

11i Implement and Use Accounts Receivable

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Preface

Profile

Prerequisites

- R11i Navigating Oracle Applications

How This Course Is Organized

This course is an instructor-led course featuring lecture and hands-on exercises. Online demonstrations and written practice sessions reinforce the concepts and skills introduced.

Related Publications

Oracle Publications

Additional Publications

- System release bulletins
- Installation and user's guides
- read.me files
- Oracle Magazine

Typographic Conventions

Typographic Conventions in Text

Convention	Element	Example
Bold italic	Glossary term (if there is a glossary)	The <i>algorithm</i> inserts the new key.
Caps and lowercase	Buttons, check boxes, triggers, windows	Click the Executable button. Select the Can't Delete Card check box. Assign a When-Validate-Item trigger to the ORD block. Open the Master Schedule window.
Courier new, case sensitive (default is lowercase)	Code output, directory names, filenames, passwords, pathnames, URLs, user input, usernames	Code output: <code>debug.set ('I', 300);</code> Directory: <code>bin (DOS), \$FMHOME (UNIX)</code> Filename: Locate the <code>init.ora</code> file. Password: User <code>tiger</code> as your password. Pathname: Open <code>c:\my_docs\projects</code> URL: Go to <code>http://www.oracle.com</code> User input: Enter <code>300</code> Username: Log on as <code>scott</code>
Initial cap	Graphics labels (unless the term is a proper noun)	Customer address (<i>but</i> Oracle Payables)
Italic	Emphasized words and phrases, titles of books and courses, variables	Do <i>not</i> save changes to the database. For further information, see <i>Oracle7 Server SQL Language Reference Manual</i> . Enter <code>user_id@us.oracle.com</code> , where <i>user id</i> is the name of the user.
Quotation marks	Interface elements with long names that have only initial caps; lesson and chapter titles in cross-references	Select "Include a reusable module component" and click Finish. This subject is covered in Unit II, Lesson 3, "Working with Objects."
Uppercase	SQL column names, commands, functions, schemas, table names	Use the SELECT command to view information stored in the LAST_NAME column of the EMP table.

Convention	Element	Example
Arrow	Menu paths	Select File→ Save.

Brackets	Key names	Press [Enter].
Commas	Key sequences	Press and release keys one at a time: [Alternate], [F], [D]
Plus signs	Key combinations	Press and hold these keys simultaneously: [Ctrl]+[Alt]+[Del]

Typographic Conventions in Code

Convention	Element	Example
Caps and lowercase	Oracle Forms triggers	When-Validate-Item
Lowercase	Column names, table names	SELECT last_name FROM s_emp;
	Passwords	DROP USER scott IDENTIFIED BY tiger;
	PL/SQL objects	OG_ACTIVATE_LAYER (OG_GET_LAYER (`prod_pie_layer`))
Lowercase italic	Syntax variables	CREATE ROLE <i>role</i>
Uppercase	SQL commands and functions	SELECT userid FROM emp;

Typographic Conventions in Navigation Paths

This course uses simplified navigation paths, such as the following example, to direct you through Oracle Applications.

(N) Invoice > Entry > Invoice Batches Summary (M) Query > Find (B) Approve

This simplified path translates to the following:

1. (N) From the Navigator window, select Invoice > Entry > Invoice Batches Summary.
2. (M) From the menu, select Query > Find.
3. (B) Click the Approve button.

Notations :

(N) = Navigator

(M) = Menu

(T) = Tab

(I) = Icon

(H) = Hyperlink

(B) = Button

Typographical Conventions in Help System Paths

This course uses a “navigation path” convention to represent actions you perform to find pertinent information in the Oracle Applications Help System.

The following help navigation path, for example—

(Help) General Ledger > Journals > Enter Journals

—represents the following sequence of actions:

1. In the navigation frame of the help system window, expand the General Ledger entry.
2. Under the General Ledger entry, expand Journals.
3. Under Journals, select Enter Journals.
4. Review the Enter Journals topic that appears in the document frame of the help system window.

Getting Help

Oracle Applications provides you with a complete online help facility.

Whenever you need assistance, simply choose an item from the Help menu to pinpoint the type of information you want.

To display help for a current window:

1. Choose Window Help from the Help menu, click the Help button on the toolbar, or hold down the Control key and type 'h'.

A web browser window appears, containing search and navigation frames on the left, and a frame that displays help documents on the right.

The document frame provides information on the window containing the cursor. The navigation frame displays the top-level topics for your responsibility, arranged in a tree control.

2. If the document frame contains a list of topics associated with the window, click on a topic of interest to display more detailed information.

3. You can navigate to other topics of interest in the help system, or choose Close from your web browser's File menu to close help.

Searching for Help

You can perform a search to find the Oracle Applications help information you want. Simply enter your query in the text field located in the top-left frame of the browser window when viewing help, then click the adjacent Find button.

A list of titles, ranked by relevance and linked to the documents in question, is returned from your search in the right-hand document frame. Click on whichever title seems to best answer your needs to display the complete document in this frame. If the document doesn't fully answer your questions, use your browser's Back button to return to the list of titles and try another.

Manage Customers

Chapter 1

Manage Customers

Oracle Order Management Release 11*i*

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ORACLE

Agenda

Agenda

- Objectives
- Customer Model and Features
- Profile Classes
- Entering Customer Information
- Customer Relationships
- Merging Customers
- Reviewing Information
- Summary

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Objectives

After completing this course, you should be able to do the following:

- Define the features enabling you to enter and maintain customer information
- Create customer profile classes and assign them to customers
- Create and maintain customer information
- Enable related customers to establish reciprocal payment and contract terms
- Merge customers and eliminate any duplicate customer information
- Define how to view customer information

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Agenda

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- Objectives
- **Customer Model and Features**
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Using Oracle Applications Help

1. Navigate to the Oracle Applications Navigator.
2. Select Help—>Window Help from the menu bar. The Oracle Applications Help window is displayed.
3. Enter your search criteria, enclosed within quotation marks, in the Help field and click Find. Oracle Applications Help displays a list of topics that meet your search criteria.
4. Click a topic to view detailed information.

Note: Click Search Instructions for help with searching Oracle Applications Help.

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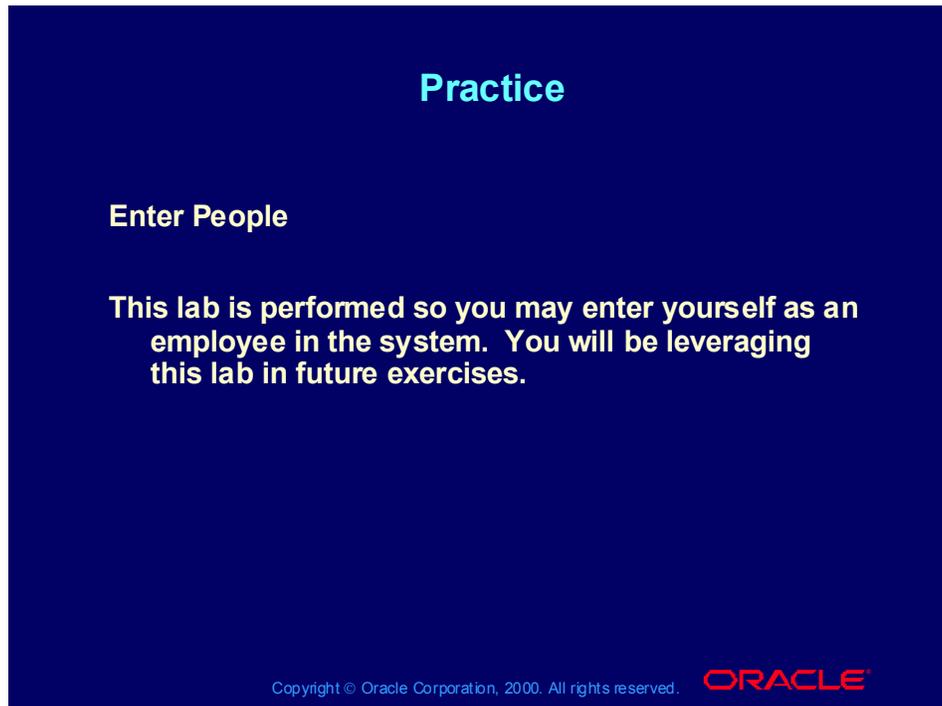
Using Oracle Applications Help Within a Window

1. Open a window in the application you are using.
2. Select Help—>Window Help from the menu bar. Oracle Applications Help displays detailed information about the window you opened, including step-by-step instructions for entering information in each field in the window.

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Practice



Practice

Enter People

This lab is performed so you may enter yourself as an employee in the system. You will be leveraging this lab in future exercises.

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User = Operations

Password = Welcome

Responsibility = Human Resources

(N) People - Enter and Maintain

Select the New Button

Last name = Yours

First Name = Yours

Gender = Yours

Type =employee

Social Security - Any number in this format (xxx-xx-xxxxx)

Date of Birth = Yours (real or not)

Save

Record your employee number _____

Practice

Practice

Create a user id

This lab is performed so that you can establish a User Id, and password to log into the system for the remainder of the week. You will be attaching your responsibilities that you will be using this week to your User Id.

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File Switch Responsibility

Responsibility = System Administer

(N) Security-user-define

Name = Any ID you want

Password = password (lower case)

Tab

Enter pass word again

Person = your Last name % select

Responsibilities Select the following Responsibilities from a List of Values

Order Management Superuser VISION OPERATIONS (USA)

Move cursor to next row

Purchasing Vision Operations (USA)

Move cursor to next row

Inventory VISION OPERATIONS (USA)

Move cursor to next row

Receivables VISION OPERATIONS (USA)

Move cursor to next row

Oracle Pricing Manager

Move cursor to next row

System Administrator

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Save

File-Log in as a different user

User = Your user name

Password = password (lower case)

You will receive a message informing you that your password has expired, Select the OK button.

Enter in the following data

Old pass word = password

New password= Anything you want, Record it here in case you forget later

Re-enter password = Your new password.

Select Order Management Superuser Responsibility

Practice

Practice

Manage your Top Ten List

The Top Ten List allows a user to establish ten forms they commonly use for any given Responsibility. A user can then keyboard numbers in order to open any form that is on their Top Ten List.

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Navigator

Expand all menu trees of the Order Management Responsibility
Move over the Following forms to your Top Ten list.

Order Organizer
Sales Orders
Release Sales Orders
Transactions
Customers Standard
Customers Quick
Price List
Master Items
Reports
Requests

Practice

Practice

Create a Salesperson

This lab is performed so that you can establish yourself as a Salesperson to be used throughout Sales Orders. It leverages the employee you created in Lab 1.

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(N) Set-up - Sales - Salesperson

Last name - Yours

Sales Group - Commercial sales

Sales Credit Type = Quota Sales Credit

Revenue Account Select LOV

You now will be seeing a field asking for an Account Alias Select LOV

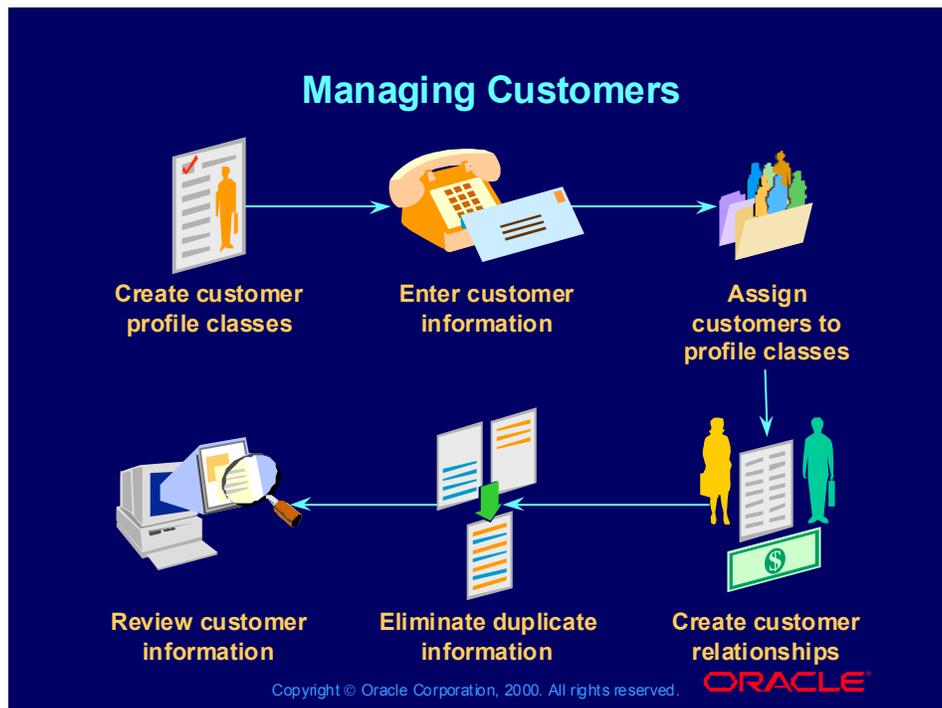
Choose Miscellaneous from the list.

Repeat for the Freight and Receivables account, or cut and paste the Misc.

Account number

Save

Managing Customers

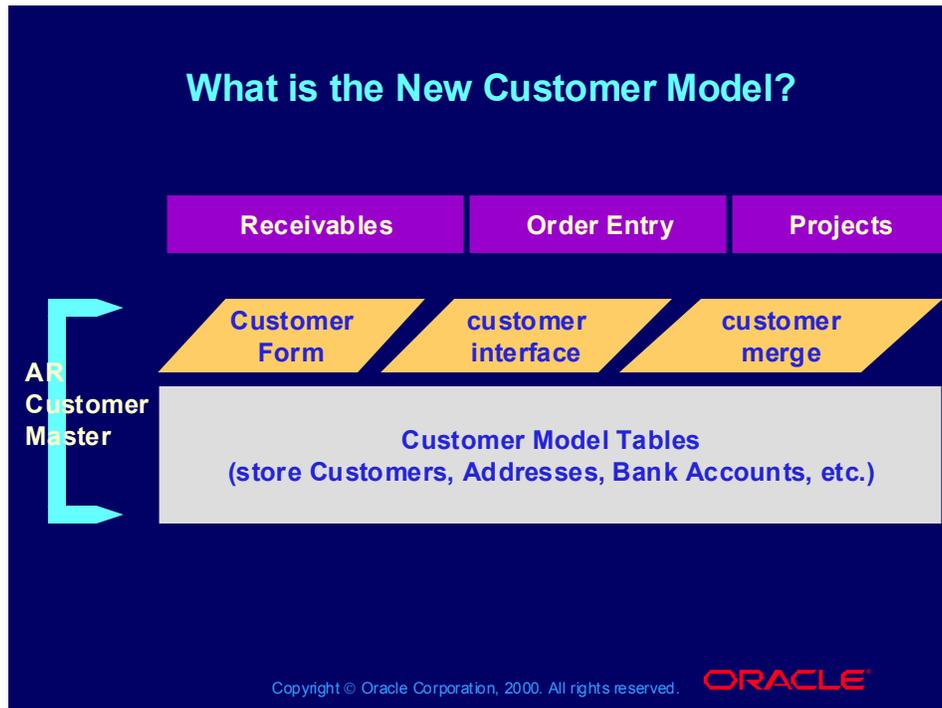


You can:

- Create customer profile classes and assign them to customers
- Create and maintain customer information
- Enter multiple ship-to sites for each customer
- Enable related customers to establish reciprocal payment and contract terms
- Review customer information online and in reports

The system will perform a search for your customer before it allows you to enter a new customer.

What is the New Customer Model?



The customer model is part of Oracle Receivables. It has tables that store customer relationships and information about the people, organizations, and locations involved in those relationships.

You interact with the customer model through the following modules:

- Customer form: Online entry and query of customer information
- Customer interface: Batch load of customer information
- Customer merge: Merge customer accounts, usually after you've entered a customer incorrectly or in duplicate or due to a business consolidation.

New Customer Model Components

- **Data model:** Tables and attributes for modeling customers, organizations, people, and locations.
- **Backwards-compatible views:** Other Oracle Applications see the new customer model as an Oracle Applications Release 11 data model.
- **PL/SQL APIs:** Allows developers to use common business logic to update the customer master.
- **Customer form, open interface, and merge function work with the new customer model.**

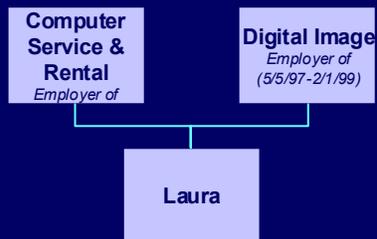
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New Customer Model Features

New Customer Model Features

- Models inter- and intra- company relationships
- Models non-business relationships
- Supports customer defined relationships



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New Customer Model Benefit

You do not have to duplicate customer addresses across operating units:

- **Create then once.**
- **Reference them across all operating units.**

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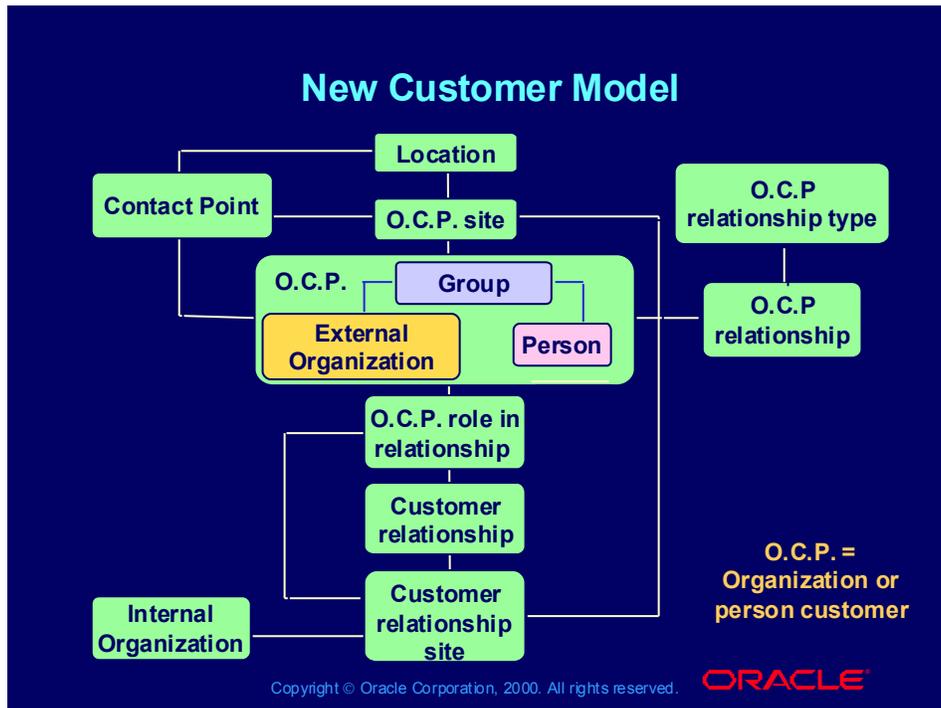
Entities of the New Customer Model

- **Organization or person customer:** A unique set of truths about a person, organization, group, or relationship.
- **Account:** The financial rollup point from which to track the monetary portion of a customer's purchases and payments.

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New Customer Model



Organization or Person Customer Registry

- An organization or person customer is anything that can enter into business relationships with another organization or person customer.
- You can store information about your relationships in one “source of truth” representation of people and businesses.

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Customer Addresses

- Allow multiple organization or person customers can do business at one location.
- Are global (not specific to operating units).
- Allow you to perform address validation using Vertex or TaxWare information.
- Have flexible address formatting with seeded and custom formats.

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Organization or Person Customer Relationships

The registry stores information about relationships between organizations or person customers:

- Organizational hierarchies
- Business relationships, for example, partnerships
- Personal relationships, for example, marriage/partnership and parenthood
- Organization contacts

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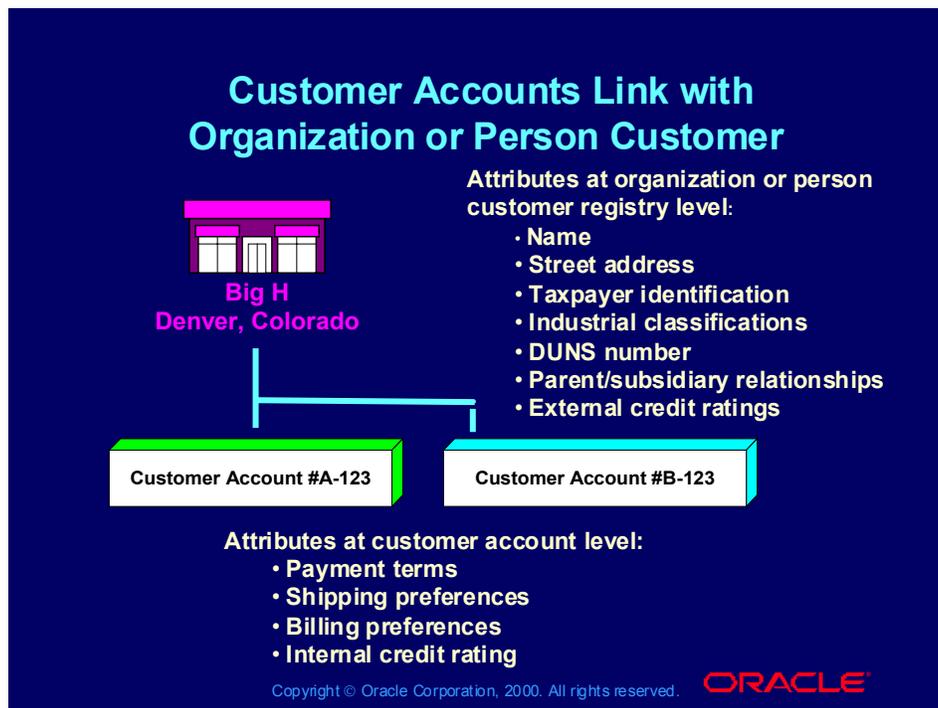
Customer Accounts

- **Customer accounts model relationships between an organization deploying Oracle Applications and an organization or person customer stored in the new customer model registry.**
- **Additional organizations or person customers can play roles in accounts. The new account model retains release 11i customer model features including:**
 - **Credit profiles**
 - **Terms of relationship (for example, discount terms)**
 - **Customer bank accounts**

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Customer Accounts Link with Organization or Person Customer



In release 11.1, information about a customer is not separated from information about the relationship with the customer. The new customer model separates information about the organization or person customer from the terms of the relationship.

Additionally, the new customer model allows you to establish multiple relationships (also known as customer accounts) with the same organization or person customer .

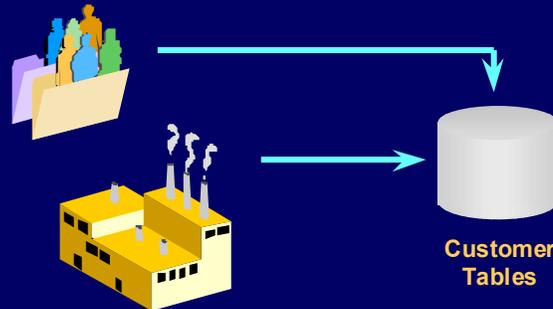
Addresses work in a similar fashion. You record an address for an organization or person once, then reference it within the customer account layer, through the Customer Account Site entity.

Upgrade of AR Customer Modules

Upgrade of AR Customer Modules

The Oracle Receivables customer form, open interface, and merge have specific features for:

- Establishing persons as customers
- Populating registry/organization or person customer information



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Specific Features of Customer Management

Specific Features of Customer Management

- **Customer form: Searches existing customers and the organization or person customer registry before allowing you to enter a new customer**
- **Customer merge**
 - **Merges customer accounts**
 - **Does not merge information in organization or person customer registry**

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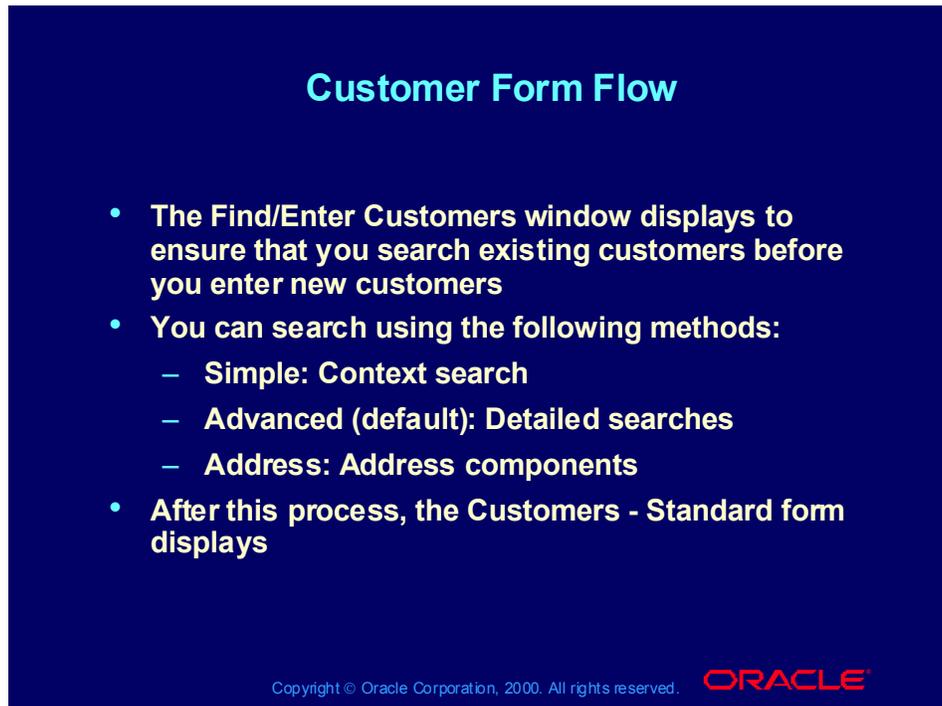
Specific Features of Customer Management

Specific Features of Customer Management

- **Customer interface**
 - **Loads customer accounts along with important organization or person customer information**
 - **Does not load organization or person customer information that is independent of customer accounts**

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A blue rectangular slide with white text. The title 'Customer Form Flow' is centered at the top in a bold, white font. Below the title is a bulleted list of four items. The first item is a bullet point followed by a bolded sentence. The second item is a bullet point followed by a bolded sentence, which is then followed by three sub-bullets, each starting with a dash and a bolded sentence. The third item is a bullet point followed by a bolded sentence. At the bottom right of the slide is the Oracle logo in red, and at the bottom left is a small copyright notice in white.

Customer Form Flow

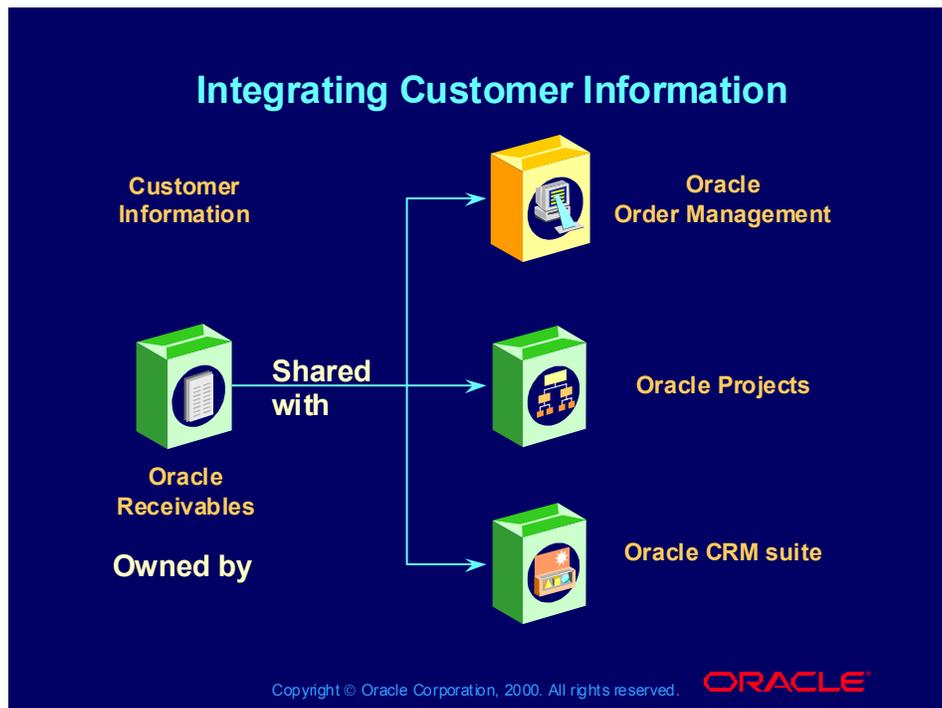
- **The Find/Enter Customers window displays to ensure that you search existing customers before you enter new customers**
- **You can search using the following methods:**
 - **Simple: Context search**
 - **Advanced (default): Detailed searches**
 - **Address: Address components**
- **After this process, the Customers - Standard form displays**

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This process assumes that the customer you are entering most likely exists in the database and operates as follows:

- The customer account search runs first and displays a customer account that match the query in an list of values.
- If you do not choose one of the matched customer accounts (or there are none), click New.
- Party Match checks for people or organizations who are not customers but who match the query criteria and displays in a list of values. This reduces customer merging caused by typographical errors.
- Search examples:
 - Advanced: Category class, contacts, phone numbers
 - Simple (context): Category of business, businesses in a location, specific business name

Integrating Customer Information



Enter or Import Customer Information

You can enter customer information directly into Oracle Receivables or import it through interface tables from other Oracle Applications.

Customer information is shared throughout Oracle Applications, however the tables for the Customer Master is owned by the Receivables module.

Review Question

Review Question

You do not have to duplicate customer addresses across operating units; you can create them once and different operating units can reference them.

- 1. True**
- 2. False**

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Review Question

Review Question

You do not have to duplicate customer addresses across operating units; you can create them once and different operating units can reference them.

