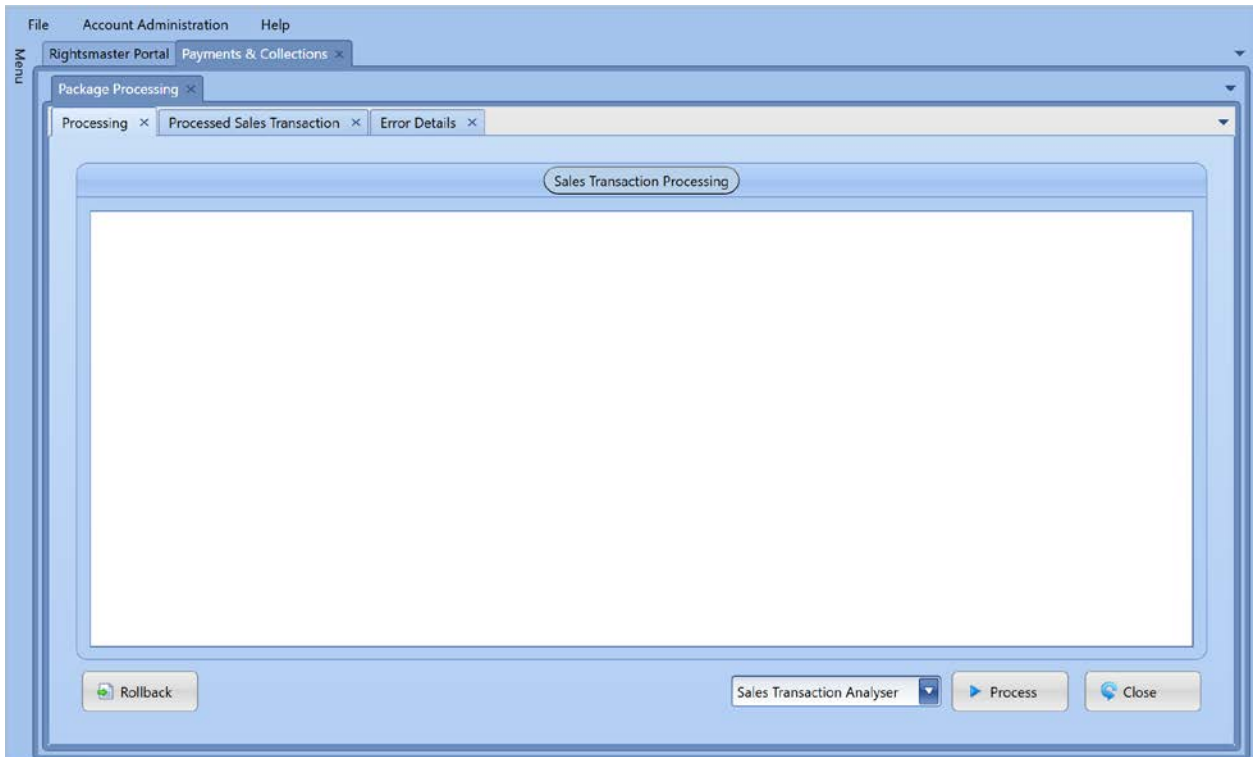


Figure 5

From the dropdown select *Sales Transaction Analyser*. Click Process to validate all the imported transactions into Rightsmaster.