1. True
2. False

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- **Profile Classes**
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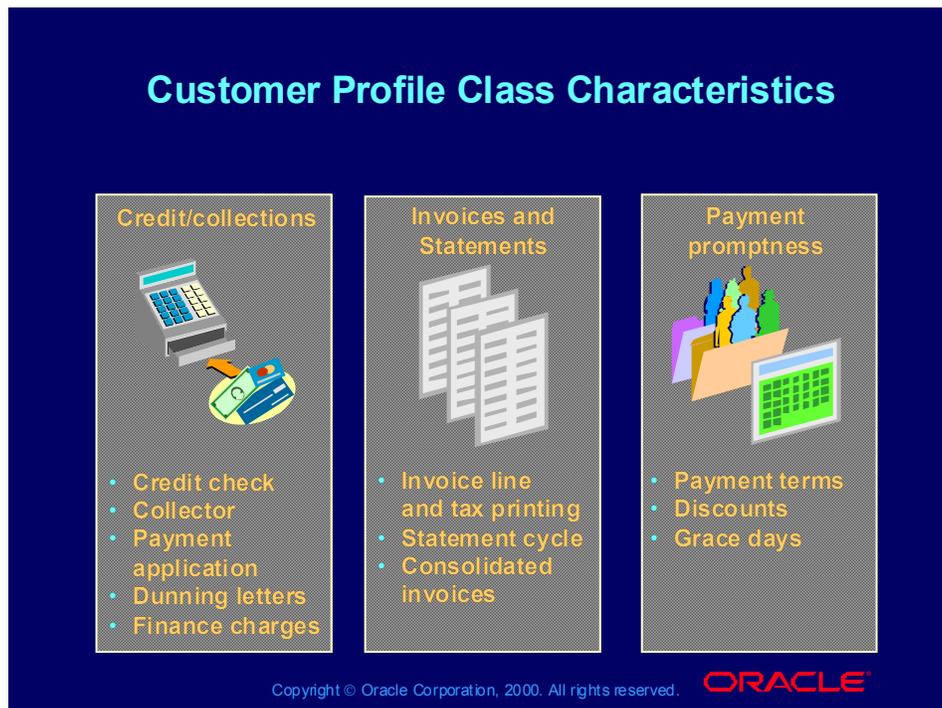
Profile Classes

- You can use profile classes to describe and group customers with similar financial characteristics
- Use profile classes to enter new customers quickly and consistently

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Customer Profile Class Characteristics



The diagram is titled "Customer Profile Class Characteristics" in a blue box. It is divided into three vertical panels, each with a title, an icon, and a list of characteristics.

- Credit/collections**: Icon shows a calculator and a credit card. Characteristics: Credit check, Collector, Payment application, Dunning letters, Finance charges.
- Invoices and Statements**: Icon shows three overlapping document pages. Characteristics: Invoice line and tax printing, Statement cycle, Consolidated invoices.
- Payment promptness**: Icon shows a folder with colorful papers and a calendar. Characteristics: Payment terms, Discounts, Grace days.

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Creating Customer Profile Classes

To make the creation of new customers in Oracle Order Entry/Shipping/Oracle Receivables efficient, every customer must be assigned to a profile class. A profile class defines several default values for customers with similar credit terms and invoicing requirements. After a customer has been created, the default values can be modified based on the specific characteristics of that customer.

For example, you may want to create a profile class for small manufacturers, called Small MFG. Customers assigned to this profile class might require credit checks before orders will be fulfilled, given Net 30 payment terms, and receive quarterly statements. When creating a specific new customer, you could assign that customer to the Small MFG profile class. If the customer develops credit problems in the future, you might then modify that customer's payment terms to Cash On Delivery.

Managing Customer Profiles

- When you establish a customer, the customer processing function assigns it to the default (seeded) customer profile class.
- If you want to assign the customer to a different profile class, select it from the list of values before you save your work.

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(N) Setup > Customers > Profile Classes

(Help) (N) Oracle Receivables > Customers > Defining Customer Profile Classes

Maintaining Profile Classes

Update Options

- **Oracle Order Management/Shipping lets you modify attributes in existing profile classes even after customers are assigned to them. However, when you try to save changes to any existing profile class, you must decide how you want the change to be applied.**

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The options are:

- **Do Not Update Existing Profiles:** Only the profiles of new customers created in the future will reflect the changes.
- **Update All Profiles:** The attribute will be updated in all customers using this profiles.
- **Update All Uncustomized Profiles:** Profile classes set the default values initially assigned to individual customer profiles. If an attribute in an individual customer profile is customized to be different from its profile class, changes to the value of a profile class attribute do not change the customized value of the attribute in the individual customer profile.

Reviewing Profile Class Changes

Reviewing Profile Class Changes

- Different reports are automatically generated depending on which customer profiles are changed:
- All profiles updated
- Customer Profiles Audit
- Customer Profiles
- Uncustomized profiles updated
- Customer Profiles Exceptions
- Update Customer Profiles

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Reports Generated After Changes

When changes to a profile class cause changes to customer profiles, Oracle Order Entry/Shipping automatically generates the reports necessary to review the changes. If all customer profiles are updated by the changes, the Customer Profiles Audit and Customer Profiles reports are generated. The audit report summarizes changes made to the profile class. If only uncustomized customer profiles are changed, the exceptions report shows which customer profiles were not changed.

Review Question

Review Question

You create profile classes by assigning default attribute values to similar customers based on:

- 1. Credit and payment terms**
- 2. Statement and invoice printing**
- 3. Collector and dunning letter sets**
- 4. Finance charge terms**
- 5. All of the above**
- 6. None of the above**

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Review Question

Review Question

You create profile classes by assigning default attribute values to similar customers based on:

1. Credit and payment terms
2. Statement and invoice printing
3. Collector and dunning letter sets
4. Finance charge terms
5. All of the above
6. None of the above

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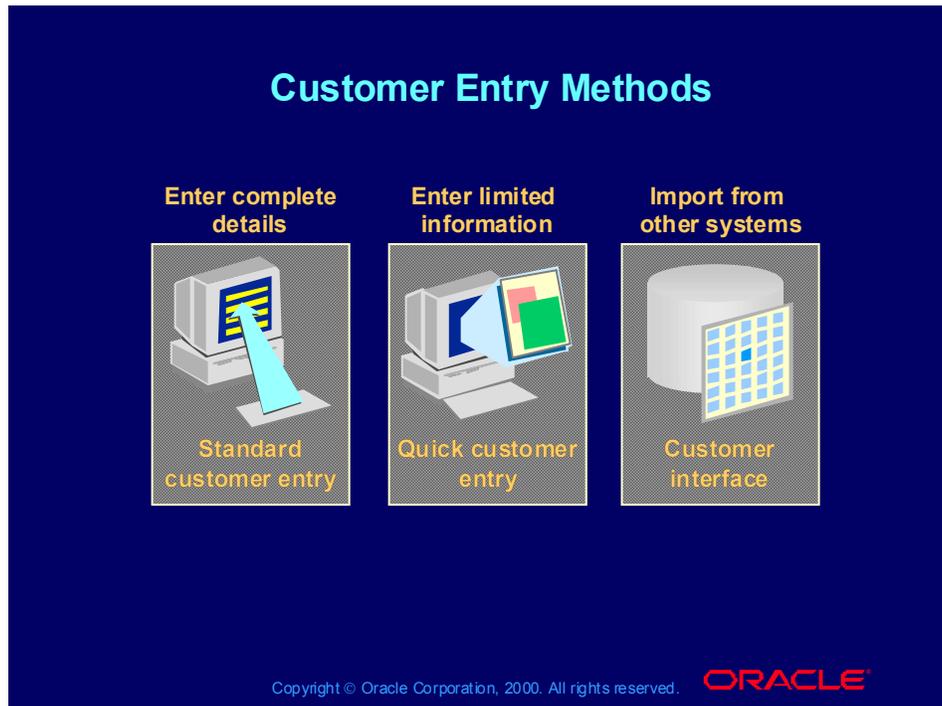
Enter Customer Information

- You can use all of the following methods to enter customer information, for example, addresses, phone numbers, contact names, and business purpose:
 - Standard
 - Quick
 - Interface

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Customer Entry Methods



Standard Customer Entry: Enter detail customer information such as contact roles, telephone numbers, customer's shipping preferences, taxing requirements, financial information and addresses

Quick Customer Entry: Enter minimal customer information.

Customer Interfaces:

- EDI transactions
- External Systems
- Order Import

Use the Quick Customer Entry to enter minimal customer information.

Note: You do not have the ability to specify a location code, a primary bill-to or a primary ship-to.

All data added on the Quick Customer form is associated with the single address only.

You can add more detailed information later using the Standard Customer entry.

Business Issues

Before entering customer information, consider the following:

- **Naming conventions**
- **Entry method**
- **Automatic or manual numbering**
- **Profile classes**
- **Centralized or decentralized address structures**

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Before Entering Customer Information

Specify naming conventions such as capitalization and abbreviations.

Select the appropriate data entry method: Standard Customer Entry, Quick Customer Entry, or Customer Interface.

Select the Automatic Customer Numbering and Site Numbering system options and the Automatic Contact Numbering profile option to automatically number customers, sites, and contacts; or select the manual numbering option.

Use the Allow Payment of Unrelated Invoices system option to permit payment of unrelated customers' invoices.

Decide how to set up decentralized customers with multiple sites: as one customer with multiple sites, or as multiple customers with one site.

Business Issues

- **Classifications and grouping for pricing functionality and for reports, for example:**
 - **Customer class**
 - **Customer type**
 - **Sales channel**
 - **Category**
 - **SIC**

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Setting Customer Tax Attributes

- **Standard:** The taxing function refers to the tax tables to determine if the customer requires tax addition. If so, it selects the appropriate taxing method.
- **Exempt:** No tax addition; you enter the tax exemption number and reason
- **Required:** The taxing function always uses tax addition

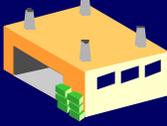
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Business Purposes

Business Purposes

Each addresses can have multiple business purposes.

 <ul style="list-style-type: none">• Ship To site• Bill to site	 <ul style="list-style-type: none">• Ship To site• Marketing	 <ul style="list-style-type: none">• Bill To site• Statements• Dunning• Legal
---	--	---

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Multiple Sites and Business Purposes: Centralized Example

**Multiple Sites and Business Purposes:
Centralized Example**

**ABC, Inc. is completely centralized, and its
headquarters handles all payment procedures.**



The diagram illustrates a centralized business model. At the top left, a city skyline icon represents the headquarters. Below it, the text reads 'New York Headquarters Bill To Statements Dunning'. To the right, three separate city icons represent customer locations: Paris (with the Eiffel Tower), Washington D.C. (with the Washington Monument and flags), and Chicago (with a city skyline). Below each icon, the text reads 'Paris Ship To', 'Washington D.C. Ship To', and 'Chicago Ship To' respectively.

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In this example, ABC Company's Headquarters is in New York, and all billing information will be received there. Products will be shipped to the Paris, Washington, and Chicago customer locations.

Multiple Sites and Business Purposes: De-Centralized Example

**Multiple Sites and Business Purposes:
De-Centralized Example**

XYZ, Inc. is completely decentralized, and each site handles its own payment procedures.

			
New York Headquarters Ship to Bill to Statements Dunning	Paris Ship To Bill To Statements Dunning	Washington D.C. Ship To Bill To Statements Dunning	Chicago Ship To Bill To Statements Dunning

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In this example, all location will be required to pay the invoices for the goods they received. Each site has a Bill to and Ship to business purpose established for it's location.

Order Management Customer Information

- You can store order management information in both the customer header and address business purpose levels.
- Use this information for defaulting during order entry.

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Order Management Attributes in Customer Tables

Order Management Attributes in Customer Tables

Order Defaults	Scheduling Defaults	Shipping Defaults
 <ul style="list-style-type: none">• Order Type• Price List /GSA• Item Identifier Type• Request Date Type• Put Lines in Sets	 <ul style="list-style-type: none">• Earliest Schedule Limit• Latest Schedule Limit• Push Group Schedule Date	 <ul style="list-style-type: none">• Warehouse• Freight Terms• FOB• Ship Method• Over/Undership Preferences

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You can store order management information in both the customer header and address business purpose levels.

Use this information for defaulting during order entry.

Multiple Business Purposes

Consider the following issues before you set up multiple business purposes:

- You must enter addresses during sales order entry. According to Oracle Receivables processing rules, you can designate only one site as the primary site for each business use.
- The primary site is the default site for order entry and you can select a secondary site from the list of values.

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Over and Under Shipments

Over and Under Shipments

- You can set up over and under shipment tolerances for customers, addresses, customer sites, and items.
- You can set up options regarding what to invoice such as:
 - Items shipped
 - Items ordered
 - Amounts up to the over-shipment tolerance
 - Specific users who can override the shipment tolerances

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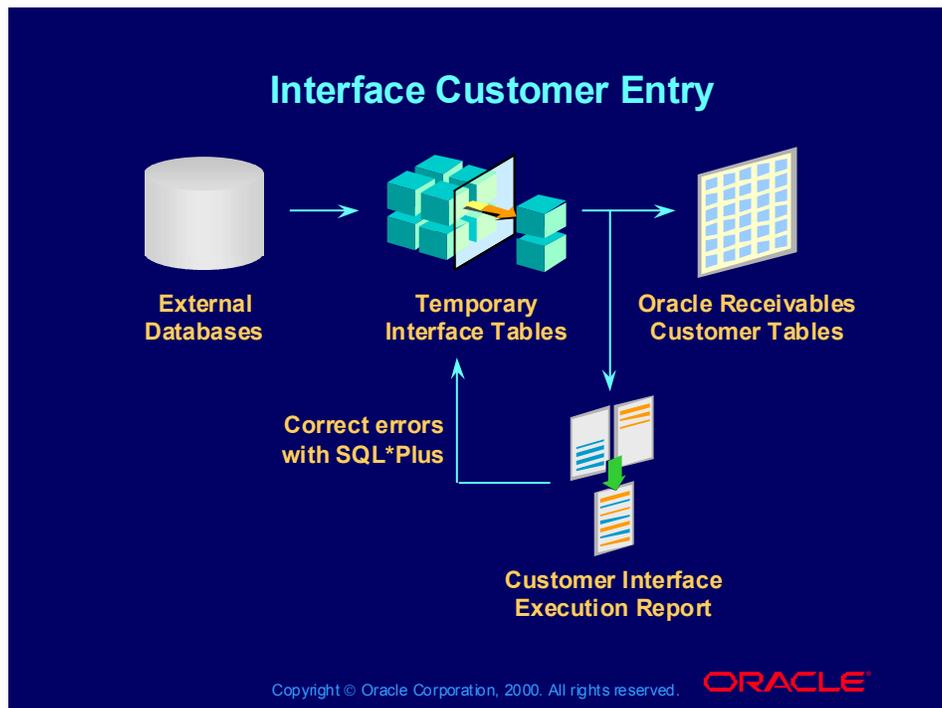
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In the case of an over/under shipment, Order Management will use the customer's tolerance attributes to determine if the quantity invoiced should be the ordered quantity or the shipped quantity.

If there are no tolerances associated with the customer records, Order Management uses the following Profile Options:

- OM: Over Shipment Invoice Basis
- OM: Under Shipment Invoice Basis
- OM: Over Return Invoice Basis
- OM: Under Return Invoice Basis
- OM: Over Shipment Tolerance (percent you can over ship)
- OM: Under Shipment Tolerance (percent you can under ship)

Interface Customer Entry



(N) (Oracle Receivables) Interfaces > Customer

(Help) (N) Oracle Receivables > Customers > Customer Interface

When importing customer information from external databases:

The data flows into temporary interface tables, then on to Oracle Customer master tables within the Receivables module. A report can be run to view this interface from the external database. Any errors can be corrected with PL/SQL within the temporary tables.

Importing Customer Data

All customer data that you enter in the Customers window can be imported using the customer interface.

Add customer relationships through customer interface.

Import customer profile class information such as payment terms, statement, automatic receipt, finance charge, dunning, and invoicing information.

Updating Customer Data

If customer data is maintained in an external system, use the customer interface to update the information at regular intervals.

Review Question

Review Question

Issues to resolve before entering customer information are:

- 1. Naming conventions and entry method**
- 2. Automatic or manual numbering**
- 3. Profile classes**
- 4. All of the above**
- 5. None of the above**

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Review Question

Review Question

Issues to resolve before entering customer information are:

1. Naming conventions and entry method
2. Automatic or manual numbering
3. Profile classes
4. All of the above
5. None of the above

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Customer Map

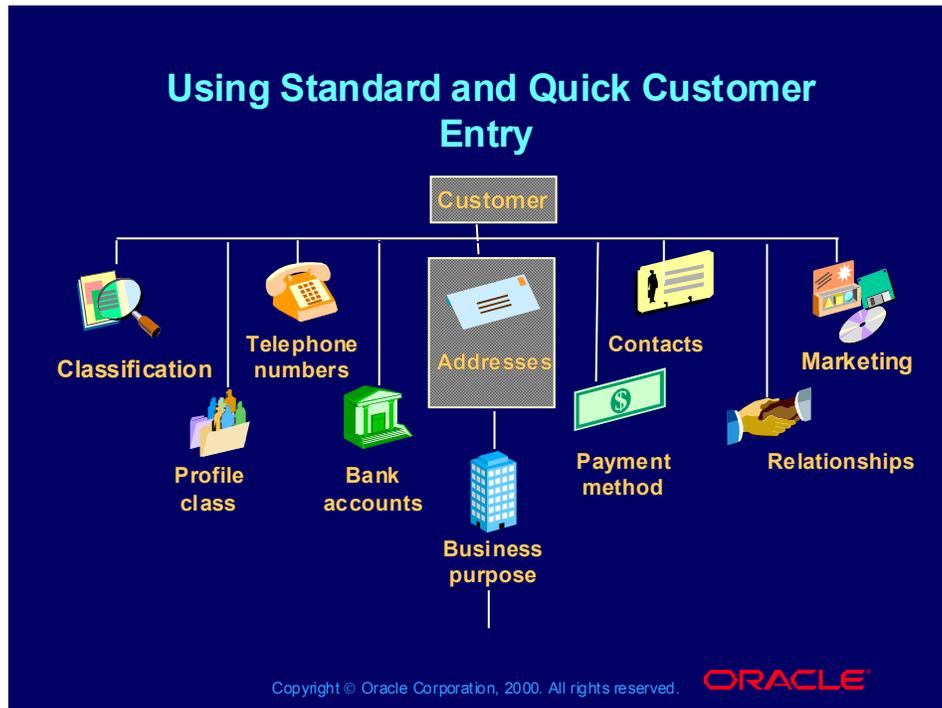


Customer, Address, and Business-Purpose Information

Customer information can be entered at a customer level, for each address of the customer, and for the business-purpose at each address.

Contact information, such as telephone numbers, can be assigned at all levels. You can assign payment method and bank account information to an address only if that address has been assigned a Bill To business purpose.

Using Standard and Quick Customer Entry

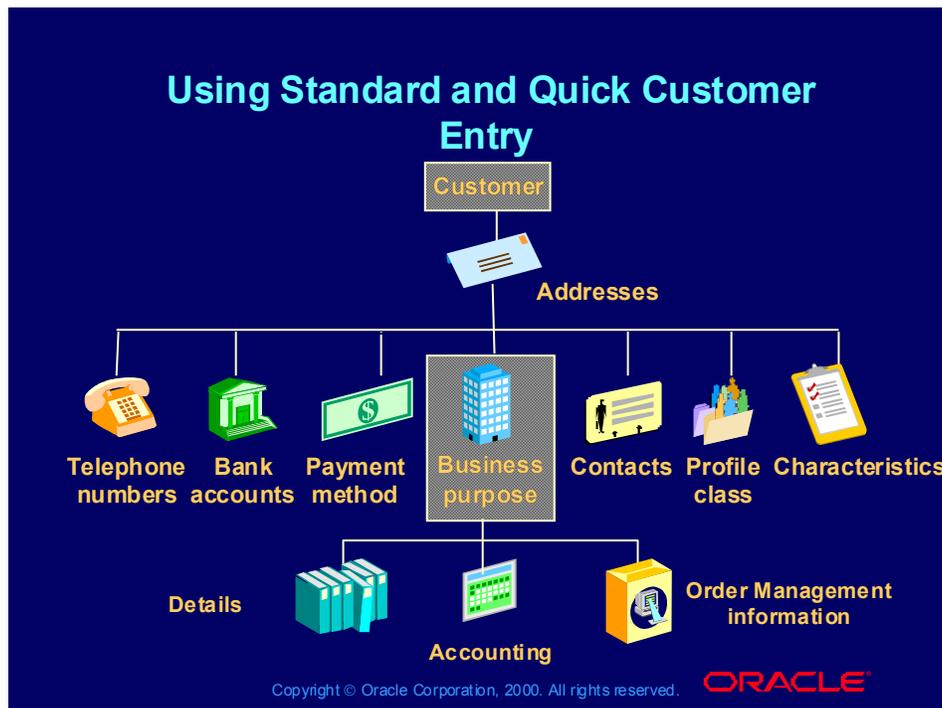


(N) Customers > Standard

(N) Customers > Quick

(Help) (N) Oracle Receivables > Customers > Entering Customers

Using Standard and Quick Customer Entry



Consider the following issues when setting up multiple business purposes:

Oracle Receivables/Order Management permits only one site to be designated as the primary site for any particular business use.

The primary site becomes the default site when orders are entered in the Sales Order window.

When you override the default site, the secondary sites appear in the list of values.

Linking Bill To and Ship To Locations

A Ship To address can have an associated Bill To address.

The associated Bill To address becomes the default during invoice entry when the Ship To location is selected.

If the Order Management Defaulting Rules refer to customer as a source, the Bill To address defaults during order entry in the Orders window.

Identifying an Address for a Customer Business Purpose

The Location attribute in the Business Purposes alternative region of the Customer Addresses window provides a simple way to name or identify an address. Location is used in transaction entry, receipts entry, create/approve/confirm automatic receipts and remittances, orders, and returns windows.

To have Order Management automatically number locations, you can use the Automatic Site Numbering system option. If you select the system option check box, Order Management will uniquely number all the customer locations.

Practice

Practice

Enter Standard Customer

This lab has you enter a Customer with 2 addresses with De-centralized Billing. This means each address will have the goods they order be billed to their address site.

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Navigate Customers > Standard

Name: XX-Big City Electronics Wholesale (where XX is your initials)

Click [B] Find and when 'Note' displays, click [B] OK.

Click [B] New.

2. Select (T) Classification

Profile Class: DEFAULT

Type: External

Class: High Technology

Category: High Technology

Sales Channel: Commercial

3. Select (T) Order Management

Price List: Corporate

Freight Terms: Prepaid

FOB: Customer Site

Warehouse: Seattle Manufacturing

4. Select (T) Addresses

Click [B] New.

Country: United States

Address: 222 W. Las Colinas Blvd.

Postal Code: 75039 (Note: City, State, and County will default)

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5. Select (T) Business Purposes

Usage: Bill To

Location: BIG D

Primary: Checked

Move cursor to next row of the Usage field.

Usage: Ship To

Location: BIG D

Primary: Checked

6. Save your work. Note the Site Number.

7. Close the Customer Addresses window.

8. Select (T) Addresses

Click [B] New.

Country: United States

Address: 2020 Michigan Ave.

Postal Code: 60600 (Note: City, State, and County will default)

9. Select (T) Business Purposes

Usage: Ship To

Location: CHICAGO

Bill To: BIG D

Primary: Unchecked

10. Save your work and note the Site Number.

11. Close the Customer Addresses window.

12. Note the Customer Number.

Practice

Practice

Create a Profile Class

The intention of this exercise is to allow you to define a new credit profile class and see how this will interact with OM. The credit profile class also has a number of fields/settings which impact Receivables (e.g. Auto Cash Rule, Tax Grouping rule, etc). Many of these fields are mandatory for financial purposes, even though Standard credit checking (e.g., no modifications to the Workflow) in OM will not use them.

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Choose Receivables Vision Operations (USA) Responsibility.

(N) Customers-Profile Classes.

Name: XXX-New (where XXX are your initials).

Description: New Customer.

The following fields also impact OM:

Status: Active, Tolerance: 0, Credit Check :Yes

Payment Terms: use the pick list and choose 30 Net, Override Terms: No

The following fields do not directly interfere with OM:

Collector: use pick list and choose Jamie Jones (or any other if Jamie Jones is not available)

Allow Discount: No, Receipt Grace: 0

Match Receipt by: use the pick list and choose Sales Order.

AutoCash Rule: use the pick list and choose Standard. Remainder by: use the pick list and choose Invoice Match.

Check the Charge Interest Box. Check the Compound Interest Box.

Days in Period: use the pick list and choose 30, Check the Send Statements Box

Check The Send Credit Balance, Cycle: use the pick list and choose Monthly

Check the Dunning Send Letters Box, Letter Sent: use the pick list and choose Standard.

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Select the “Profile Class Amount” Tab (the credit limit and order credit limit settings will determine whether an order will be automatically put on hold if credit limits are exceeded).

For the purpose of these exercises limits will be set in US Dollars
Finance Charge Interest Rates : 10%, Min Customer Balance for Finance
Charges: \$1

Min Invoice Balance for Finance Charges:\$5, Min Dunning Amount:\$5

Min Dunning Invoice Amount:\$5.

Credit Limit:\$10,000.00, Order Credit Limit:\$1,000.00

Save your information, close the form and return to the main menu.

Switch responsibility to Order Management Super User, Vision Operations.

Create a new customer XX-American Circuit Express in the Standard way (N)

Customers -> Standard, see for further instructions step 1 to 6 in exercise 1).

Create one address for bill to and ship to and choose your XXX-New in the
Profile Class (Classification tab) before you save your work.

Differences between Standard and Quick customer entry

Differences between Standard and Quick customer entry

The primary difference between the standard and quick methods is that the quick method allows you to assign business purposes simply and quickly to a single address.

Other differences underline the limitations of quick customer entry:

- Bill to and Ship to cannot be linked to each other.
- Business purposes cannot be identified as Primary, or default.
- Location names cannot be assigned to an address.

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Practice

Enter Quick Customers

The main difference between the Standard Customer Entry and the Quick Customer Entry is the site id. At Quick Entry the site id is generated for you (number). At Standard Entry you can specify a meaning full name is site id. Quick Customer entry also does not tag any selected Business Purposes as Primary, therefore, they will not default in when selecting this customer in Sales Order. You will be entering a total of 3 quick customers for future customer labs.

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Navigate Customers > Quick

XX-Quick 1

Address = 4501 N. 33rd Street New York New York 10001

XX-Quick 2

Address = 4571 Central Avenue Chicago,IL 60601

XX-Quick 3

Address = 77199 107TH Avenue Phoenix, AZ 85310

Agenda

Agenda

- Objectives
- Customer Model and Features
- Profile Classes
- Entering Customer Information
- **Customer Relationships**
- Merging Customers
- Reviewing Information
- Summary

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Customer Relationships

Create customer relationships to control:

- **Payment of unrelated invoices**
- **Sharing of pricing entitlements**
- **Consolidation of business addresses**

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Control Application of Payment Receipts

In the System Options window, if the Allow Payment of Unrelated Invoices check box is clear, Order Management permits application of one customer's receipt to another customer's invoice, only if the customer who owns the invoice is related to the customer who owns the receipt. If Allow Payment of Unrelated Invoices is selected, a relationship does not have to be defined.

Control Creation of Invoices Against Agreements and Commitments

Order Management permits creation of invoices for the related customer against previously entered commitments for the primary customer, if there is a relationship between the primary and related customers.

Customer Relationships

Customer Relationships

- Link one customer to another.
- Enforce invoicing and receipt-application controls.
- Can only exist between *two* customers.
- Are not transitive: If A is related to B and B is related to C, A and C are not related.
- Can be reciprocal or nonreciprocal.
- Allow you to select a related customer's ship-to address during order entry.

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(N) Customers > Quick or Standard > (T) Relationships

(Help) (N) Oracle Receivables > Customers > Creating Customer Relationships

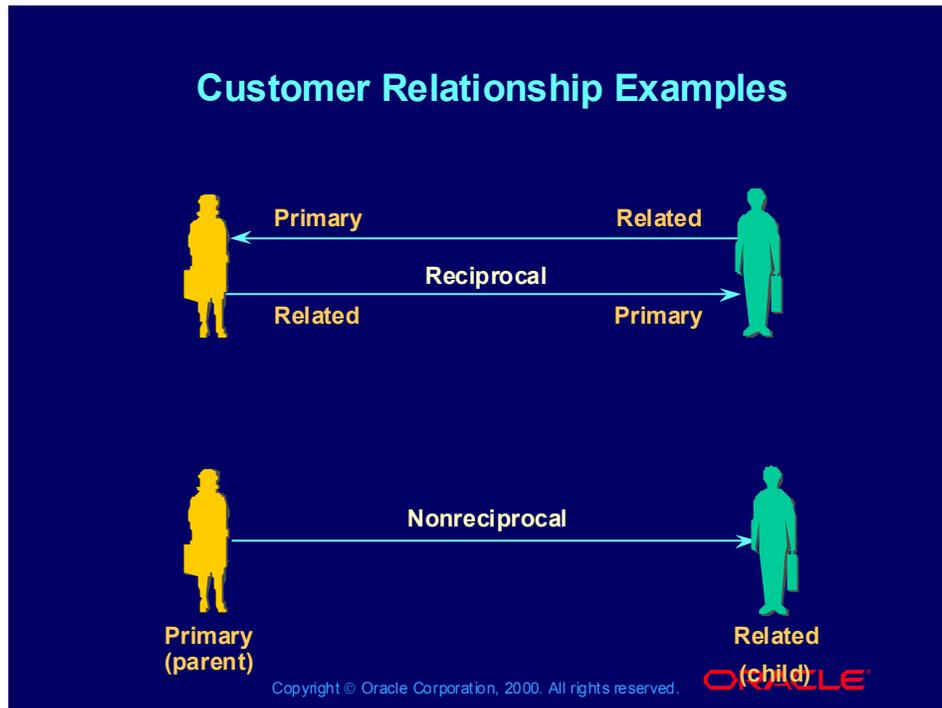
Create customer relationships to control:

- Payment of unrelated invoices
- Sharing of pricing entitlements
- Consolidation of business addresses

System Options:

- Select check box Allow Payment of Unrelated Transactions if you want to permit application of funds from one customer to another unrelated customer.
- If you do not select this checkbox, a customer relationship must be setup to apply payments from one customer to another.

Customer Relationship Examples



Reciprocal and Nonreciprocal

A reciprocal relationship allows two customers to apply payments to each others' invoices and to match invoices against each others' commitments. For example, in the case of a parent company and a subsidiary, payments made by either the parent company or the subsidiary could be applied to invoices issued to the subsidiary or the parent.

A nonreciprocal relationship implies that only the primary customer can apply payments or commitments to the related customer's invoices. For example, in a situation where a parent company is the primary customer and a subsidiary is a related customer, payments made by the parent can be applied to invoices issued to the subsidiary, but payments made by the subsidiary cannot be used to pay invoices issued to the parent.

Practice

Practice

Create Customer Relationships

Customer Relationships can be one way (parent-child type). An example would be a distributor which sells your products to end-users, except from spare parts, which you ship and bill directly to the end user. If your distributor orders for an end user, you enter the distributor name on the sales order header, pick the end user address as ship to address and the distributor address as bill to address. If you sell spare parts, you enter the end user name on the sales order header, and since the relationship is non-reciprocal, you can then only select the end user bill to and ship to address.

A two-way or reciprocal customer relationship

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(N) Customers - Standard - Query XX-Big City Electronics Wholesale as the Customer - Select the Relationship Tab and enter the following details

Relate XX-Big City Electronics Wholesale to XX-Quick 1 in a Reciprocal manner

Relate XX-Big City Electronics Wholesale to XX-Quick 2 in a Non-Reciprocal manner

Customers - Standard - Query Quick Customer 2 as the Customer - Select the Relationship Tab and view the Relationship

Do you see the related XX-Big City Electronics Wholesale? Why or why not?