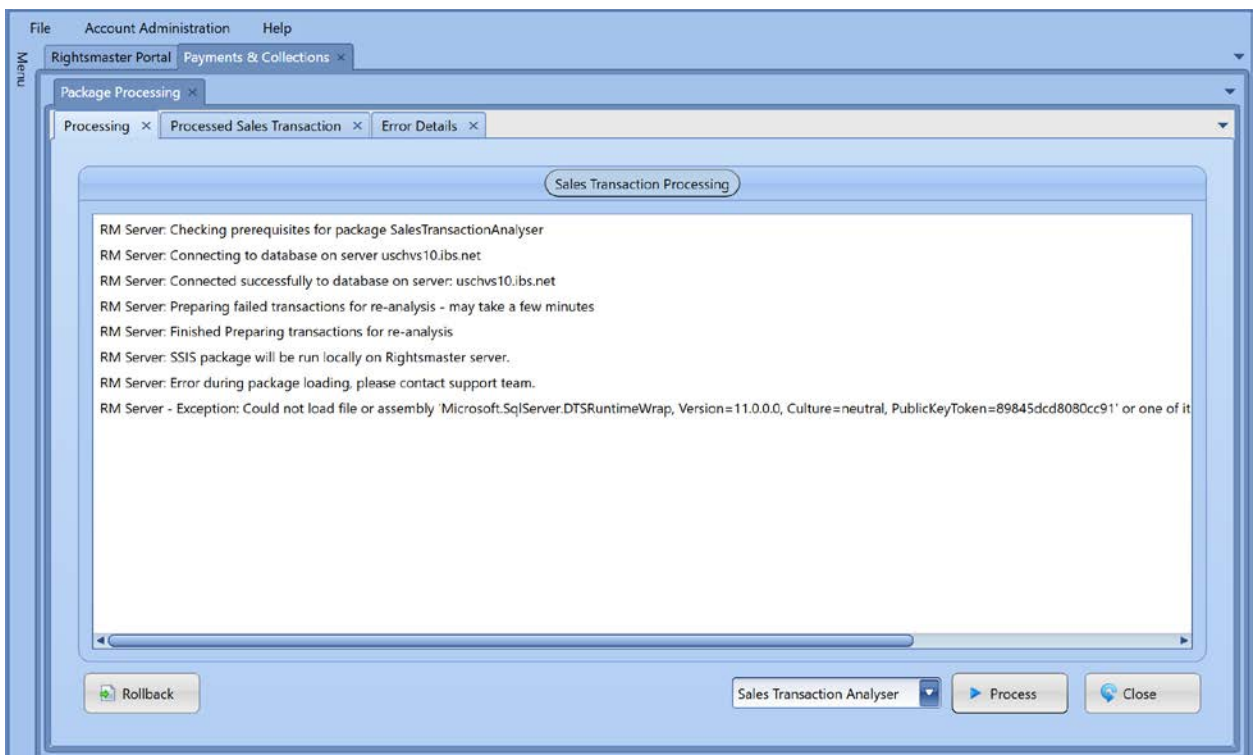


Figure 6

When the process is completed you will see *Command completed* message displayed as the last line on the screen. If there are any transactional or validation errors then click on *Error Details* tab to see where the errors are.

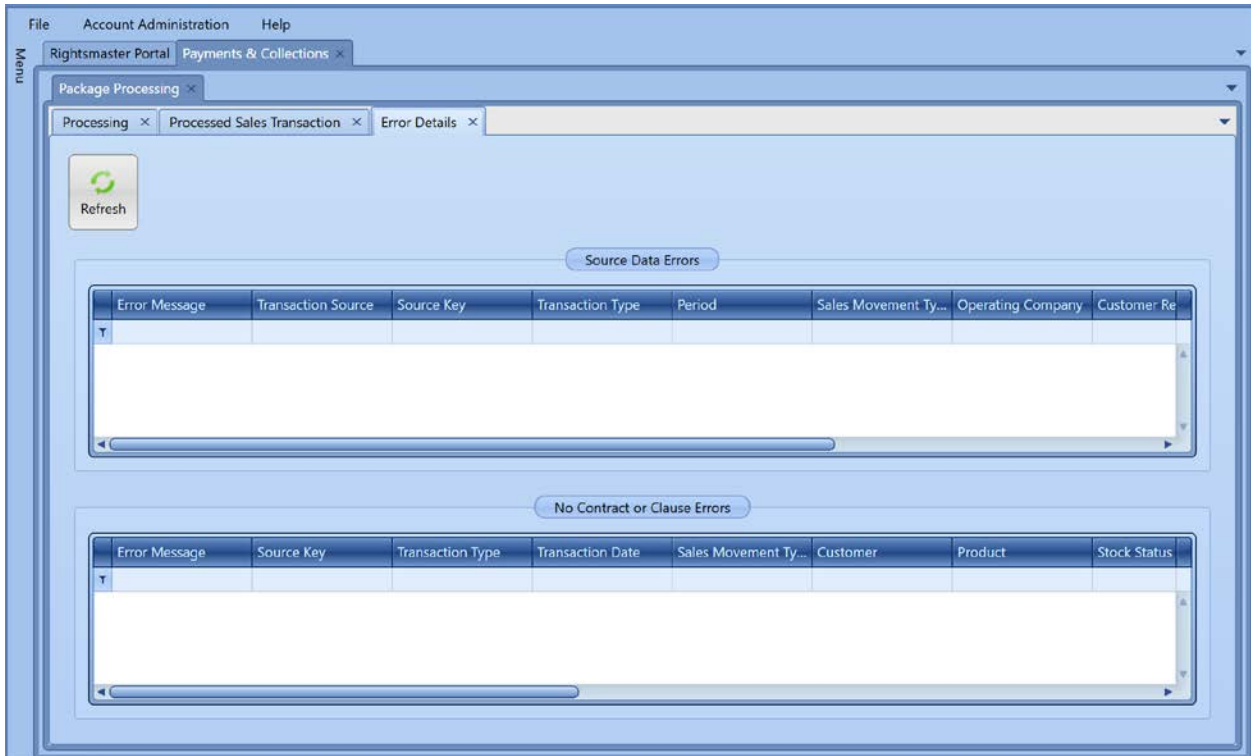


Figure 7

Details of errors are presented in 2 panels as shown in the above screen. The first panel: *Source Data Errors* shows source transactions with possible errors; for example invalid sales movement or product code etc. The second panel: *No Contract or Clause Errors* will highlight errors if no matching contract is found or there are possible errors within the matching clauses.

Note: If there are *Source Data Errors* then the source data must be fixed and reloaded. Similarly if there are contract or clause errors in Rightsmaster then these must be fixed before running the *Sales Transaction Analyser*.

After the transactions are successfully validated, transaction calculation can be run to calculate all the payments and collections due.

2.2.2 Transaction Calculations

On *Sales Transaction Processing*, dropdown on the *Sales Transaction Analyser* and select *Transaction Calculation*. Click *Process* to begin the currency conversion and the calculation process. Any advance payments or advance collections that are due will also be processed.

Note: Advances are released for payments or collections as the advance milestones are completed via entry of the milestone completion date in Milestone Management.

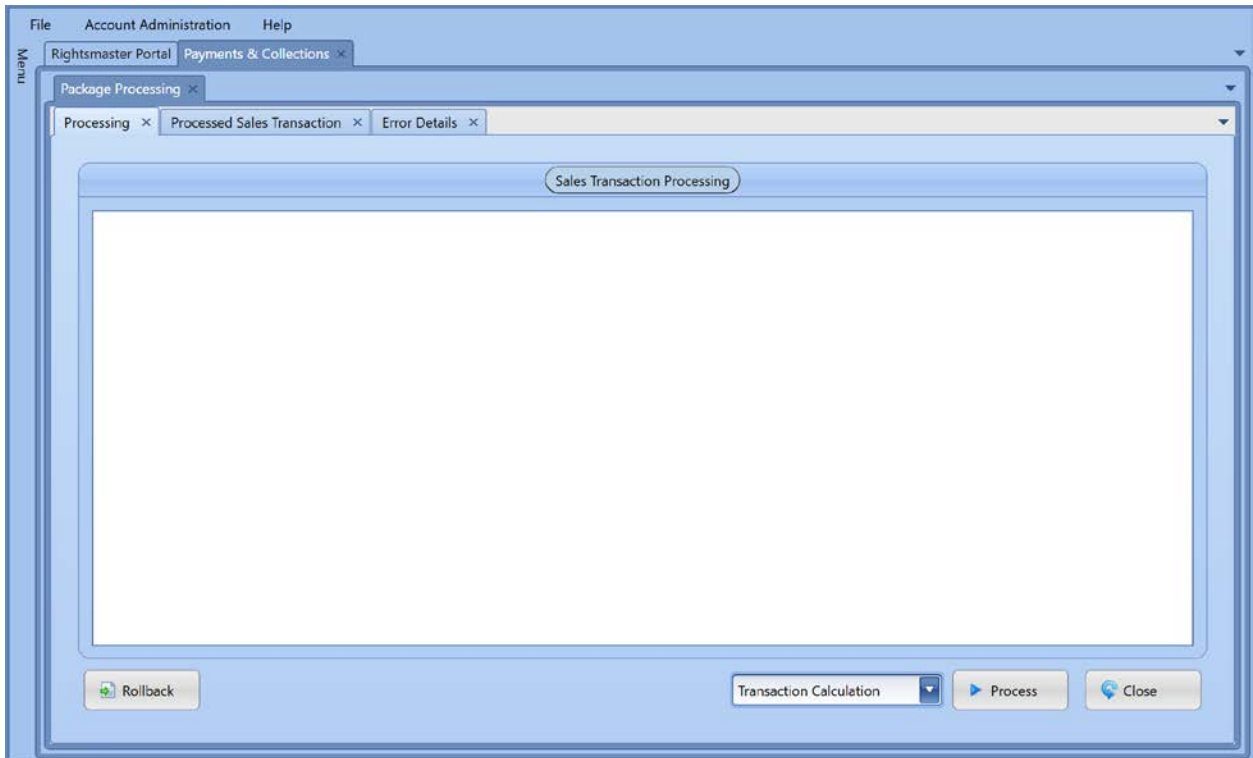


Figure 8

When the calculations are completed you will see *Command completed* message displayed as the last line on the screen.

All the processed transactions will be held in the Transaction Detail file awaiting review and approval.

2.3 Payments and Collections Approvals

The Approvals Process will allow you to review all payments or collections that have been calculated prior to committing the transactions to the financial modules. You can review and select the ones that can be released to General Ledger accruals and to Accounts Payable and Accounts Receivable.

2.3.1 General Ledger Approvals

General Ledger Approvals can be accessed by either clicking on the named tile on the Rightsmaster introduction screen or by invoking the auto hide menu and clicking GL Approvals menu item under Transactional Processing menu.

GL Payment screen will be displayed as a new tab:



Figure 10

Select the payment date and click *Get Payments*. Payment for the selected period will display:

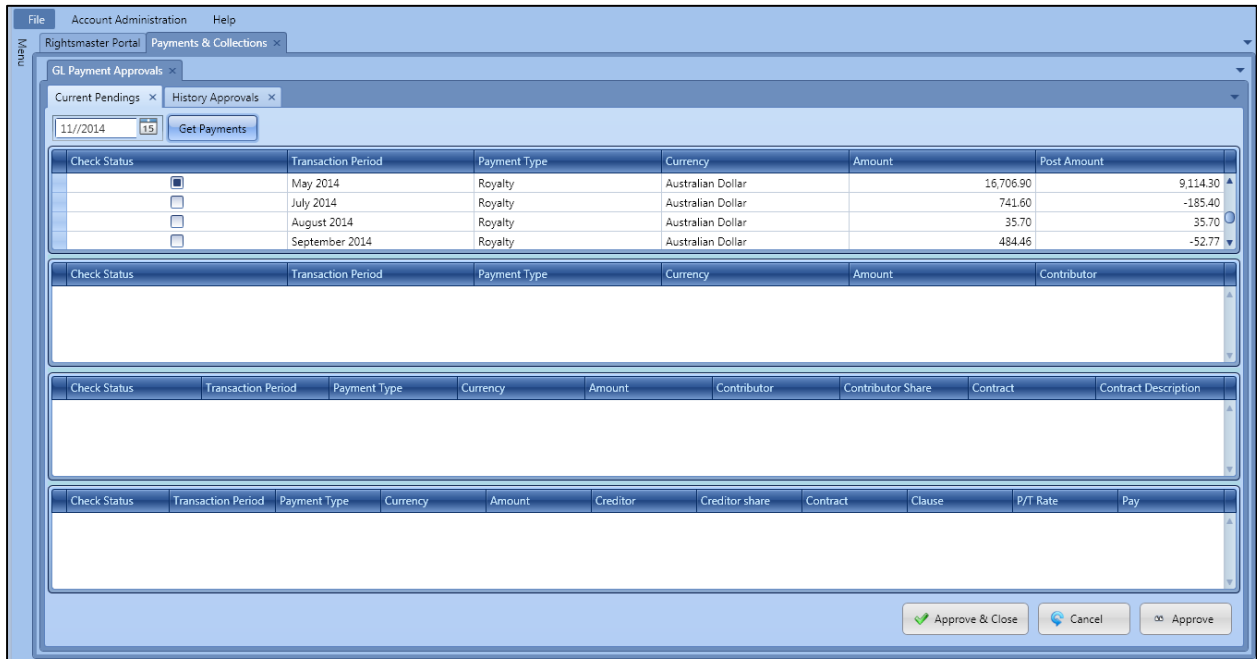


Figure 11

Click on the payment line on the first panel to get additional details for that payment on the panel below. Do this on subsequent panels to get further details on that transaction in the panel below.