Review Question

Review Question

Why do you create customer relationships?

- 1. To keep like customers together**
- 2. To classify customers by SIC code**
- 3. To control payments and share addresses**

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Review Question

Review Question

Why do you create customer relationships?

1. To keep like customers together
2. To classify customers by SIC code
3. To control payments and share addresses

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Merge Customers

Merge customers to:

- **Eliminate incorrect data and duplicate information**
- **Consolidate account site data**
- **Reflect customer account changes due to business consolidation**

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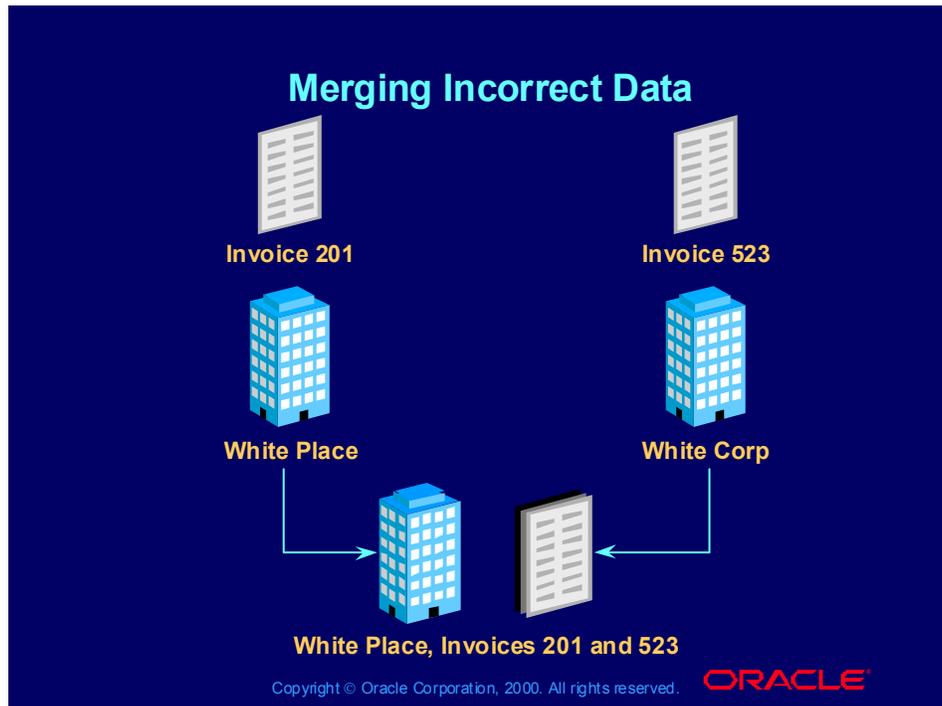
Merge Overview

- **Merging customer information combines all information for two customer accounts or account sites, striped by operating unit.**
- **You can delete or inactivate the merge-from customer account and account sites uses.**
- **Before merging customers, consider archiving the historical data for the absorbed customer account or account site.**

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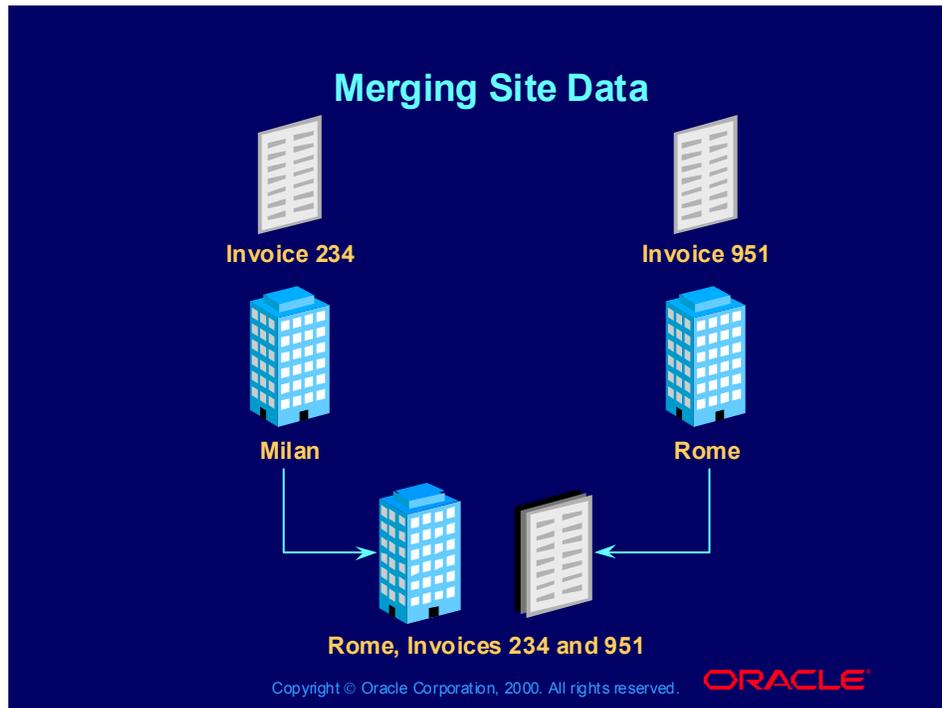
Merging Incorrect Data



Data Correction-Eliminating Duplicate Information

The most common reason to merge customers is to clean up data entered in error. For example, data related to an existing customer “White Place” might be entered in error for a new customer created as “White Corp.” You merge the data for these customers to consolidate all the data for White Place. Misspellings and the incorrect use of upper and lower case are also common reasons for merging customers.

Merging Site Data

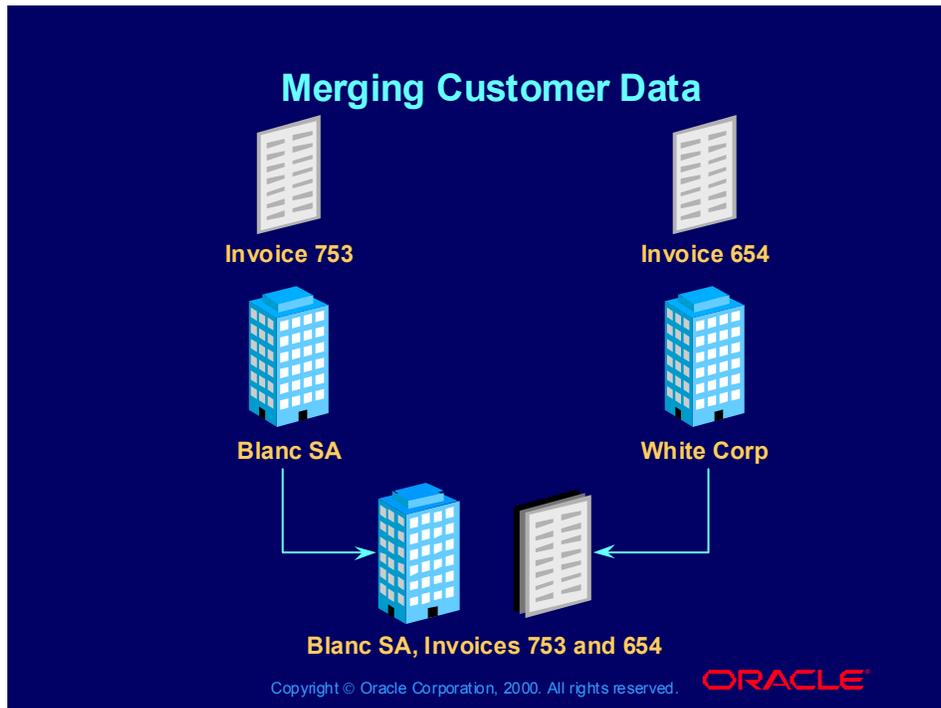


Consolidation or Relocation of Sites

Another common reason for merging customer data is the consolidation or relocation of customer sites. For example, if a customer closed a facility in Milan and moved all activity to an existing facility in Rome, the data related to the Milan site would be merged with the data for the Rome site.

Note: Because historical reporting would no longer be available for the Milan site, this reason should be carefully considered before proceeding.

Merging Customer Data



Merger of Customers

A less common reason to merge customer data would be if two different customers merged to form a single customer.

Note: Because historical reporting will no longer be available using the customers' prior names, this reason should be considered carefully before proceeding.

Merging Other Application Transactions

The merge process affects customer information in the following Oracle Applications:

- Order Management
- Receivables
- Inventory
- Project Accounting
- Customer Relationship Management suite, for example, Order Capture and Service

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Controlling the Merge Process

Controlling the Merge Process

1. **Navigate to the Merge Customers window.**
2. **You can save your selection without performing the merge.**
3. **If you click Merge, you submit the Customer Merge concurrent process and receive a request ID. The merge process is irreversible after you click Merge.**

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(N) Customers > Merge

(Help) (N) Oracle Receivables > Customers > Merging Customers Control the Merge Process

If the From (previous) customer had a site use that does not exist for the To (new) customer, the system leaves the To address blank. You must assign this site use to the new customer before you complete the merge (Ship To, Bill To, and Marketing only).

After entering the details of the merge, you can save your work to review the merge before the transactions of the customer or sites are transferred. Or you can immediately submit the merge for processing by clicking the Merge button. After the customers are merged, the From (previous) customer's transactions are linked to the To (new) customer in Order Management and in any other Oracle applications that use customer tables.

When merge processing is complete, Order Management automatically generates a Customer Merge Execution report which can be printed or reviewed online.

After customer data has been merged, there are no links between the previous customer and its transaction records. These transactions appear as if they had always belonged to the succeeding customer.

To automatically copy from addresses as to addresses, select Create Same Site.

Practice

Practice

Perform a Merge

XX-Big City Electronics Wholesale acquired XX-Quick 3 and informs you that the Marketing activities will be based at XX-Quick 3 site and shipments and invoices should be directed to XX-XX-Big City Electronics Wholesale address. XX-Quick 3 will no longer operate under its own name.

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In Order Management Super User, Vision Operations responsibility,
Customers - Merge.

Enter in the merge from area:

From = XX-Quick 3.

Delete after merge = yes (checkbox is ticked).

To = XX-Big City Electronics Wholesale.

For Bill to address, pick the Bill to site from XX-Big City Electronics Wholesale from the List of Values (LOV).

For Marketing address, tick the box "Create Same Site"

For Ship to address, pick the Ship to site from XX-Big City Electronics Wholesale.

Press the merge button and make a note of your request id.

Go to the menu, select View -> Requests. Click option "find a specific request" and enter your request id, then press find. Once the concurrent request is completed, you can view the Output, by pressing the output button.

Query up customer XX-Quick 3 and note that the customer information has been de-activated (active check box is unchecked).

Review Question

Review Question

You can delete or inactivate an old customer after merging and the old customer's transactions point to the new customer.

- 1. True**
- 2. False**

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Review Question

Review Question

You can delete or inactivate an old customer after merging and the old customer's transactions point to the new customer.

1. True
2. False

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Agenda

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- Objectives
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- Merging Customers
- **Reviewing Information**
- Summary

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Reviewing Customer Information

With Oracle Order Management, you can:

- Review customer data online
- Search for specific customer information
- Query summary or detail levels of information
- With Oracle Receivables, you can Generate reports using the standard report submission window (le
- With the CRM suite, you can extend your view of customer information with customer intelligence reports and forms

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Common Search Scenarios

Common Search Scenarios

To....	Then...
Find all customers assigned to a profile class	Search by profile class
Review detailed information about customer	Search by using customer name or number, or address information
View all customers belonging to an SIC code	Query using the SIC code

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Summary

In this course, you should have learned how to:

- **Define the features enabling you to enter and maintain customer information**
- **Create customer profile classes and assign them to customers**
- **Create and maintain customer information**
- **Enable related customers to establish reciprocal payment and contract terms**
- **Merge customers and eliminate any duplicate customer information**
- **Define how to view customer information**

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Case Study



Desert Oasis Circuit Express has just called and wishes to become a new customer.

The have stores at the following locations:

389132 N. Jackson 4th Floor Suite 412 Phoenix, AZ 85123

Contact = Marshall Williamson

Phone = 602-563-9201

Email = mwilliamson@DOCE.com

567 Chandler Blvd. Bldg 6 Chandler, AZ 84671

Contact = Michael Cates

Phone = 480-456-1289

Email = mcates@DOCE.com

10779 W. Indian School Road Avondale, AZ 85323

Contact = Rhonda Edwards

Phone = 623-645-3369

Email = Redwards@DOCE.com

All of their bills will be sent to their Corporate Head Quarters in Avondale, and each site will receive goods placed under orders each site will make. They wish to carry the FOB, and would like to have a Undership tolerance of 2% and a Over and Under return tolerance of 5%. They will be using your Corporate Price Lists, and all goods for them will be shipped out of your Seattle warehouse. Barry Lewis is the salesperson who has secured this account for you, ensure He has been linked to receive proper sales credits when this customer places their orders.

Desert Oasis Circuit Express are also affiliated with XX-American Circuit Express. They will be able to receive all goods and benefits of their partner, but they will have an order level credit of \$3000 Per Order.

Create the customer, addresses, and perform a relationship as required

R11i Overview of Customer Invoicing

Chapter 2

R11i Overview of Customer Invoicing

Oracle Receivables 11i

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Objectives

After this module, you should be able to:

- Describe the process of entering and processing invoice information
- Discuss the major implementation considerations

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Agenda

Agenda

- Entering and processing invoice information
- Major implementation considerations

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Overview

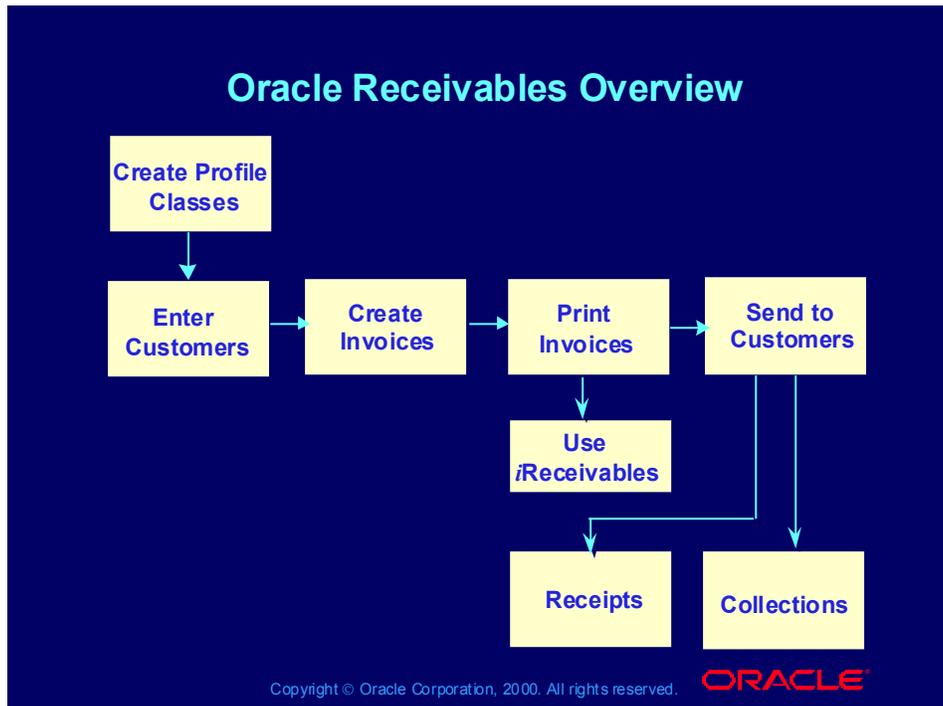
With transactions, you can:

- **Enter invoices manually or import invoices by using AutoInvoice**
- **Set up different accounting options to derive the GL accounts**
- **Set up Oracle Receivables to calculate tax**
- **Correct invoices by creating credit memos, debit memos, and adjustments**
- **Review and print transactions**
- **Generate and send customer statements**

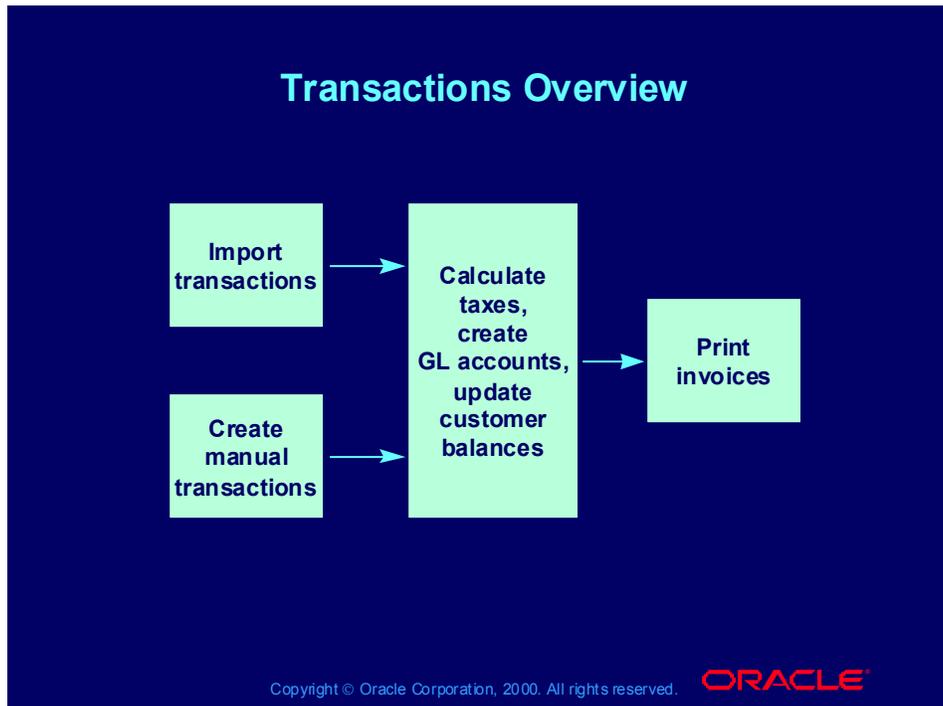
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Oracle Receivables Overview



Transactions Overview



Agenda

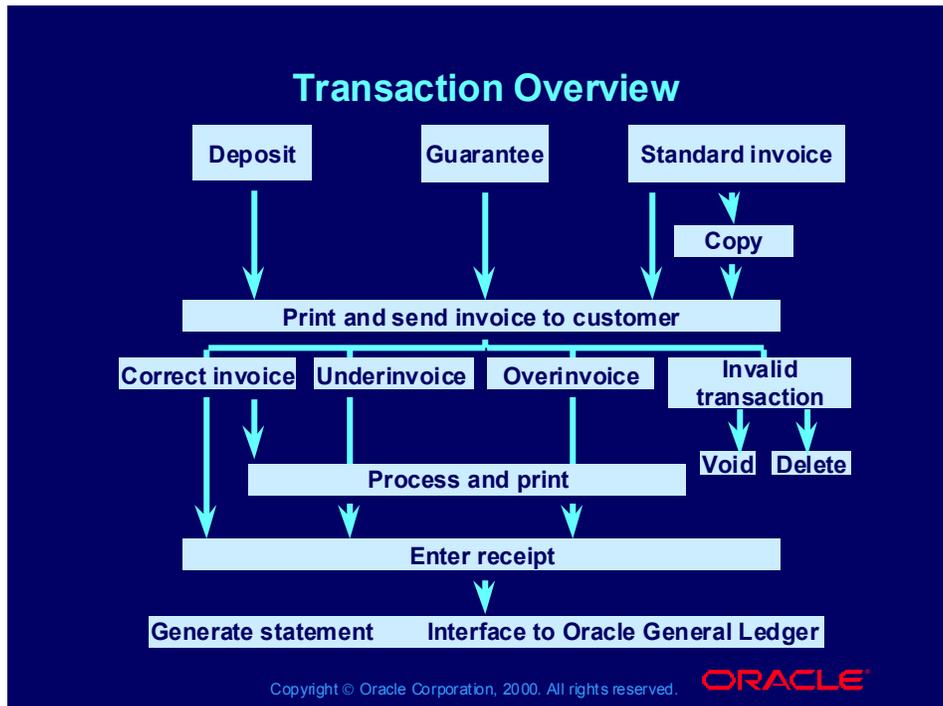
Agenda

- **Entering and processing invoice information**
- **Major implementation considerations**

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Transaction Overview



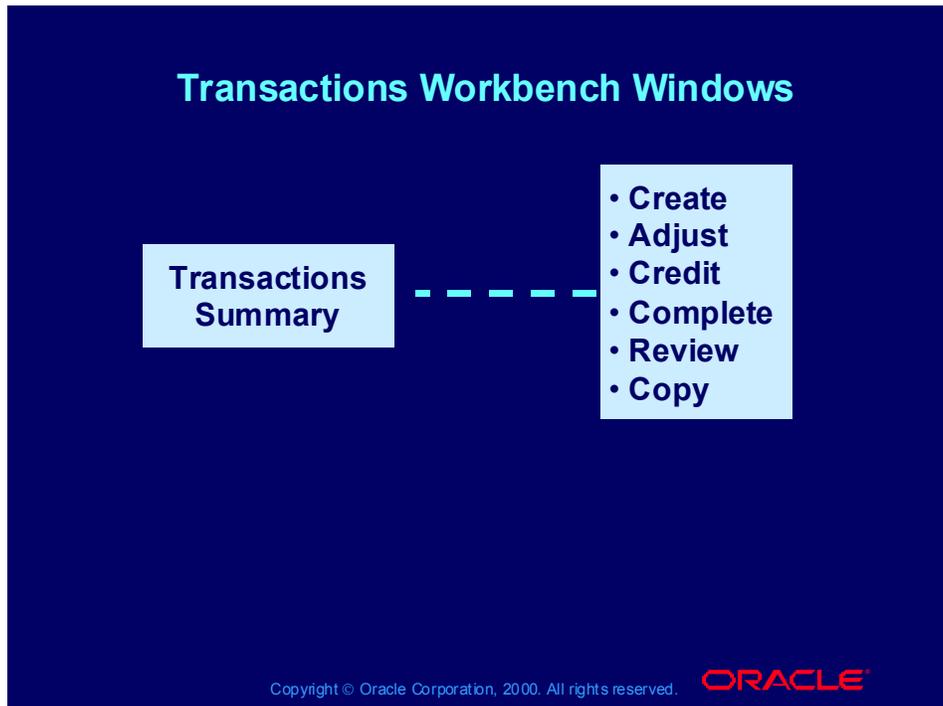
Using Transaction Windows

- You can enter or query transactions from any source by using the Transactions window or the Transactions Summary window.
- You can also perform certain activities from the Transactions Summary window. This window is also known as a workbench.

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Transactions Workbench Windows



Entering Manual Transactions

Entering Manual Transactions

Using manual transactions, you can enter:

- All required information
- Text that will appear on the invoice
- Comments for internal use only that will not appear on the invoice
- An inventory item, standard line, or free form description

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(Help) Oracle Financial Applications > Oracle Receivables > Transactions > Entering Transactions

About AutoInvoice

With AutoInvoice, you can:

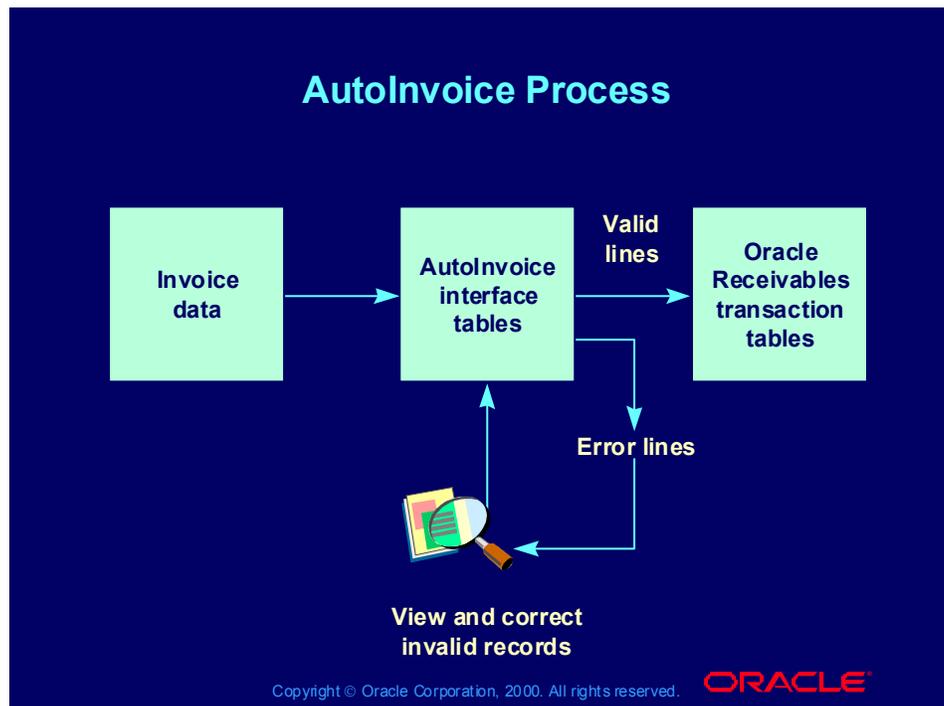
- **Import large numbers of transactions for seamless integration from Oracle or non-Oracle systems**
 - Invoices
 - Credit memos
 - Debit memos
- **Calculate taxes for the imported transactions, or pass the tax through the tables**
- **Correct errors easily online**

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(Help) Oracle Financial Applications > Oracle Receivables > Transactions > AutoInvoice > Overview of AutoInvoice

AutoInvoice Process



Review Question

Review Question

You can only correct errors in the AutoInvoice table by using SQL.

- A. True**
- B. False**

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Answer to Review Question

Answer to Review Question

You can only correct errors in the AutoInvoice table by using SQL.

- A. True**
- B. False**

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Transaction Entry

All transactions must be categorized in one of six classes provided by Oracle.

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Transaction Classes

Transaction Classes

Class	Description
Invoice	Bill customers for products or services
Credit Memo	Credit customers (On-account credits do not refer to specific invoices.)
Debit Memo	Bill customers for products or services that were not included on the original invoice
Chargeback	Adjust the remaining balance of an existing debit item to zero, and create a new debit item to bill customer for unpaid balance of original invoice.

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Transaction Classes

Transaction Classes

Class	Description
Deposit	Bill customers for contractual agreements
Guarantee	A contractual agreement that is referenced by invoices (Bill customers for the items on the invoice, not the guarantee.)

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Review Question

Review Question

Which class of transaction is used to enter negative amounts?

- A. Adjustments
- B. Chargebacks
- C. Credit Memos
- D. Negative Invoices

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Answer to Review Question

Answer to Review Question

Which class of transaction is used to enter negative amounts?

- A. Adjustments
- B. Chargebacks
- C. Credit Memos**
- D. Negative Invoices

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Demonstration

In this demonstration, we will show:

- An example of an entered transaction
- Transaction lines
- Accounting lines for the transaction

(N) Transactions—>Transactions Summary

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Required Transaction Information

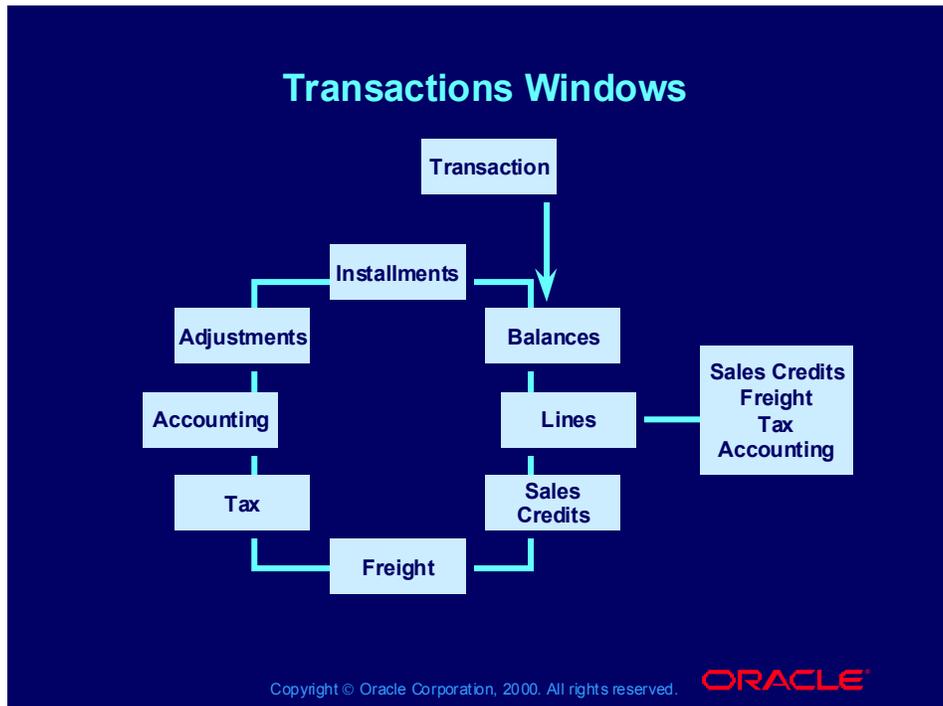
Required Transaction Information

- **Date**
- **Source**
- **Class**
- **Type**
- **GL Date**
- **Bill To**
- **Terms**
- **Remit To**

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Transactions Windows



View Accounting and T-Accounts

View Accounting and T-Accounts

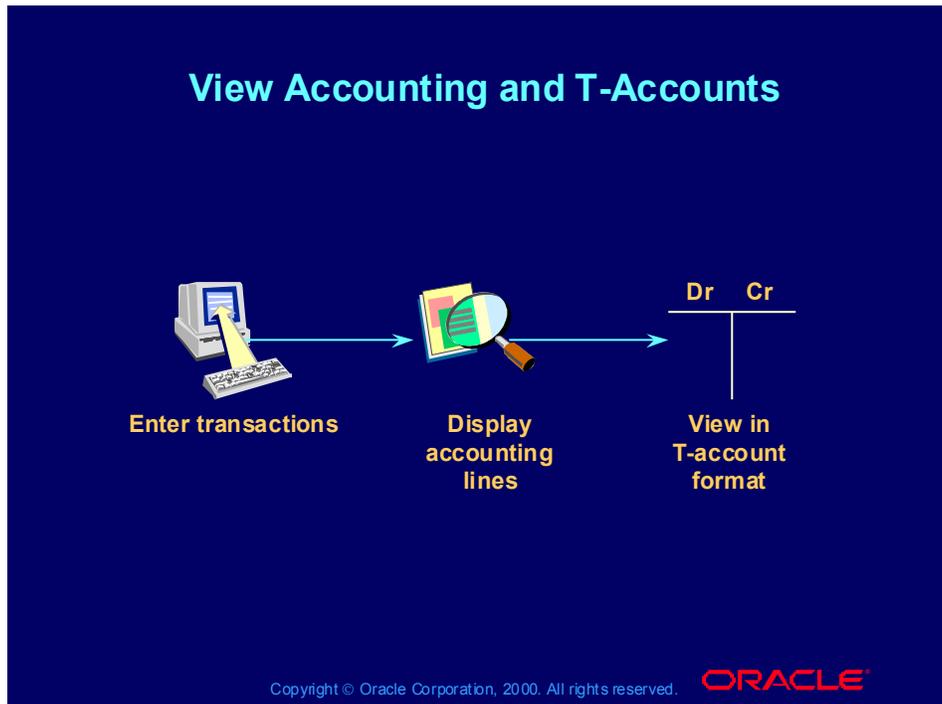
- You can display all accounting lines for transactions, receipts, and receivable activities even before they are transferred to the general ledger.
- You can view a journal entry or the accounting lines for a transaction in a graphical T-account format.