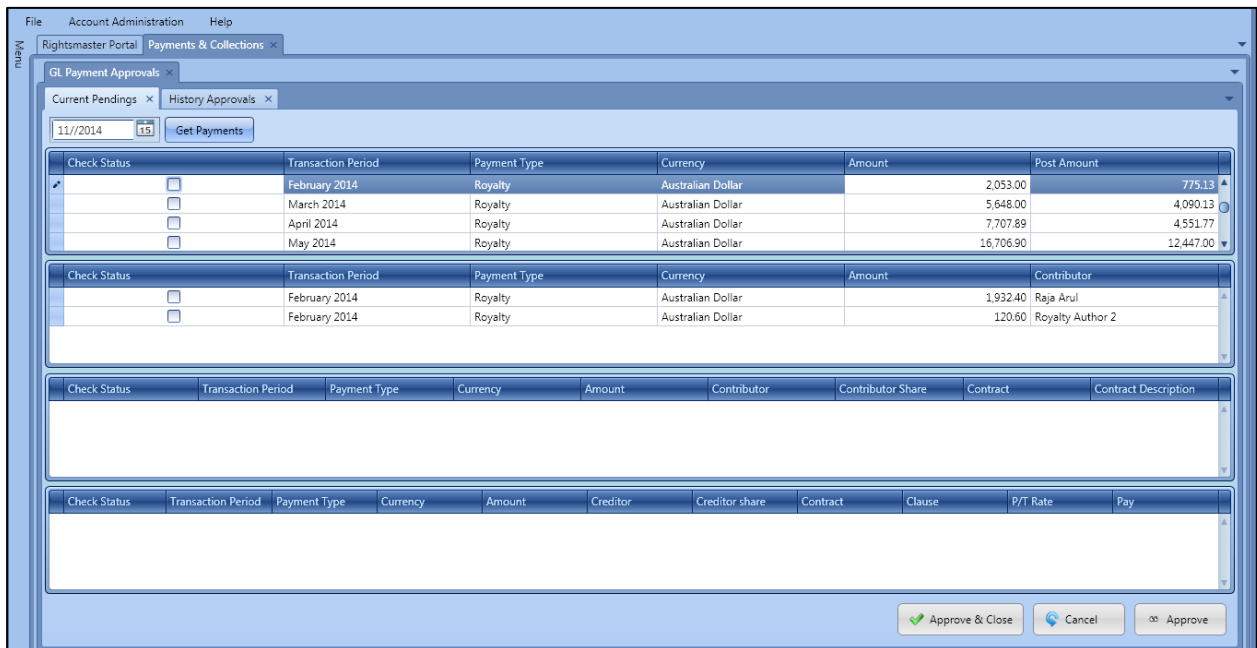


Figure 12

Relevant Fields

- **Check Status**
Click the Check Status check box to approve the transaction and post it to the ERP system.
- **Transaction Period**

This is the transaction payment period.

➤ **Payment Type**

Payment type describes where the payment is derived from e.g. royalty payments or from subsidiary rights sales etc.

➤ **Currency**

Currency is the currency of the matching contract. All incoming transactions with a currency other than the matching contract currency will be converted to the contract currency using the supplied conversion rate before any payment or collection transactions are calculated.

➤ **Amount**

This is the calculated amount for payment to the respective creditor/contributor. The amount is in the contract currency.

➤ **Post Amount**

This is the amount that still needs to be posted.

➤ **Contributor**

This is the contributor listed on the contract, who is entitled to the royalty share percentage as stated on the contract.

➤ **Contributor Share**

The percentage of the royalty share that the contributor is entitled to as per the contract.

➤ **Creditor**

This is the creditor/creditors for the contributor. Payments would be made to the contributors' creditors as per the share percentages for each of the creditors.

➤ **Creditor Share**

The percentage of the royalty share that the creditor is entitled to as per the contract. If there is more than 1 creditor then the total share value of all the creditors will be 100%.

➤ **Contract**

The Rightsmaster contract number that the payment transaction relates to.

➤ **Clause**

The clause name on the contract that this transaction relates to.

➤ **P/T Rate**

The pay through rate i.e. the percentage that will be paid to the creditor.

➤ **Pay**

The amount of money to be paid to the creditor.