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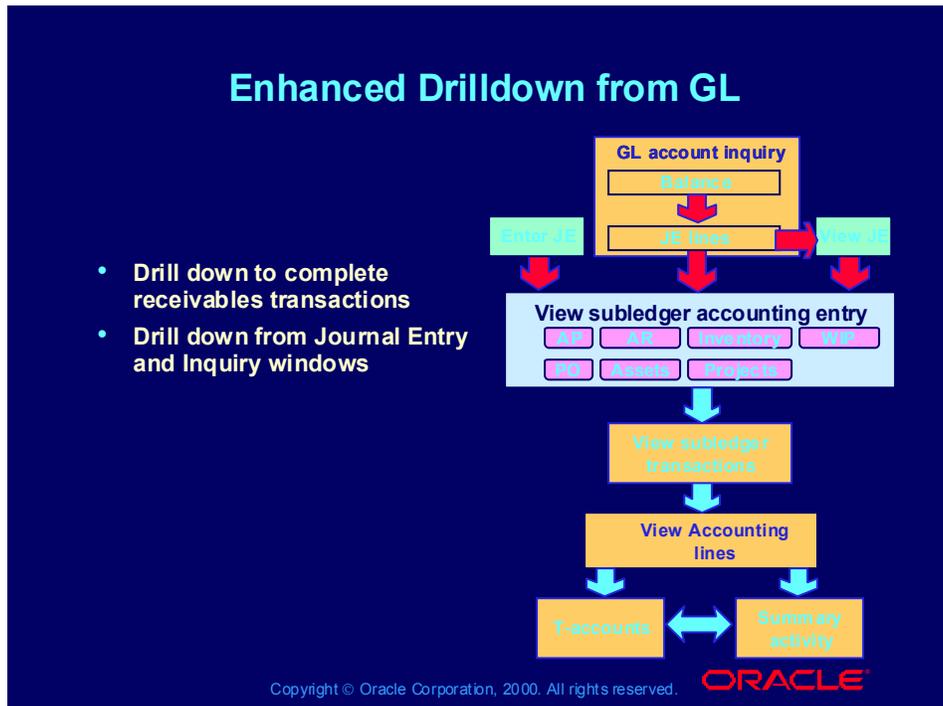
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(Help) Oracle Financial Applications > Oracle Receivables > Transactions > Reviewing Accounting Info

View Accounting and T-Accounts



Enhanced Drilldown from GL



Foreign Currency Invoices

Foreign Currency Invoices

- You can enter invoices in your functional currency or any foreign currency that has been defined in Oracle General Ledger (GL).
- The rate automatically defaults during entry of the transaction as long as the rates have been entered.

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(Help) Oracle Financial Applications > Oracle Receivables > Transactions > Foreign Currency Transactions

Foreign Currency Invoices

- Fixed-rate relationships between the euro and all other currencies of the European Union should be entered in Oracle GL as part of setup.
- You can also enter user-defined rates if you do not enter foreign currency transactions very often.

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About Header Level Rounding

About Header Level Rounding

- You can select to round at the header level to account for rounding differences when converting from foreign currency to functional currency at the transaction level.
- You can set up a rounding account during setup so that the difference is posted to a specific account.
- Otherwise, rounding occurs at the line level, and any differences are placed in the receivables account during conversion.

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Header Level Rounding

This is an important feature for companies that process many foreign currency invoices and have many rounding errors.

When implementing this feature, it can not be changed after it is implemented.

Header Level Rounding Example

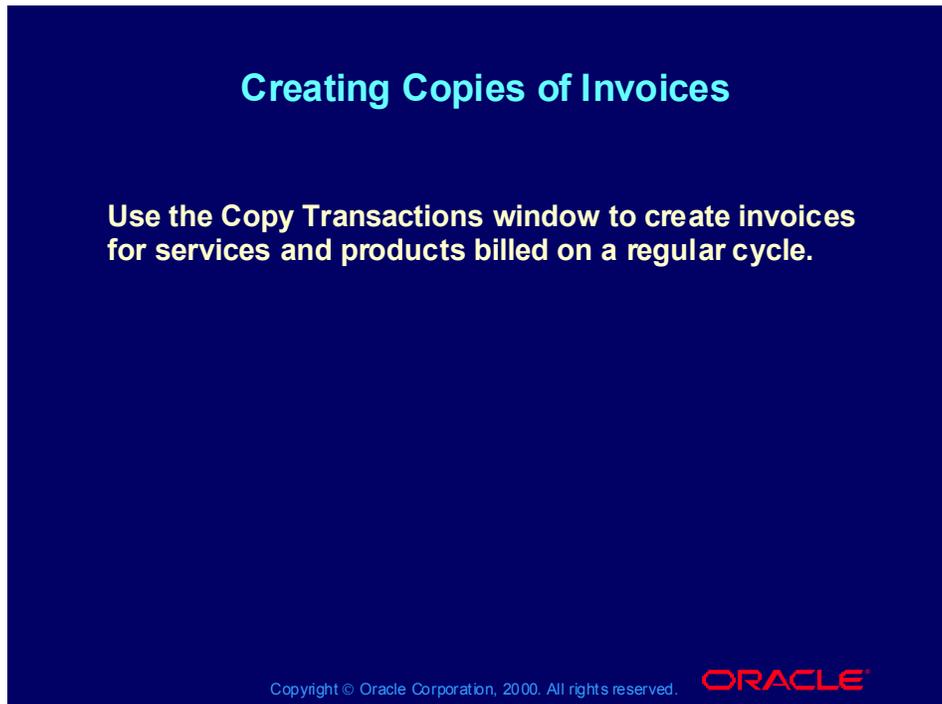
Header Level Rounding Example

Line	Entered amount	Precision (converted)	Accounted amount (rounded)
1	1	.015	.02
2	1	.015	.02
3	1	.015	.02
4	1	.015	.02
Receivable	4	.06	.08

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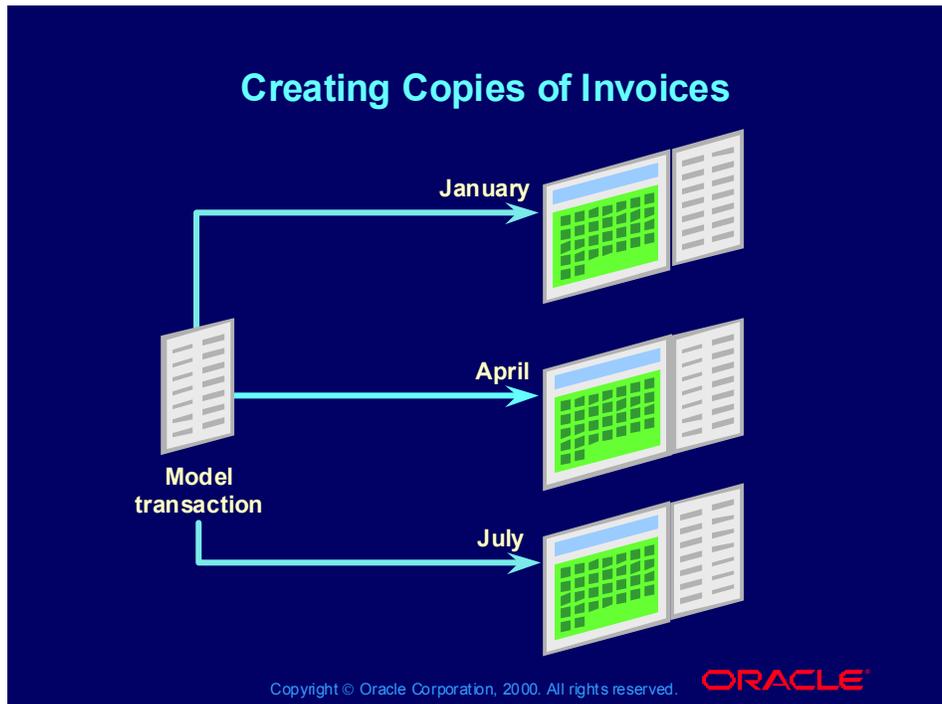
Creating Copies of Invoices



(Help) Oracle Financial Applications > Oracle Receivables > Transactions > Copying Invoices

Use the Copy Transactions window to create recurring invoices for products and services sold on a regular basis. A model invoice is used to copy a series of invoices which will be used in future periods to record transactions

Creating Copies of Invoices



Creating Copies of Invoices

- Billing in advance for the entire invoice in the first accounting period, the offset account must be Unearned Revenue.
- Billing in arrears for the entire invoice in the last accounting period, the offset account must be Unbilled Receivable.

Creating Invoices for Services

- Invoicing rules determine when to bill the customer in relation to the accounting rule periods. Accounting rules determine the accounting periods for revenue recognition and billing. Two invoicing rules are available:
 - Advance
 - Arrears
- Set up an unlimited number of accounting rules using the predefined types:
 - Fixed duration
 - Variable duration

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Review Question

Review Question

The two invoicing rules that are available are:

- A. Fixed and Variable
- B. Manual and Automatic
- C. Distributions and Balances
- D. Advance and Arrears

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Answer to Review Question

Answer to Review Question

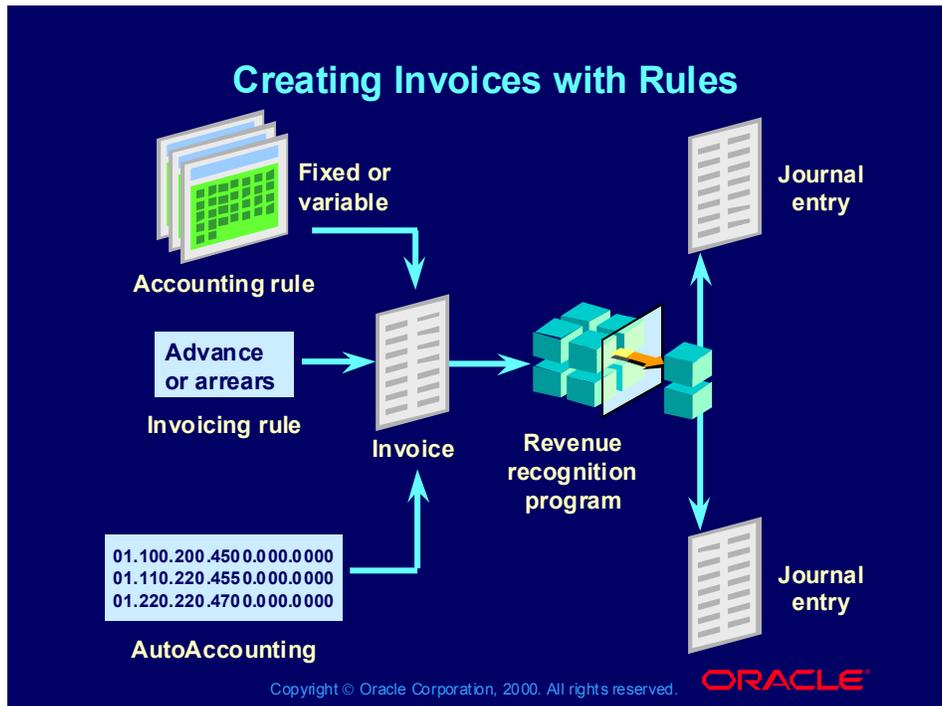
The two invoicing rules that are available are:

- A. Fixed and Variable
- B. Manual and Automatic
- C. Distributions and Balances**
- D. Advance and Arrears

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Creating Invoices with Rules



Customer Commitments

Customer Commitments

Oracle Receivables enables you to create commitments to record contractual agreements and prepayments for future purchases. Commitments do not include tax and freight charges.

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(Help) Oracle Financial Applications > Oracle Receivables > Transactions > Entering Commitments

Comparing Commitment Types

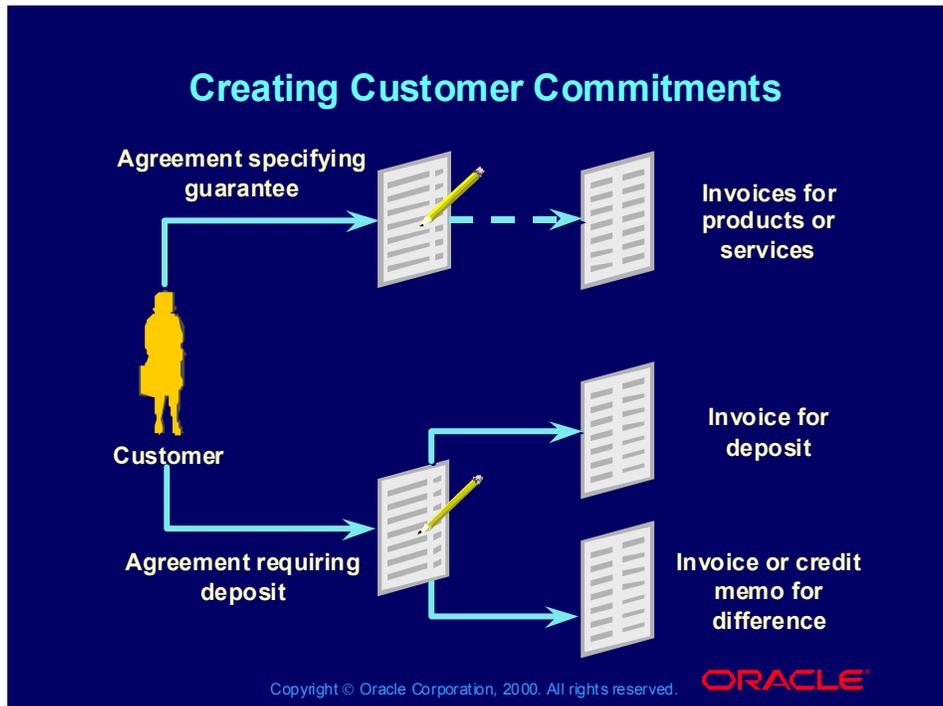
Comparing Commitment Types

Type	Description	Comment
Deposit	To record a contractual agreement to prepay a certain amount	A deposit is often applied to the purchase of a specific item or service to be provided. If the invoice is more than the deposit, the customer is billed for the deposit and the invoice.
Guarantee	To record a contractual agreement to spend a certain amount of money	A guarantee is a promise to conduct a certain amount of business, usually over a period of time. The customer is notified of the guarantee and billed on the invoice.

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Creating Customer Commitments



Review Question

Review Question

Oracle Receivables enables you to create which of the following to record contractual agreements and prepayments for future purchases.

- A. Commitments**
- B. Adjustments**
- C. Invoices**
- D. Charges**

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Answer to Review Question

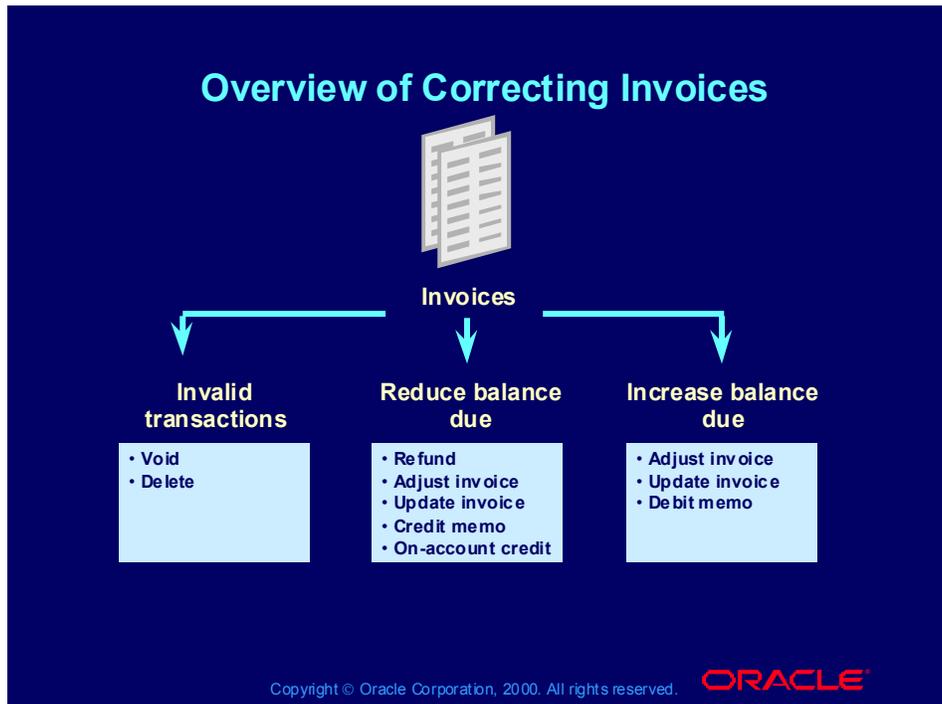
Oracle Receivables enables you to create which of the following to record contractual agreements and prepayments for future purchases.

- A. Commitments**
- B. Adjustments**
- C. Invoices**
- D. Charges**

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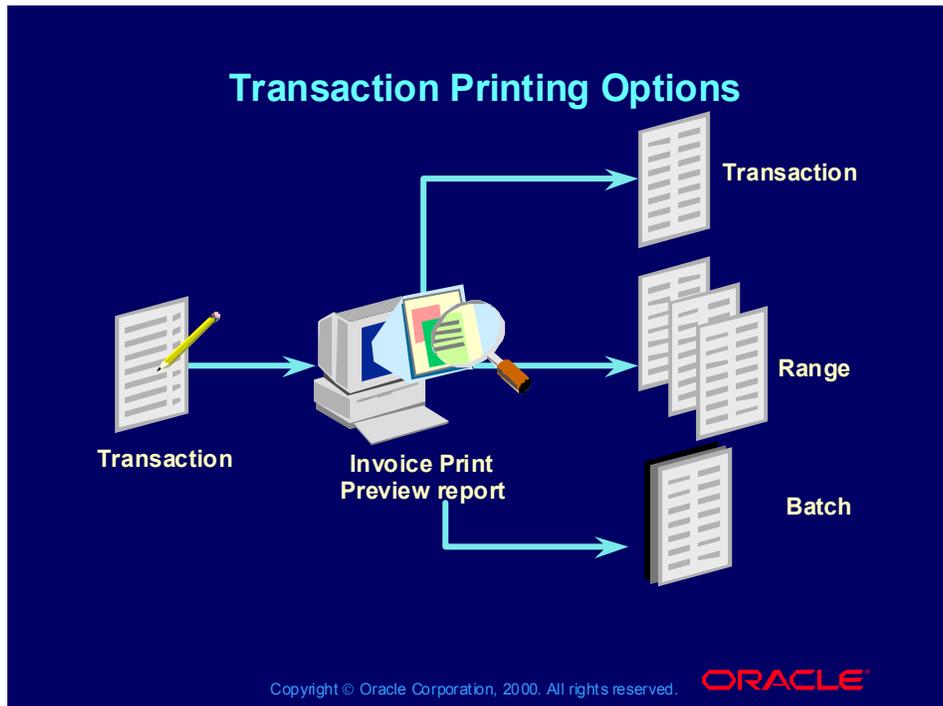
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Overview of Correcting Invoices



(Help) Oracle Financial Applications > Oracle Receivables > Transactions > Credit Memos

Transaction Printing Options



(Help) Oracle Financial Applications > Oracle Receivables > Transactions > Printing Transactions

Transaction Printing Views

Transaction Printing Views

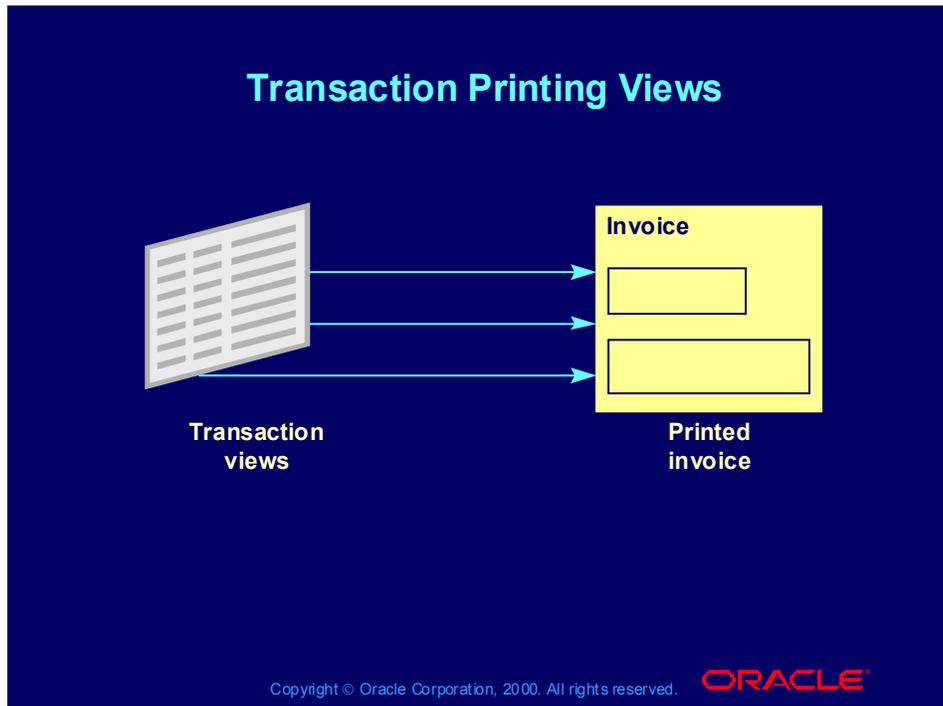
- Easily create invoices to suit your business needs
- Save time and cost by providing predefined views

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(Help) Oracle Financial Applications > Oracle Receivables >
Transaction Printing Views

Transaction Printing Views



Generating Statements

Generating Statements

Using statements, you can:

- **Generate and send statements to inform customers of transaction activity**
- **Calculate finance charges**
- **Generate customer statements according to business needs**
- **Send a consolidated statement to one customer site or send a statement to each bill to site**

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(Help) Oracle Financial Applications > Oracle Receivables > Collections > Statements

Consolidated Billing Invoices

A consolidated billing invoice is not the same as a statement. Some of the differences are:

Statement	Consolidated Billing Invoice
Generated at customer level	Generated at customer or Bill To location level
Used for informational purposes	Customer pays from the invoice
Includes aging	Does not include aging
Customers selected by statement cycle	Customers selected by cutoff date and payment terms

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Agenda

Agenda

- Entering and processing invoice information
- Major implementation considerations

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About Transaction Types

About Transaction Types

- You must set up transaction types before you can enter invoices
- Transaction types can be used to set defaults and can control certain activities for a transaction
- For each transaction type, you can only select one of six transaction classes

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(Help) Oracle Financial Applications > Oracle Receivables > Setting Up > Transaction Types

Using Transaction Types

Transaction types determine:

- **The transaction class**
- **If the transaction can be posted to the GL**
- **If the transaction is an open receivable**
- **If tax can be calculated**
- **If freight can be entered**

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Demonstration

Demonstration

In this demonstration, we will examine a transaction type.

(N) Setup—>Transactions—>Transaction Types

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AutoAccounting Overview

- Oracle Receivables provides flexible setup for your transaction accounting by using AutoAccounting.
- You determine the values that Oracle Receivables uses to build the accounting flexfield by selecting a pointer for each segment of your accounting flexfield.

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(Help) Oracle Financial Applications > Oracle Receivables > Setting Up > AutoAccounting

Using AutoAccounting

When you set up AutoAccounting, you define where Oracle Receivables should derive the value for each segment. Values can be either constant, or be defined by tables. These determinations occur during AutoAccounting setup.

Account Type = Revenue		
<u>Segment</u>	<u>Constant Value</u>	<u>Table Name</u>
CO	01	
CC		Salesreps
Account		Trans. Types
Product		Standard Line

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Using AutoAccounting

Oracle Receivables determines the GL accounts for this invoice by determining a value for each segment of the accounting flexfield.

Invoice

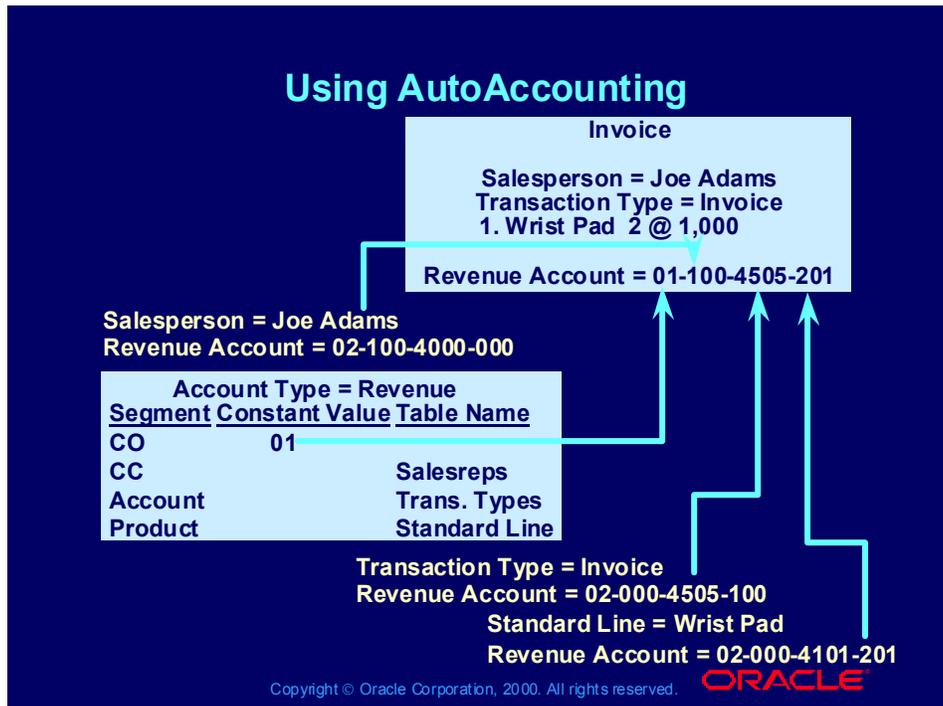
**Salesperson = Joe Adams
Transaction Type = Invoice
1. Wrist Pad 2 @ 1,000**

Revenue Account = 01-100-4505-201

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Using AutoAccounting



Transaction Sources

Transaction Sources

- Control transaction batching and numbering, and specify default transaction type
- Select validation options for imported transactions
- Assign batch sources to invoices, debit memos, commitments, credit memos, and on-account credits

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(Help) Oracle Financial Applications > Oracle Receivables > Setting Up > Transaction Batch Sources

Demonstration

Demonstration

In this demonstration, we will show an example of a transaction source.

(N) Setup—>Transactions—>Sources

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Calculating Tax on Invoices

When entering or importing invoices, Oracle Receivables can calculate:

- **No tax if the transaction types are set up in this manner**
- **Sales tax based on the ship-to address of the customer, or the bill-to address if a ship-to address is not provided**
- **Sales tax rates, which can be imported using Taxware or Vertex**
- **Tax rates by using tax codes or tax groups that you assign to a customer**

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Summary

Summary

In this module, you should have learned how to:

- Describe the transaction process
- Discuss the major implementation considerations

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R11i Processing Invoices

Chapter 3

Processing Invoices

Oracle Receivables 11i

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Help

You can use the Help to assist you in Oracle Receivables. Use Help for:

- **An explanation of the Toolbar icons**
- **An explanation of each region of the Navigator**
- **Detailed information about each Oracle Receivables window**
- **Searches for information by entering your query in the Search field and clicking the Find button**

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Using Help

For Help paths in this module, start with:

Applications Help Library

Oracle Financial Applications

Oracle Receivables

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Objectives

After this module, you should be able to:

- Describe the components of an invoice
- Enter invoices
- Complete a transaction and discuss the importance of the complete status
- Create batches to group invoices
- Print transactions and statements

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Agenda

Agenda

- **Processing Overview**
- **Invoice components**
- **Entering invoices**
- **Completing transactions**
- **Creating batches**
- **Printing transactions and statements**

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Agenda

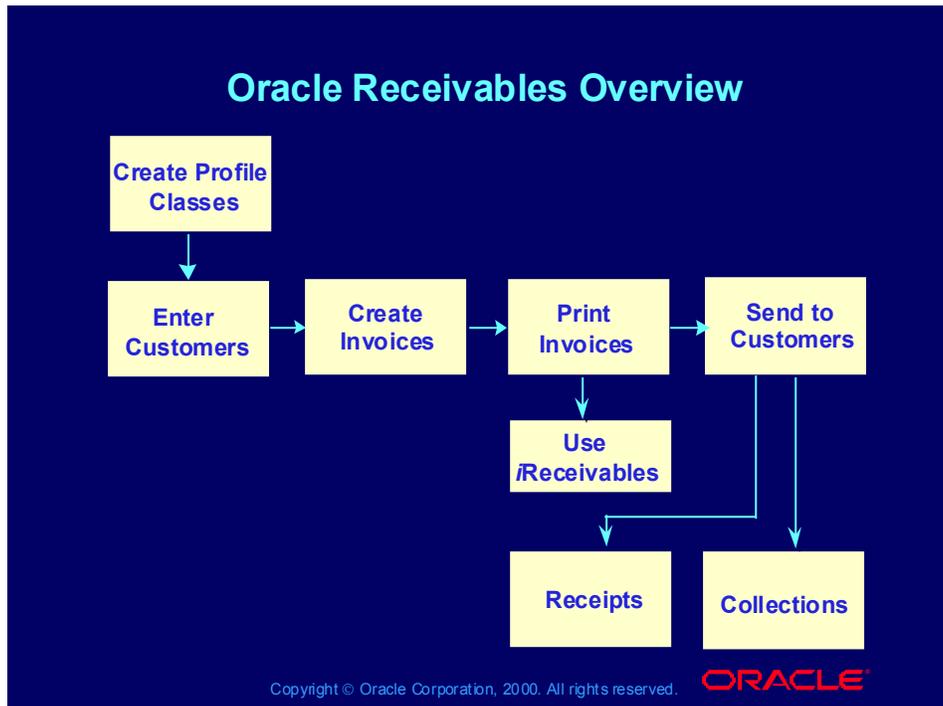
Agenda

- **Processing Overview**
- Invoice components
- Entering invoices
- Completing transactions
- Creating batches
- Printing transactions and statements

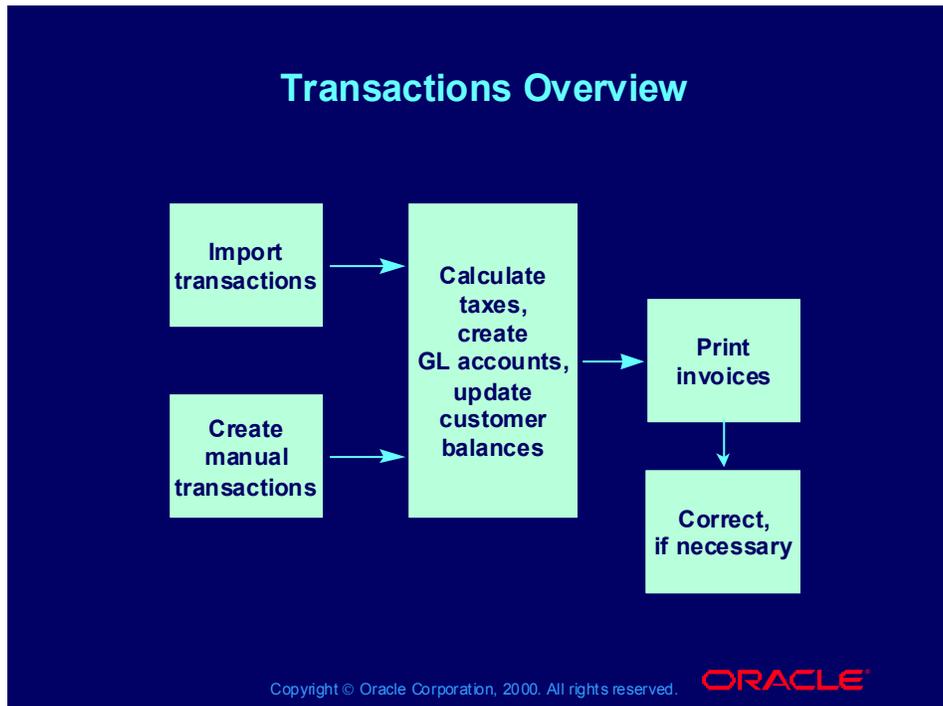
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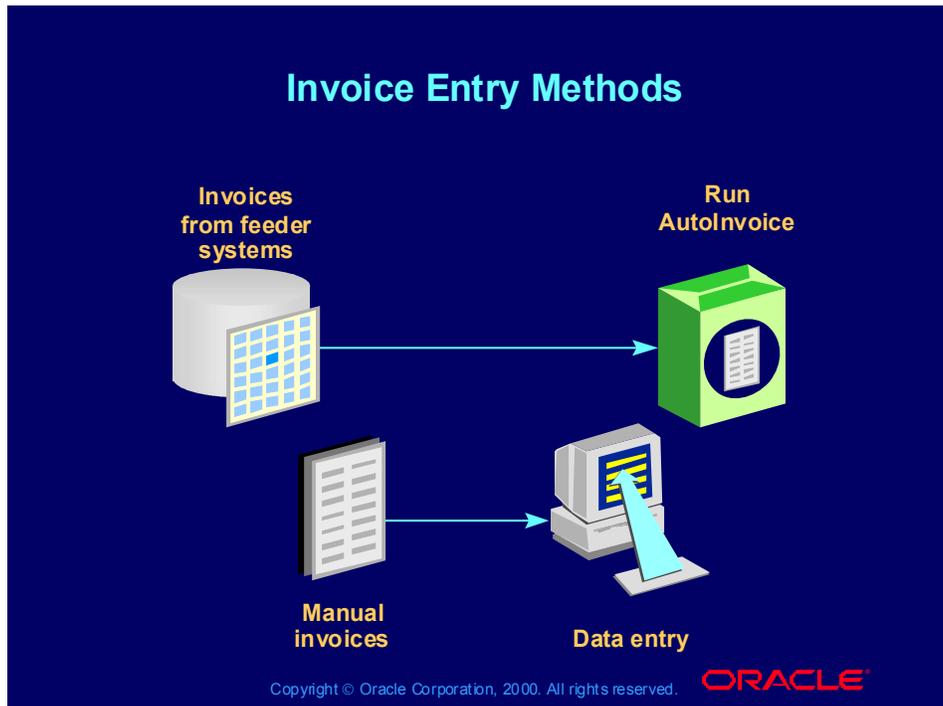
Oracle Receivables Overview



Transactions Overview



Invoice Entry Methods



Agenda

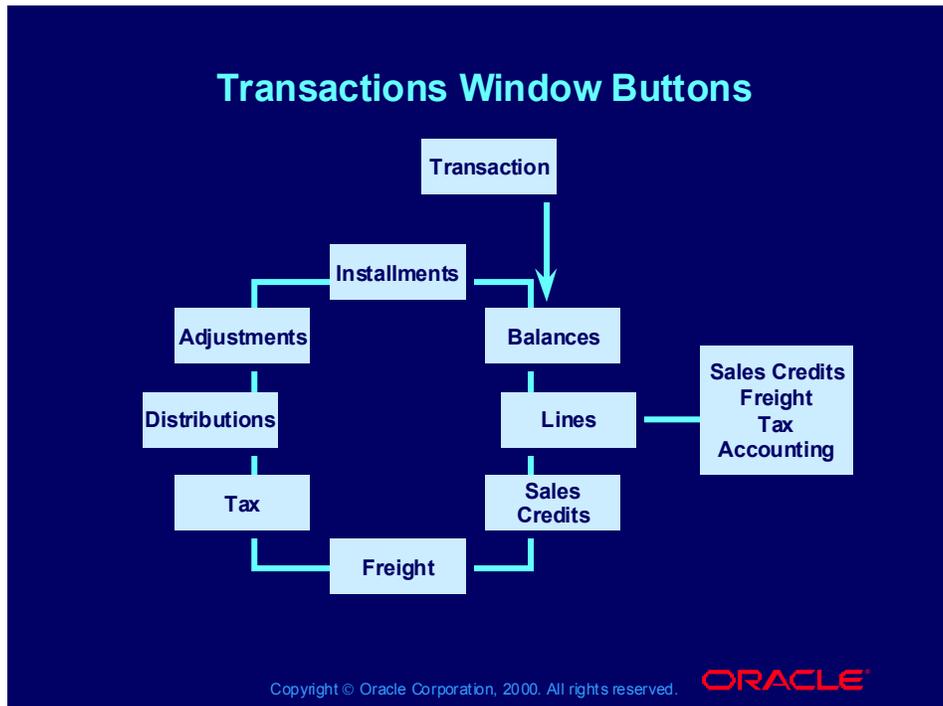
Agenda

- Processing Overview
- Invoice components
- Entering invoices
- Completing transactions
- Creating batches
- Printing transactions and statements

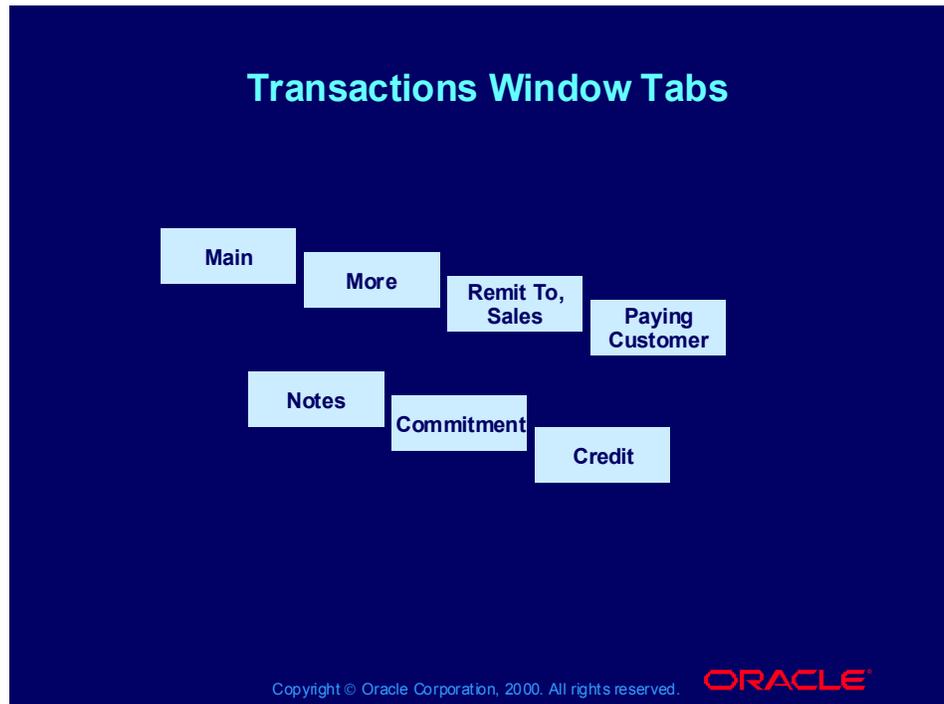
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Transactions Window Buttons



Transactions Window Tabs



Demonstration

This demonstration will show the Transaction Summary and Transactions windows.

(N) Transactions > Transaction Summary

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Review Question

Review Question

From the Transaction Summary window, you can create adjustments for invoices.

- A. True**
- B. False**

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Review Question

Review Question

From the Transaction Summary window, you can create adjustments for invoices.

- A. True**
- B. False**

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Agenda

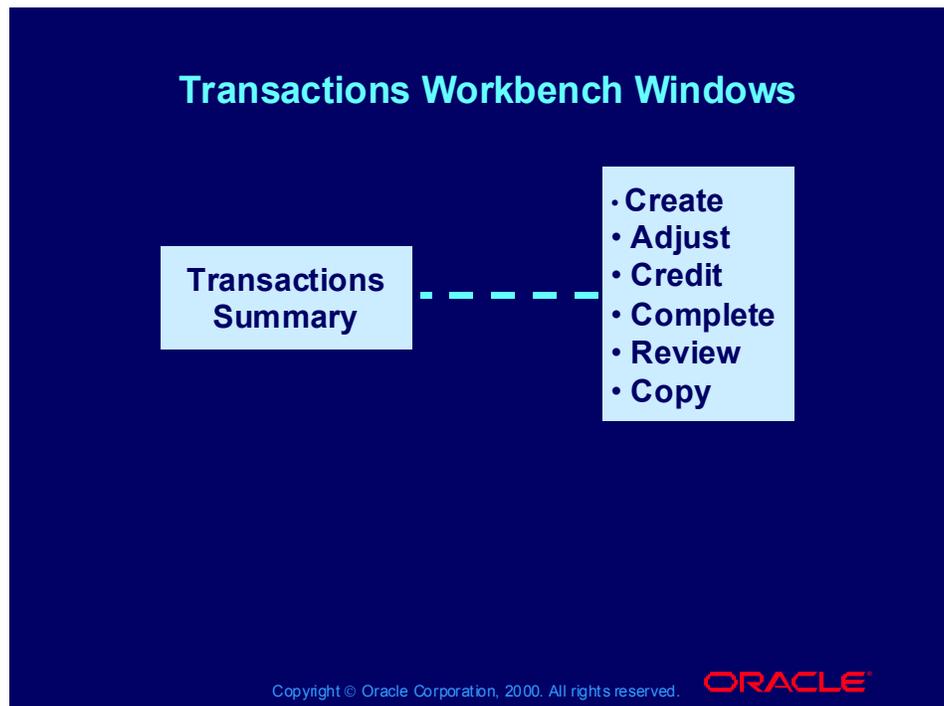
Agenda

- Processing Overview
- Invoice components
- **Entering invoices**
- Completing transactions
- Creating batches
- Printing transactions and statements

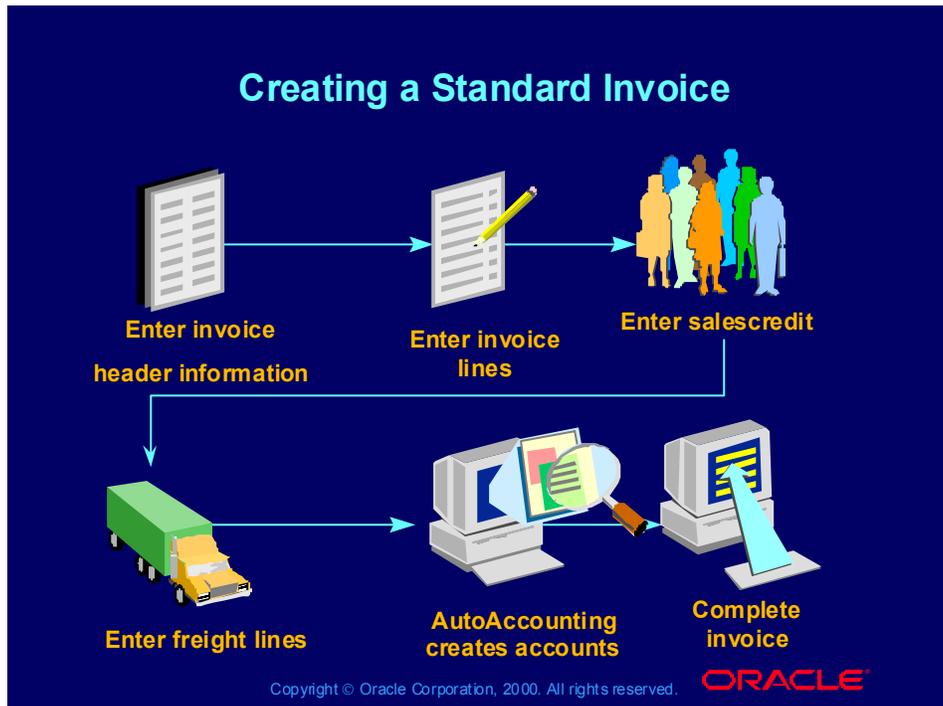
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Transactions Workbench Windows



Creating a Standard Invoice



Help: Transactions >Entering Transactions

Entering Invoice Dates

Entering Invoice Dates

- Enter invoice dates in any period. The invoice date plus the the payment terms determine the due date
- Enter Oracle GL dates in open and future accounting periods. This date determines when the journal entry can be created.



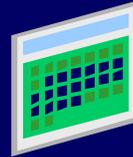
Open

Available for
entry and posting
to GL



Future

Available for entry



Closed

Not available

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Required Transaction Information

Required Transaction Information

- Date
- Source
- Class
- Type
- GL Date
- Bill To
- Terms
- Remit To

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Review Question

Review Question

Both the invoice date and the GL date can be in a closed period.

- A. True**
- B. False**

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Review Question

Review Question

Both the invoice date and the GL date can be in a closed period.

- A. True
- B. False**

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Transaction Defaults

- **Transaction Source:**
 - Can default the transaction type
 - Determines the transaction numbering
- **Transaction type can default:**
 - The transaction class
 - Payment terms (if not set at the customer)
- **Customer can default:**
 - Ship-to and bill-to address
 - Payment terms
 - Salesperson

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Demonstration

Demonstration

This demonstration will show how to enter invoice header information.

(N) Transactions > Transaction Summary > (B) New

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Review Question

Review Question

Which determines transaction numbering?

- A. System options
- B. Transaction type
- C. Transaction source
- D. Customer

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Review Question

Review Question

Which determines transaction numbering?

- A. System options
- B. Transaction type
- C. Transaction source**
- D. Customer

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Standard Invoice Line Types

Standard Invoice Line Types

- **Inventory item:** Enter items available in inventory, using the list of values
- **Standard memo line:** Enter non-inventory products or services, such as extended warranties or maintenance contracts, using the list of values
- **Free-form line:** Enter a unique description

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Help: Transactions > Entering Transactions > Lines Window Field Reference

Demonstration

Demonstration

This demonstration will show how to enter invoice lines.

(N) Transactions > Transaction Summary (B) Open

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Practice 1- Overview

Practice 1- Overview

In this practice, you enter an invoice.

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Practice 1- Instructions

Practice 1- Instructions

- Your manager has asked you to create a manual invoice for consulting services as a result of a project completed for your customer, Business World in San Jose.
- The project required five days of work performed by a senior consultant. A network technician worked on the same project for ten days. Customers are charged \$1,750 per day for the services of a senior consultant and \$1,500 per day for a network technician.
- Record the invoice number: _____

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Practice 1- Solutions

1. Navigate to the Transactions window:

(N) Transactions—>Transactions—>Main

2. Complete the transaction header information:

Source: Select Manual.

Class: Select Invoice.

Type: Defaults as Invoice.

3. Enter the transaction data:

From the list of values, select Business World in the Name field in the Ship To region. This should default the address as well as the bill to address.

4. Select the Line Items button.

In the Main alternative region, enter the information about the items Senior Consultant and Network Technician. Select the item from the available list of values. If these items have not already been set up, enter them in the Description field.

The UOM (unit of measure) is available as a list of values.

After the list price is entered, Oracle Receivables will calculate the extended amount.

5. Save your work.

6. Click on the Complete button.

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Practice 2- Overview

Practice 2- Overview

In this practice, you enter an invoice using a standard memo line and a free-form line.

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Practice 2- Instructions

Practice 2- Instructions

- Your company needs to charge your customer Business World a one time start-up fee of \$200 plus \$1,200 in advance for one year of technical support.
- These two services are entered using the transaction type of Invoice Service.

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Practice 2- Solution

1. (N) Transactions—>Transactions—>Main
2. Complete the transaction information:
Source: Select Manual.
Class: Select Invoice.
Type: Invoice-Service.
Ship-To and Bill-To addresses: Select appropriate addresses for Business World.
3. Select the Line Items button. In the Main alternative region, enter the information about the start-up fee and select the 1 year support agreement from the list of values.
4. Save your work.
5. Click on the Complete button.

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Entering Freight Invoices or Lines

Entering Freight Invoices or Lines

- **Bill shipping charges for the entire invoice or for each line**
 - Click the **Freight** button in the **Transactions** window to enter at invoice level
 - Click the **Freight** button in the **Lines** window to enter at lines level
- **If the transaction type assigned to this invoice allows freight charges, enter freight amounts**
- **AutoAccounting determines the default freight account**

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Help: Transactions >Entering Freight Information

Entering Sales Credits

Entering Sales Credits

- If the **Require Salesperson** check box in the **Miscellaneous** tab of the **System Options** window is selected, a salesperson must be assigned to each invoice.
- Use the **Sales Credits** window to allocate sales credit among salespeople, and record both revenue and non-revenue sales credit. This information defaults to line-level sales credits.
- Autoaccounting will recalculate the revenue account assignment.

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Help: Transactions >Entering Revenue Credits

Entering Sales Credits

- **Total sales credits can be greater than the revenue amount for bonus or incentive purposes.**
- **Allocate different percentages or to different salespeople by line, using the For This Line region of the Sales Credits window. Access this window by clicking Sales Credits in the Lines window.**

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Review Question

Review Question

Which of the following is a line type?

- A. System
- B. Order line
- C. Debit memo
- D. Standard memo line

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Review Question

Review Question

Which of the following is a line type?

- A. System
- B. Order line
- C. Debit memo
- D. Standard memo line

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Demonstration

Demonstration

This demonstration will show how to enter freight and view the sales credits.

(N) Transactions > Transaction Summary (B) Open

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Agenda

Agenda

- Processing Overview
- Invoice components
- Entering invoices
- **Completing transactions**
- Creating batches
- Printing transactions and statements

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Completing Transactions

Completing Transactions

- Several conditions must be met before an invoice is complete.
- When all required information has been entered, click the Complete button.
- Completing an invoice means that payment schedules and aged receivable amounts are calculated, and this transaction can be transferred to the GL.
- You can only print completed transactions.

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Help: Transactions > Completing Transactions

Requirements for Completing an Invoice

- An invoice must have at least one line, or at the header level be a freight invoice.
- The general ledger date of the invoice must be in an open or future period.
- The invoice sign matches the sign of the transaction type.
- The sum of distributions for each line must equal the invoice line amounts.
- If Calculate Tax for transaction type is set to Yes, tax is required on each line.

Agenda

Agenda

- Processing Overview
- Invoice components
- Entering invoices
- Completing transactions
- **Creating batches**
- Printing transactions and statements

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Creating Invoice Batches

Creating Invoice Batches

- Use batches to match control and actual invoice counts and amounts. Actual count and amount is updated as invoice is entered.
- A batch can contain invoices with different currencies.
- You can print invoices by batch.
- Oracle Receivables uses invoice batches to import invoice data.
- Batch information identifies the originating system when importing transactions.

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Help: Transactions > Batch Transactions for Easy Entry and Retrieval

Demonstration

Demonstration

This demonstration will show how to enter an invoice batch.

(N) Transactions > Batches

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Agenda

Agenda

- Processing Overview
- Invoice components
- Entering invoices
- Completing transactions
- Creating batches
- Printing transactions and statements

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Printing Transactions

You can print the following documents to send to customers:

- Invoices
- Credit memos
- Debit memos
- Deposits
- Guarantees
- Chargebacks
- Adjustments

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Printing Transactions

- **Previewing Transactions Before Printing**
 - **Submit the Invoice Print Preview Report to see a list of transactions that will be printed**
 - **Select a list of transactions by specifying values for the report parameters**
- **Printing Transactions**
 - **Print transactions by batch**
 - **Print transactions that have not been printed**
 - **Specify a range of transactions to print**

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Printing Tax Information

- Oracle Receivables automatically prints the tax registration number defined in the system options on customer invoices.
- Oracle Receivables uses the tax printing option specified for the customer's profile class, if entered. Otherwise Oracle Receivables uses the option specified for the system option Invoice Printing.

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Demonstration

This demonstration will show how to print an invoice.

(N) Print Documents > Invoices

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Practice 3 - Overview

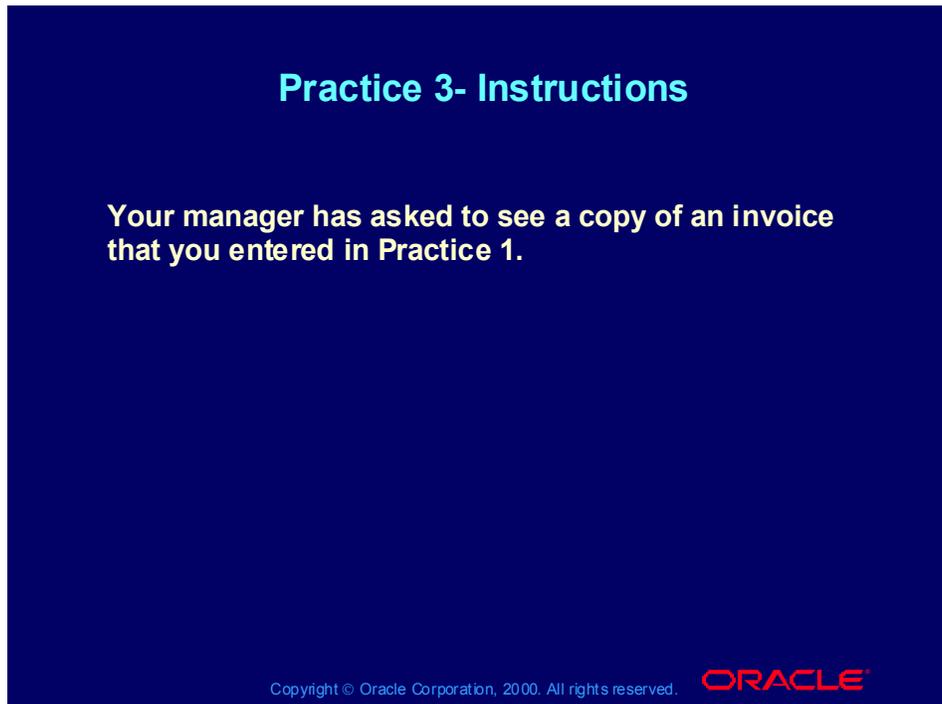
Practice 3 - Overview

In this practice, you print invoices.

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Practice 3- Instructions

A dark blue rectangular slide with white text. The title 'Practice 3- Instructions' is at the top in a bold, light blue font. Below it, the main instruction reads: 'Your manager has asked to see a copy of an invoice that you entered in Practice 1.' At the bottom right, the Oracle logo is displayed in red, and at the bottom left, the copyright notice 'Copyright © Oracle Corporation, 2000. All rights reserved.' is written in small white text.

Practice 3- Instructions

Your manager has asked to see a copy of an invoice that you entered in Practice 1.

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Instructions

Use the Invoice number you created in Practice 1

Do not attempt to print the invoice, simply view it online.

Practice 3- Solution

1) Navigate to the Print Invoices window:

(N) Print Documents—>Invoices

2) In the Request Name field of the Print Invoices window, select Invoice Print Selected Invoices from the list of values.

3) Set the number of copies to be printed to zero.

4) In the Transaction Number Low field of the Parameters window, enter the transaction number of the invoice you want to review. Click the OK button.

Transaction Printing Views

Transaction Printing Views

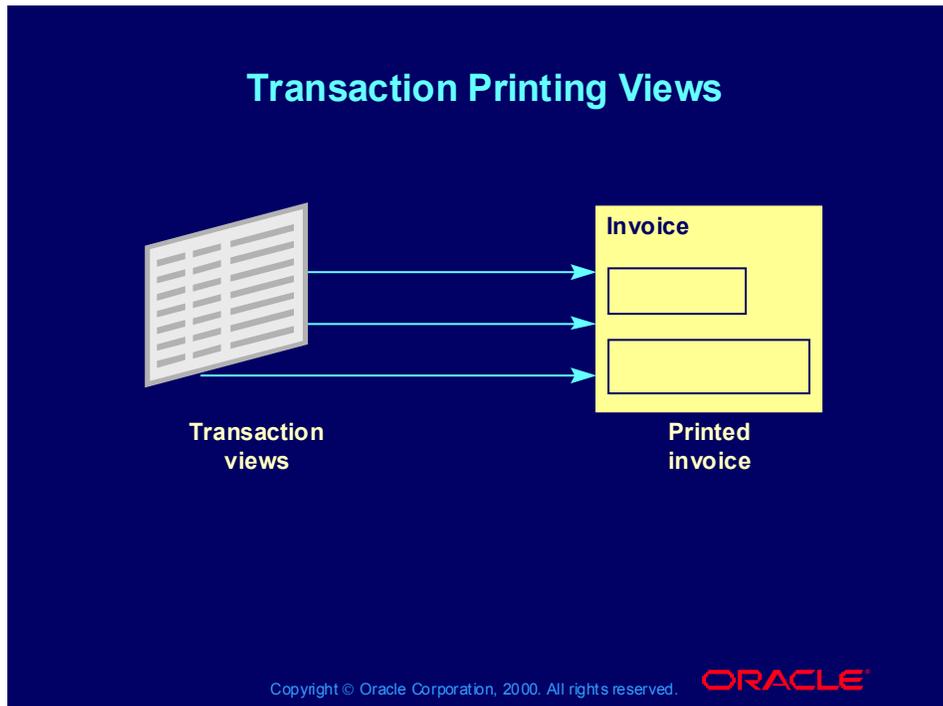
- Easily create invoices to suit your business needs
- Save time and cost by using predefined views

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Help: Transaction Printing Views

Transaction Printing Views



Review Question

Review Question

Oracle Receivables provides a Transaction Printing View window where you can easily customize invoices.

- A. True**
- B. False**

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Review Question

Review Question

Oracle Receivables provides a Transaction Printing View window where you can easily customize invoices.

- A. True**
- B. False**

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How Oracle Receivables Uses Statements

How Oracle Receivables Uses Statements

- **Statements communicate activity to your customers about invoices, credit memos, debit memos, payments, on-account credits, chargebacks, deposit, and adjustment.**
- **Oracle Receivables also prints your customer's past-due balances based on aging buckets.**
- **You can enhance your your statements by printing your own custom messages.**

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Help: Collections > Statements > Printing Statements

Demonstration

This demonstration will show how to print a statement.

(N) Print Documents > Statements

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Using Consolidated Billing

- Use the Consolidated Billing Invoice program to print a single monthly invoice that includes all of your customer's transactions for that period.
- Customers are flagged to receive consolidated billing invoices through their customer profile class.
- The invoice format can be detail or summary. The detail and summary format presents invoice totals. The detail format lists all line items.

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Consolidated Billing Invoices

Consolidated Billing Invoices

A consolidated billing invoice is not the same as a statement. Some of the differences are:

Statement	Consolidated Billing Invoice
Used for informational purposes	Customer pays from the invoice.
Includes aging	Does not include aging.
Customers selected by statement cycle	Customers selected by cutoff date and payment terms.

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Help: Transactions > Consolidated Billing

Summary

In this module, you should have learned how to:

- **Describe the way processing invoicing fits into the Receivables process**
- **Describe the components of an invoice**
- **Enter a manual invoice with lines**
- **Complete a transaction**
- **Discuss how Oracle Receivables uses transaction batches**
- **Print invoices and statements**

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Applying Other Invoice Operations

Chapter 4

Applying Other Invoice Operations

Oracle Receivables 11i

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Help

You can use Help to assist you in Oracle Receivables.