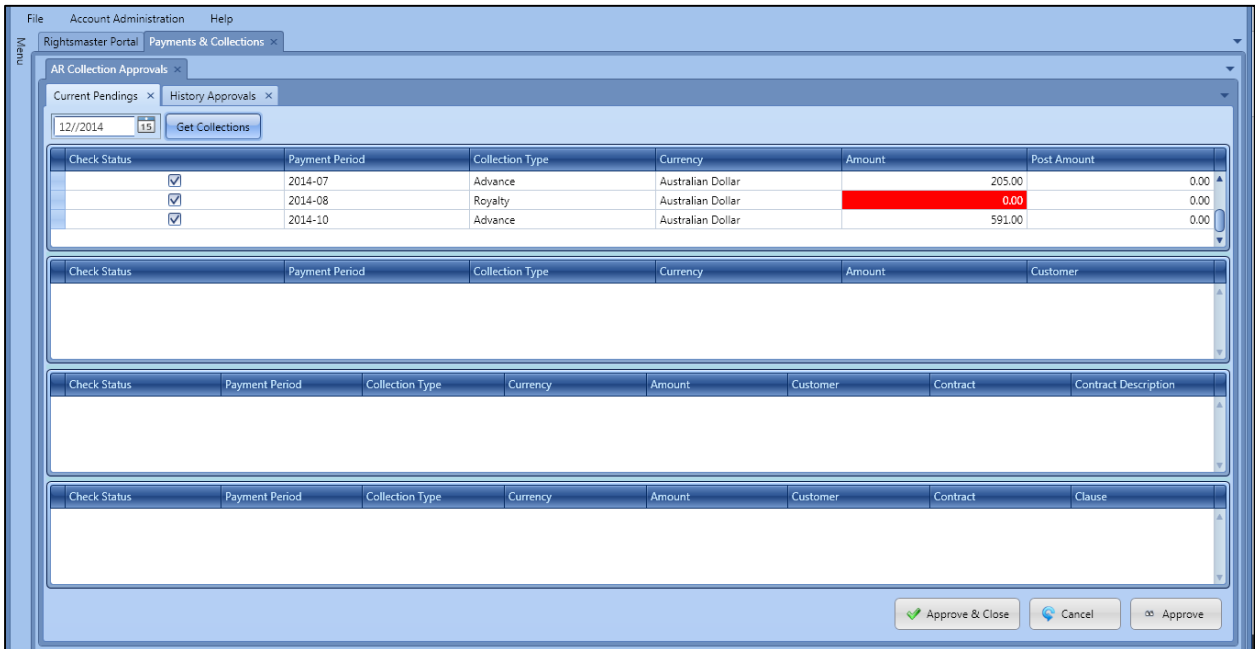
Note: You can right click on the transaction detail line on the last 2 panels to access the contract, display source transactions or the transaction details.

If the transactions are all correct, you can initiate the interface to General Ledger. Click the *Check Status* box and click *Approve* or *Approve & Close*. The system will automatically interface all the accruals to General Ledger in the linked ERP system. The outbound transactions will also be written to an excel file which can be download to a local drive if required. In a standalone system the outbound transactions will only be written to the excel file.

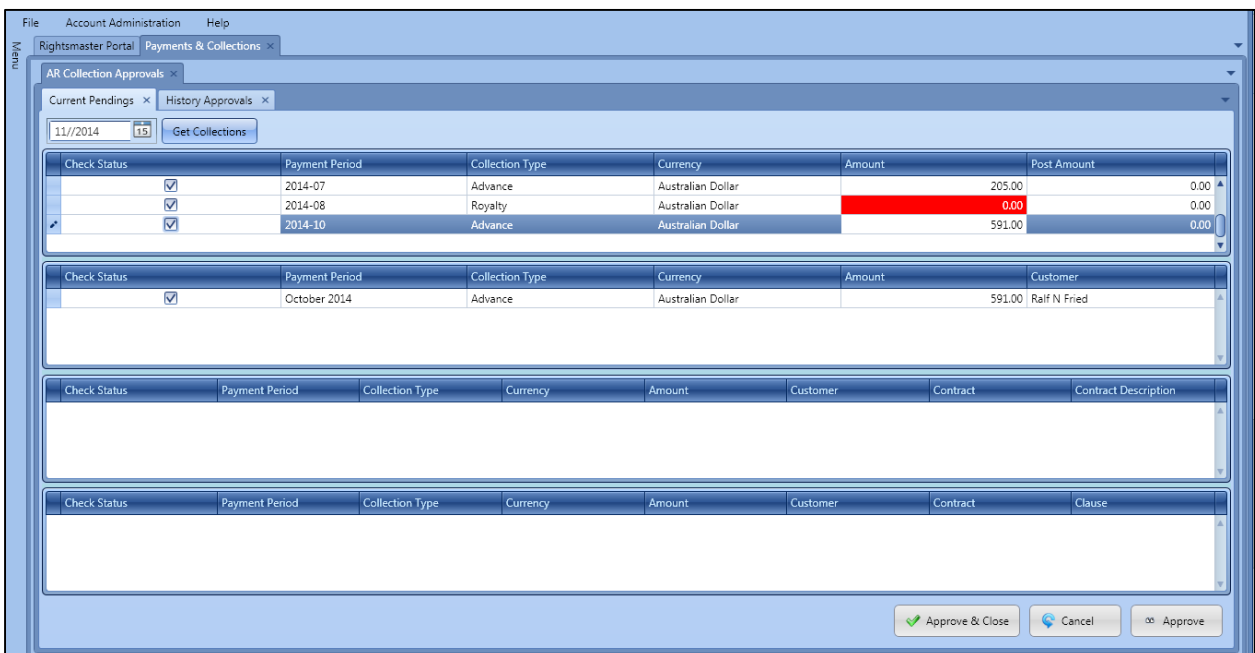
2.3.2 A/R Approvals

When the subsidiary rights transactions are processed within Rightsmaster, the system would write the A/R transactions for approval and subsequent invoicing. Approvals to ERP Accounts Receivables for subsidiary rights invoicing is initiated in the same manner as G/L Approvals. It can be accessed by either clicking on the named tile on the Rightsmaster introduction screen or by invoking the auto hide menu and clicking AR Approvals menu item under Transactional Processing menu.