Use Help for:

- **An explanation of the toolbar icons**
- **An explanation of each region of the Navigator**
- **Detailed information about each Oracle Receivables window**
- **Searching for information by entering your query in the Search field and clicking the Find button.**

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Using Help

For Help paths in this module, start with:

Applications Help Library

Oracle Financial Applications

Oracle Receivables

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Objectives

After this module, you should be able to:

- Copy Invoices
- Enter invoices with rules
- View accounting distributions
- Enter foreign currency invoices

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Agenda

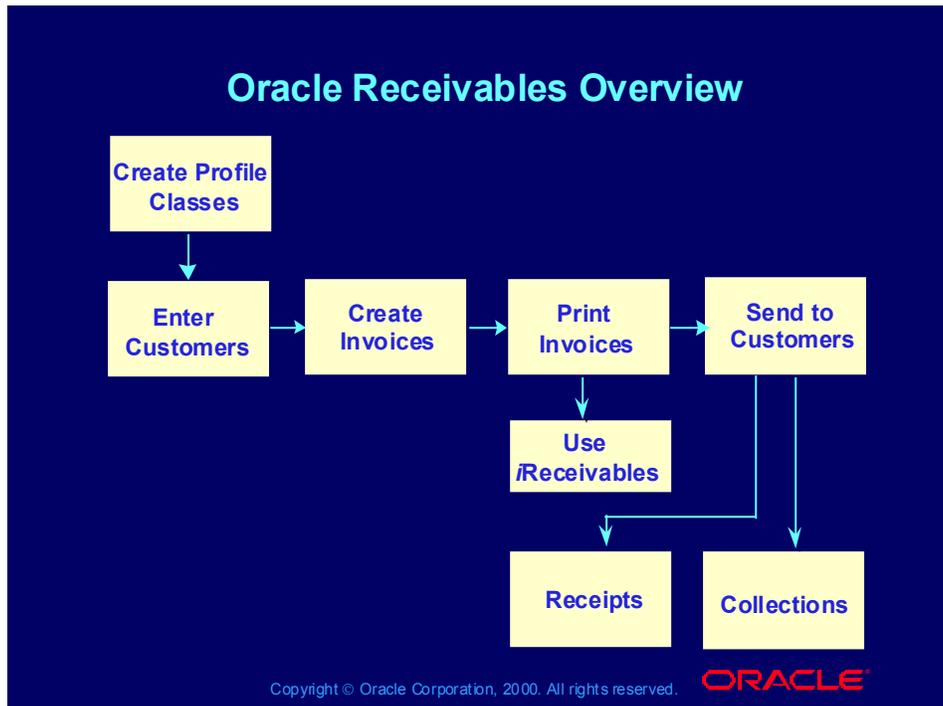
Agenda

- Copying Invoices
- Entering invoices with rules
- Viewing accounting distributions
- Entering foreign currency invoices

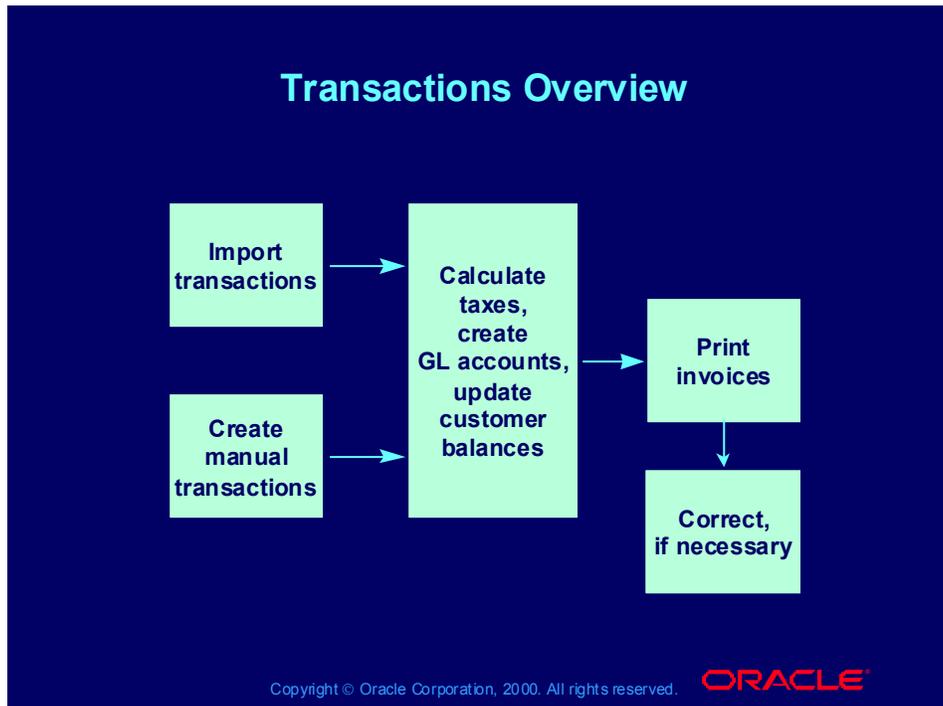
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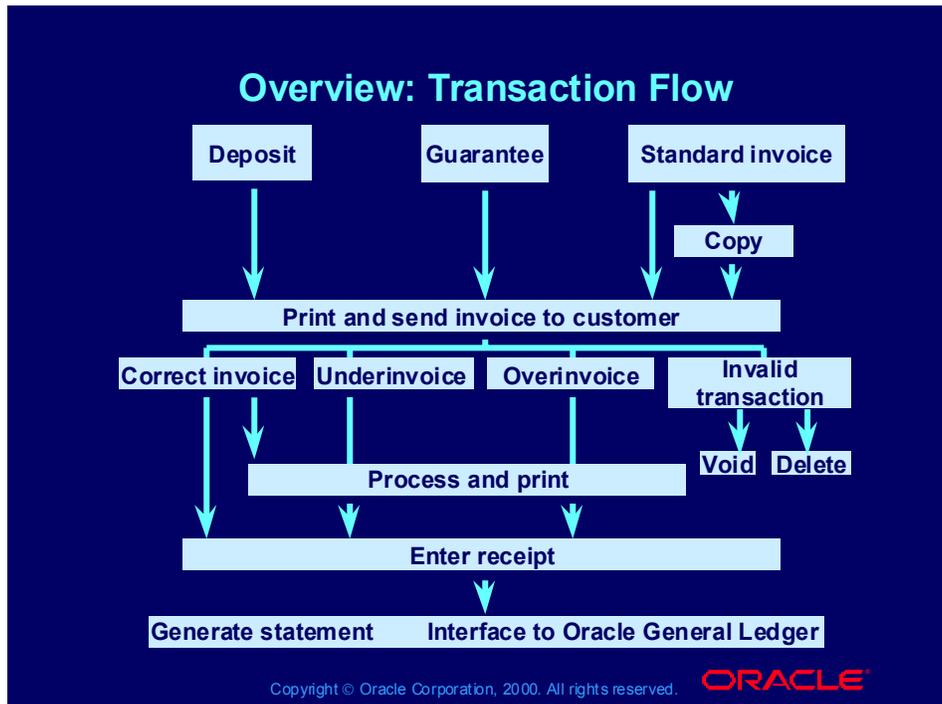
Oracle Receivables Overview



Transactions Overview



Overview: Transaction Flow



Agenda

Agenda

- **Copying Invoices**
- **Entering invoices with rules**
- **Viewing accounting distributions**
- **Entering foreign currency invoices**

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Copying Invoices

Copying Invoices

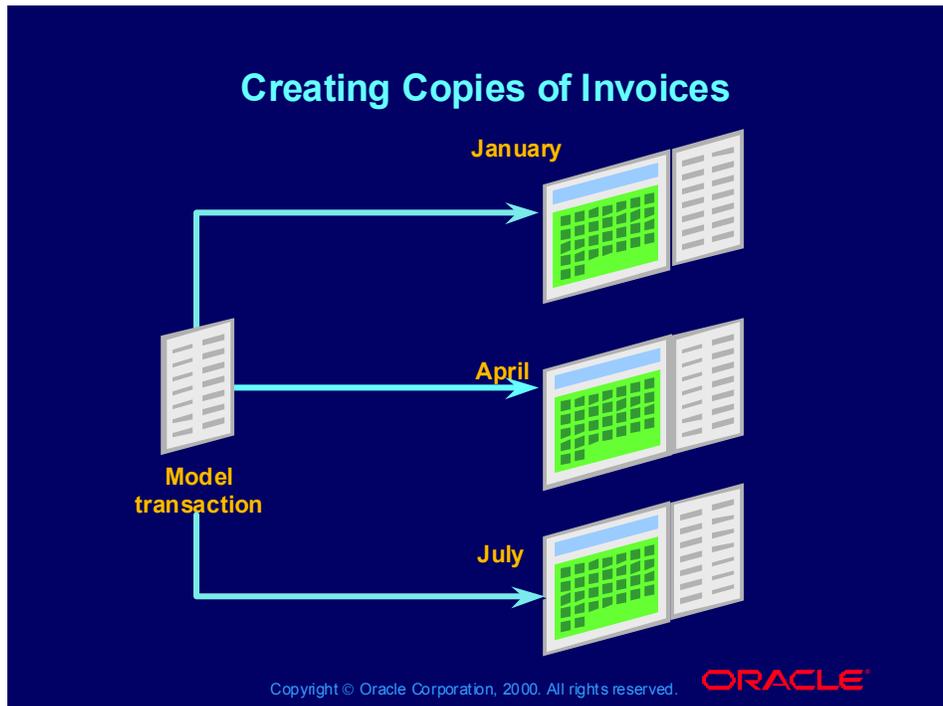
- Use the Copy Transactions window to create recurring invoices for products and services sold on a regular basis.
- A model invoice is used to copy a series of invoices in future periods.

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Help:Transactions > Copying Invoices

Creating Copies of Invoices



Choosing Model Transaction

- The model transaction must be complete.
- Once the model transactions are copied, changes to the model transaction do not affect the copied transaction.
- The model transaction should be the open or closed transaction that exactly matches the transaction(s) to recur.

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Determining Transaction Schedule

Determining Transaction Schedule

- **Oracle Receivables determines the date and frequency of the copied transactions, using the rule, first transaction date, and number of times specified.**
- **The recurring schedule cannot be updated after it has been saved.**
- **Oracle Receivables creates all invoice copies at one time.**
- **Invoices created in unopened periods will be created as incomplete.**

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Using Recurring Rules

Select one of the following rules:

- **Annually**
- **Semi-Annually**
- **Quarterly**
- **Bi-Monthly**
- **Monthly**
- **Weekly**
- **Days**
- **Single Copy**

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Review Question

Review Question

Once a transaction has been copied, you should not make changes to the model transaction, because it may affect the copied transaction

- A. True**
- B. False**

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Review Question

Review Question

Once a transaction has been copied, you should not make changes to the model transaction, because it may affect the copied transaction

- A. True
- B. False

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Numbering Recurring Invoices Automatically

Numbering Recurring Invoices Automatically

- If the batch source for the model invoice has automatic transaction numbering turned on, Oracle Receivables automatically numbers each recurring transaction.
- Each recurring transaction uses the batch source assigned to the model transaction.

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Demonstration

In this demonstration, we will show you how to copy invoices from the Copy Transactions window.

(N) Transactions > Copy Transactions

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Practice 1- Overview

Practice 1- Overview

This practice covers copying invoices.

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Practice1- Instructions

Practice1- Instructions

Business World has entered into a one-year software license agreement with a total cost of \$120,000 for the year. The customer has requested invoicing on a monthly basis during the life of the agreement. Your manager has asked you to prepare invoices that will be sent to the customer for the license period.

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Instructions

After you create the first invoice, use it as the model for the rest of the invoices.

Record your concurrent request number: _____

Record the invoice numbers: _____

Practice 1- Solution

1) Navigate to the Transactions window:

(N) Transactions—>Transactions

2) Create an initial invoice for Business World for \$10,000. Enter the line items using a monthly UOM and quantity of 1.

3) Complete and save the invoice you have created and note the invoice number.

(N) Transactions—>Copy Transactions

4) In the Trans Number field, query for the model invoice you created. After the query returns the invoice information, note that in the Model Transaction block of the Copy Transactions window the Transaction Amount includes the appropriate taxes.

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5) In the Rule field of the Schedule block, select the Monthly rule from the pop-up list. In the Number of Times field, enter 11.

6) After Oracle Receivables generates the copies of the model invoice, save your work.

Oracle Receivables will assign transaction numbers to invoice copies.

Agenda

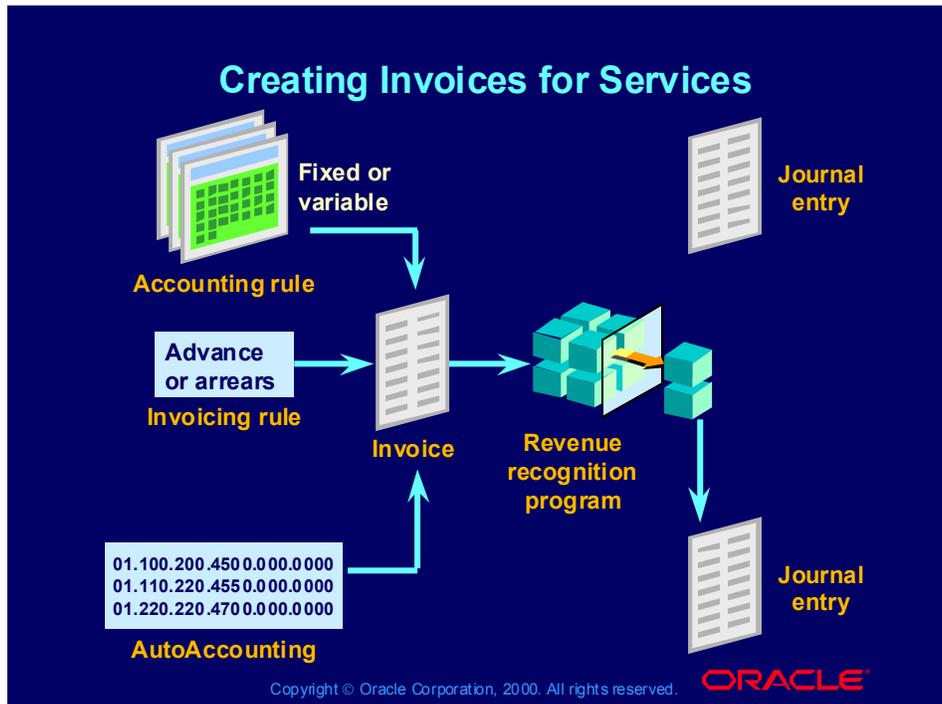
Agenda

- Copying Invoices
- Entering invoices with rules
- Viewing accounting distributions
- Entering foreign currency invoices

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Creating Invoices for Services



Help > Transaction > Entering Invoices with rules

Invoicing Rules and Accounting Rules

Invoicing Rules and Accounting Rules

Invoicing Rules	Use invoicing rules to specify whether to record receivables amounts in the first (Bill in Advance) or last (Bill in Arrear) period.
Accounting Rules	Use Accounting rules to determine when to record revenues.

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Using Invoices with Rules

Business Need	Solution
Enter invoices for services provided over 12 months and recognize revenue as the service is provided.	Enter invoices with rules either in the Transactions window or through AutoInvoice.
Bill customers for the invoices before recognizing all of the revenue.	Assign invoices a Bill in Advance invoicing rule.
Bill customers for invoices after recognizing all of the revenue.	Assign invoices a Bill in Arrears invoicing rule.

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Help: Transactions > Entering Invoices with Rules

Review Question

Review Question

To bill a customer immediately for future services, which of the following would you use?

- A. Bill in Arrears rule
- B. Bill in Advance rule
- C. Regular Invoicing
- D. Accounting rule

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Review Question

Review Question

To bill a customer immediately for future services, which of the following would you use?

- A. Bill in Arrears rule
- B. Bill in Advance rule
- C. Regular Invoicing
- D. Accounting rule

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Assigning Invoicing Rules

- Invoicing rules determine whether to recognize receivables in the first or in the last accounting period.
- Once the invoice is saved, you cannot update an invoicing rule.

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Defining Accounting Rules

- Use the Accounting, Fixed Duration type to recognize revenue evenly over a specific number of periods. Revenue can be spread evenly or a percentage can be specified for each period.
- Use the Accounting, Variable Duration type to recognize revenue by a percentage for the first period. The remaining revenue is spread evenly across the number of periods you specify during transaction entry.

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Help: Setting Up > Accounting Rules

Assigning Accounting Rules To Invoice Lines

Assigning Accounting Rules To Invoice Lines

- Accounting rules determine when to recognize revenue amounts.
- Each invoice line can have different accounting rule.
- Oracle Receivables uses the First GL Date field in the Transactions window to determine when to start recognizing revenue.
- The number of periods in which revenue is recognized is determined by the value in the Number of Accounting Periods field in the Transactions window
 - Value defaults from fixed rule
 - Value must be entered for variable rule

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Help: Transactions > Invoices with Rules > Using Rules

Review Question

Review Question

**You can define as many invoicing rules as you like,
but you can only define two accounting rules.**

- A. True**
- B. False**

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Review Question

Review Question

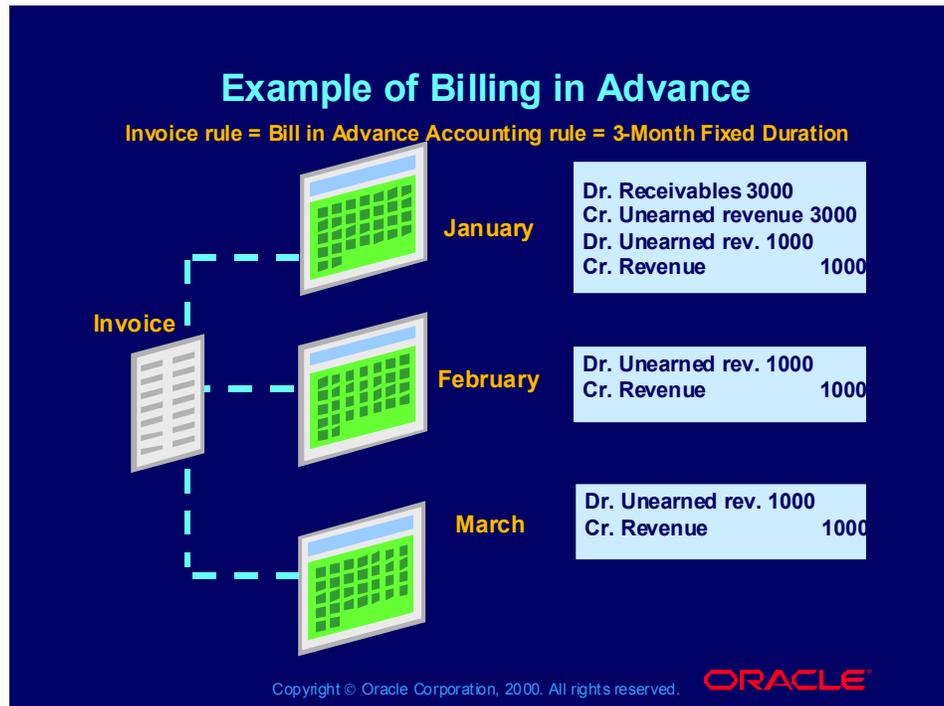
You can define as many invoicing rules as you like, but you can only define two accounting rules.

- A. True**
- B. False**

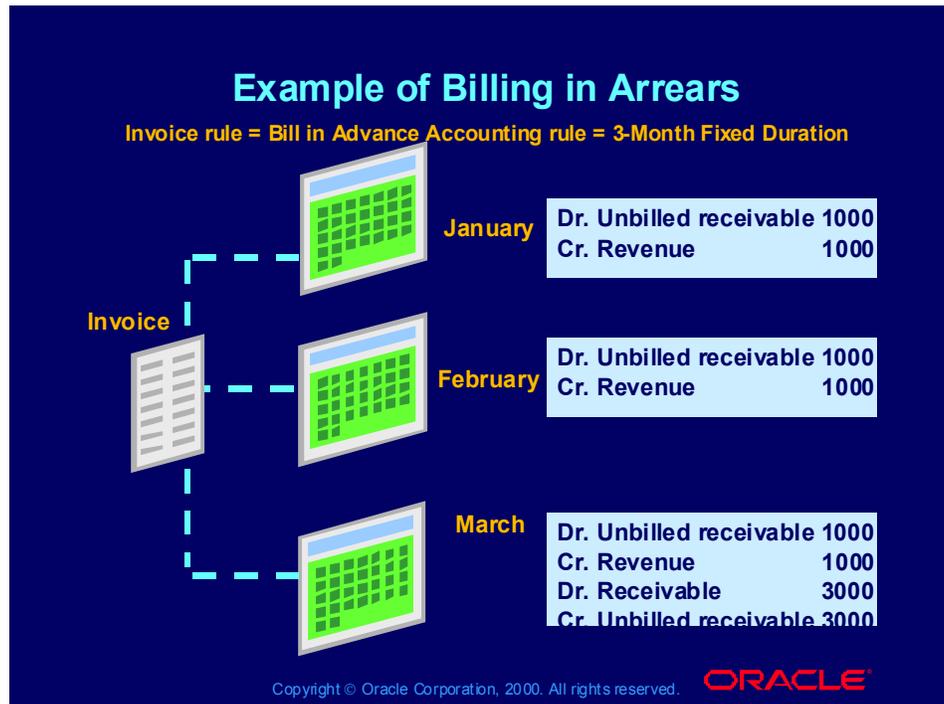
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Example of Billing in Advance



Example of Billing in Arrears



Creating Accounting Entries

- Accounting distributions are created only after you run the Revenue Recognition program.
- For Bill in Advance, the offset account to accounts receivable is Unearned Revenue.
- For Bill in Arrears, the offset account to accounts receivable is Unbilled Receivables.
- Accounting distributions are created for all periods when you run Revenue Recognition.

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Running The Revenue Recognition Program

Running The Revenue Recognition Program

- The Revenue Recognition program gives you control over the creation of accounting entries.
- Submit the Revenue Recognition program manually through the Run Revenue Recognition window.
- Submit the Revenue Recognition program automatically when posting to the Oracle General Ledger.
- The program processes revenue by transaction, rather than by accounting period.
- Only new transactions are selected each time the process is run.

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Help: Transactions > Recognizing Revenue

Help: Transactions > Revenue Recognition Program Execution

Review Question

Review Question

The offset account for Bill in Advance is Unbilled Receivables

- A. True
- B. False

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Review Question

Review Question

The offset account for Bill in Advance is Unbilled Receivables

- A. True**
- B. False**

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Practice 2- Overview

Practice 2- Overview

This practice covers invoicing a customer using the Bill in Arrears rule.

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Practice 2- Instructions

Practice 2- Instructions

Business World has decided to proceed with a project that requires one year of consulting service from a network technician. The customer will not be invoiced until the project has been completed. The total amount to be invoiced to the customer when the project is completed will be \$150,000.00.

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Practice 2- Solution

- 1) Navigate to the Transactions window:
(N) Transactions—>Transactions
- 2) Enter the header information
- 3) Enter the transaction information
- 4) In the Invoicing Rule field of the More alternative region, select the In Arrears option.
- 5) Select the Line Items button.
- 6) In the Main alternative region of the Lines window, enter the data for the project. Enter a free-form description of the project. Select a year as the UOM from the list of values. When you enter the unit price, the Amount field will be calculated by Oracle Receivables.
- 7) Navigate to the Rules alternative region of the Lines window. In the Accounting field, select Monthly, 1 Year from the list of values. Oracle Receivables will determine the appropriate invoice date.
- 8) To check that the proper unbilled receivables account will be used to offset the revenue recognized during the project, click the Distributions button.
- 9) Save your work.
- 10) Click on the Complete button.

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Agenda

Agenda

- Copying Invoices
- Entering invoices with rules
- **Viewing accounting distributions**
- Entering foreign currency invoices

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View Accounting Distributions

View Accounting Distributions

When you query an invoice, payment, or adjustment in Oracle Receivables, you can choose to view the detail accounting lines in one of the following formats:

- A balanced accounting entry(Accounting Lines)
- T-accounts



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Help: Transactions > Reviewing Accounting Information

View Accounting Lines

View Accounting Lines

- You can use the View Transaction Accounting window to view accounting lines whenever you create a transaction, receipt, or adjustment.
- For each line, you can see which account is affected, the debits and credits for both the entered and accounted amounts, as well as currency, exchange rate, and other accounting information.
- You can view this information prior to transferring accounting entries to Oracle General Ledger.
- For invoices with rules, Revenue Recognition program must be run first.

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Help: Accounting for Receivables > Accounting for Transactions->View Accounting Lines

T-Accounts Window

T-Accounts Window

- You can use this window to view Oracle Receivables accounting entries in a graphical, T-account format.
- Oracle Applications provides several options that you can use to customize how the data is displayed.
- You can create a hard copy of the information in this window by clicking the Print button.

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Help: Oracle General Ledger: Online Inquires > T-Accounts

Review Question

Review Question

You can only view Accounting Lines for transactions that have been transferred to the Oracle General Ledger.

- A. True**
- B. False**

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Review Question

Review Question

You can only view Accounting Lines for transactions that have been transferred to the Oracle General Ledger.

- A. True**
- B. False**

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Demonstration

In this demonstration, we will show the following windows:

- View Transaction Accounting
- T-Accounts

(N) Transactions > Transactions->

(M) Tools > View Accounting > (B) T-Accounts

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Practice 3- Overview

Practice 3- Overview

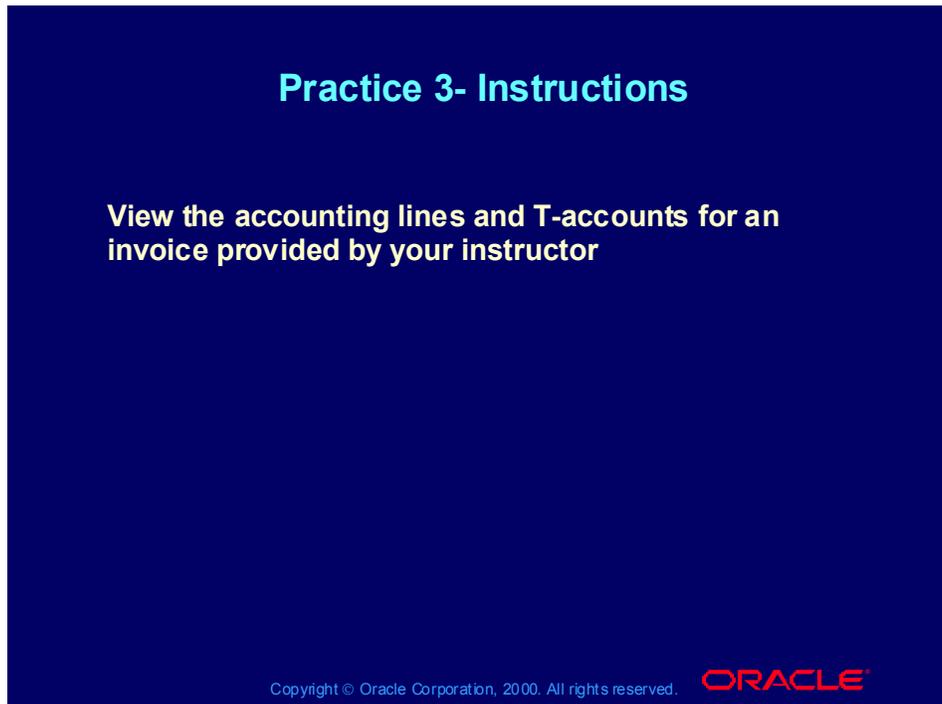
This practice covers the following topics:

- **View accounting lines**
- **View T-accounts**

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Practice 3- Instructions



Practice 3- Instructions

View the accounting lines and T-accounts for an invoice provided by your instructor

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Practice 3- Solution

Step 1: View Accounting Lines

- 1) Navigate to the Transactions window:
(N) Transactions—>Transactions
- 2) Click the Find button.
- 3) Enter an invoice number in the Transaction Numbers field and click the Find button.
- 4) From the Tools menu, select View Accounting.

Step 2: View the T-Accounts

- 6) From the View Transaction Accounting window, click the T-Accounts button.
- 7) Review the setting and then click the T-Accounts button.

Agenda

Agenda

- Copying Invoices
- Entering invoices with rules
- Viewing accounting distributions
- Entering foreign currency invoices

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Foreign Currency Invoices

Foreign Currency Invoices

For companies doing business in different parts of the world, it is necessary to be able to convert foreign currency invoices into the company's functional currency.



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Help: Transactions > Foreign Currency Transactions

Profile Options

Profile Options

The following profile options affect the appearance and behavior of the Exchange Rates window:

Profile Option	Description
Journals: Display Inverse Rate	If the option is set to No, Receivables calculates the Functional amount as: Functional Currency= Foreign Currency*Rate If the option is set to Yes Functional Currency= Foreign Currency/Rate
Currency: Allow Direct EMU/ Non-EMU User Rates EMU: European and Monetary Union	This profile option controls whether you can enter an exchange rate when the receipt or transaction is in an EMU currency but your functional currency is not an EMU currency.

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Exchange Rate Field Reference

- **Rate Date:** The rate that applies to the exchange rate for your foreign currency.
- **Rate Type**
 - **Corporate:** You define this rate to standardize rates for your company.
 - **Spot:** Choose this rate to perform conversion based on the rate on a specific date.
 - **User:** Choose this rate when you have not defined a daily exchange rate for a currency.
- **Rate:** The exchange rate for a particular receipt.

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Adjusting an Exchange Rate

Adjusting an Exchange Rate

- You can change the rate type, rate date, and exchange rate of a foreign currency receipt, even if it has been transferred to your general ledger.
- You cannot adjust the exchange rate of foreign currency transaction once it has been posted or has had a receipt applied to it.
- To use a different exchange rate, you must reverse the transaction, then recreate the transaction at the new rate.

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Help: Transactions > Foreign Currency Transactions

Header Level Rounding

Header Level Rounding

- When entering a foreign currency transaction in Oracle Receivables , you enter an exchange rate to convert the amount to your functional currency.
- Rounding the converted amounts can cause an imbalance between the accounting entries that Oracle Receivables creates for each currency.
- Depending upon the legal requirements in your country, you may need to round amounts at the transaction header level and post the difference to a separate GL account.
- You can account for the rounding differences by enabling Header Level Rounding and defining a Header Rounding account.

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Help: Setting Up > Header Level Rounding

Header Level Rounding

Header Level Rounding

Line	Entered amount	Precision (converted)	Accounted amount (rounded)
1	1	.015	.02
2	1	.015	.02
3	1	.015	.02
4	1	.015	.02
Receivable	4	.06	.08

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Demonstration

Demonstration

In this demonstration, we will show how to enter a transaction in a foreign currency.