AR Collection Approvals screen will be displayed as a new tab. Select the collection date and click *Get Collections*. Collection for the selected period will display:

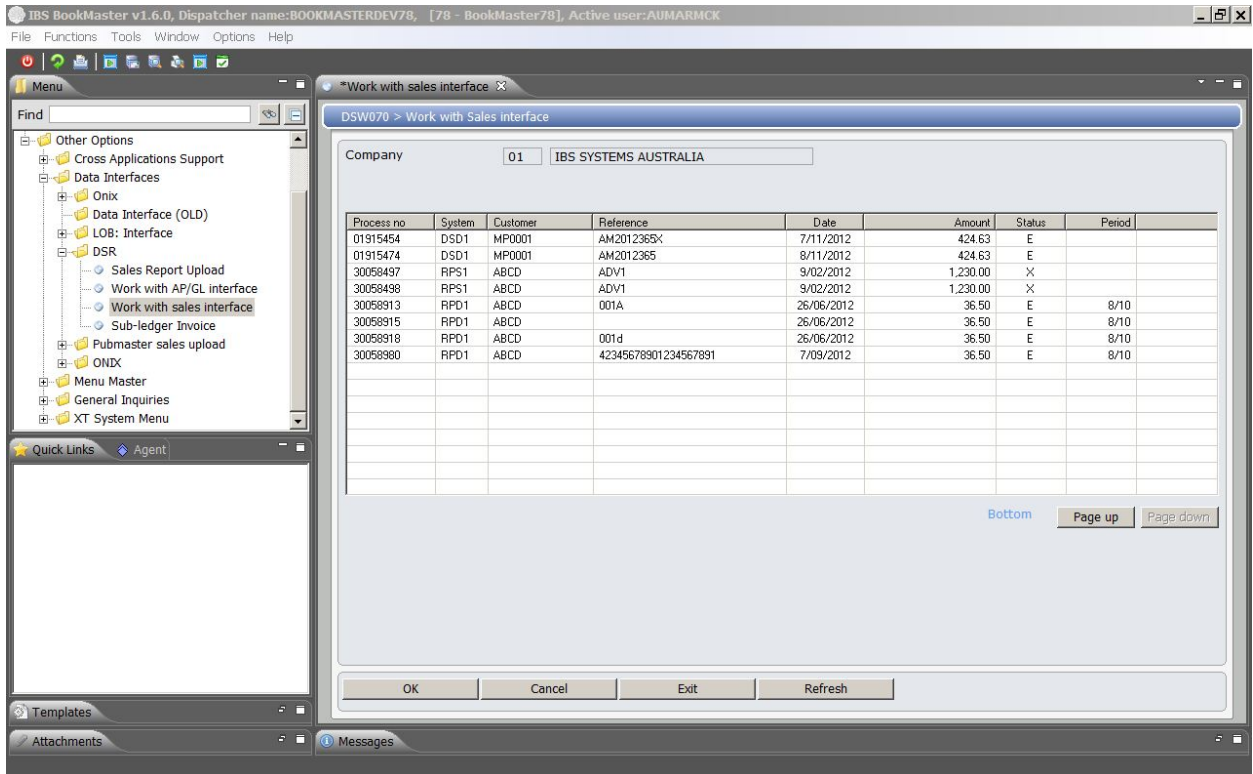


Click on collection line for additional details relating to that collection.



If the transactions are all correct, you can initiate the interface to Accounts Receivable for invoicing. Check the *Check Status* box and click *Approve* or *Approve & Close*. The system will automatically interface all the transactions to A/R in the linked ERP system.

If you are using Bookmaster system you can access the incoming A/R interface records in Bookmaster via menu Other Options>Data Interfaces>DSR<Work with Sales Interface (DSW070):

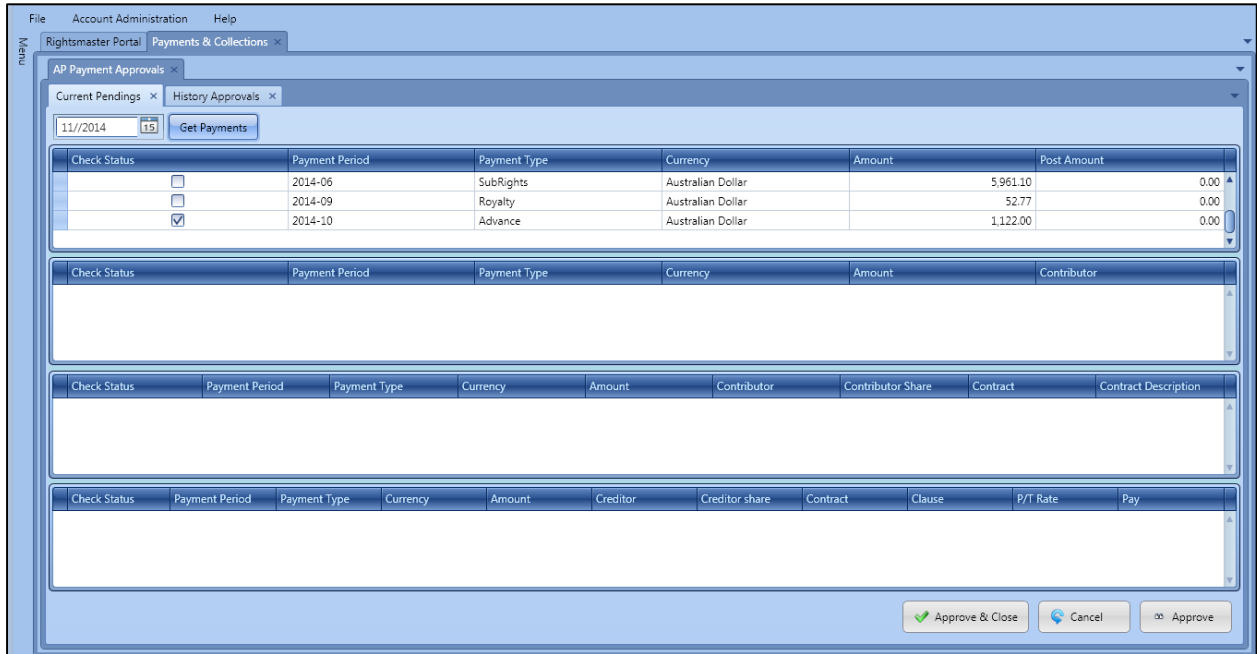


You can enquire, validate or delete any of the generated records but maintenance will not be allowed. Generated error free interface records can then be posted to generate the invoice. If there are errors, the interface file can be re-generated.

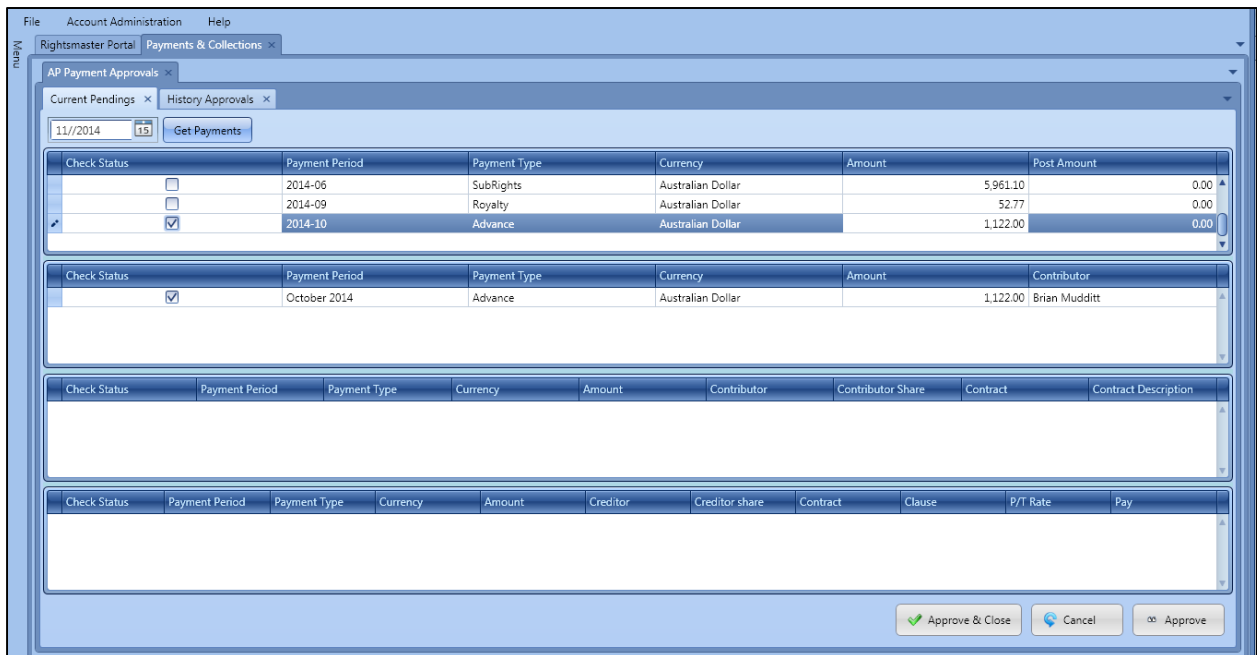
For further information on sales interface in Bookmaster please refer to Data Interface user manual in Bookmaster.

2.3.3 A/P Approvals

When the sales transactions are processed within Rightsmaster, the system would write the AP Payments transactions for approval before posting to ERP system for payments. Approvals to ERP Accounts Payables for payment is initiated in the same manner as G/L Approvals. It can be accessed by either clicking on the named tile on the Rightsmaster introduction screen or by invoking the auto hide menu and clicking AP Approvals menu item under Transactional Processing menu.