(N) Transactions > Transactions

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Summary

In this module, you should have learned how to:

- Copy invoices
- Enter invoices with rules
- View accounting distributions
- Enter foreign currency invoices

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Correcting AR Transactions

Chapter 5

Correcting Transactions

Oracle Receivables 11i

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Help

You can use Help to assist you in Oracle Receivables. Use Help for:

- **An explanation of the Toolbar icons**
- **An explanation of each region of the Navigator**
- **Detailed information about each Oracle Receivables window**
- **Searches for information by entering your query in the Search field and clicking the Find button**

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Using Help

For Help paths in this module, start with:

Applications Help Library

Oracle Financial Applications

Oracle Receivables

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Objectives

After completing this module, you should be able to:

- **Discuss the different types of correction methods**
- **Demonstrate how to correct for underinvoicing**
- **Demonstrate how to correct for overinvoicing**
- **Discuss options for voiding transactions**

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Agenda

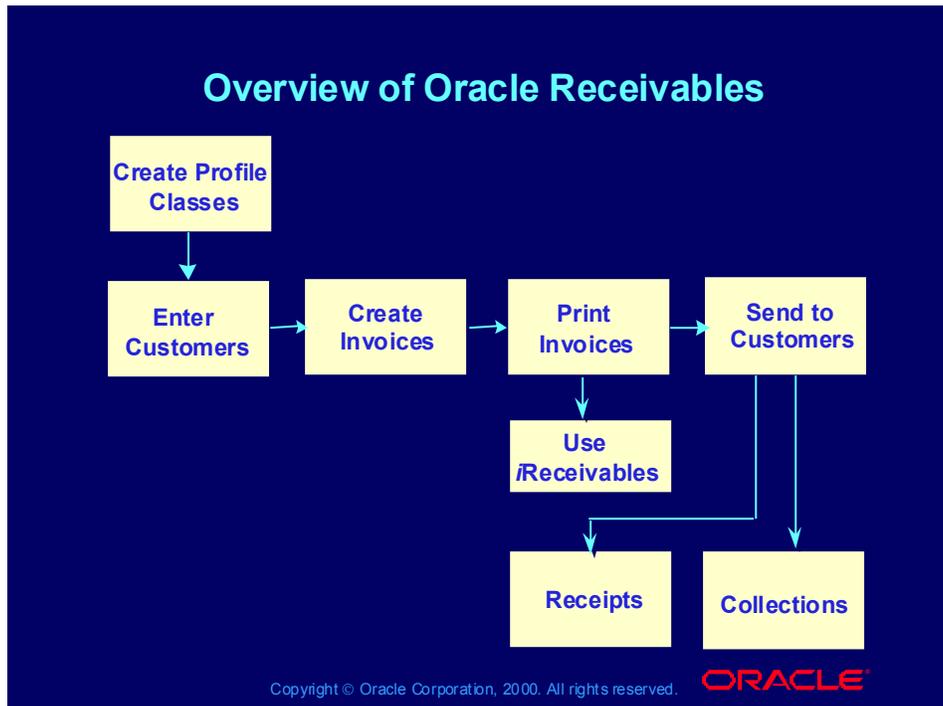
Agenda

- **Correction method types**
- **Correcting for underinvoicing**
- **Correcting for overinvoicing**
- **Voiding transactions**

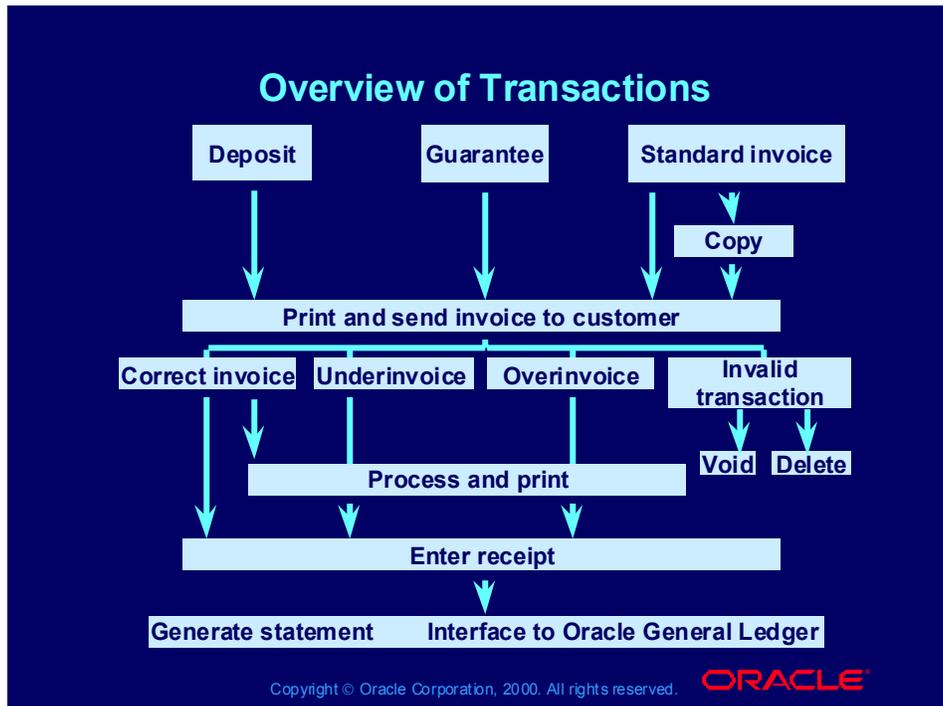
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Overview of Oracle Receivables



Overview of Transactions



Agenda

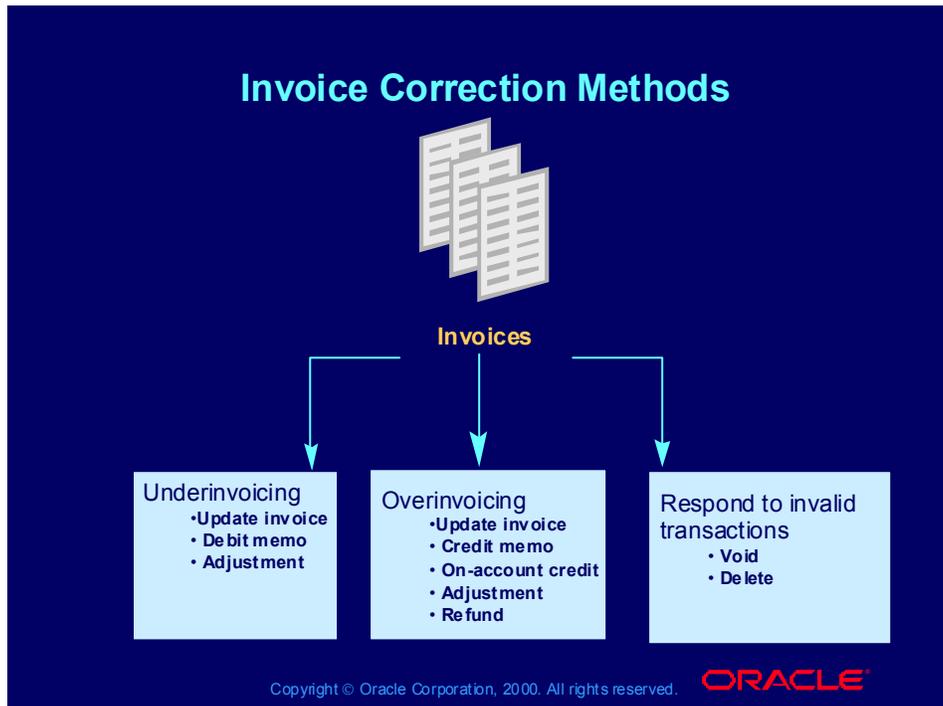
Agenda

- **Correction method types**
- **Correcting for underinvoicing**
- **Correcting for overinvoicing**
- **Voiding transactions**

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Invoice Correction Methods



Overview of Corrections

Overview of Corrections			
Correction Type	Effect on Invoice	Approval Limits	Accounting Source
Update Invoice	Changes original	None	Original Transaction
Debit memo	None; new item	None	AutoAccounting
Adjustment	Activity	User	Receivables Activity
Credit memo	New item applied to original	None	Original Transaction or AutoAccounting (profile option)
On-account credit	None; account only	None	AutoAccounting

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Help Path: Transactions > Maintaining Transactions

Overview of Corrections

Correction Type	Tax	Usage Restriction	Entry
Update	Automatic	Activity	Query in Transaction window
Debit memo	Automatic	None	Transaction window
Adjustment	Manual or write-off	Approval limits	Transaction summary
Credit memo	Automatic	None	Transaction summary
On-account	Automatic	None	Transaction window

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Agenda

Agenda

- Correction method types
- Correcting for underinvoicing
- Correcting for overinvoicing
- Voiding transactions

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Underinvoicing Correction Options

Underinvoicing Correction Options

Your options are:

- Enter debit memo
- Update invoice
- Adjust invoice

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Creating Debit Memos

Creating Debit Memos

Debit memos are like invoices, but they are usually created for additional charges. You can:

- Enter debit memos in the Transaction window
- Import debit memos through AutoInvoice
- Enter debit memos in the same way as invoices, but use the Debit Memo transaction type

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Help Path: Transactions > Entering Transactions

Demonstration

Demonstration

This demonstration will show how to enter a debit memo.

(N) Transactions > Transactions

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Practice 1 Overview

Practice 1 Overview

In this practice, you create a debit memo.

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Practice Instructions

Practice Instructions

- You have discovered Business World was not invoiced for freight on some training materials previously shipped. The customer agreed to accept the charges and requested a debit memo to document the charge. The freight cost was \$100, which is not taxable to your customer. Because the only amount to be invoiced is freight, your normal procedure is to enter freight at the header level. For this practice you can assign any salesperson to this customer.
- Record the debit memo number: _____

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Solution

Navigate to the Transactions window: (N) Transactions—>Transactions
Enter the required header and transaction information. In the Class field, select Debit Memo from the list of values.

Click the Line Items button.

Enter a free-form description of the reason for the debit memo. Select Each from the UOM list of values, enter a quantity of 1, and enter a unit price of 0.

Click the Freight button.

Select a carrier from the list of values. Enter any reference information. Enter 100 in the Amount field. Oracle Receivables will provide the default freight account.

Save this transaction. Record the transaction number: _____

Updating Invoices

- Update the original invoice before posting to the general ledger and before entering activity.
- Update invoice information through the Transactions window.
- Use the Transaction workbench form to update the Due Date, PO Number, Salesperson, and Remit-To Address.
- Update original invoice amount by
 - Updating the quantity and unit price for each line.
 - Updating the original freight amount.

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Demonstration

This demonstration will show how to update an invoice.

(N) Transactions > Transactions

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Practice 2 Overview

Practice 2 Overview

In this practice, you update an invoice.

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Practice 2 Instructions

Practice 2 Instructions

- The software licensing fee agreed to by Business World will be changed in the sixth month of the agreement. The licensing fee for the remaining six months of the agreement will be increased to \$72,000.
- Hints: Only the existing invoice for the sixth month of the license period should be changed at this time.
- You must change the “Complete” status of the invoice. All changes are immediately updated to the customer’s account.

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Solution

(N) Transactions—>Transactions

In the Number field of the Transactions window, enter a query for the sixth monthly invoice created for the software license.

Click the Incomplete button

Click the Line Items button.

Enter 12000 in the Amount field.

Save your change.

Agenda

Agenda

- Correction method types
- Correcting for underinvoicing
- **Correcting for overinvoicing**
- Voiding transactions

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Correcting for Overinvoicing

Correcting for Overinvoicing

Option	Description
Update invoice	Update the line, tax, and freight amounts on the original invoice before it is posted.
Adjust invoice manually	Adjust line, tax, and freight amounts on the original invoice.
Enter credit memo	Credit a specific invoice.
Enter on-account credit	Credit the customer's account. This credit does not initially apply to a specific invoice.
iReceivables disputes an invoice	Enter a requested credit amount or percentage for lines, tax or freight or total. Credit memo request is routed through the approval process

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Examples of Overinvoicing

Examples of Overinvoicing

Business Need	Feature
An invoice is overcharged for freight.	Update the invoice in the Transactions window as long as the invoice has not been posted to the general ledger and there is no activity against it.
An invoice line is incorrectly entered for \$150 instead of \$15.	Create an adjustment that decreases the invoice line by \$135.
An invoice has been overcharged, so credit must be issued for this invoice.	Create a credit memo to reduce the invoice by the overcharged amount. (Credit memos refer to specific transactions.)
An invoice has been overcharged, so credit must be issued for this customer.	Create an on-account credit for the overcharged amount. (On-account credits refer to customer accounts.)

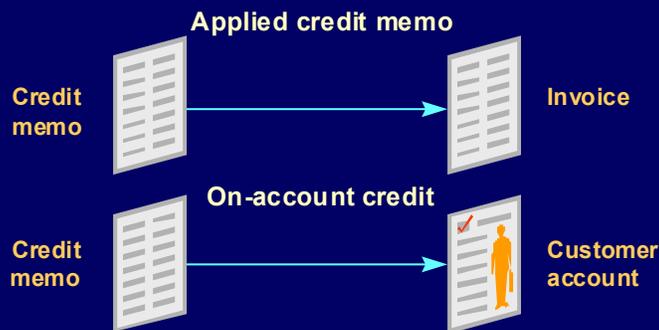
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Applying Different Types of Credits

Applying Different Types of Credits

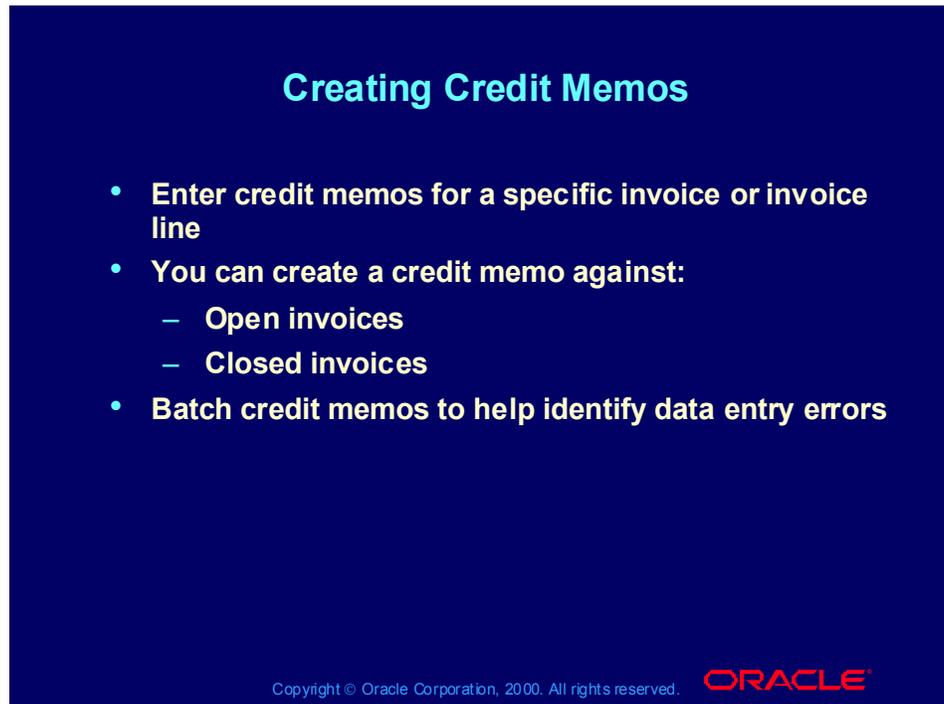
Respond to overinvoicing with credit memos and on-account credits. Credit memos affect specific invoices; on-account credits affect customer balances.



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Creating Credit Memos



Creating Credit Memos

- Enter credit memos for a specific invoice or invoice line
- You can create a credit memo against:
 - Open invoices
 - Closed invoices
- Batch credit memos to help identify data entry errors

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Help Path: Transactions > Credit Memos > Crediting Transactions

Creating Credit Memos against Open Invoices

Credit the amount or percentage in the Transaction Amounts region.

Credit specific invoice lines

Credit tax and freight for the entire invoice or for specific invoice lines.

Credit the remaining balance.

Creating Credit Memos against Closed Invoices

Credit invoices with no remaining balances to refer credits back to the original invoices. Use the Receipts window to apply these credits to other items.

The transaction type of the invoice to be created must allow over application.

Batching Credit Memos

You can batch credit memos to help identify data entry errors.

Credit Memo Options

- **Invoice Lines: Credit specific invoice lines**
- **Tax only: Enter 100% in Tax % field, or remaining tax amount in Amount field**
- **Freight only: Enter amount in Freight field, or credit specific lines in Freight window**
- **Invoice, Tax and Freight lines: Enter amount or % in Transaction Amounts region of Credit Memo window**

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Demonstration

Demonstration

This demonstration will show how to enter a credit memo.

(N) Transactions > Credit Transactions

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Practice 3 Overview

Practice 3 Overview

In this practice, you enter a credit memo.

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Practice 3 Instructions

Practice 3 Instructions

Due to difficulties in fulfilling a contract for Network Technician services, your manager has asked you to issue a credit memo for the third month of the contract.

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Solution

Navigate to the Credit Memo window:

(N)Transactions—>Credit Transactions

In the Number field in the Credited Transactions block, enter the number of the invoice to receive the credit.

In the Credit Memo block of the Translation Amounts alternative region, enter 100 in the Line and Tax% fields.

Click on the Complete button then, click the Credit Lines button to review the effect on the invoice.

Close this window to return to the Credit Memo window. Click the Credit Balance button. Record the credit memo transaction number.

Save your work.

Reversing Sales Credits

- When crediting any part of the invoice, Oracle Receivables automatically reverses sales credits assigned to the appropriate salespeople.
- Partial credits against sales credits default proportionately, but can be updated as long as the sum of sales credits for the line equals the original line credit amount.
- The AR: Allow Update of Existing Sales Credits profile option determines whether a user can update existing sales credits or if additional sales credit records need to be created to maintain an audit trail.

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Creating On-Account Credits

Creating On-Account Credits

To apply a credit to the customer's account rather than to an individual invoice:

- Enter on-account credits in the Transactions window.
- Select transaction class Credit Memo.

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Help Path: Transactions > Credit Memos > Creating On-Account Credits

On-Account Credit Options

- **Invoice Lines:** Use free-form, standard memo, or inventory lines in Transaction window
- **Tax only:** Select standard tax memo line, or enter dummy credit memo line in Credit Memo Lines region
- **Freight only:** Select standard memo line
- **Invoice, tax and freight lines:** enter line-level credits

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Applying Credits

Applying Credits

Consider the following issues when applying credit memos and on-account credits:

Business Need	Solution
A credit balance exists on a specific invoice and must be applied to another invoice.	Apply the remaining credit to another invoice in the Applications window, accessed from the Receipts window.
An on-account credit entered last month must be applied to a specific invoice.	Apply the on-account credit to a specific invoice in the Applications window, accessed from the Transactions Summary window.
An on-account credit is applied to the wrong invoice and must be reapplied to the correct invoice.	Remove the on-account credit, and then apply it to the correct invoice in the Applications window, accessed from the Transactions Summary window.

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Help Path: Transactions > Credit Memos > Applying On-Account Credits

Demonstration

This demonstration will show how to enter an on account credit and apply the credit to an invoice.

(N) Transactions > Transactions Summary

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Practice 4 Overview

Practice 4 Overview

In this practice, you create an on-account credit.

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Practice 4 Instructions

Practice 4 Instructions

As part of a marketing rebate campaign, your company is providing a \$500 credit to all customers who have purchased a software license. Because this credit is not related to any specific invoice, your manager has asked you to issue an on-account credit memo to Business World.

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Solution

Navigate to the Transactions window:

(N)Transactions—>Transactions

In the header section, select the Manual source, Credit Memo class, and On- Account Credit type. Each of these should be available from the list of values for the fields. The transaction number of the initial invoice for the software license can be entered into the Reference field, but this is not required to complete the transaction.

Query for the bill-to and ship-to addresses of the customer that purchased the software license.

Click the Line Items button.

Enter a free-form description of the promotional expense, a quantity of 1, and the amount of the on-account credit.

Click the Accounting button.

Review the GL Account field.

Practice 5 Overview

Practice 5 Overview

In this practice, you apply an on-account credit.

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Practice 5 Instructions

Practice 5 Instructions

You have created an on-account credit for Business World. Business World has requested that you apply the credit to one of its existing invoices in order to reduce its outstanding balance.

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Solution

Navigate to the Transactions Summary window.

(N) Transactions-->Transactions Summary

Query the on-account credit that you created in Practice 4.

Choose Applications.

Select the transaction to which you want to apply the on-account credit.

Save your work.

Processing Refunds

- You must create a refund when the customer has already paid an invoice and requests money back instead of a credit.
- Oracle Receivables does not create checks and therefore does not complete the refund process.
- If Oracle Payables has been installed, you can use the features of the two systems to process refunds.

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Creating Refunds

- Create a credit memo
- Create a debit memo
- Set up customer as a supplier
- Use the debit memo to enter an invoice in Oracle Payables
- Create a payment and send to customer

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Agenda

Agenda

- Correction method types
- Correcting for underinvoicing
- Correcting for overinvoicing
- **Voiding transactions**

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Voiding Transactions

Voiding Transactions

Void invoices, credit memos, and on-account credits in response to invalid transactions. Respond to invalid transactions according to business needs.

Business Need	Solution
Track invoices that are incorrectly entered to determine whether this is a data entry problem or if customers are providing incorrect information.	Update the invoice status to Incomplete, or clear the Open Receivable and Post To GL check boxes in the Transaction Types window.
Delete transactions that are incorrectly entered.	Delete incomplete transactions from the Transactions Summary window if the Allow Invoice Deletion check box in the System Options window is selected.

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Help Path: Transactions > Voiding Transactions

Voiding Invalid Transactions

- If there is no activity against a transaction, and if it has not been posted to the GL, you can void the transaction.
- Changing Complete Status
 - Clear the Complete check box of the transaction.
- Updating Transaction Type
 - Set up a transaction type with the Open Receivables and Post to GL check boxes cleared.
 - Assign this transaction type to the transaction you want to void and complete the transaction.

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Voiding Invalid Transactions

- **Deleting Incomplete Transactions**
 - **If the system option Allow Invoice Deletion check box is selected, you can delete incomplete transactions from Oracle Receivables.**
 - **Select Delete Record from the Edit menu to delete invoices from the Transactions Summary. Save the record once you have deleted the transaction**

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Running Reports

- Run the **Incomplete Invoices** report from the **Print Listing Reports** window to review a list of incomplete invoices.
- Run the **Invoice Exception** report from the **Print Accounting Reports** window to review transactions where the **Open Receivables** check box is cleared.

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Review Question

Review Question

Which of the following correction methods can only be performed if the transaction has not been transferred to the general ledger?

- A. Adjustment
- B. Credit memo
- C. Debit memo
- D. Update

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Answer to Review Question

Answer to Review Question

Which of the following correction methods can only be performed if the transaction has not been transferred to the general ledger?

- A. Adjustment
- B. Credit memo
- C. Debit memo
- D. Update

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Summary

In this module, you should have learned how to:

- **Discuss the different types of correction methods**
- **Demonstrate how to correct for underinvoicing**
- **Demonstrate how to correct for overinvoicing**
- **Discuss options for voiding transactions**

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Processing Customer Adjustments

Chapter 6

Processing Customer Adjustments

Oracle Receivables 11i

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Help

You can use the Help to assist you in Oracle Receivables. Use Help for:

- **An explanation of the Toolbar icons**
- **An explanation of each region of the Navigator**
- **Detailed information about each Oracle Receivables window**
- **Searches for information by entering your query in the Search field and clicking the Find button**

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Using Help

For Help paths in this module, start with:

Applications Help Library

Oracle Financial Applications

Oracle Receivables

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Objectives

After this module, you should be able to:

- Discuss why adjustments are created
- Enter prerequisites for creating adjustments
- Create manual and automatic adjustments
- Approve adjustments
- Discuss the accounting options for adjustments

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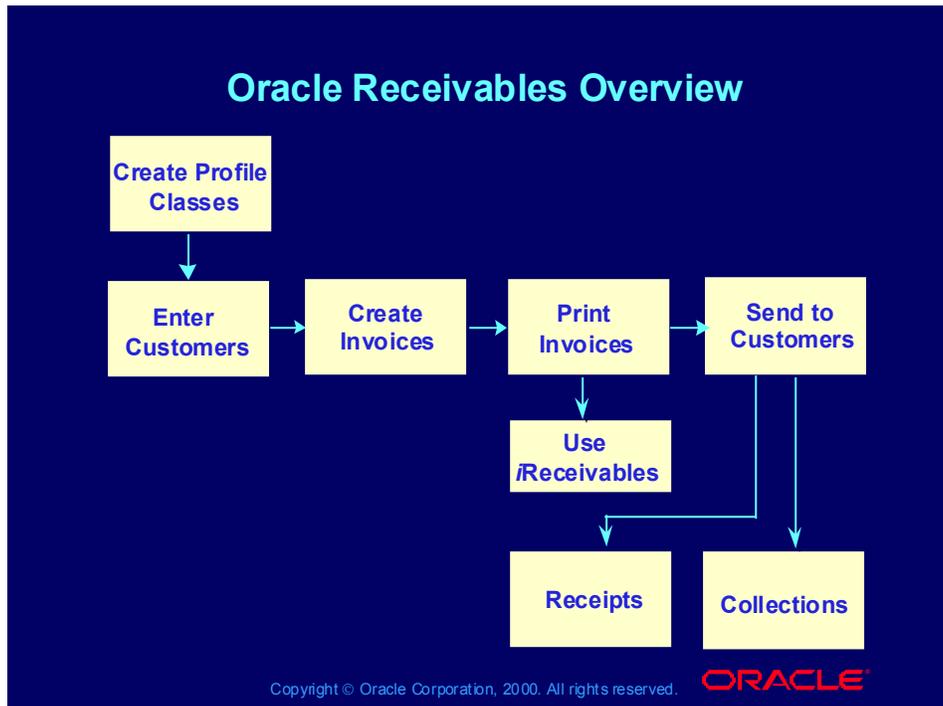
Agenda

- Overview of adjustments
- Prerequisites for creating adjustments
- Creating manual and automatic adjustments
- Approving adjustments
- Accounting options for adjustments

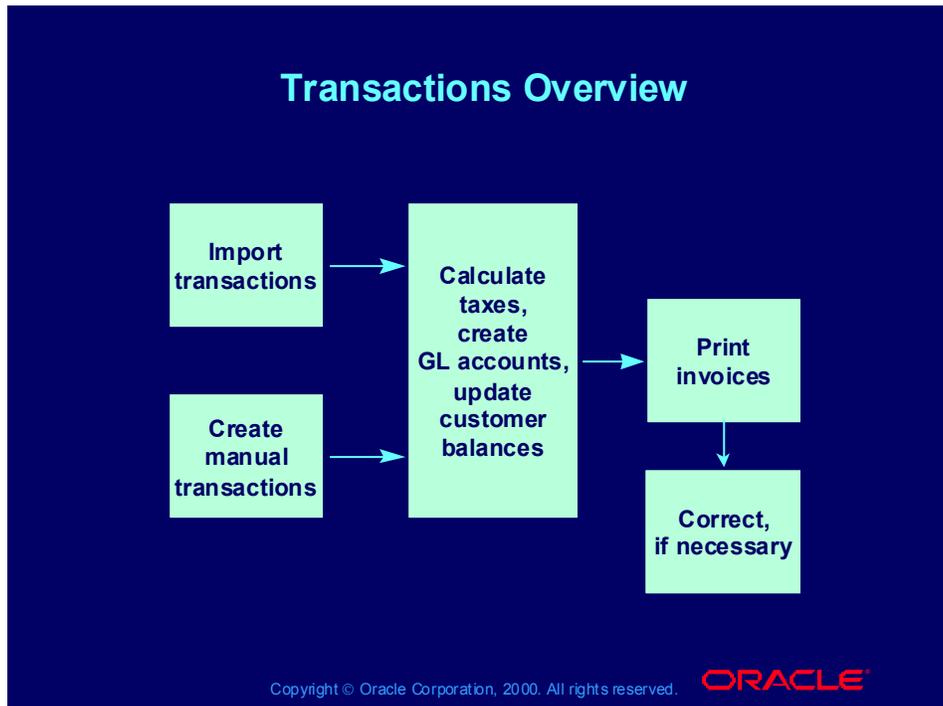
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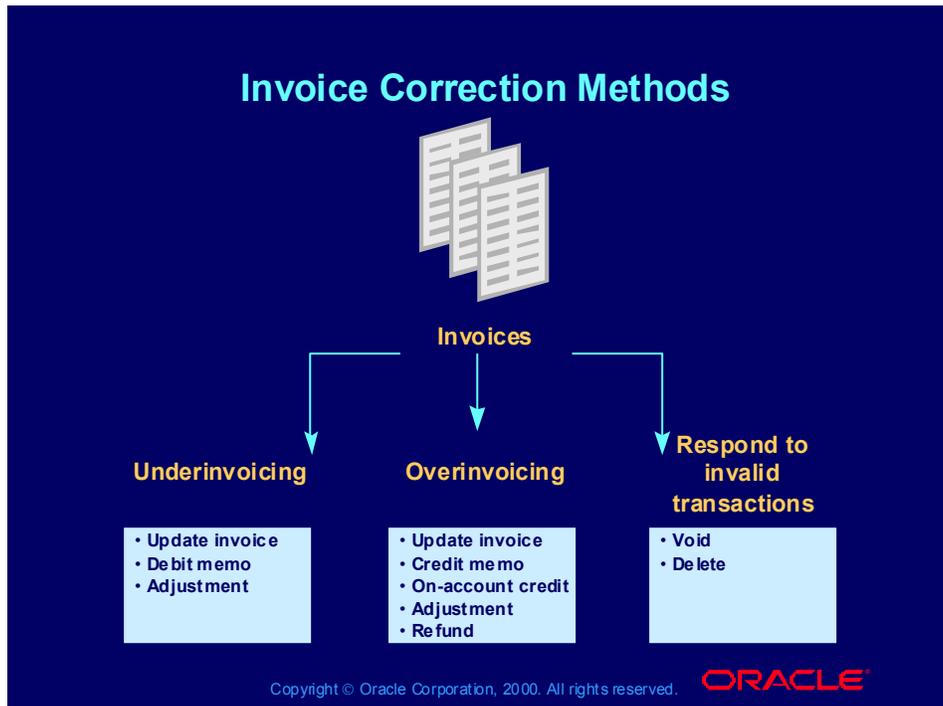
Oracle Receivables Overview



Transactions Overview



Invoice Correction Methods



Adjustment, Credit Memo, Debit Memo

Adjustment, Credit Memo, Debit Memo

Type	Reasons	Accounting	Communication
Adjustment	To correct for overinvoicing or underinvoicing	Dr/Cr Write off Cr/Dr Receivables	Normally nothing sent to customer
Credit Memo	To correct for overinvoicing	Dr Revenue Dr Tax Dr Freight Cr Receivables	Credit Memo sent to customer
Debit Memo	To charge for items not included on the original invoice	Dr Receivables Cr Revenue Cr Tax Cr Freight	Debit Memo sent to customer

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Agenda

- Overview of adjustments
- Prerequisites for creating adjustments
- Creating manual and automatic adjustments
- Approving adjustments
- Accounting options for adjustments

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Adjusting Invoices

Adjusting Invoices

Business Need	Solution
Some invoices exist that have incorrect amounts.	Manual adjustment for each invoice.
Close all invoices that have a remaining balance of \$50 or less.	Automatic adjustment for \$50.
A customer was overcharged for freight by \$100.	Manual freight adjustment for \$100.
Write off a line item and its tax.	Create one adjustment line using a receivables activity that includes the tax.