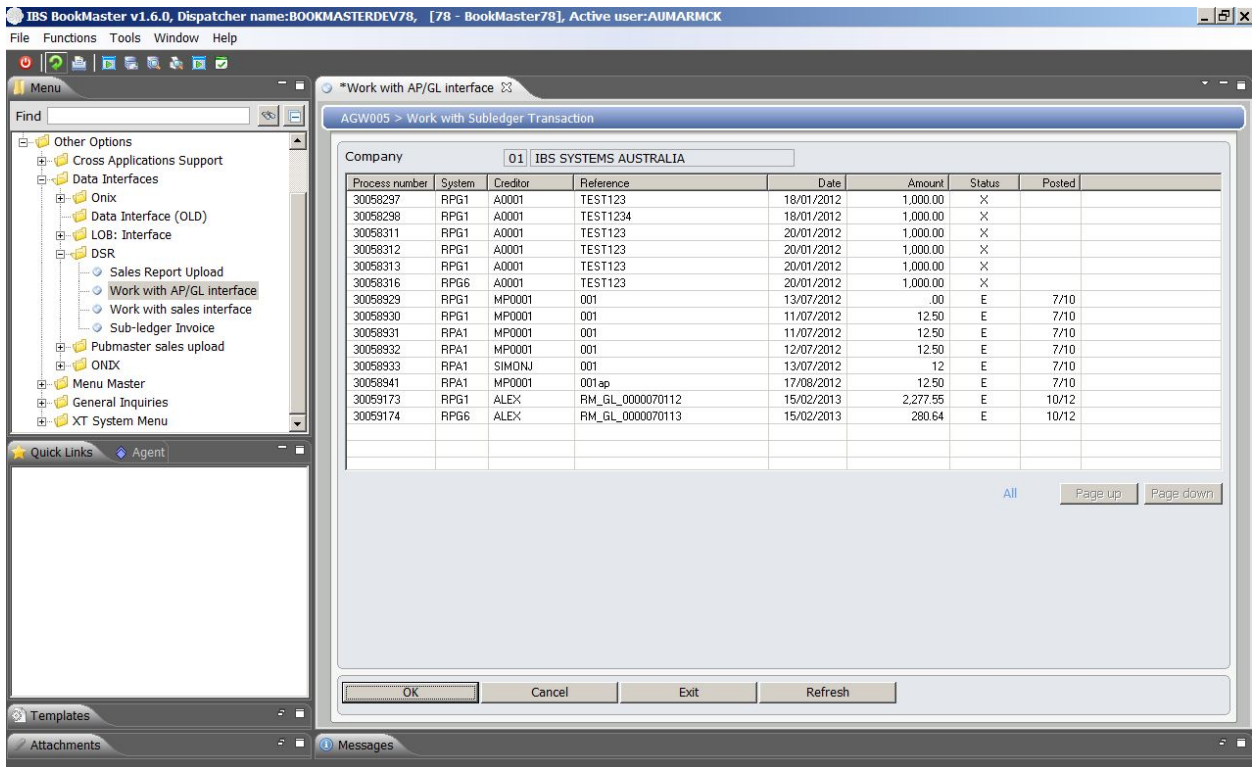
AP Payment Approvals screen will be displayed as a new tab. Select the payment date and click *Get Payments*. Payment for the selected period will display:



Click on payment line to view/review additional details relating to that payment.

If the transactions are all correct, you can initiate the interface to Accounts Payable. Click the *Check Status* box and click *Approve* or *Approve & Close*. The system will automatically interface all the transactions to A/P in the linked ERP system.

If you are using Bookmaster system you can access the incoming A/P interface records in Bookmaster via menu Other Options>Data Interfaces>DSR<Work with AP/GL Interface (AGW005):



You can enquire, validate or delete any of the generated records but maintenance will not be allowed. Generated error free interface records can then be posted to process royalty payments. If there are errors, the interface file can be re-generated.

For further information on A/P interface in Bookmaster please refer to Data Interface user manual in Bookmaster.

3. Appendix - Glossary

Advance

An advance is a lump sum payment made to a contributor based on a milestone or a specified event. It is an advance against future royalties due to the contributor.

CAL

Copyright Agency Limited is a body appointed to collect royalties to pay to copyright owners.

Clause

Clauses within a contract define the formulae for the calculation of either a royalty payment or a collection due for a subsidiary right exploitation.

Contract Parties

Contract entities such as authors, literary agents or any other entity that represents itself as a party to the contract signing.

Copyright

The term of the copyright for works created after 1977 is the author's lifetime plus 70 years, after which the work goes into the public domain, meaning it no longer has copyright protection.

Grant of Rights

Primary rights acquired by the publisher.

Acquisition Contract

An acquisition contract is a head contract which details the works, contract parties, royalty, payees and payment definitions and describes the primary and subsidiary rights and permissions granted to the publisher. An acquisition contract is also referred to as Payment contract in the Rightsmaster System.

IP

Abbreviation for intellectual property.

Permissions

This is permission for the use of third party materials in the final product.

Primary Clause

The primary clause defines the scope and conditions of the primary right acquired or the primary right to be licensed to a third party.

Primary Rights

Primary rights is having the right to develop the work into saleable product and distributing it in agreed territories. The acquisition contract negotiated between the copyright owner and the publisher assigns the primary rights and subsidiary rights to the publisher.

Subrights

Subrights (subsidiary rights) is the permission to use the content from the primary licence the publisher has purchased from the copyright owner. When a publisher buys the right to publish a book, it secures subsidiary rights as well. This allows the publisher to exploit these rights and sell to others to create new products, thus acting as an agent for the IP owner. Subsidiary rights can be e-books, translations, audio books, film and video rights etc.

Subrights contract

Subrights contract details subsidiary rights licences granted to third parties and the collection definitions agreed for the licence between the third party and the publisher. Subsidiary rights contract is also referred as Collection contract in the Rightsmaster System.

Secondary clause

Secondary clause defines the exceptions to the primary right. It also describes the conditions of the subsidiary rights acquired.

TPM

Abbreviation for Trading Partner Management.

Volume Rights

Volume rights is the right that the publisher needs for their primary business. Normally this is permission to publish the manuscript in book form which can be either hardcopy or paperback or both.

Works

Works is the intellectual property that a contract is associated with. Any finished work (published or unpublished) is protected by copyright and therefore considered a copyright work.