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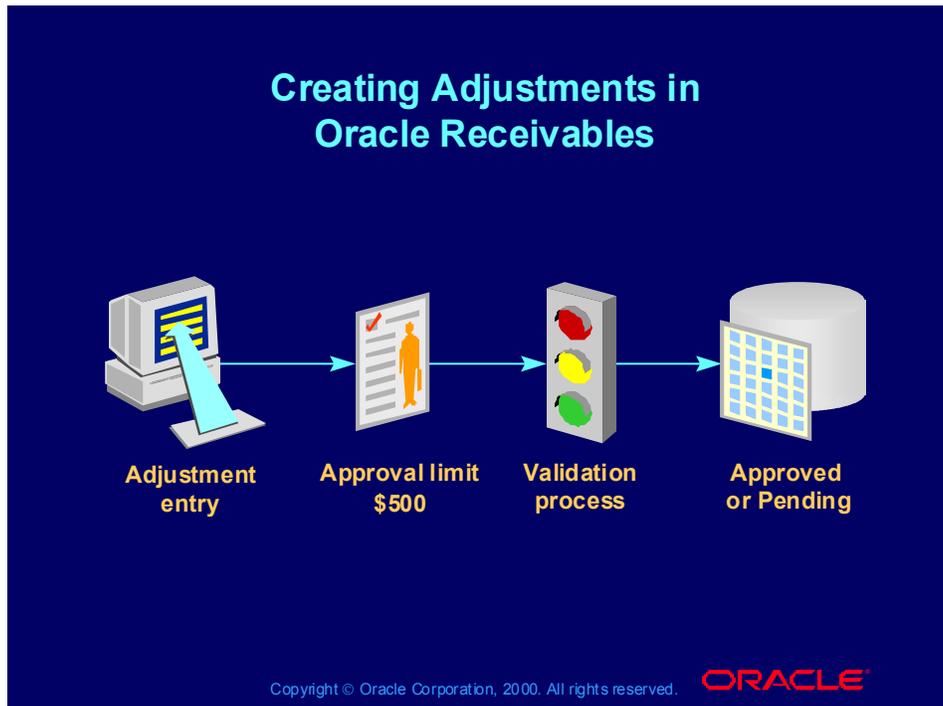
Adjustments Overview

- **Create adjustments from the Transactions Summary or Account Details window**
- **Set up approval limits by user to create adjustments**
- **The accounting of the adjustment is determined by the receivables activity you select**
- **Tax can be included in a line or entered as a separate line**
- **Adjustments can be created manually or automatically**

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Creating Adjustments in Oracle Receivables



Approval Limits

- When you create an adjustment, Oracle Receivables automatically verifies that it is within your adjustment approval limits before approving it.
- If you enter an adjustment that is within your assigned approval limit for the currency of that item, Oracle Receivables updates your customer's balance to reflect the adjustment.
- If you enter an adjustment that is outside your approval limits, Oracle Receivables creates a pending adjustment with a status of Pending Approval.

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Review Question

Review Question

The accounting of an adjustment is determined by the:

- A. System options
- B. User
- C. Approval limit
- D. Receivables activity

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Review Question

Review Question

The accounting of an adjustment is determined by the:

- A. System options
- B. User
- C. Approval limit
- D. Receivables activity

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Agenda

Agenda

- Overview of adjustments
- Prerequisites for creating adjustments
- Creating manual and automatic adjustments
- Approving adjustments
- Accounting options for adjustments

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Prerequisites for Creating Adjustments

Prerequisites for Creating Adjustments

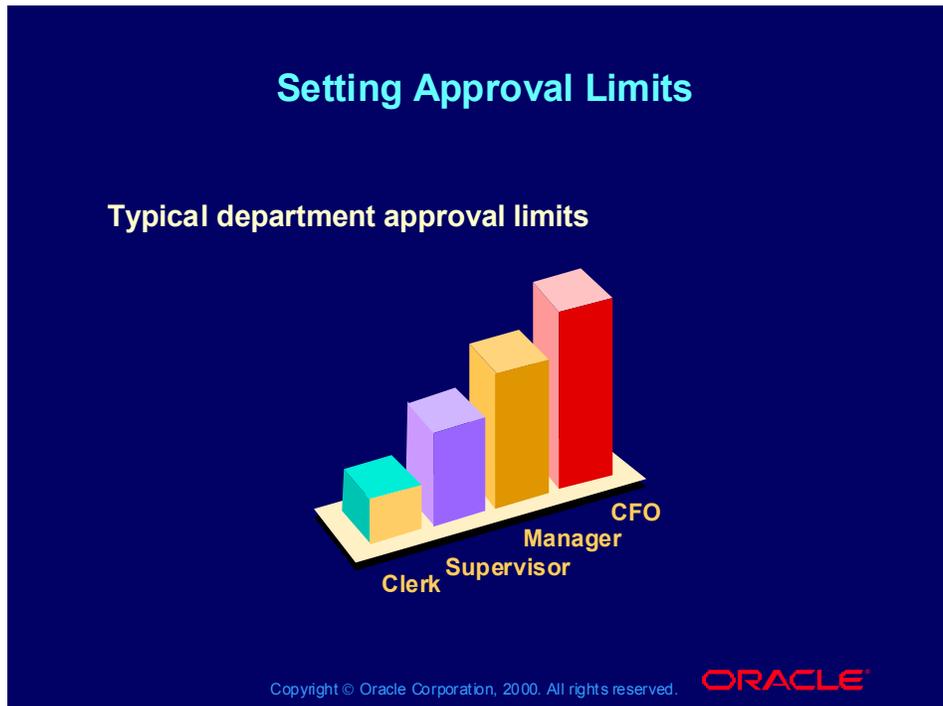
Before you can create adjustments, you must:

- **Set approval limits for users**
- **Create receivables activities for adjustments**
- **Review and add adjustment codes**

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Setting Approval Limits



Approval Limits

- Define approval limits for each currency to be enforced when each user creates adjustments to transactions.
- Enter a positive or negative minimum amount that the user can approve. The minimum amount must be less than or equal to the maximum amount.
- Enter a positive or negative maximum amount that the user can approve. The maximum amount must be greater than or equal to the minimum amount.
- If approval limits are not set up for a user, all adjustments created by that user have a status of Pending.

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Help: Setting Up—>Approval Limits

Demonstration

This demonstration will show the Approval Limits window.

(N) Setup > Transactions > Approval Limits

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Review Question

Review Question

If approval limits are not set up for a user, what happens when a user tries to create an adjustment?

- A. The adjustment has a status of Pending**
- B. The adjustment is not created**
- C. The adjustment is created and approved automatically**
- D. The invoice status changes to Incomplete**

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Review Question

Review Question

If approval limits are not set up for a user, what happens when a user tries to create an adjustment?

- A. The adjustment has a status of Pending**
- B. The adjustment is not created**
- C. The adjustment is created and approved automatically**
- D. The invoice status changes to Incomplete**

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Setting Up Receivables Activities for Adjustments

Setting Up Receivables Activities for Adjustments

1. If you want to calculate tax on the adjustment, define the GL accounts in the Tax Accounting window which is accessed from the Tax Code window. You can set up recoverable or non-recoverable accounts.
2. Select Adjustment as the type of activity.
3. Select GL Activity source.
4. Select Tax Code source.

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Help: Setting Up—>Receivables Activities

GL Activity Source Options

- **Activity GL Account**
 - Oracle Receivables uses the GL account that you specify in the Activity GL Account field in the Receivables Activity window
- **Revenue on Invoice**
 - Oracle Receivables uses the revenue account from the transaction you are adjusting
- **Tax Code on Invoice**
 - Oracle Receivables uses the adjustment expense or revenue account specified for the tax code of the transaction that you are adjusting

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Tax Code Source Options

- **None**
 - Tax will not be calculated for this activity
- **Activity**
 - Oracle Receivables uses the tax code from the activity to determine which tax account Oracle Receivables uses in the Tax Accounting window. Tax is included in the amount of the adjustment (unless the type is Tax).
- **Invoice**
 - Oracle Receivables uses the same logic as Activity from above except the tax code from the invoice is used. You must also select Recoverable or Non-Recoverable.

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Review Question

Review Question

Oracle Receivables can derive the GL account for an adjustment from the:

- A. AutoAccounting**
- B. Customer's bill-to site**
- C. Revenue account of the line**
- D. System Options window**

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Review Question

Review Question

Oracle Receivables can derive the GL account for an adjustment from the:

- A. AutoAccounting**
- B. Customer's bill-to site**
- C. Revenue account of the line**
- D. System Options window**

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Demonstration

This demonstration will show:

- **The Tax Accounting window**
- **A receivables activity**

(N) Setup > Tax > Tax Codes

(N) Setup > Receipts > Receivable Activity

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Agenda

Agenda

- Overview of adjustments
- Prerequisites for creating adjustments
- **Creating manual and automatic adjustments**
- Approving adjustments
- Accounting options for adjustments

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Adjustment Types

Adjustment Types

Adjustment Type	Usage
Invoice	To adjust the entire invoice. Can be a negative amount only.
Line	To adjust lines. Can be positive or negative. Can include tax.
Tax	To increase or decrease tax amount.
Charges	Can be used to create finance charges or decrease a finance charge.
Freight	To increase or decrease freight amount.

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Creating Manual Adjustments

Creating Manual Adjustments

- A transaction must have a status of Complete before you can adjust it.
- Use the Adjustments window to create your adjustments.
- You must assign a receivables activity to the adjustment in the Activity field.
- Select a type of Adjustment.
- Select a Reason for creating this adjustment in the Comments tab. You can also enter comments in the Comments field. Oracle Receivables prints your reasons on the Adjustment Register.

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Help: Transactions—>Adjustments —>Entering Manual Adjustments

Creating Adjustments

- **Some transaction types, such as deposits and guarantees, may have the option Allow Overapplication in the Transaction Types window set to NO.**
- **This setting prevents a user from entering an adjustment that reverses the sign of a transaction.**
- **If the Natural Application Only check box in the Transaction Types window is selected for a transaction type, the Allow Overapplication option is set to NO.**

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Demonstration

This demonstration will show how to adjust an invoice.

**(N) Transactions > Transactions Summary (B)
Adjustments**

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Practice Overview

In this practice, you manually adjust transactions.

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Practice Instructions

- Your trucking company has notified you that it made an error on the freight charge you debited to your customer earlier. To correct this error, your trucking company has issued a credit memo to your company for \$100. You will pass on this credit to your customer in the form of an adjustment to the debit memo created earlier. Your manager has instructed you to handle this kind of activity as a write-off.
- Your manager has also asked you to adjust the final invoice of the software licensing fee.

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Solutions

1. Navigate to the Transactions Summary window:
(N) Transactions—>Transactions Summary—>Find—>(B) Adjust
2. Initiate a query using the debit memo number. Select Adjust.
3. Select Write-off in the Activity Name field of the Adjustments window. Enter the amount of the adjustment as a negative number.

Note: With either this adjustment or the second adjustment you should receive a warning that you will not be able to approve a transaction because it exceeds your approval limit. The total transaction amount will be shown in the Pending Adjustments field.

Adjusting Transactions Automatically

Adjusting Transactions Automatically

- Automatic adjustments eliminate remaining balances for invoices, taxes, freight, invoice line items, or finance charges.
- You can restrict the remaining currency or percentage amounts that can be reduced to zero, based on the user's adjustment approval limits.
- Approval limits for automatic adjustments work in the same way as manual adjustments.

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Help: Transactions—>Adjustments —>Creating Automatic Adjustments

Creating Automatic Adjustments

Creating Automatic Adjustments

- The **Activity** field in the **Parameters** region determines which **GL account** is debited to eliminate remaining balances.
- The **Type** field determines what type of transactions are affected.
- Because of the impact of this feature, you should limit its availability to users when setting up **Oracle Receivables**.
- If **Remaining Amount** or **% Remaining** field is left blank, the amount is unlimited.

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Help: Transactions—>Adjustments —>AutoAdjustment Report

Review Question

Review Question

Adjustments can be created to decrease a transaction but not to increase a transaction.

- A. True**
- B. False**

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Review Question

Review Question

Adjustments can be created to decrease a transaction but not to increase a transaction.

- A. True
- B. False

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Demonstration

This demonstration will show how to create automatic adjustments.

(N) Control > Adjustments > Create AutoAdjustments

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Adjustments Register Report

Adjustments Register Report

- Review approved adjustments by document number
- Manual adjustments, automatic adjustments, invoices applied to commitments, and credit memos applied to commitment-related invoices
- Transactions are grouped by currency, postable status, document sequence name, and balancing segment

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Help: Transactions—>Reports —>Adjustment Register

Agenda

Agenda

- Overview of adjustments
- Prerequisites for creating adjustments
- Creating manual and automatic adjustments
- **Approving adjustments**
- Accounting options for adjustments

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Approving Adjustments

Approving Adjustments

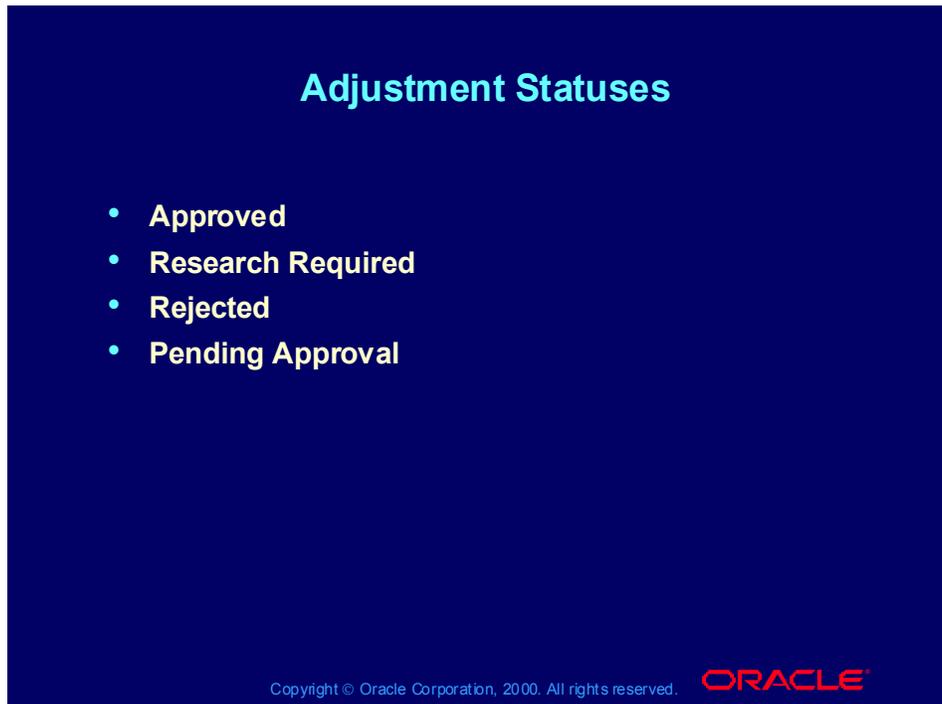
- If you enter an adjustment that is outside your approval limits, Oracle Receivables creates a pending adjustment with a status of Pending Approval.
- To approve adjustments with a status of Pending Approval, change the status of the adjustment to Approved in the Approve Adjustments window.
- You must have approval limits that are greater than the amount of the adjustment to change the status to Approved in this window.

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Help: Transactions—>Adjustments —>Approving Adjustments

Adjustment Statuses



Adjustment Statuses

- **Approved**
- **Research Required**
- **Rejected**
- **Pending Approval**

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Help: Transactions—>Adjustments

Demonstration

This demonstration will show how to approve an adjustment.

(N) Control > Adjustments > Approve Adjustments

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Review Question

Review Question

If you enter an adjustment that is outside your approval limits, who can approve the adjustment?

- A. Anyone who has access to the Approve Adjustments window
- B. Anyone who has access to the Approve Adjustments window with the proper approval limits
- C. Your manager only
- D. The system administrator only

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Review Question

Review Question

If you enter an adjustment that is outside your approval limits, who can approve the adjustment?

- A. Anyone who has access to the Approve Adjustments window
- B. Anyone who has access to the Approve Adjustments window with the proper approval limits**
- C. Your manager only
- D. The system administrator only

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Agenda

Agenda

- Overview of adjustments
- Prerequisites for creating adjustments
- Creating manual and automatic adjustments
- Approving adjustments
- Accounting options for adjustments

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Accounting Options for Adjustments

GL Activity Source Options:

- Activity GL Account
- Revenue on Invoice
- Tax Code on Invoice

Tax Code Source Options:

- None
- Activity
- Invoice

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Accounting Options for Adjustments

- Oracle Receivables uses the information defined for the receivables activity assigned to the adjustment to account for the expense or revenue and tax amounts generated by the adjustment, and to determine whether to use a recoverable or nonrecoverable tax account.
- Tax can be calculated for all adjustment types except freight.
- When you adjust a line, the tax can be adjusted automatically.

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Tax Accounting Example

Tax Accounting Example

Invoice #101

Line 1	Revenue account 4010	500
Tax for Line 1*	Tax account 2025	100
Receivable account 1210		600
*Tax code = VAT @ 20%		

Adjustment #90023

Tax code source = None		= Activity or Invoice	
Revenue	101	Revenue	100
Receivable	101	Tax	1
		Receivable	101

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Review Question

Review Question

If you select a tax code source of _____, Oracle Receivables does not calculate tax for the activity.

- A. Invoice
- B. Revenue
- C. None
- D. Activity

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Review Question

Review Question

If you select a tax code source of _____, Oracle Receivables does not calculate tax for the activity.

- A. Invoice
- B. Revenue
- C. None
- D. Activity

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Summary

In this module, you should have learned how to:

- **Describe how adjustments fits into the process of Oracle Receivables**
- **Describe how adjustments are used in Oracle Receivables**
- **Enter setup information for creating adjustments**
- **Create manual and automatic adjustments**
- **Approve adjustments**
- **Discuss the accounting options for adjustments**

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Processing Commitments

Chapter 7

Processing Commitments

Oracle Receivables 11i

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Help

You can use Help to assist you in Oracle Receivables. Use Help for:

- **An explanation of the Toolbar icons**
- **An explanation of each region of the Navigator**
- **Detailed information about each Oracle Receivables window**
- **Searches for information by entering your query in the Search field and clicking the Find button**

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Using Help

For Help paths in this module, start with:

- **Applications Help Library**
 - **Oracle Financial Applications**
 - **Oracle Receivables**

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Objectives

After completing this lesson, you should be able to do the following:

- **Describe how business needs determine the appropriate type of commitment**
- **Create Deposit commitments**
- **Create Guarantee commitments**
- **Apply an invoice against a commitment**

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Agenda

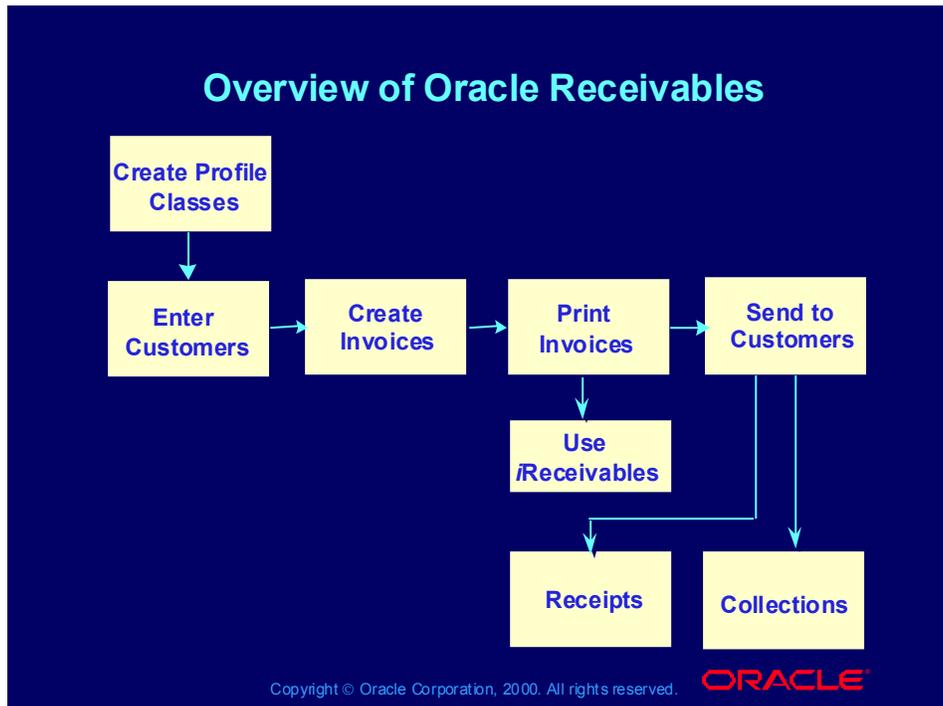
Agenda

- Overview of commitments
- Creating deposits and applying invoices
- Creating guarantees and applying invoices

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Overview of Oracle Receivables



Agenda

Agenda

- Overview of commitments
- Creating deposits and applying invoices
- Creating guarantees and applying invoices

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Overview of Commitments

Overview of Commitments

Business Need	Solution
A customer commits to prepay for goods or services to be purchased in the future.	Create a deposit.
A customer commits to purchase goods or services in the future and will be billed upon receipt.	Create a guarantee
A customer wants to create commitments for specific items.	Select a predefined inventory item.
A commitment can be made active only for a specific period of time.	Assign start and end date ranges.

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Comparing Commitment Types

Comparing Commitment Types

Type	Description	Comment
Deposit	To record a contractual agreement to prepay a certain amount	A deposit is often applied to the purchase of a specific item or service to be provided. If the invoice is more than the deposit, the customer is billed for the deposit and the invoice.
Guarantee	To record a contractual agreement to spend a certain amount of money	A guarantee is a promise to conduct a certain amount of business, usually over a period of time. The customer is notified of the guarantee and billed on the invoice.

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Remaining Balances

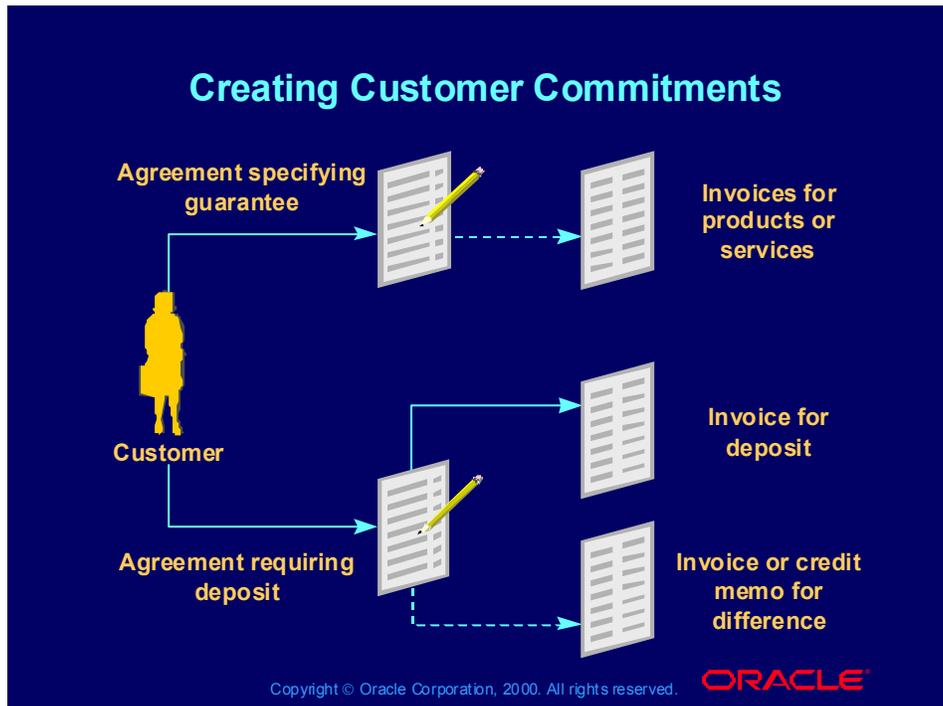
Remaining Balances

Type	Description
Deposit	Deposit balances refer to the amount due remaining on the deposit. Receipts and credits reduce the deposit balance.
Commitment	Commitment balances refer to the contractual amount that has not yet been invoiced. Invoices against commitments reduce the commitment balance.
Invoice	Invoice balances refer to the amount due remaining on the invoice. Deposits, receipts, and credits reduce the invoice balance.

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Creating Customer Commitments



Agenda

Agenda

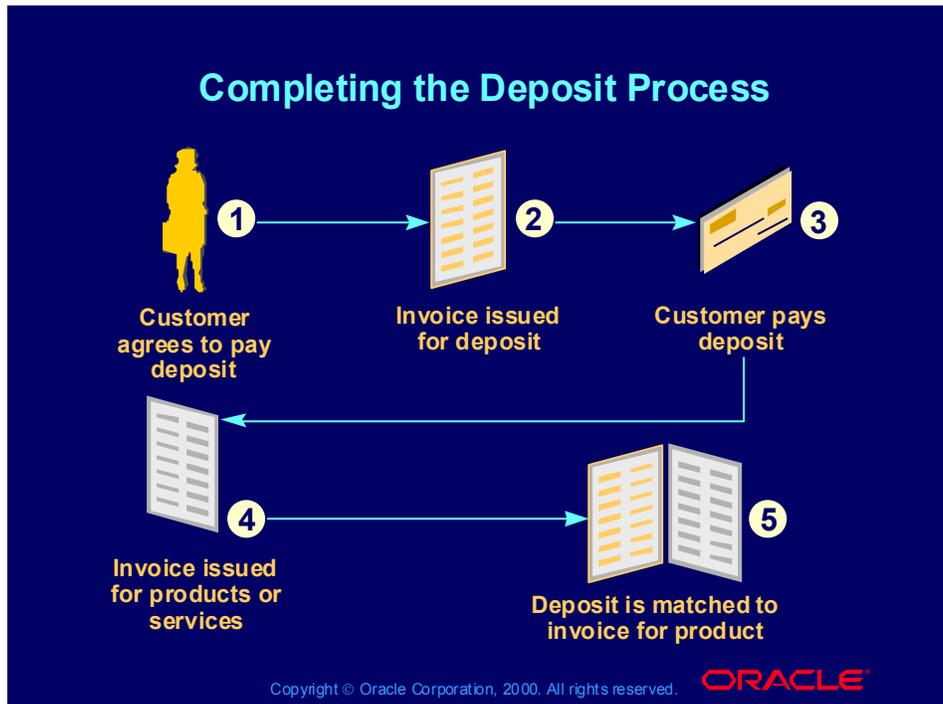
- Overview of commitments
- **Creating deposits and applying invoices**
- Creating guarantees and applying invoices

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Help Path: Transactions-Entering Commitments

Completing the Deposit Process



Help Path: Transactions-Accounting for Commitments

Example of Accounting Entries for Deposits

Example of Accounting Entries for Deposits

Customer agrees to pay deposit of 100

When the deposit is initially entered, the following accounting entry is created:

Dr. Receivables (Deposit)	100
Cr. Unearned revenue	100



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Accounting for Deposits

Accounting for Deposits

**Invoice of 40
applied to
deposit of 100**

These accounting entries are created:

Dr. Receivables (Invoice)	40
Cr. Revenue	40
Dr. Unearned Revenue	40
Cr. Receivables (Invoice)	40

Net effect is:

Dr. Receivables (Deposit)	100
Cr. Unearned Revenue	60
Cr. Revenue	40

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Accounting for Deposits

Accounting for Deposits

**Payment of 100
received for
deposit**

This accounting entry is created:

Dr. Cash	100
Dr. Receivables (Deposit)	100

Net effect is:

Dr. Cash	100
Cr. Unearned Revenue	60
Cr. Revenue	40

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Agenda

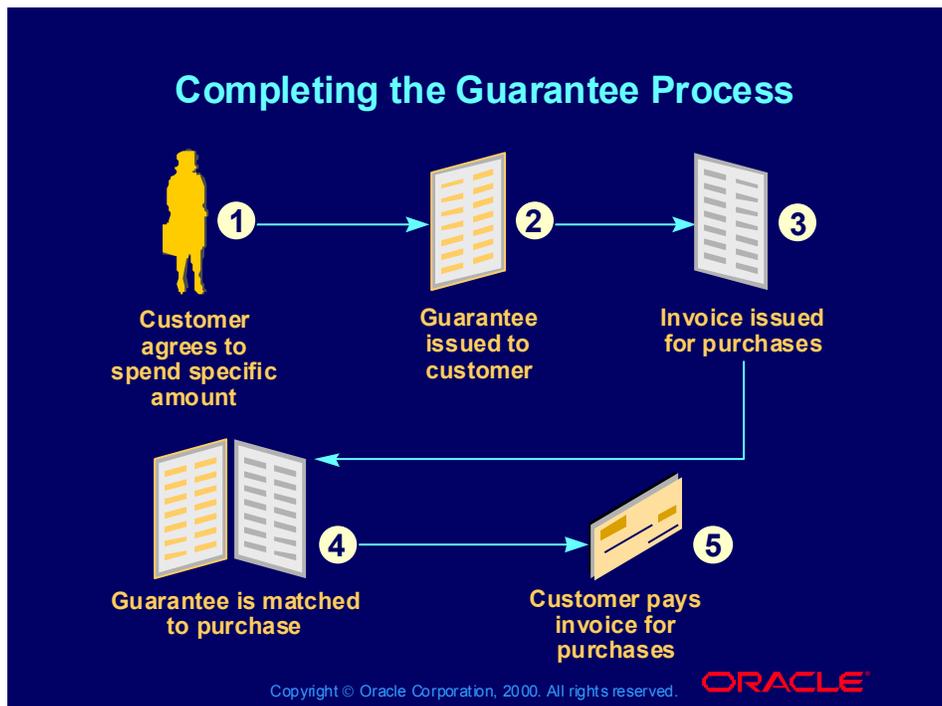
Agenda

- Overview of commitments
- Creating deposits and applying invoices
- **Creating guarantees and applying invoices**

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Completing the Guarantee Process



Help Path: Transactions-Accounting for Commitments

Example of Accounting Entries for Guarantees

Example of Accounting Entries for Guarantees

**Customer
commits to
guarantee**

When the guarantee is initially entered,
the following accounting entry
is created:

Dr. Unbilled Receivables	100
Cr. Unearned Revenue	100



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Accounting for Guarantees

Accounting for Guarantees

**Invoice of 40
applied to
guarantee**

These accounting entries are created:

Dr. Receivables (Invoice)	40
Cr. Revenue	40
Dr. Unearned Revenue	40
Cr. Unbilled Receivables	40

Net effect is:

Dr. Unbilled Receivables	60
Cr. Unearned Revenue	60
Dr. Receivables (Invoice)	40
Cr. Revenue	40

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Accounting for Guarantees

Accounting for Guarantees

**Payment of 40
received for
invoice**

These accounting entries are created:

Dr. Cash	40
Cr. Receivables (Invoice)	40

Net effect is:

Dr. Cash	40
Cr. Revenue	40
Dr. Unbilled Receivables	60
Cr. Unearned Revenue	60

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Review Question

Review Question

Which type of commitment records a prepayment?

1. Guarantee
2. Deposit

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Answer to Review Question

Which type of commitment records a prepayment?

1. Guarantee
2. Deposit

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Demonstration

In Oracle Receivables we will demonstrate how to:

- Enter a deposit
- Enter a guarantee
- Apply an invoice against a commitment

(N) Transactions > Transactions

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Summary

In this lesson, you should have learned how to:

- **Describe how business needs determine the appropriate type of commitment**
- **Create Deposit commitments**
- **Create Guarantee commitments**
- **Apply an invoice against a commitment**

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